

**TOWN OF OLD ORCHARD BEACH  
TOWN HALL CHAMBERS  
SPECIAL TOWN COUNCIL MEETING  
August 11, 2020**

**A Town Council Meeting of the Old Orchard Beach Town Council was held on Tuesday, August 11, 2020. Chair Thornton opened the meeting at 6:30 p.m.**

**The following were in attendance:**

**Chair Chair Shawn O'Neill  
Vice Chair Michael Tousignant  
Councilor Jay Kelley  
Councilor Kenneth Blow  
Town Manager Larry Mead  
Assistant Town Manager V. Louise Reid**

**Absent:**

**The Special Town Council Meeting this evening is on a discussion of Milliken Heights Affordable Housing Project regarding the proposed TIF and proposed Contract Zone.**

**The Szanton Co. is proposing to build a 55-unit mixed-income apartment building for older residents on land the developer recently bought in Old Orchard Beach.**

**The Portland-based company plans the development for nearly five acres behind the Old Orchard Beach Funeral Home, at 36 Portland Ave. Szanton purchased the land from Roger and Mary Tousignant, owners of the funeral home, according to a news release from the developer.**

**All apartments would be set aside for those aged 55 or older, and roughly 75% of the units would be reserved for households earning below 60% of area median income, while the remaining 25% would be rented at market rate.**

**The building will be called Milliken Heights, in a tip of the hat to the man who first settled the land 310 years ago and whose family was a long-time part of the town's economic development.**

**If the proposal is approved, an existing parking lot on the site would be expanded and used for resident parking. The funeral home building itself was excluded from the sale and is still in operation.**

**Construction could begin as early as next spring. Szanton has developed 11 mixed-income apartment buildings throughout southern Maine and seacoast New Hampshire since 2004. The company has built nearby in Biddeford and Portland, but never in Old Orchard Beach, according to the release.**

Current projects underway include 53-unit 48 Hampshire, in Auburn, slated to open next month, and the 51-unit Furman Block, under construction at 178 Kennebec St. in Portland's West Bayside neighborhood.



The proposed Milliken Heights mixed-income apartments would be in the heart of the town of Old Orchard Beach. It is considered an excellent location.

The Old Orchard Beach apartment building is planned for the west side of Portland Avenue in the largely wooded area east of Milliken Pond. Approximately three acres would be retained as woods.

The site is just north of the town hall, at the intersection of Saco Avenue and Old Orchard Street, and near the town's largest concentration of restaurants, on Old Orchard Street.

“We’re thrilled about the location,” said Szanton Co. President Nathan Szanton. “It’s in the heart of town, just steps from a grocery store, post office, pharmacy, bank, hardware store and library. The beach is a little further, but still less than a 10-minute walk.”

Town officials said the apartments would provide much-needed housing in a time of rising rents and short-term rentals.

“Finding year-round, affordable rental housing is very difficult in OOB because so many properties are rented seasonally between May and September,” said Town Manager Larry Mead in the release. “That’s what makes this project so appealing.”

The town’s population of less than 10,000 can swell to over 35,000 in the summer, according to Mead.

Roger Tousignant continues to operate the funeral home, which he founded in 1961. “We were pleased to sell the land to The Szanton Co. because we know their development will enhance the community,” he said.

The building's name comes from the Milliken family, which shaped much of Old Orchard Beach's economic history, particularly when tourism played a smaller role, according to the release. John Milliken settled in the area in 1710, and his descendants were entrepreneurs in ice trading and lumber production, beginning in the 19th century.

Nearby Milliken Pond, now the site of Paradise Park Resort Campground was used by the Milliken's to harvest ice. Two miles north, Mill Brook powered the family lumber mill, which employed 140 workers at its peak. Neither business survived beyond the Great Depression of the 1930s.

Presenting this evening was Kristin Martin and Nathan Szanton from the Szanton Company. They presented the presentation below and commented on the value of this project to the community of Old Orchard Beach. It should be noticed that much thought and consideration has been given to the neighbors of the area such as attention to fencing and buffering in the area of the Milliken Heights. Also attention to possible recreation activities in the coming months. Plantings were being planned as well. It was important, they felt, to be responsive to the needs and desire of those neighbors already living in the area. It was noted that this will be primary housing, not rentals or subletting. Contract zoning is in consideration as it aligns with the Comprehensive Plan.

Parking options were another discussion point. It was felt that the planned parking was adequate and in line with responsible assessments in Biddeford where there are like projects. It is evident this will be senior housing and in most instances it involves one vehicle. The protection of wild life is important as well as municipal services being provided and walkable amenities. Signage also was a consideration. Existing architecture would be maintained.

