

# **Dog Bone Work Group**

## **TRANSIT-ORIENTED DEVELOPMENT IMPLEMENTATION INITIATIVE**

Report to Town Council

Finding and Recommendations

December 2024

To enable active transportation, housing, and economic vitality within an environmentally sustainable development pattern consistent with the Town of Freeport's plans and visioning efforts.



Prepared By  
Town Manager's Office  
30 Main Street  
Freeport, ME 04032



December 20, 2024

Councilors,

The “Dog Bone” Transit Oriented Development (TOD)<sup>1</sup> concept being presented for your review is the culmination of more than a decade of planning and visioning work undertaken by various boards, organizations, and Town staff working to achieve social and economic progress in Freeport. The report recommends specific actions the Town Council can take. These actions encourage – in a thoughtful and fiscally responsible manner – the type of development Freeport residents, businesses, and Town staff have identified as necessary for sustaining the downtown center and, by extension, all of Freeport.

Starting with the Comprehensive Plan developed in 2011, Freeport citizens and public policy have called for increasing the housing stock in the Town’s core, and for this housing to be available and affordable for older, younger, and single-person households. There continues to be a severe shortage of this type of housing in Freeport today, so this strategic imperative – to add smaller, denser housing units in proximity to downtown – is certain to be amplified in the 2025 Comprehensive Plan now being prepared.

In 2021, the Town undertook an ambitious Downtown Vision process, notably reaching the conclusion that the viability of Freeport’s commercial core depended on increasing the downtown population and specifically recommended accommodating 1500 residents within the area, where only about 300 currently live. Historically the downtown area of Freeport housed at least 1500 people, in three- and four-story buildings (with flat roofs) where parking lots stand today.

In accordance with the Dog Bone TOD concept, the Climate Action Plan, adopted by the Town Council in December 2024, calls for future development to be concentrated in ways that preserve our natural habitats; protect the resiliency of our lands and waters; and support biking, walking, and public transportation in order to reduce our carbon footprint and meet Freeport’s emissions goals. Separately, the Complete Streets Committee is identifying and working with the Maine Department of Transportation to design and build the infrastructure for the public to move safely around the Town without the protections afforded by a motor vehicle. And finally, the ad-hoc Housing Committee has documented the need for more housing of a type we call the “missing middle,” to broaden the demographic diversity (and housing affordability) of the Town.

All these goals can be made real – finally – with this plan to encourage dense housing development in the transit-supported zone extending from Mallet Drive, through downtown, and along Route 1 South to the area around the Breez stop near Maine Beer Company. The fact that sheltered revenues from expiring TIF districts can be renewed and rolled into this Dog Bone TOD package to fully finance the desired infrastructure development required makes the concept even more compelling – and less burdensome to the Town’s budget.

We ask that you vote promptly to adopt and implement the recommendations contained in this report. The Dog Bone TOD will be a concrete and powerful step toward finally implementing the Town’s long-established goals. The plan has been well conceived and vetted and is ready for next steps to be taken right now.

Sincerely,

The Dog Bone Work Group

<sup>1</sup> Freeport’s Dog Bone encompasses Downtown and stretches south on the Lower Main Street and Route 1 corridor approximately 1 mile to the Metro Breez stop at Maine Beer Co. The district represents 2.5% of Freeport’s total land, is prioritized for housing and mixed-use development in multiple Town plans and is well-served by infrastructure.

# WORK GROUP MEMBERS



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THE WORK GROUP EXTENDS A SPECIAL THANKS TO THE GREATER PORTLAND COUNCIL OF GOVERNMENTS AND ECONOMIC DEVELOPMENT DIRECTOR PAUL JOHNSON FOR SUPPORTING THE FISCAL IMPACT ANALYSIS USED IN THIS REPORT; WOODARD AND CURRAN'S BRENT BRIDGES AND ERIC PETERSSON, FOR CARRYING OUT THE INFRASTRUCTURE ANALYSIS REFERENCED THROUGHOUT; MATT PETERS OF THE FREEPORT HOUSING TRUST FOR SHARING A DEVELOPER'S PERSPECTIVE ON TOOLS TO ENABLE QUALITY HOUSING DEVELOPMENT; KATHY SMITH FOR CHAMPIONING THE MICRO TRANSIT SHUTTLE CONCEPT FOR MULTIMODAL TRANSPORTATION OPTIONS IN THE DOG BONE; AND BARBARA GUFFIN AND KEN SPARTA FOR THEIR TIME AND ENERGY TO FILL IN AT MEETINGS TO KEEP THE WORK GROUP ON TRACK AND ON SCHEDULE.



The “Dog Bone” is not about more planning. It is about implementation.

The Dog Bone is not about a brand-new look or feel for Freeport. It is about adding neighbors and life to the village center that would be second nature to most of Freeport’s residents over the centuries.

This Dog Bone Work Group Report to Town Council builds on community consensus to offer concrete steps that will implement residents’ vision for the future of Freeport. The Dog Bone is the land where shared goals in the Comprehensive Plan, Downtown Vision, Climate Action Plan, and Active Living Plan come together.

New “missing middle”<sup>2</sup> housing units in the Dog Bone will help address Freeport’s housing affordability crisis while creating a beneficial net fiscal impact to local municipal finances. Elders seeking to age in place by living within the Dog Bone, along with young people seeking a downtown lifestyle or an attainable home, will reside within a 20-minute walk, 7-minute bike ride, or short transit trip of goods and services to meet their basic needs.

Adding residents in the Downtown area is a critical step to support Freeport’s long-term economic vitality. Downtown residents will boost Freeport’s village center by frequenting local businesses, attending events, and volunteering with community organizations.

Dog Bone Work Group members who share this vision for Freeport’s future include a diversity of viewpoints. Over three months, the Town Council-appointed Work Group reviewed three aspects related to TOD implementation within the Dog Bone: 1) Development potential; 2) Infrastructure investments and finance options; and 3) Policy updates to enable implementation.

**The Dog Bone Work Group offers this report to move Freeport beyond “planning” to design & implementation of the community’s vision.**

With the following report, the Work Group endorses the Dog Bone TOD strategy as feasible and recommends six implementation strategies to initiate in 2025 related to land use policy, infrastructure investment, funding mechanisms, and regional and state partnerships.

The Work Group’s recommendations will advance current and upcoming local, regional, and state planning goals in Freeport. Implementation of the Work Group’s recommendations will position Freeport as a leading partner with the Portland Area Comprehensive Transportation System’s Reimagining Route 1 initiative.

In particular, the Work Group’s recommendations leverage the Town’s upcoming *Planning Partnership Initiative* (PPI) with MaineDOT to modernize the Route 1 Corridor within the Dog Bone district in line with the Freeport community’s vision. By integrating the MaineDOT PPI with the Dog Bone Coordinated Development Design recommendation in section 6.2 of this report, the Town will marry land use and transportation planning to create a high-functioning central Main Street corridor brought to life by complementary new housing and mixed-use development to advance long-standing community goals.

Desirable new development in the Dog Bone that generates net positive revenues for the Town, combined with the Tax Increment Financing renewal recommendation in this report, will provide the Town of Freeport with a dedicated funding stream to enable the Town to jointly invest in transportation and infrastructure upgrades in collaboration with local stakeholders, PACTS, and MaineDOT to move Freeport forward.

<sup>1</sup> Missing Middle housing is a range of house-scale buildings with varying number of units a price points to meet diverse needs, especially smaller units for a variety of household types.

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# 1 EXECUTIVE SUMMARY



THE GOAL OF THE DOG BONE TRANSIT-ORIENTED DEVELOPMENT DISTRICT IS TO ENABLE ACTIVE TRANSPORTATION, HOUSING, AND ECONOMIC VITALITY WITHIN AN ENVIRONMENTALLY SUSTAINABLE DEVELOPMENT PATTERN, CONSISTENT WITH THE TOWN OF FREEPORT'S PLANS AND VISIONING EFFORTS.

The Town Council-appointed Dog Bone Work Group represents diverse representation from local boards, committees, and key stakeholders. The Work Group convened to evaluate the feasibility of a transit-oriented development approach to implementing community goals established in the *Comprehensive Plan*, *Downtown Vision Plan*, *Active Living Plan*, and the recently Town-Council adopted *Climate Action Plan*. This report summarizes the Work Group's findings and recommendations.

## FINDING

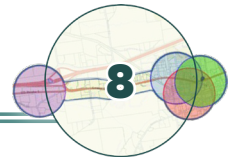
Based on available data and current Town Plans, the Work Group finds that development of the Dog Bone district as summarized in this report is a feasible approach to implement the community's goals.

## RECOMMENDATION

To initiate implementation of the proposed transit-oriented development framework, the Town should:

- Pursue land use policy changes to enable development density, increase zoning flexibility for diverse housing unit sizes, and simplify approval processes for qualified projects within the district.
- Prioritize related infrastructure investments in upcoming capital budgeting and planning.
- Refine and formalize a transit-focused tax increment financing strategy as advantaged by the State.
- Integrate a Coordinated Development Design with MaineDOT transportation planning to balance development, infrastructure, trail corridors, and environmental services along a high-functioning Route 1 corridor.

# 1 EXECUTIVE SUMMARY



## THE DISTRICT. (SEE SECTION 2 OF THIS REPORT)

Freeport's Dog Bone encompasses Downtown and stretches south on the Lower Main Street corridor and Route 1 approximately 1 mile to the Metro Breez stop in front of Maine Beer Company.

Encompassing roughly 450 acres, the Dog Bone represents 2.5 percent of Freeport's total land, is prioritized for sustainable housing and mixed-use development in multiple Town plans, and is well-served by infrastructure.

## DEVELOPMENT POTENTIAL. (SEE SECTION 3 OF THIS REPORT)

Of the Dog Bone's 450 acres, vacant parcels comprise roughly 125 acres, of which approximately 65 acres are understood to be unconstrained by steep slopes or sensitive natural resources.

With appropriate land use policy updates to allow for greater density in the Dog Bone, this report anticipates potential for approximately 705 units of housing over the next ten to 20 years. These units include a range of building and unit types with varying numbers and price points to meet diverse needs. 705 units over 15 years is on par with Freeport's average of 50 units per year but offers a different mix of unit types with enhanced fiscal, economic, and environmental benefits.

