



TOWN OF PORTSMOUTH
ECONOMIC DEVELOPMENT COMMITTEE

2200 EAST MAIN RD • PORTSMOUTH, RHODE ISLAND 02871

May 21, 2009

From: Chairman, Economic Development Committee

To: Town Council

Subject: Re-zoning request for Map 26 Lot 13

Summary. A request has been made by the developer and recommended for approval by the Zoning and Planning Boards to re-zone Map 26, Lot 13 from Heavy Industrial to Residential-40 (R-40) for a planned community development. The Economic Development Committee (PEDC) recommends approval subject to the comments below.

Revenue-Positive Land Use. The PEDC desires that the best use be made of the remaining non-developed or re-developable land in Portsmouth. In general, the use of that land for either commercial or recreational-residential development (i.e., with high-end, part-time residents) is considered to be the best for the town from a revenue standpoint.

The Value of Open Space. The PEDC also understands that the preservation of open space or the return to open space of previously developed land is an important consideration because it contributes to the quality of life of our residents. But, the preservation of open space, either by obtaining the development rights or buying the land outright, comes at a cost. Further, remediation of previous industrial land could be cost-prohibitive for the town.

PEDC Review and Evaluation. The PEDC has reviewed the subject request and has performed an evaluation of the potential use of the property. That evaluation is attached. In summary, the PEDC considers that the planned development of the property with re-zoning to R-40 is in the best interests of the town.

(1) The anticipated property improvements will bring in needed revenue by increasing the tax base. Re-zoning will limit the number of dwellings that can be built on the property and restrict that number to a maximum of one per lot that, in the developer's plan, are one acre or greater.

(2) The expected high-end residents would most likely be part-time occupants and not have children in the public school system.

(3) The plan will beautify a current eyesore and clean up potential contamination.

(4) The plan is expected to, in the short term, create construction jobs that are desperately needed by the local businesses and will potentially create additional permanent jobs in continuing maintenance and service work.

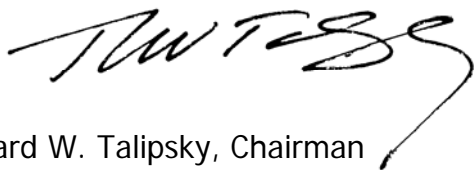
PEDC Recommendation. The PEDC recommends approval of the re-zoning subject to the following comments.

(1) To allow the town flexibility in case of the development not materializing as planned, a stipulation should be made that the zone change of Map 26 lot 13 from Heavy Industry to Residential-40 be with the condition that the rezone be granted upon the recording of a plan in substantial compliance with the plan submitted with conditions as approved by the Portsmouth Zoning Board in their decision dated 4/14/09 and all regulatory approvals obtained.

(2) The developer should provide a plan for improved public access to the waterfront as required by State regulations.

(3) The developer should provide a plan for at least two low-to-moderate income designated houses (a condition specified by the Zoning Board and recommended by the Planning Board) to improve the town's percentage of affordable housing.

For the Committee

A handwritten signature in black ink, appearing to read 'R. W. Talipsky', with a long, sweeping flourish extending from the end of the signature.

Richard W. Talipsky, Chairman

Copy to: Town Clerk, Town Planner, Town Administrator

Commercial Development Scorecard

Project: Former Albin Property				Map:26	Lot:13
Item	Attribute	Measure	Score	Remarks	
A1	Overall Tax base	Increase in tax base \$M (5yr/10yr)	\$400,000/ \$800,000	(See Note A1)	
A2	Overall Jobs - Temporary Number	Number of Temporary Jobs Created	150	See Note A2	
A3	Overall Jobs-Permanent Number	Number of Permanent Jobs Created (immediate/5yr/10yr/total)	1-2	See Note A3	
A4	Overall Jobs - Permanent - Salary	Avg permanent created job salary	See Note	See Note A4	
B1	Does it Support Marine Cluster (number of jobs)	Number of Marine Jobs Created	0	None	
B2	Does it Support Marine Cluster (job salary)	Avg Marine created job salary	NA	NA	
B3	Does it Preserve Prime Dev Property	arrow or R,Y,G stoplight	RED	See Note B3	
B4	Does it Best Use Prime Dev Property	Tax Burden of homes vs Tax value of business vs tax value open space	\$100,000 to \$400,000 per year	See Note B4	
B5	Promote High-Value tourism Res-Rec	# of Res-Rec dwellings	23	See Note B5	
B6	Promote High-Value tourism Res-Rec	Assessed Value	Est \$78M	See Note B6	
B7	Reuse of Navy Property	% of excess Navy property used	None		
B8	Support Military and High Tech R&D	Number of Jobs Created	0		
B9	Support Military and High Tech R&D	Avg created job salary	NA		
C1	Mixed Use that support QOL	arrow or R,Y,G stoplight	RED	See Note C1	
C2	Mixed Use that support QOL	%comm/non-comm	0/100%	See Note C2	
C3	Does it Improve QOL? Access to open space/waterfront?	Does it afford public access to open space and/or the waterfront.	YELLOW	See Note C3	