# Proposal for Milliken Heights The Szanton Company

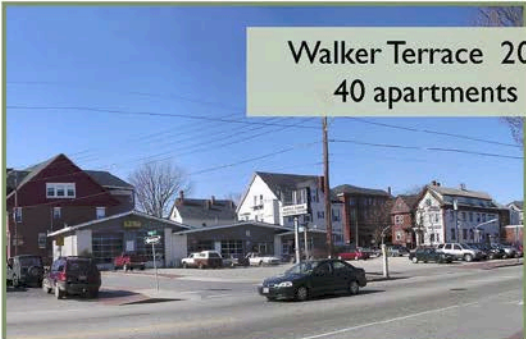




## Development Team Members and Capacity

- The Szanton Company
  - 10 apartment developments totaling 509 units
  - 1 other project (additional 51 units) under construction
- Saco Falls Management (affiliate of The Szanton Company)
  - Professional property management
  - Responsive to renters, neighbors, City staff, and other stakeholders

**New Construction**



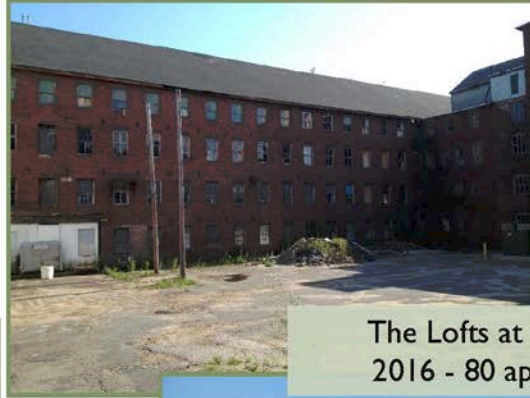
**Walker Terrace 2006  
40 apartments**



**Casco Terrace 2004  
27 apartments**



## Historic Rehabilitation – Biddeford



The Lofts at Saco Falls  
2016 - 80 apartments



The Mill at Saco Falls  
2009 - 66 apartments









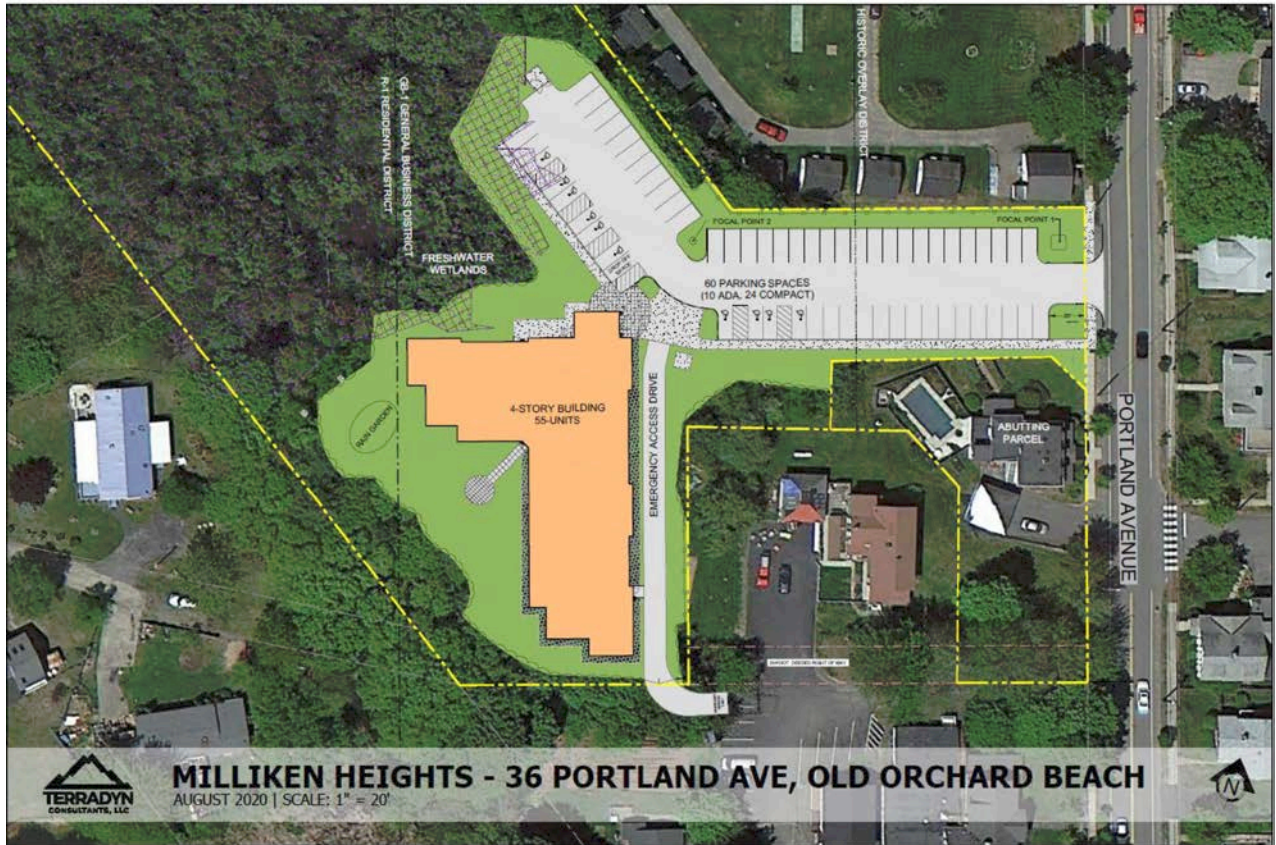














## Project Overview

- Age 55 plus
- 55 one-bedroom apartments = financial feasibility