Based on the fiscal impact analysis presented in section 3.7 of this report, the 705 units once fully constructed will generate approximately \$1,693,391 in new tax revenue annually. After accounting for the costs to provide services and facilities to the new residents and students living in the new units, the new units will deliver an estimated net fiscal gain of \$631,597 annually.

In addition to net tax benefits for Freeport's municipal finances, after full build out, the 705 new households will spend approximately \$15 million annually in the local economy for basic needs and discretionary goods and services.

## INFRASTRUCTURE & CAPITAL IMPROVEMENTS. (SEE SECTION 4 OF THIS REPORT)

The Dog Bone district includes Freeport's Downtown along the central Main Street and Route 1 corridor and is well-served by water, sewer, power, and transportation assets.

Based on estimates provided by a planning level analysis by a leading southern Maine engineering firm, roughly \$22 million will be needed for appropriate active transportation, streetscape, and stormwater upgrades. Based on established practice, the Town will seek matching investment from MaineDOT and PACTS on active transportation investments, reducing the anticipated Town share to less than \$15 million.

## FUNDING RECIPE. (SEE SECTION 5 OF THIS REPORT)

The Town has the opportunity to fund infrastructure upgrades within the Dog Bone district and to cover the costs to serve new residents with an intentional funding recipe that considers the impact on current residents.

1. Renew expiring L.L.Bean and Village Station TIFs and dedicate 100% of funding to district infrastructure.<sup>3</sup>
2. Dedicate an adequate percentage of new revenues from aggregate new development in the Dog Bone district to the General Fund to cover estimated costs to serve new development.
3. Dedicate an additional small percentage of new revenues from development in the Dog Bone district to the General Fund as a cushion to hedge against unforeseen costs and to benefit all taxpayers.
4. Establish a new transit-oriented development TIF district and shelter 15-25 % of new revenue for public infrastructure in Dog Bone district.

Funding "stress tests" in section 5.5 of this report suggest that this funding recipe covers costs without adding to the tax burden of current residents.



## IMPLEMENTATION RECOMMENDATIONS. (SEE SECTION 6 OF THIS REPORT)

Desirable development and infrastructure investments identified by the Work Group require policy updates to enable greater density in appropriate areas of the transit-oriented district. The Town should:

1. Update standards in all zones in the Dog Bone for mixed use and multifamily developments to be harmonious with VC1 density allowances and streamline review processes.
2. Designate the Dog Bone geography as a priority development district in all Town plans and policies and include Work Group recommendations as shared priorities for the Town Council and relevant boards and committees for the coming year.
3. Endorse the Dog Bone Investment Priorities as proposed.
4. Integrate a Coordinated Development Design for the Dog Bone district with MaineDOT and PACTS transportation initiatives to identify appropriate locations for public ways, utilities, environmental services, wildlife corridors, and bike/ped connections and make efficient use of valuable land.
5. Refine the Dog Bone tax increment financing (TIF) strategy, including the renewal of expiring TIF districts and /or the creation of a new omnibus District, and develop relevant application(s) to the State Department of Economic and Community Development.
6. Facilitate close coordination with state and regional partners to secure related funding and to integrate transit-oriented development implementation with broader transportation system upgrades.

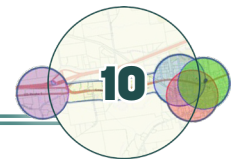
## IMPLEMENTATION FUNDING REQUEST.

To implement the recommended policy updates, the following funding allocations:

1. Update zoning standards and streamline processes: \$10,000 for legal review.
2. Create a Coordinated Development Design: \$75,000 for engineer/landscape architect
3. Refine the TIF Strategy and develop applications to DECD: \$20,000 for legal services

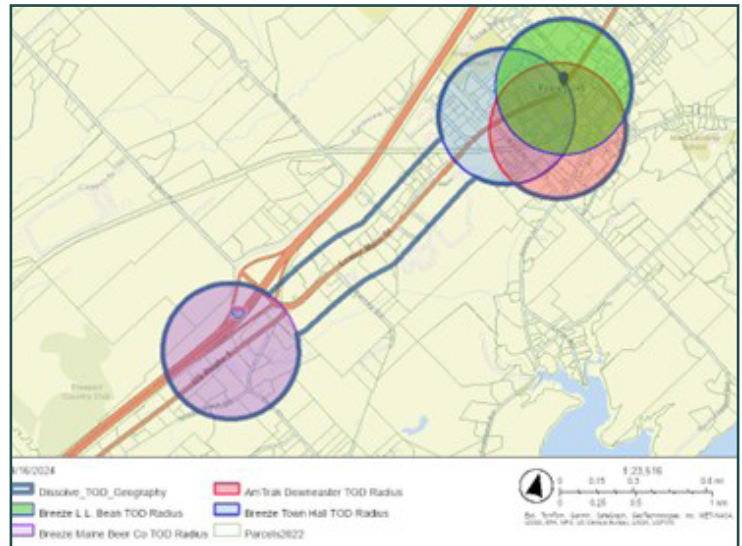
<sup>3</sup> This does not account for renewal of the Destination Freeport TIF located within the Dog Bone that expires in 2029 and will generate \$267,000 in FY26 tax revenue.

# 2 THE DISTRICT



## 2.1 GEOGRAPHY

Freeport's Dog Bone encompasses Downtown and stretches south on Lower Main Street and Route 1 approximately 1 mile to the Metro Breeze stop in front of Maine Beer Company. The focus area includes land within a quarter mile of a Breeze stops and the Amtrak Downeaster station. The study area also includes land within 1,000 feet of the Route 1 corridor between the Downtown and Maine Beer Company Breeze stops.



## 2.2 ACREAGE & PARCELS

The Dog Bone geography encompasses approximately 450 acres and approximately 300 parcels.

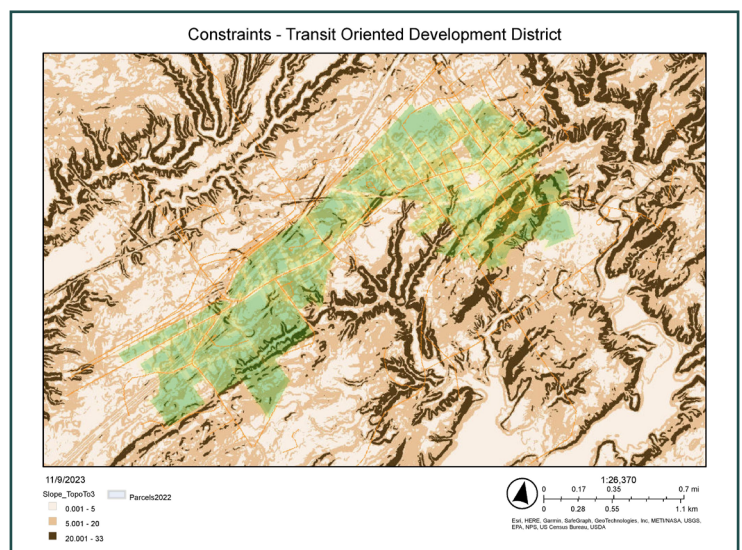
THE DOG BONE INITIATIVE CLUSTERS DEVELOPMENT WITHIN ROUGHLY 2.5% OF THE TOWN'S TOTAL LAND.

In addition to advancing the Downtown Vision, Dog Bone TOD implementation also protects Freeport's open space and rural character.



## 2.3 DEVELOPMENT CONSTRAINTS

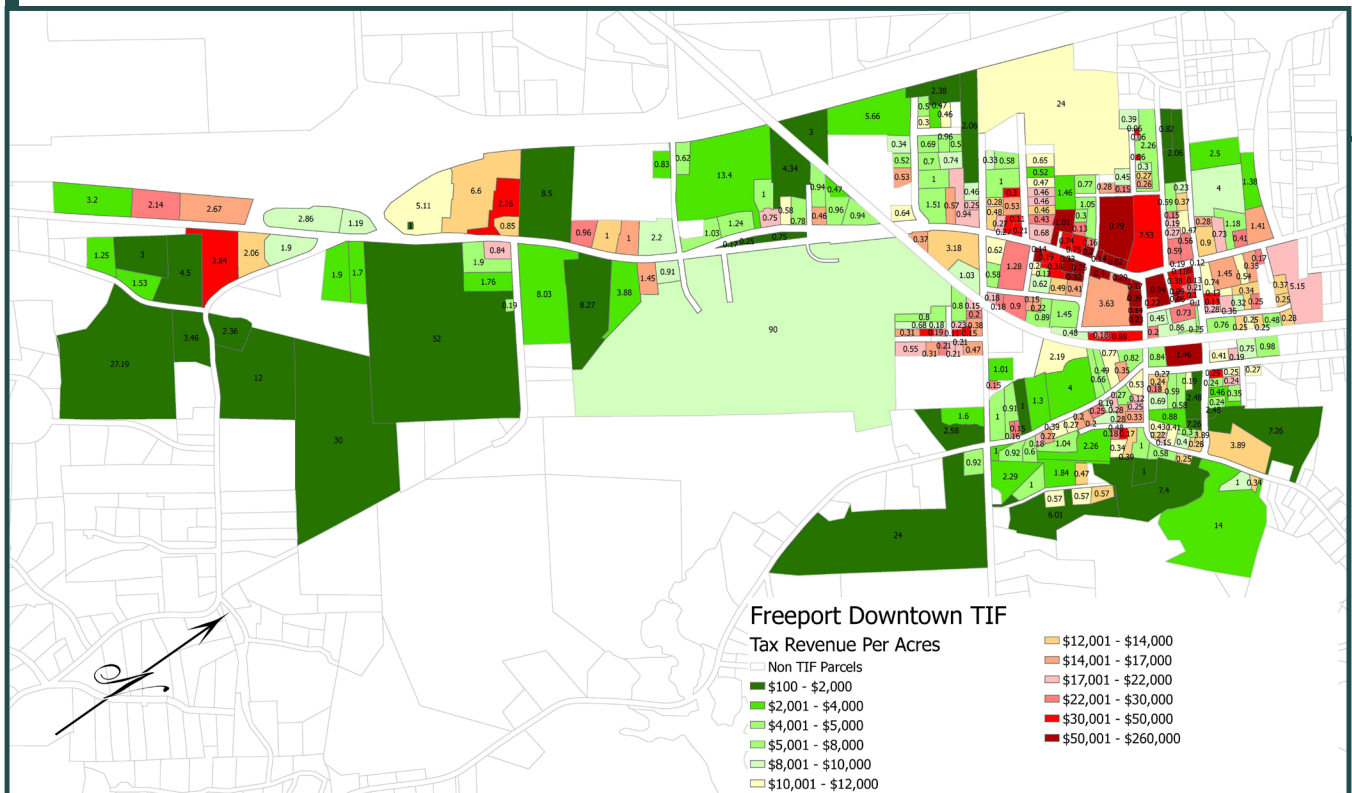
The figure at right depicts areas unsuitable for development due to slopes exceeding 20 percent, with some areas to the south and east of Route 1 better suited for conservation and trail and wildlife corridor.