C4	Promote professional affordable workforce housing	# professional-affordable workforce dwellings created	YELLOW	See Note C4
C5	Promote Inter - town coop	arrow or R,Y,G stoplight	YELLOW	See Note C5

The data above is derived from a letter from Cort B.Chappell of May 18, 2009 to the PEDC. (Attached)

A1 - This is based on the developer's estimate of 7 waterfront and 16 waterview homes. Developer estimate ($\$5.9M \times 7 = \$41.3M + \$2.3M \times 16 = \$36.8M$) = \$78M. Estimated Tax Revenues = \$846K (based on 10.8 tax rate). Even if this developer's estimate is high, it is apparent that the assessed value of the property upon rezoning to R-40 and they when improved, will be very significantly higher than the present value and tax revenue of about \$47,000.

If the property is not rezoned to R-40, It could be subsequently developed (via a special use permit) in a Planned Resort Development scenario that could allow 2 units per developable acre. Although an alternative development such as this could increase the valuation of the property, it could also bring the burden of school age children and the need for mores town services.

If the developer's plans do not materialize, the land could be left vacant or in partial stages of construction (like Freedom Bay). To allow the town flexibility in case of this eventuality a stipulation should be made that the zone change of Map 26 lot 13 from Heavy Industry to Residential-40 be with the condition that the rezone be granted upon the recording of a plan in substantial compliance with the plan submitted with conditions as approved by the Portsmouth Zoning Board in their decision dated 4/14/09.

A2 - The plan offers a significant number of temporary jobs in the local construction industry in building the dwellings. In addition to the primarily of construction, it can be expected that a significant number of additional number of other temporary jobs would be created that are related to other property improvements contracted by private owners that are in addition to the construction jobs of the developer.

A3 - Although this development offers, perhaps, 1-2 permanent job (security guards, etc), it may also contribute to second and third order permanent jobs as these high end residents employ support people (e.g., groundskeepers, maintenance personnel, housekeepers, etc.).

A4 - It is difficult to estimate the average salary of the permanent jobs created except to say that the salaries of the people employed by the high end residents will be higher than similar jobs in the area.

B1 and B2 - No marine-related jobs are created by this development. This development will eliminate a marine cluster industrial site (albeit, currently, virtually abandoned). Anecdotal information from local boat builders indicate that there is little interest in using this area as a marine industry area in the future. The excess Navy land in the Tank Farm Area offers exceptionally more promise and will be the marine industries top choice for investment. The PEDC is of the opinion that this site never return to an industrial site that supports the marine industry and the proximity of other high-end residential properties.

B3 - A private, gated community like this one, uses prime development property and eliminates the possibility for any other use (e.g., commercial use).

B4 - The PEDC concludes that the developer's plan is the best use of prime development property. Since there is no foreseeable commercial use for the property, the proposed development cleans up a contaminated eyesore and turns it into a beautiful landscape. It does eliminate the possibility of retaining land as open space. As privately-owned open space in its current condition, it offers a tax revenue of less than \$50,000. As improved as conceived by the developer it offers a tax revenue of over 10 times that amount. If the town acquired the open space, it would cost the town \$6 Million to \$9 Million to acquire the development rights and at least \$10M to purchase the property outright. If the town purchased the property, it would no longer receive any revenue and would incur the burden of property improvement (including remediation), maintenance and liability. If the site was developed as R-20 (50 homes), the tax revenue would be an estimated \$200,00 per year that would be more than offset by the burden of school-age children and other town services that the development would demand.

B5 - This development highly supports high value tourism in that many of the dwellings can be expected to be Recreational-Residential in nature, that come with part-time occupancy and minimum burden on the school system. Since it is a private community construction and maintenance of the property (streets, lighting, etc) would be borne by the private community association. The number of dwellings proposed (23) is much less than the potential 50 that could be seen in a Planned Resort Development.

B6 - The completed development is estimated to have an assessed value of about \$78 M. With an estimated revenue of \$800,000 and a conservative estimate of the expected demand for town services for a recreational-residential development of 50 cents of each tax dollar collected, this community development is expect to be revenue positive in year one at \$100,000 per year, year five at \$200,000 per year and, at completion, year ten at \$400,000 per year.

C1 and C2 - This development does not offer any mixed use.

C3 - Since this is a gated community, the majority of the property will not be open to non-residents. However, the developer should be compelled to preserve and improve water access.

C4 - Based on a recommendation by the Planning Board, the Zoning Board made a condition that the developer procure two low-to-moderate income designated houses off site as part of the plan.

C5 - Although this plan does not directly involve inter-community interaction, it does conform to the spirit of the West Side Master Plan.