- Targeting a variety of income levels
  - Market Rate (13 apartments)
  - Up to 60% of Area Median Income (42 apartments)
- 60 parking spaces
  - 10 Handicap
  - 1 space per apartment
  - 5 guest spaces





## Income and Rent Ranges

Type	Income Range (household of 1)	Percentage of Apartments	Expected One-Bedroom Monthly Rent
Market-Rate	\$42k - 100K+	24%	\$1,250-\$1,350
Rent-Restricted	Up to \$42k	76%	\$1,040

Rent includes hot water, wi-fi, fitness room, community room, resident services coordination, and parking.



## CDBG Funds

- \$510,000 awarded to Town for architectural/engineering services
- Grant to the Town - extended to project as 0% deferred loan
- Paid back to the Town 30 years from construction completion
- When paid back, the Town can use these funds for any CDBG eligible use



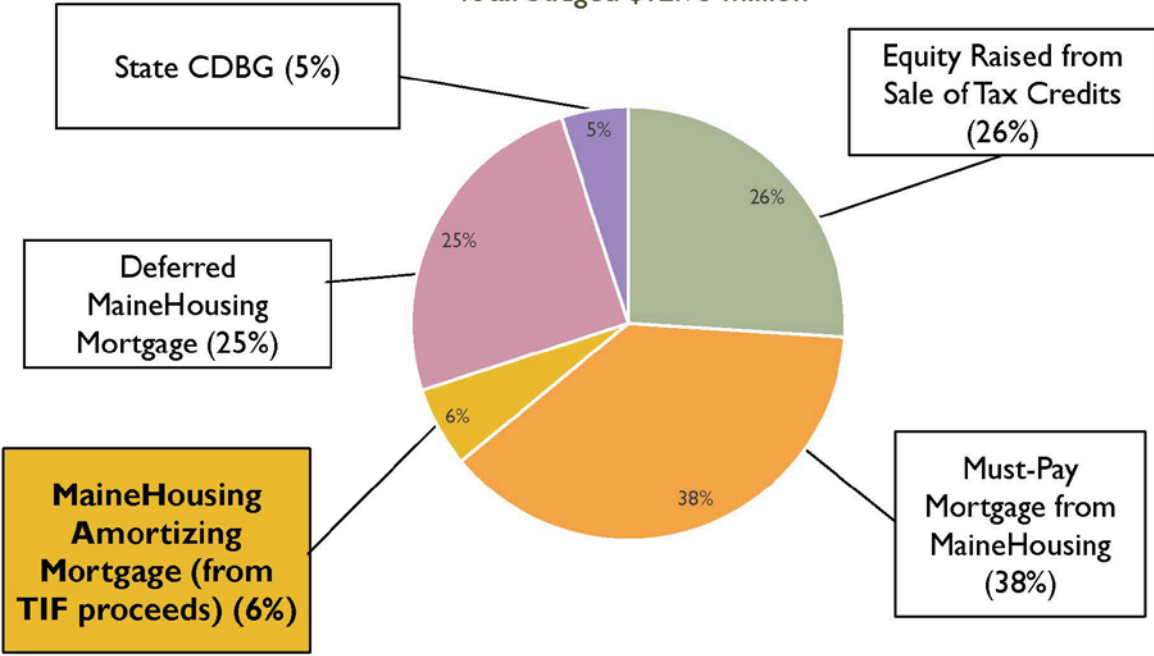
## Why does this project need a TIF?