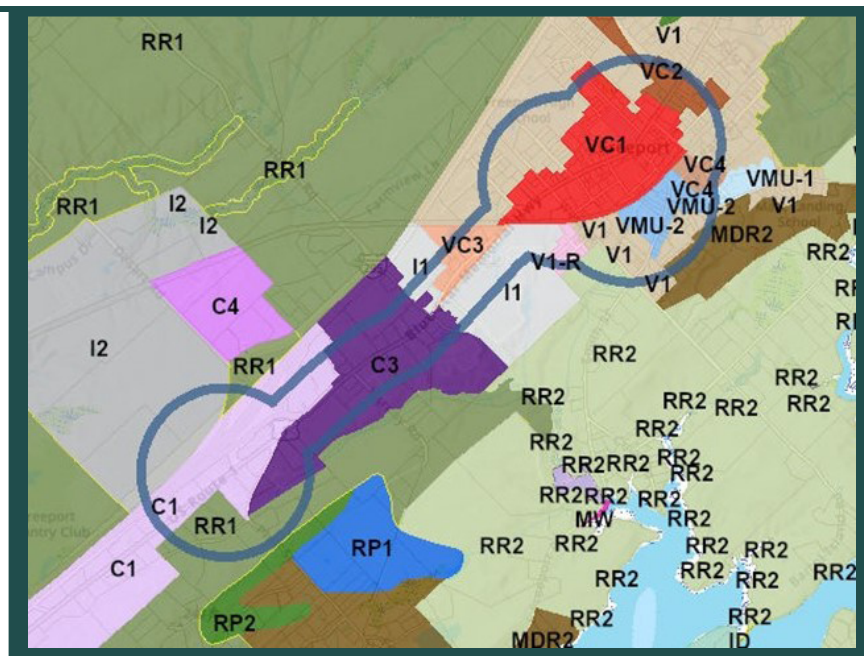
## 2.4 TAX HEAT MAP

The tax heat map below visually represents the annual tax revenue per acre for each parcel. Parcels depicted in shades of red contribute tens of thousands of dollars annually to the Town's tax base, while the parcels depicted in darker green shades contribute per acre tax revenue consistent with an average single-family home in Freeport. Because the Dog Bone area is on or adjacent to existing infrastructure, adding new development to parcels in green, particularly mixed use and multifamily projects, will create a net fiscal benefit to Freeport's tax base.



## 2.5 CURRENT ZONING

Current zoning in the Dog Bone District includes a mix of Village, Village Commercial, Commercial, and Rural Residential districts. Current standards in the Commercial 1 (C1), Commercial 3 (C3), Village districts, and Rural Residential 1 (RR1) areas within the Dog Bone are prohibitive to the type of dense “missing middle” housing that will increase the diversity of housing options in Freeport and leverage existing public infrastructure to create a net fiscal impact for Town finances. In particular, the minimum land per dwelling unit in these districts range from 7,000 square feet per unit in the C1 district to multiple acres in the RR, whereas the Village Commercial 1 district requires no minimum land per dwelling unit. At 7,000 square feet per unit a 42-unit senior housing project requires 6.75 acres, whereas the 67-unit multifamily project approved on Depot Street was sited on less than 2-acres.<sup>4</sup> In the Village districts, the Freeport Village Overlay District (FVOD) standards create significant complexity for staff, Town board members, and developers, and the FVOB geography overlaps the Design Review District in some areas, creating conflicting requirements that are difficult and onerous for all parties to understand. In order for the Dog Bone district to perform as presented in subsequent sections of this report, zoning standards and review processes must be updated to allow for greater flexibility to achieve density in areas of the Dog Bone well-suited for desirable housing and mixed-use development.

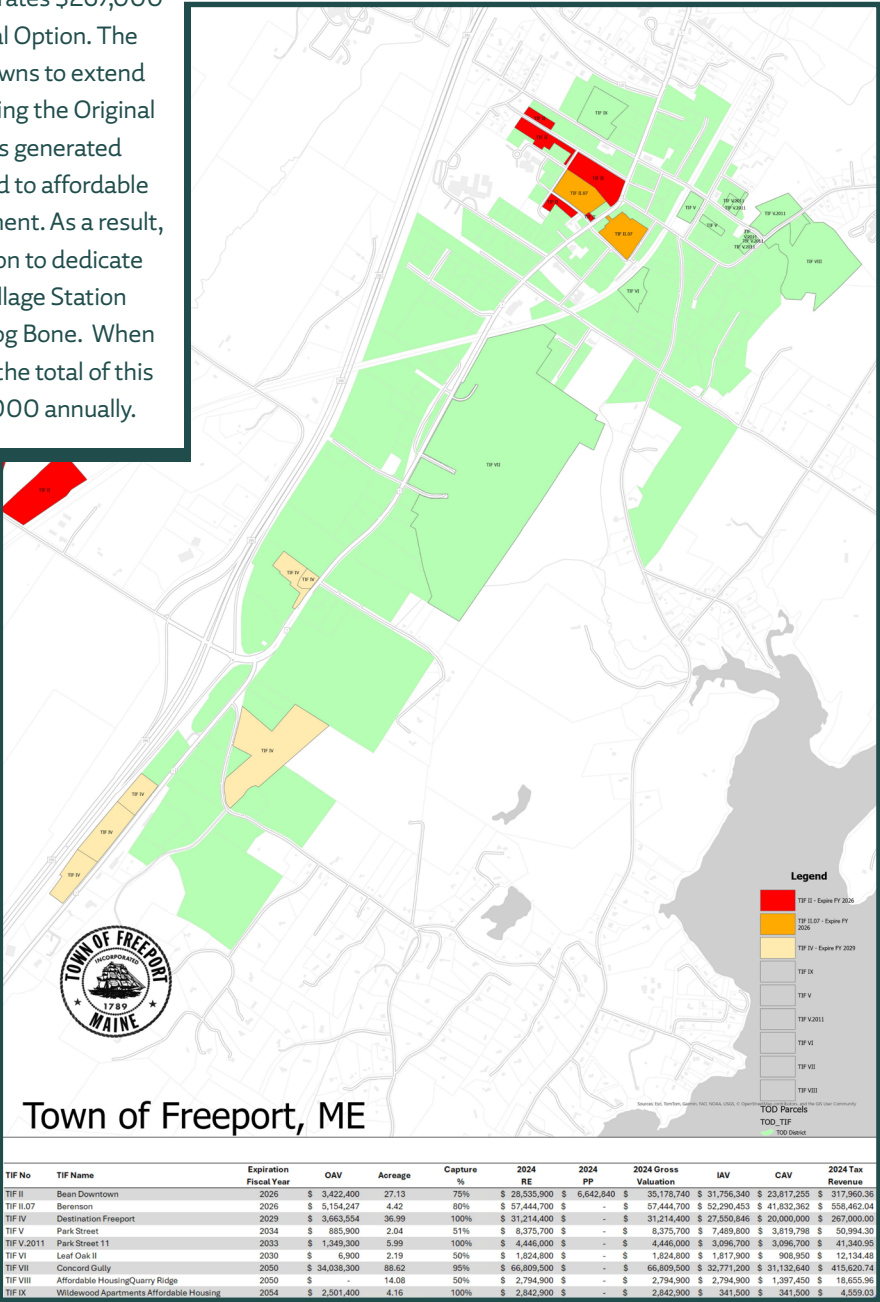


<sup>4</sup> Including the development parcel and the offsite land nearby required to meet parking requirements.



2.6 EXISTING TAX INCREMENT FINANCE DISTRICTS

The Town of Freeport has established three Tax Increment Finance Districts in the Dog Bone district. The L.L.Bean TIF (depicted in red in the figure to the right), referred to as TIF II in Town budget documents, generates \$307,340 annually and expires in 2027. The Village Station TIF, (depicted in orange in the figure to the right) referenced as TIF II.07 in Town budget documents, generates \$558,420 in tax revenue annually and expires in 2027. In addition, the Destination Freeport TIF (depicted in tan in the figure to the right) generates \$267,000 annually and expires in 2029. 20-Year Renewal Option. The 131st Legislature created an opportunity for towns to extend expiring Districts for an additional 20 years using the Original Assessed Value as long as 75% of the revenues generated via the Increased Assessed Value are dedicated to affordable housing projects or Transit Oriented Development. As a result, beginning in 2027, the Town will have the option to dedicate \$865,760 annually in expiring L.L.Bean and Village Station TIF funds to new eligible uses, including the Dog Bone. When the Destination Freeport TIF expires in 2029, the total of this extended funding stream will exceed \$1,000,000 annually.



DESIRABLE MIXED USE AND RESIDENTIAL DEVELOPMENT IN THE DOG BONE WILL MEET MANY COMMUNITY NEEDS. MISSING MIDDLE AND MULTIFAMILY HOUSING LOCATED ON OR ADJACENT TO EXISTING INFRASTRUCTURE IS PROJECTED TO GENERATE A POSITIVE FISCAL IMPACT TO THE TOWN'S FINANCES, WHILE SUPPORTING ECONOMIC VITALITY IN THE DOWNTOWN.

THIS DEVELOPMENT POTENTIAL SECTION PROVIDES AN ESTIMATE FOR DEVELOPABLE LAND AND POTENTIAL NEW DEVELOPMENT ON WELL-SUITED LAND OVER TIME BASED ON CONCEPTUAL ZONING UPDATES TO ENABLE GREATER DENSITY AND "MISSING MIDDLE" HOUSING.<sup>5</sup> THIS DEVELOPMENT WILL REQUIRE INFRASTRUCTURE INVESTMENT AS DETAILED IN THE "INFRASTRUCTURE AND CAPITAL IMPROVEMENTS" SECTION OF THIS REPORT.

TO CONSIDER THE FISCAL IMPACTS TO SERVE NEW RESIDENTS AND FUND NECESSARY INFRASTRUCTURE, THIS SECTION OF THE REPORT ALSO SUMMARIZES FINDINGS ON THE FISCAL IMPACT OF DIFFERENT DEVELOPMENT SCENARIOS.

<sup>5</sup> Please note that these calculations do not consider redevelopment of existing structures or parcels with existing structures.

3.1 DEVELOPABLE LAND

To advance the housing goals of the Comprehensive Plan and Downtown Vision, the Work Group envisions multifamily projects in Downtown giving way to moderately dense mix of smaller multifamily housing in current Commercial districts along Route 1, with clustered and attainably priced single-family and two-family homes on small lots integrated into appropriate areas transitioning the Dog Bone to rural open space lots.

Within this framework, staff estimated development potential using the following methodology:

- 1 IDENTIFY VACANT PARCELS:19 PARCELS
- 2 CALCULATE ACREAGE:124 ACRES
- 3 SUBTRACT AREAS OF VACANT PARCELS  
WITH KNOWN CONSTRAINTS:59 ACRES
- 4 CALCULATE VACANT ACREAGE  
WITHOUT KNOWN CONSTRAINTS:65 ACRES

3.2 ESTIMATED DEVELOPMENT  
ACRES BY ZONE

Development Acres by Zone

Zone	Total Acres	Development Acres
C1	3.50	3.42
C3	46.13	23.10
V1	3.20	2.76
VC1	14.16	11.05
VC4	0.68	0.72
RR1	56.65	23.55
TOTAL	124	65

## 3.3 CONCEPTUAL TARGET DENSITIES PER ACRE PER ZONE

Freeport's Village Commercial 1 district encompasses most of the Downtown area and offers the greatest flexibility for space and bulk standards in Town. The community called for dense housing in VC1 in the Downtown Vision. Recent projects proposed and approved have included three stories and average 50 or more units per acre of land.

### VC1 ~ Conceptual Density per Acre

- 50-60 units per acre
- Consistent with Approved Depot Street project
- Greater density on converted downtown surface lots



Freeport's Commercial 1 and Commercial 3 districts encompass land south of Downtown along the Route 1 corridor. The current Comprehensive Plan includes C1 and C3 in the Town's Designated Growth Area, yet current bulk and space standards for multifamily projects in these districts are challenging and require significant land per dwelling unit. A goal of 20-28 units per acre will allow for buffering between existing commercial uses with trail corridors.

### C1 & C3 ~ Conceptual Units / Acre

- 20-28 units per acre
- Consistent with Proposed Varney Heights project



The Dog Bone district includes a limited number of parcels within The Village 1 and Village Commercial 4 districts in Freeport. For the purposes of this report, the Work Group envisions a density of 12-18 units per acre as a transition area between the Downtown and surrounding rural areas of Freeport, consistent with the Comprehensive Plan.

Currently, this area is regulated by the Village Overlay District, which adds significant complexity and ambiguity for land use standards and deters investment.

### V1 & VC4~ Conceptual Units/Acre

- 12-18 units per acre
- Smaller multifamily



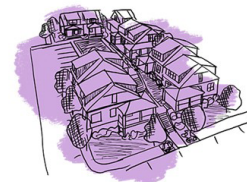
## 3.3 CONCEPTUAL TARGET DENSITIES PER ACRE PER ZONE

Freeport's Rural Residential 1 (RR) encompasses much of Freeport and requires expansive land per dwelling unit.

While the RR district is designed to protect Freeport's rural character, there are limited areas of the current RR zone that are in the Dog Bone district in close proximity to the Route 1 corridor and Breez bus stops. The Work Group recommendations include converting these limited areas of RR to allow for greater housing density than is currently allowed.

### RR in Dog Bone ~ Conceptual Units / Acre

- 8-16 units per acre
- Mix of singles and duplexes up to 4 units

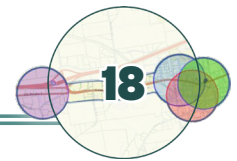


### Conceptual Buildout Over Time Using Unit Per Acre Goals

Zone	Total Acres	Development Acres	Avg Units / acre	Units
C1	3.50	3.42	18	62
C3	46.13	23.10	18	401
V1	3.20	2.76	16	40
VC1	14.16	11.05	45	474
VC4	0.68	0.72	16	12
RR1	56.65	23.55	12	271
<b>TOTAL</b>	<b>124</b>	<b>65</b>	<b>125</b>	<b>1,259</b>



# 3 DEVELOPMENT POTENTIAL



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## 3.4 POTENTIAL NEW TAX REVENUES

To understand whether mixed-use and multifamily projects can financially support the necessary infrastructure investment and costs to serve new residents without increasing local tax burden on existing residents and property owners, the Town engaged the Greater Portland Council of Governments (GPCOG) to create a fiscal impact analysis. The fiscal impact analysis estimates new tax value for prototype projects, and related costs, based on recent Town financial documents and reports. The Assessed Value and Tax Revenue Assumptions table below are based on average valuation by project prototype.<sup>6</sup> The estimated Students/Unit for each prototype is generated from on-the-ground data from the Scarborough Downs project.

ASSESSED VALUE AND TAX REVENUE ASSUMPTIONS

Unit Type	Value / Unit	Base Residents/Unit	Students / Unit	Mil Rate	Annual Tax Revenue
Single Family (large lot / 3-4 BR)	\$ 525,000	2.00	2.00	\$13.75	\$ 7,219
Compact Single Family ( small lot / 2 BR)	\$ 395,000	2.00	0.43	13.75	5,431
Condo	\$ 250,000	1.85	0.05	13.75	3,438
Multi (0-4 Units)	\$ 200,000	2.00	0.15	13.75	2,750
Multi (5 - 8 Units)	\$ 175,000	1.75	0.10	13.75	2,406
Multi (9 - 30 Units)	\$ 150,000	1.50	0.03	13.75	2,063
Multi (>31 Units)	\$ 100,000	1.25	0.03	\$13.75	\$ 1,375

## 3.5 NET FISCAL IMPACT ANALYSIS

To understand the net fiscal impact of each prototype project, GPCOG analyzed Town of Freeport's budget documents to identify applicable expenses on a per resident and per Regional School Unit 5 student. Then, the consultant multiplied the anticipated number of new residents and new students by the average cost to serve. The table below summarizes the anticipated positive fiscal impact for "missing middle" and multifamily projects sited on or adjacent to existing infrastructure with relatively small units that contribute few students.

The "% Fiscal Gain/Loss" figure in the far-right column of the Estimated Annual Fiscal Impact Per Prototype Project table above conveys the anticipated percentage of total tax revenue that is left over after costs to serve new residents and students are paid for. While compact 2BR single family homes on average are expected to generate enough tax revenue to cover their costs, a senior affordable multifamily housing project can be expected to cover the associated costs to the Town and to contribute over 50 percent of new revenue as a positive net gain. A mix of new units with a higher percentage of small-unit multifamily projects is expected to create the highest net fiscal gain.

ESTIMATED ANNUAL FISCAL IMPACT PER PROTOTYPE PROJECT			
	New Property Tax Revenue	Projected Annual Fiscal Gain/Loss	% Fiscal Gain/Loss
Compact Single Family Homes	\$ 5,431	\$ 48	0.74%
4 Unit Market Rate	11,000	1,188	8.08%
16 Unit Apartment Building	33,000	19,609	44.96%
8 Unit Condo Building	27,500	14,802	43.21%
30 Unit Market Rate	61,875	32,708	40.54%
42 Unit Senior Affordable Housing	57,750	44,001	54.86%
60 Unit Market Rate	\$ 82,500	\$ 43,799	38.47%

<sup>6</sup> Provided by the Town of Freeport's Assessing Department.

## 3.6 PLANNING LEVEL DEVELOPMENT PROJECTIONS

To standardize data points for comparison and net impacts, this report will estimate the number of units constructed in the Dog Bone in the coming years as follows:

Estimated Unconstrained Developable Acres in Dog Bone district:	65
Potential Full Build Out ~ Units Per Acre Goals over 62 acres:	1,259 <sup>i</sup>
Discount of Unconstrained Developable Acres:	20%
Discounted (20%) Unconstrained Developable Acres:	45
Build out of potential units on unconstrained developable acres:	67%
Multifamily and “Missing Middle” Housing Units over 15 years:	705
Average Units Per Year:	47

Conceptual Buildout Over Time Using Unit Per Acre Goals

Zone	Total Acres	Development Acres	Discounted Development Acres by 20%	Avg Units / acre	15-Year Buildout	Units
C1	3.50	3.42	2.74	18	70%	31
C3	46.13	23.10	18.48	18	70%	223
V1	3.20	2.76	2.21	16	70%	25
VC1	14.16	11.05	8.84	45	70%	267
VC4	0.68	0.72	0.58	16	70%	6
RR1	56.65	23.55	18.84	12	70%	153
<b>TOTAL</b>	<b>124</b>	<b>65</b>	<b>52</b>			<b>705</b>

## 3.7 PLANNING LEVEL NET FISCAL IMPACTS OF PROJECTED DEVELOPMENT

Based on GPCOG's fiscal impact analysis using Town of Freeport's financial reports, the development of a mix of 705 units over a 15-year period in the Dog Bone will generate an estimated \$1,693,931 in new tax revenue.

The Town's cost to provide services to new residents of these new units is an estimated \$1,062,394. These expenses are based on the following cost categories in the Town's financial statements:

- General Government
- Insurance and Fringe Benefits
- Public Safety
- Unclassified
- Public Works
- Capital Outlay
- Community Services
- Debt Service
- Education

After covering related costs identified above, the new development in aggregate will generate an estimated \$631,537 in net revenue annually that could be invested in new infrastructure and amenities and, over time, stabilize the Town's mil rate.