### Financial Necessity

- Allows project to take on additional debt to fill gap of \$635K

# Financing Sources

Total budget: \$12.95 million



## Proposed Milliken Heights TIF

Current Valuation	\$205,862 (4.67 acres of land)
Current Taxes	\$3,419 (pro-rated from prior taxes)
New Valuation (after construction)	\$5,670,000 (estimated)
New Taxes	\$5,670,000 x mil rate = \$88,000
Incremental Increase in Taxes	\$88,000 - \$3,419 = \$84,916
50% of Increment	\$42,458 to Project \$45,877 to City • (\$42,458+\$3,419)



## Tax Shift Benefits

### **Without a TIF**

New taxable assessed value created results in new tax dollars:

- But a portion is lost to increases in County Taxes (3.18%)
- And a portion is lost to decreases in State Revenue Sharing (3.84%)

### **With a TIF**

Based on estimated increase in assessed value (\$5,470,000) and the 15.50 mil rate

- Town saves the 3.18% lost to increase in County Taxes: \$1,328
- Town saves the 3.84% lost to decreases in State Revenue Sharing: \$1,629





## What the Contract Zone Does

### Density

- Current Zoning: 5,000 sf of land area per unit
- Allows 1,650 sf of land area per unit

### Reasons

- Total site: 4.76 acres. For density calculations, must subtract wetland area and 15% of remaining lot area, leaving only 2.12 acres for density calculations
- Only 1.93 acres of the site will be developed
- 3.19 acres of the site will remain forested, including 1.86 acres of wetland improved & protected
- 55 units = financial feasibility





## Comprehensive Plan

- Promote wide variety of housing opportunities to meet needs of various household types and income levels (Sect. IV-3,A.3)(Sect. IV-13; B.6), with a specific focus on elderly housing (Sect. IV-14; B.7)
- Growth should be directed within and adjacent to existing developed areas, where municipal services and utilities can be provided efficiently (Sect. IV-2,3; A.1)
- Change should improve the town's self-image and media image (Sect. IV-8)
- Ensure critical areas such as wetlands be protected from misuse, which damages their natural resource value or creates public safety/health concerns (Sect. IV-10; A.35)(Sect. IV-17; D.1)
- Encourage property owners to upgrade the physical condition/appearance of property, including signage and the appearance of boarding-up during the off-season (Sect. IV-25; F-2)



## What the Contract Zone Does

### Height

- Current zoning height limit: 35 feet
- Allows height of 42 feet

### Reasons

- Site limitations (wetlands)
- Financial feasibility; to achieve 55 units, 4-stories necessary
- Shadow study shows very minimal impact to neighboring properties
  - Only after 3pm during winter solstice (when sun goes down early anyway)



## What the Contract Zone Does

### Parking

- Current zoning: 2 spaces/ unit for multifamily housing
- Allows 1 space per unit plus 5 visitor spaces

### Reasons

- All one-bedroom apartments
- All 55+ residents
- Parking study shows fewer cars per household in this age group
- Building location close to groceries, pharmacy, banks, etc.
- Public transit stop at our project

# Questions?



Nathan Szanton – 871-9811  
Kristin Martin– 245-6436

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[kmartin@szantoncompany.com](mailto:kmartin@szantoncompany.com)

**Table 1**  
**Parking Utilization Data**  
**Existing Greater Portland Area Senior Housing Facilities**

<u>Facility Location</u>	<u># of Units</u>	<u># of Site Spaces</u>	<u>July 2 Utilization Data</u>		<u>July 3 Utilization Data</u>		<u>July 5 Utilization Data</u>		<u>TOTAL</u>	<u>AVERAGE</u>
			AM	PM	AM	PM	AM	PM		
Biddeford 5 Graham Street	35	26	n/a	18	18	17	17	17	87 vehicles	17.4 vehicles
Portland 47 Smith Street	20	20	n/a	5	5	6	6	6	28 vehicles	5.6 vehicles
<b>TOTAL</b>	55	46	n/a	23	23	23	23	23	114 vehicles	22.8 vehicles



**Respectfully Submitted,**

**V. Louise Reid  
Town Council Secretary**

**I, V. Louise Reid, Secretary to the Town Council of Old Orchard Beach, Maine, do hereby certify that the foregoing document consisting of thirty-one (31) pages is a copy of the original Minutes of the Town Council Workshop of August 11, 2020.**