It is important to note that the Town of Freeport has on average gained roughly 50 units of housing per year over the last several years.

The projected 705 units of housing over 15 years is roughly on par with historical trends in Freeport.

PROJECTED ANNUAL TAX REVENUE WITH 67 PERCENT BUILD OUT OVER 15 YEARS

	New Property Tax Revenue	Projected Annual Fiscal Gain/Loss	Proposed Projects	Implied Annual Tax	Implied Net Fiscal Gain/Loss
Compact Single Family Homes	5,431	48	101	548,556	4,827
4 Unit Market Rate	11,000	1,188	8	88,000	9,507
16 Unit Apartment Building	33,000	19,609	7	231,000	137,260
8 Unit Condo Building	27,500	14,802	8	220,000	118,418
30 Unit Market Rate	61,875	32,708	3	185,625	98,123
42 Unit Senior Affordable Housing	57,750	44,001	3	173,250	132,003
60 Unit Market Rate	82,500	43,799	3	247,500	131,398
		Total	705	1,693,931	631,537
		Net Margin			37.3%



## 3.8 PROJECTED LOCAL SPENDING FROM NEW RESIDENTS

In addition to local tax benefits, the Downtown Vision Plan points out that new residents living within the Dog Bone district add vitality to the local economy by shopping locally for their daily needs and discretionary purchases.

The Downtown Vision indicates a desire for a more diverse mix of local goods and services.

Based on historical spending patterns detailed at right<sup>7</sup>, the 705 new households projected in sections 3.6 and 3.7 of this report will spend approximately \$15 million annually in the local economy.

### PROJECTED LOCAL SPENDING

Demographic Report ~ Freeport town ,ME

\$ PER HOUSEHOLD (2023)

Apparel	3341
Entertainment	5421
Food and Beverages	13389
Gifts	2535
Household Furnishings	3350
Household Operations	3751
Personal Care	1246
Reading	206
Vehicle Gasoline and Maintenance	5,310
Health Care Services, Supplies and Equipment	2,541
Miscellaneous Expenses	1776
<b>Total Discretionary Expenditures per HH</b>	<b>42,866</b>
<b>New Households</b>	<b>705</b>
<b>Total Estimated Expenditures</b>	<b>30,220,530</b>
<b>Local Capture</b>	<b>50%</b>
<b>New Local Discretionary Spending</b>	<b>\$ 15,110,265</b>

<sup>7</sup> Retrieved from [www.selectmainesites.com](http://www.selectmainesites.com); Community Profile Section, Freeport, Consumer spending.

THE DOG BONE IS FAIRLY WELL SERVED WITH NECESSARY INFRASTRUCTURE TO SUPPORT HOUSING DEVELOPMENT GOALS OUTLINED IN THE COMP PLAN AND DOWNTOWN VISION. THE ADDITION OF BICYCLE AND PEDESTRIAN FACILITIES AND CONNECTIONS WILL SUPPORT THE GOALS OF THE ACTIVE LIVING PLAN AND CLIMATE ACTION PLAN.

THIS INFRASTRUCTURE AND CAPITAL IMPROVEMENTS SECTION DETAILS EXISTING INFRASTRUCTURE WITHIN THE DOG BONE; IDENTIFIES CURRENT GAPS TO SUPPORT DEVELOPMENT GOALS FROM THE PREVIOUS SECTION OF THIS REPORT; AND ESTIMATES NECESSARY CAPITAL INVESTMENT COSTS TO CREATE A SAFE AND ATTRACTIVE HOUSING AND MIXED-USE DISTRICT IN AND AROUND DOWNTOWN FREEPORT ACCESSIBLE BY BIKE, FOOT, OR MICRO TRANSIT.

THIS SECTION RELIES ON A PLANNING LEVEL STUDY CONDUCTED BY WOODARD AND CURRAN IN EARLY 2024 TO ASSESS EXISTING INFRASTRUCTURE AND CURRENT GAPS IN THE DOG BONE DISTRICT. THE ANALYSIS IS INFORMED BY DATA PROVIDED BY THE FREEPORT SEWER DISTRICT, MAINE WATER COMPANY, MAINE NATURAL GAS, CENTRAL MAINE POWER, CONNECT FREEPORT, AND THE TOWN'S PUBLIC WORKS DEPARTMENT.

## 4.1 BENEFITS AND OPPORTUNITIES FOR A COORDINATED DEVELOPMENT DESIGN

The Dog Bone district is comprised of numerous parcels under separate ownership, and any new development will occur incrementally over a number of years based on market conditions and landowner interest to sell or develop their land. Without a coordinated approach to public ways, trail corridors, and utility extensions and connections, the natural sequence of projects over time could lead to landlocked areas without access and result in inefficient use of developable land. Conversely, development could happen in a sequence of time, project types, and locations that limits the community's options to secure and develop a contiguous trail corridor.

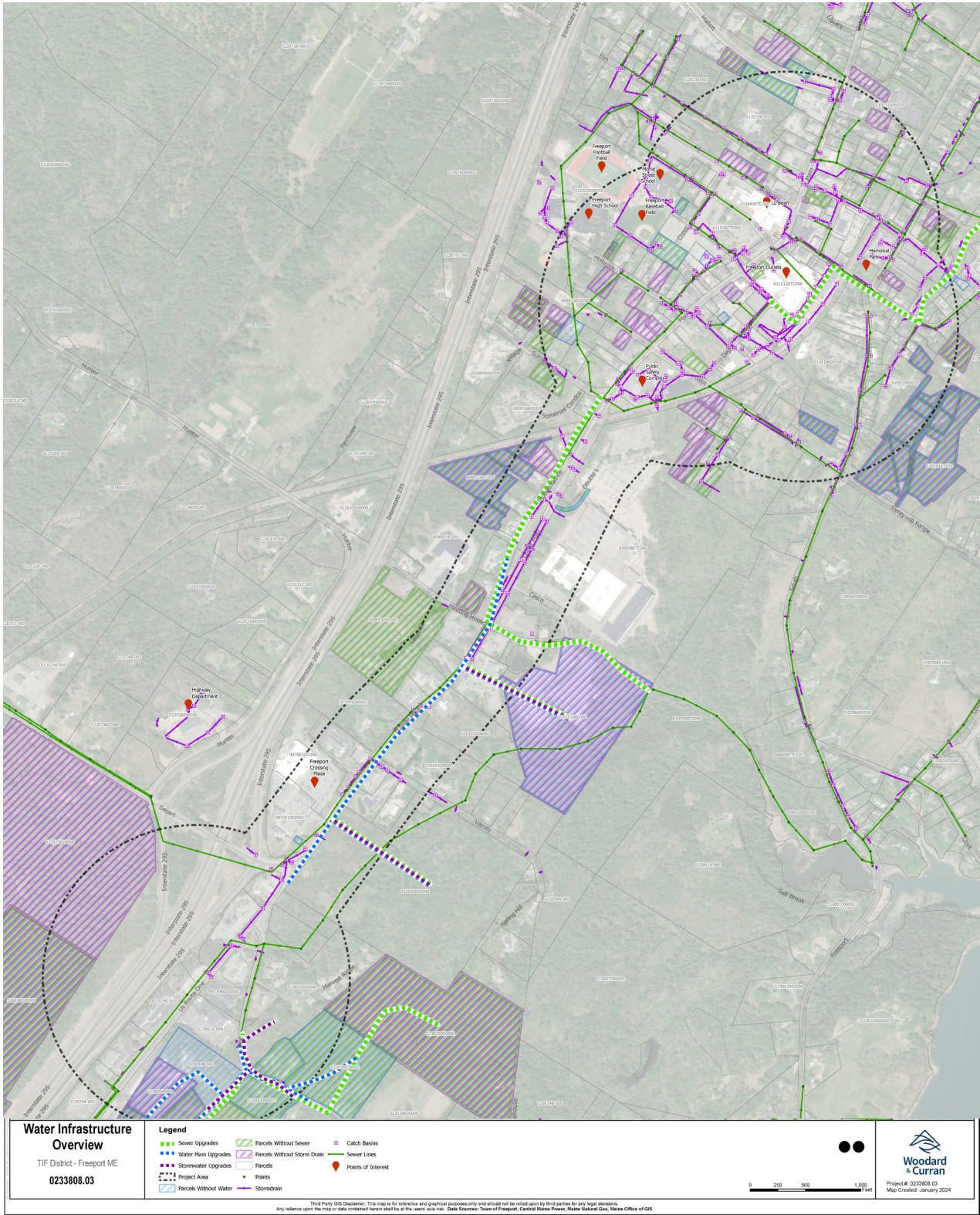
The importance of a coordinated development approach is particularly important in the land south of Downtown along Route 1 stretching to the Breez stop at Maine Beer Company. While developable parcels exist in the village center, significant open land exists from Concord Road past Varney Road and south to the Breez stop near Maine Beer Company.

The Town of Freeport is developing a Planning Partnership Initiative (PPI) with MaineDOT to plan the future of the Route 1 corridor in Freeport from the Breez stop at Maine Beer Company north through the Dog Bone district.

The Town has a unique opportunity to leverage the PPI transportation planning with a coordinated development design for the adjacent land. By identifying areas well-suited for desirable development, and designing appropriate locations for public ways, utilities, environmental services, wildlife corridors, and bike/ped connections, the Town has an opportunity to support public/private partnerships in the Dog Bone district that maximize benefits for all stakeholders.

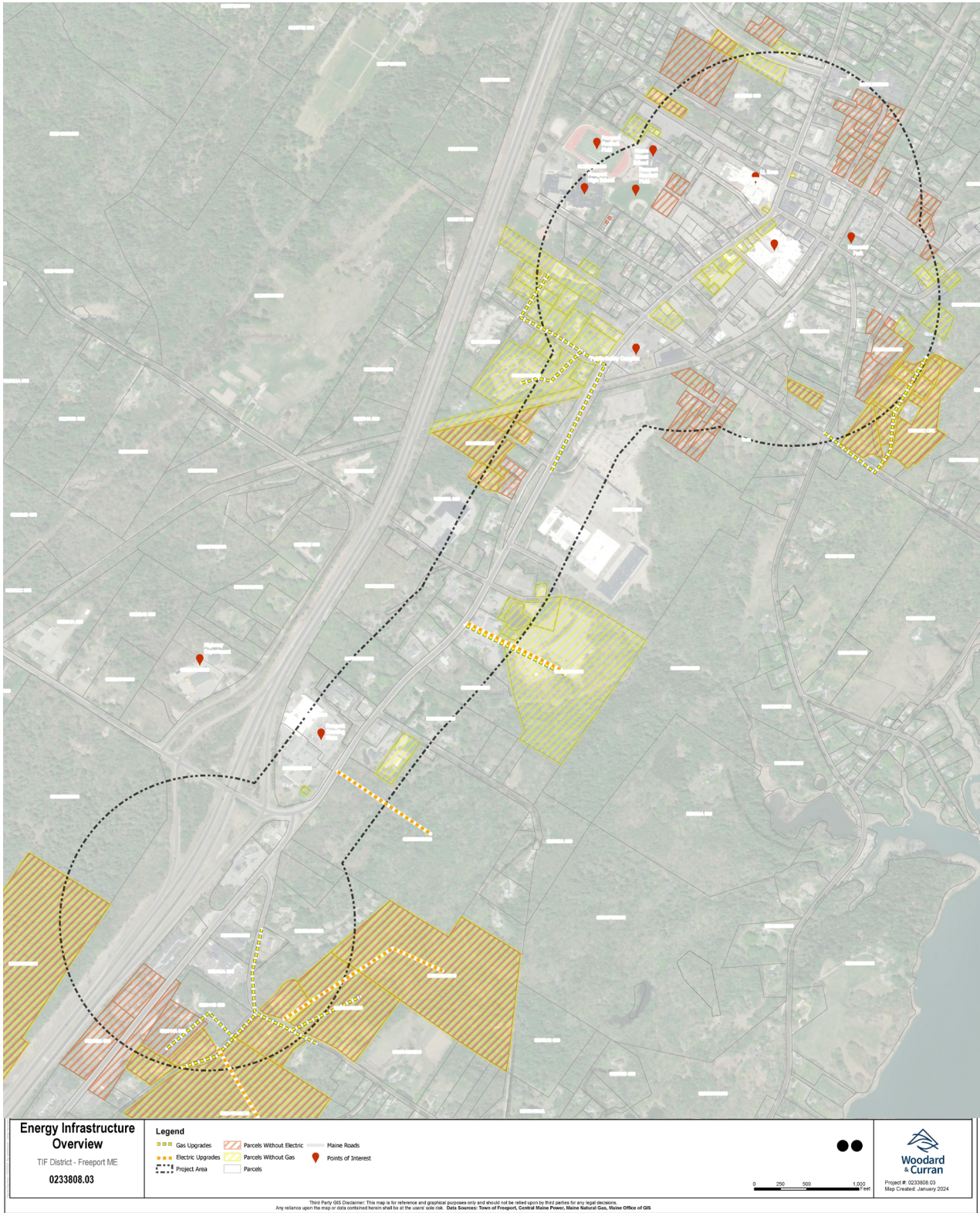


4.2 WATER & SEWER INFRASTRUCTURE GAPS





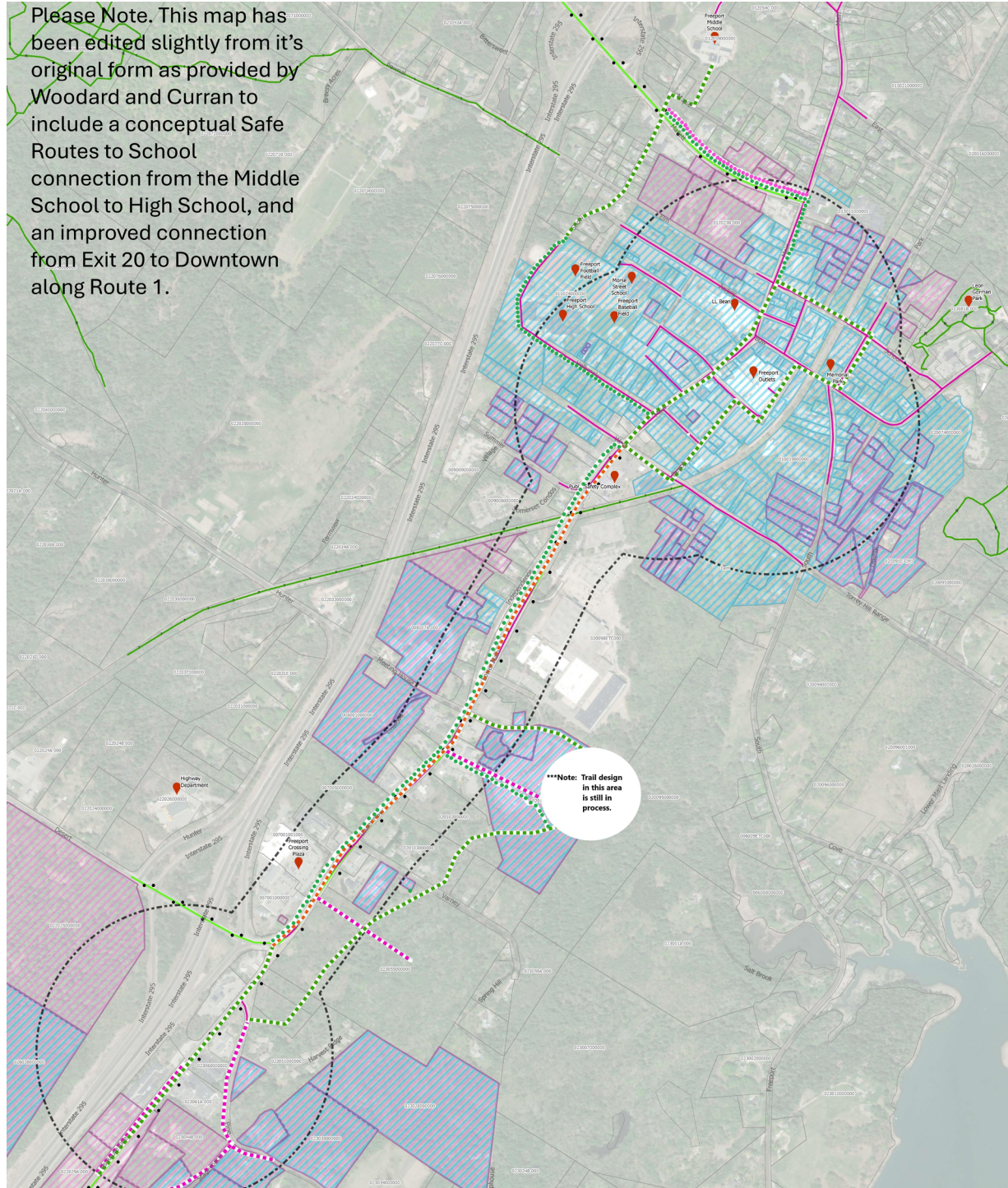
4.3 ENERGY INFRASTRUCTURE GAPS





## 4.4 ACTIVE TRANSPORTATION INFRASTRUCTURE GAPS

Please Note. This map has been edited slightly from it's original form as provided by Woodard and Curran to include a conceptual Safe Routes to School connection from the Middle School to High School, and an improved connection from Exit 20 to Downtown along Route 1.



### Active Transportation Overview

TIF District - Freeport, ME  
0233808.03

- Legend**
- Sidewalks
  - Bike Lanes and Roadside Shoulders
  - Trails
  - Project Area
  - Parade Without Sidewalks
  - Parade Without Bike Lanes/ Trails
  - Parade
  - Points of Interest

0 250 500 1,000 Feet



Project # 0233808.03  
Map Created January 2024  
Update by TIF District November 2024

Third Party GIS Disclaimer: This map is for reference and graphical purposes only and should not be relied upon by third parties for any legal decisions. Any reliance upon the map or data contained herein shall be at the user's sole risk. Data Sources: Town of Freeport, Central Maine Power, Maine Natural Gas, Maine Office of GIS

# 4 INFRASTRUCTURE & CAPITAL IMPROVEMENTS

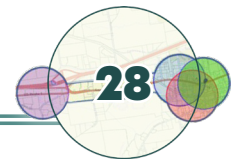


## 4.15 INFRASTRUCTURE PRIORITIES SUMMARY & BUDGET TABLE

Item	Category	Linear Feet	Total Budget	Grant/Other	Town Outlay	Match Source	Town Funding Source	Total 20 Yr Bond
<b>Sidewalk</b>								
South End Development	Sidewalk	2,230	580,000	290,000	290,000	PACTS/DOT	TIF	
Route 1 Extension	Sidewalk	1,212	315,000	157,500	157,500	PACTS/DOT	TIF	
Main Street Developments	Sidewalk	2,000	520,000	260,000	260,000	PACTS/DOT	TIF	
Mallet Drive Sidewalk	Sidewalk	1,360	476,000	238,000	238,000	PACTS/DOT	TIF	
Downtown Sidewalk Upgrades	Sidewalk	5,280	1,373,000	686,500	686,500	PACTS/DOT	TIF	
Rte 1 Streetscape	Sidewalk	1,800	468,000	234,000	234,000	PACTS/DOT	TIF	
	<b>Sub-Total</b>		\$ 3,732,000	\$1,866,000	\$ 1,866,000			<b>\$2,639,805.57</b>
<b>Streetscape</b>								
Pavement Upgrades	Streetscape		975,000		975,000		General Fund / Cap Plan	
Vegetation	Streetscape		247,000		247,000		TIF	
Lighting	Streetscape		247,000		247,000		TIF	
Benches & Amenities	Streetscape		247,000		247,000		TIF	
	<b>Sub-Total</b>		\$ 1,716,000	\$ -	\$ 1,716,000			<b>\$2,427,602.55</b>
<b>Bike Lanes &amp; Multi-Use Paths</b>								
Route 1 Extension	Bike Lane	1,212	551,000	275,500	275,500	PACTS/DOT	Bond	
Town Center Loop Trail	Bike Lane	3,119	1,419,000	709,500	709,500	PACTS/DOT	Bond	
School Connector -- Holbrook Extension	Bike Lane	1,750	612,500	306,250	306,250	PACTS/DOT	Bond	
Mallet Drive Bike Path	Multi-Use Path	1,360	476,000	238,000	238,000	PACTS/DOT	Bond	
School Connector	Multi-Use Path	2,220	1,010,000	505,000	505,000	PACTS/DOT	Bond	
Desert Rd Bridge Transition & Route 1~Pine to West Streets	Multi-Use Path	5,370	1,879,500	939,750	939,750	PACTS/DOT	Bond	
Concord Brook Bike Trail	Multi-Use Path	4,600	2,093,000	1,046,500	1,046,500	PACTS/DOT	Bond	
Streetscape~Downtown to Maine Beer Co.	Streetscape	5,400	2,457,000	1,228,500	1,228,500	PACTS/DOT	Bond	
	<b>Sub-Total</b>		\$10,498,000	\$5,249,000	\$ 5,249,000			<b>\$7,425,691.03</b>
<b>Local MicroTransit ~ Shuttle</b>								
Local circulator bus ~ seasonal	Local Microtransit	1,424,000	\$ 1,424,000		\$ 1,424,000		TIF	
	<b>Sub-Total</b>		\$ 1,424,000		\$ 1,424,000			<b>N/A</b>
<b>Stormwater</b>								
Southern Growth Expansion	Stormwater	1,475	428,000		428,000		Capital Plan	
Main Street Development Expansion	Stormwater		580,000		580,000		Capital Plan	
Main Street Retention Ponds	Stormwater		200,000		200,000		Capital Plan	
Mallet Drive & Route 1 Capacity Expansion	Stormwater		3,350,000		3,350,000		Capital Plan	
	<b>Sub-Total</b>		\$ 4,558,000	\$ -	\$ 4,558,000			<b>\$6,448,142.45</b>
<b>TOTAL CAPEX</b>			<b>\$21,928,000</b>	<b>\$7,115,000</b>	<b>\$14,813,000</b>			<b>\$18,941,241.60</b>

## 5 FUNDING MODEL

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THE TOWN OF FREEPORT HAS A UNIQUE OPPORTUNITY TO LEVERAGE SOON-TO-EXPIRE TAX INCREMENT FINANCING DISTRICTS AND NET-POSITIVE TAX REVENUES FROM NEW DEVELOPMENT TO FUND REQUIRED INFRASTRUCTURE UPGRADES IN THE DOG BONE DISTRICT, WHILE COVERING RELATED COSTS TO SERVE NEW RESIDENTS.



5.1 TRANSIT-ORIENTED DEVELOPMENT TAX INCREMENT FINANCING DISTRICT OPPORTUNITY

Municipal Tax Increment Financing (TIF) is a flexible finance tool used by municipalities, plantations, and unorganized territories to leverage new property taxes generated by a specific project or projects within a defined geographic district. Any portion of the new taxes may be used to finance public or private projects for a defined statutorily allowable period. State statute typically enables towns to shelter revenues on incremental value within approved TIF districts for up to 30 years. To calculate eligible TIF funding within a TIF District, the Town establishes the Original Assessed Value (OAV), and then shelters all or a portion of new revenues generated by the Incremental Assessed Value (IAV) of new development within the district. Typical TIF districts expire after 30 years.

Freeport has an extensive track record of using TIF to support public infrastructure, housing, Downtown amenities, and businesses that invest in Freeport. Currently, the Town has eight established TIF districts.

FREEPORT TAX INCREMENT FINANCING DISTRICTS

Name	TIF_End	TIF_Desc	OAV	Acres	CapturePct	2024 Gross	2024 IAV	2024 CAV	2024 Tax
TIF II	2026	Bean Downtown	\$ 3,422,400	27.13	75%	\$ 35,178,740	\$ 31,756,340	\$ 23,817,255	\$ 317,960
TIF II.07	2026	Berenson	5,154,247	4.42	80%	57,444,700	52,290,453	41,832,362	558,462
TIF IV	2029	Destination Freeport	3,663,554	36.99	100%	31,214,400	27,550,846	20,000,000	267,000
TIF V	2034	Park Street	885,900	2.04	51%	8,375,700	7,489,800	3,819,798	50,994
TIF V.2011	2033	Park Street 11	1,349,300	5.99	100%	4,446,000	3,096,700	3,096,700	41,341
TIF VI	2030	Leaf Oak II	6,900	2.19	50%	1,824,800	1,817,900	908,950	12,134
TIF VII	2050	Concord Gully	34,038,300	88.62	95%	66,809,500	32,771,200	31,132,640	415,621
TIF VIII	2050	Quarry Ridge AHTIF	\$ -	14.08	50%	\$ 2,794,900	\$ 2,794,900	\$ 1,397,450	\$ 18,656

Transit-Oriented Development Eligibility: Land within one quarter mile of local transit stops or within 500 feet of a transit corridor (Route 1) are eligible for TOD.

Due to the Downeaster and Metro Breez stations in and around Freeport’s Downtown and Route 1 corridor, Freeport is uniquely positioned to leverage particular local and state aspects of the Transit-Oriented Development (TOD) TIF statute via the Dog Bone district.

Whereas most town TIF districts in Maine are capped at up to 5% of land and 5% of total valuation by statute, TOD Districts are exempt from the state’s land and valuation caps.

5.2 RENEWAL OF EXPIRING TIF DISTRICTS TO FUND INFRASTRUCTURE

As noted in section 2.6 of this report, the Town currently has a unique opportunity to renew the Bean Downtown and Village Station (referenced as “Berenson” in the table above) for an additional 20 years to support transit-oriented development (TOD) and affordable housing. Due to the Downeaster and Metro Breez stations in and around Freeport’s Downtown and Route 1 corridor, Freeport is uniquely positioned to leverage unique local and state aspects of Transit-Oriented Development (TOD) TIF statute.

Town TIF districts are capped at up to 5% of land and 5% of total valuation by statute, but it is important to note for Freeport that Transit-Oriented Development TIF Districts are exempt from the state’s land and valuation caps. This is important for Freeport, because total valuation for local land and assets in the Dog Bone far exceeds the State valuation cap.

20-YEAR RENEWAL OPTION

The 131st Legislature created an opportunity for towns to extend expiring Districts for an additional 20 years using the original OAV as long as 75% of the revenues generated via the IAV are dedicated to affordable housing projects or TOD.

WHY DOES THIS MATTER FOR FREEPORT?

The Town has existing TIF Districts with significant IAV that will expire in the next 2-3 years. Because of those Downeaster and Metro Breez stations, Freeport is uniquely positioned to take advantage of the 20-year extension option encompassing an area of Town that exceeds 10% of the Town’s total valuation.

**The renewal of expiring TIF Districts offers dedicated funding to unlock desirable development in the overlapping Downtown Vision and Dog Bone areas of Town that will exceed \$850,000 in 2028 and climb over \$1,000,000 annually in 2030. These funds have been sheltered from the General Fund for decades, so this step will have no effect on current taxes.**

Funding Source	Sidewalks	Streetscape	Trails	Microtransit	Stomwater	Total
TIF	\$ 1,866,000	741,000		\$ 1,424,000		\$ 4,031,000
Bond	5,249,000					5,249,000
Capital Plan		975,000			4,558,000	5,533,000
Grants / DOT Partnerships	\$ 1,866,000		\$ 5,249,000			\$ 7,115,000
TOTAL COST						\$ 21,928,000
TOWN COST						\$ 14,813,000

## 5.3 FUNDING RECIPE

The goals of the Work Group's proposed Funding Recipe are as follows:

1. New development in the Dog Bone district in aggregate<sup>8</sup> should cover the related costs to serve new residents and students from that development (See Section 3.6, Planning Level Net Fiscal Impacts).
2. Above and beyond the costs to serve new residents and students accounted for in item 1 above, an additional reasonable percentage of revenues from new development in the Dog Bone should be dedicated to the Town's General Fund to hedge against unforeseen costs and to ensure that development in the district contributes to the Town's long term fiscal sustainability, and that the benefits of new development accrue to all Freeport taxpayers.
3. The Town should pay for necessary infrastructure upgrades to serve new development in the Dog Bone district with a combination of revenues from expiring TIF districts and new revenues from development in the district to stabilize the tax burden for current payers.

To these ends, the Work Group proposes the following Dog Bone district funding recipe:

1. Renew expiring L.L.Bean and Village Station TIFs and dedicate 100% of funding to district infrastructure.<sup>9</sup>
2. Dedicate an adequate percentage of new revenues from aggregate new development in the Dog Bone district to the General Fund to cover estimated costs to serve new development.
3. Dedicate an additional small percentage of new revenues from development in the Dog Bone district to the General Fund as a cushion to hedge against unforeseen costs and to benefit all taxpayers.
4. Establish a new transit-oriented development TIF district and shelter 15% of new revenue for public infrastructure in Dog Bone district.

<sup>8</sup> Different mixes of unit types yield greater or lesser costs; single family homes generally cost more than multifamily units.

<sup>9</sup> This does not account for renewal of the Destination Freeport TIF located within the Dog Bone that expires in 2029 and will generate \$267,000 in FY26 tax revenue.

## 5.4 FISCAL STRESS TESTS

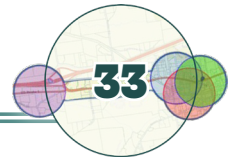
Based on the three goals above, the Work Group requested the following fiscal “stress tests” to verify that new tax revenue from development in the Dog Bone district, combined with revenues from renewed TIF II and TIF II.07, are sufficient to 1) Cover costs to serve new residents generated by development in the Dog Bone; 2) To buffer against unforeseen costs with a reasonable hedge of an extra 15% of new development revenues above projected service costs; and 3) To cover the costs of necessary infrastructure to serve new residents generated by the development.

The following three pages are three Stress Tests based on the 705 units projected in section 3.5, including a significant number of compact single-family homes. The variable that changes between each scenario is the factor of time: build out of the same number of units over 10 years, 15 years, and 20 years.

To pass the stress test, the respective scenario must have positive balances in the 20 YEAR NET TIF BALANCE AFTER EXPENSES row in the center of the page. A positive net TIF balance calculation implies that revenues from the renewed TIF II and TIF II.07 and new development in the district cover costs to serve new residents and provide public infrastructure.

**Each of the scenarios pass the stress test and provide adequate funding for the Work Group’s feasibility goal. It’s important to note that from a fiscal perspective, the more rapidly build out occurs in the stress tests, the greater the net fiscal benefit to the Town. This positive impact makes clear the importance of community consensus, good zoning and design standards, and predictable approval processes.**

# 5 FUNDING MODEL



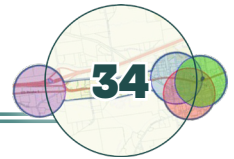
## 5.4 FISCAL STRESS TEST: 10 YEARS OUT

### DOG BONE TRANSIT-ORIENTED DEVELOPMENT DISTRICT

#### Funding Recipe

Yrs to Buildout		10		Total Units		705					
Funding Source	Sidewalks		Streetscape		Trails		Microtransit		Stormwater		Total
TIF	\$ 1,866,000		741,000				\$ 1,424,000				\$ 4,031,000
Bond	5,249,000										5,249,000
Capital Plan			975,000						4,558,000		5,533,000
Grants / DOT Partnerships	\$ 1,866,000				\$ 5,249,000						\$ 7,115,000
					TOTAL COST						\$ 21,928,000
					TOWN COST						\$ 14,813,000

# 5 FUNDING MODEL



## 5.4 FISCAL STRESS TEST: 15 YEARS OUT

### DOG BONE TRANSIT-ORIENTED DEVELOPMENT DISTRICT

#### Funding Recipe

	Yrs to Buildout		Total Units		705		
Funding Source	Sidewalks	Streetscape	Trails	Microtransit	Stormwater	Total	
TIF	\$ 1,866,000	741,000		\$ 1,424,000		\$ 4,031,000	
Bond	5,249,000					5,249,000	
Capital Plan		975,000			4,558,000	5,533,000	
Grants / DOT Partnerships	\$ 1,866,000		\$ 5,249,000			\$ 7,115,000	
TOTAL COST						\$ 21,928,000	
TOWN COST						\$ 14,813,000	

<b>20 YR Revenue</b>		Total 20 Year Revenue by Renewing Expiring TIF II and TIF II.07	\$ 23,263,295	See Footnote 1
		Total Revenues from New Projected Development in Dog Bone district	35,848,946	See Footnote 2
		<b>TOTAL REVENUE</b>	\$ 59,112,241	
<b>20-Yr Expense</b>		20% Downpayment on Bond	\$ 2,677,800	See Footnote 3
		20 Yr Bond for Town Share of New Infrastructure (less Microtransit) at	18,941,242	See Footnote 4
		Microtransit	1,424,000	See Footnote 5
		<b>TOTAL EXPENSE</b>	\$ 23,043,042	
<b>Funding Recipe</b>		Dedicate 70% new Dog Bone district revenue to General Fund cover costs to serve	\$ 25,094,262	See Footnote 6
		Dedicate 15% new Dog Bone district revenue to General fund stabilization (cushion)	5,377,342	See Footnote 7
20 Year		Dedicate 100% of Expiring TIF II and TIF II.07 Reven to fund Dog Bone infrastructure	23,263,295	See Footnote 1
		Dedicate 15% of New Dog Bone Value in TOD TIF District for public investment	5,377,342	See Footnote 2
		<b>TOTAL FUNDING</b>	\$ 59,112,241	
<b>20 Year Net TIF Balance after Expenses</b>		Renewed TIF II and II.07	\$ 220,254	See Footnote 8
		New Development in Dog Bone district	\$ 5,377,342	

#### BUILD OUT ASSUMPTIONS

PROJECT TYPE		BUILD OUT SUMMARY		NET ANNUAL FISCAL IMPACT	
		PROJECTS	UNITS	\$ / PROJECT	\$ / AGGREGATE
Compact Single Family Homes		101	101	\$ 48	4,827
4 Unit Market Rate		8	32	1,188	9,507
16 Unit Apartment Building		7	112	19,609	137,260
8 Unit Condo Building		8	64	14,802	118,418
30 Unit Market Rate		3	90	32,708	98,123
42 Unit Senior Affordable Housing		3	126	44,001	132,003
60 Unit Market Rate		3	180	43,799	131,398
Total		133	705	\$	631,537

**Footnote 1** Refers to the Town of Freeport's current TIF II District (Bean Downtown), TIF II.07 District (Village Station), that will generate \$865,760 in revenues in FY25, which translates to \$23,363,295 over 20 years with 3% annual increase. Assumes the Town renews these Districts for an additional 20 years to fund investment priorities in the Dog Bone district.

**Footnote 2** Refers to new net tax revenues generated by new projects constructed within the Dog Bone geography based on assumptions for new units (volume) and the number of years (time) for build out. The Town can shelter some or all of these revenues in a TOD TIF, or allow the funds accrue to the General Fund.

**Footnote 3** Refers to assumption that the Town will take on debt (bonds) to fund a portion of appropriate public infrastructure within the Dog Bone, as discussed in Section 4.4. of the Dog Bone Work Group report, and this figure equals 20 percent of the total cost as downpayment, with 80% of total cost in debt service over 20 years.

**Footnote 4** Offers snapshot of total debt service assuming Town bonds Dog Bone infrastructure priorities (less anticipated DOT/PaCTS contributions and microtransit) with 20% down for investments in stormwater management, sidewalks, streetscapes, and trails.

**Footnote 5** Refers to Microtransit investment to mitigate traffic from new development and to provide amenity for residents and visitors. This investment is treated as a direct operational expense from TIF revenues, not an amortized capital investment.

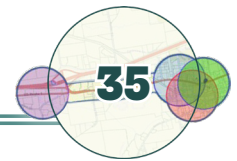
**Footnote 6** Refers to portion of revenue that accrues to General Fund to cover anticipated costs to serve new residents and students from new development.

**Footnote 7** Refers to additional dedicated funds to General Fund to pay for unforeseen costs to serve new residents and students.

**Footnote 8** Refers to remaining TIF Fund balance from renewal of TIF II and TIF II.07 plus new development over 20 years (after 80% of revenues from new development accrue to the General Fund to cover costs to serve new residents and students) that can be used for unforeseen capital outlays or Credit Enhancement Agreements.



# 5 FUNDING MODEL



## 5.4 FISCAL STRESS TEST: 20 YEARS OUT

### DOG BONE TRANSIT-ORIENTED DEVELOPMENT DISTRICT

#### Funding Recipe

Yrs to Buildout		20		Total Units		705					
Funding Source	Sidewalks		Streetscape		Trails		Microtransit		Stormwater		Total
TIF	\$ 1,866,000		741,000				\$ 1,424,000				\$ 4,031,000
Bond	5,249,000										5,249,000
Capital Plan			975,000						4,558,000		5,533,000
Grants / DOT Partnerships	\$ 1,866,000				\$ 5,249,000						\$ 7,115,000
					TOTAL COST						\$ 21,928,000
					TOWN COST						\$ 14,813,000

<b>20 YR Revenue</b>	Total 20 Year Revenue by Renewing Expiring TIF II and TIF II.07	\$ 23,263,295	See Footnote 1
	Total Revenues from New Projected Development in Dog Bone district	29,039,549	See Footnote 2
TOTAL REVENUE		\$ 52,302,844	

<b>20-Yr Expense</b>	20% Downpayment on Bond	\$ 2,677,800	See Footnote 3
	20 Yr Bond for Town Share of New Infrastructure (less Microtransit) at	18,941,242	See Footnote 4
	Microtransit	1,424,000	See Footnote 5
TOTAL EXPENSE		\$ 23,043,042	

<b>Funding Recipe</b>	Dedicate 70% new Dog Bone district revenue to General Fund cover costs to serve	\$ 20,327,684	See Footnote 6
	Dedicate 15% new Dog Bone district revenue to General fund stabilization (cushion)	4,355,932	See Footnote 7
20 Year	Dedicate 100% of Expiring TIF II and TIF II.07 Reven to fund Dog Bone infrastructure	23,263,295	See Footnote 1
	Dedicate 15% of New Dog Bone Value in TOD TIF District for public investment	4,355,932	See Footnote 2
TOTAL FUNDING		\$ 52,302,844	

<b>20 Year Net TIF Balance after Expenses</b>	Renewed TIF II and II.07	\$ 220,254	See Footnote 8
	New Development in Dog Bone district	\$ 4,355,932	

#### BUILD OUT ASSUMPTIONS

PROJECT TYPE	BUILD OUT SUMMARY		NET ANNUAL FISCAL IMPACT	
	PROJECTS	UNITS	\$ / PROJECT	\$ / AGGREGATE
Compact Single Family Homes	101	101	\$ 48	4,827
4 Unit Market Rate	8	32	1,188	9,507
16 Unit Apartment Building	7	112	19,609	137,260
8 Unit Condo Building	8	64	14,802	118,418
30 Unit Market Rate	3	90	32,708	98,123
42 Unit Senior Affordable Housing	3	126	44,001	132,003
60 Unit Market Rate	3	180	43,799	131,398
Total	133	705		\$ 631,537

**Footnote 1** Refers to the Town of Freeport's current TIF II District (Bean Downtown), TIF II.07 District (Village Station), that will generate \$865,760 in revenues in FY25, which translates to \$23,363,295 over 20 years with 3% annual increase. Assumes the Town renews these Districts for an additional 20 years to fund investment priorities in the Dog Bone district.

**Footnote 2** Refers to new net tax revenues generated by new projects constructed within the Dog Bone geography based on assumptions for new units (volume) and the number of years (time) for build out. The Town can shelter some or all of these revenues in a TOD TIF, or allow the funds accrue to the General Fund.

**Footnote 3** Refers to assumption that the Town will take on debt (bonds) to fund a portion of appropriate public infrastructure within the Dog Bone, as discussed in Section 4.4. of the Dog Bone Work Group report, and this figure equals 20 percent of the total cost as downpayment, with 80% of total cost in debt service over 20 years.

**Footnote 4** Offers snapshot of total debt service assuming Town bonds Dog Bone infrastructure priorities (less anticipated DOT/PaCTS contributions and microtransit) with 20% down for investments in stormwater management, sidewalks, streetscapes, and trails.

**Footnote 5** Refers to Microtransit investment to mitigate traffic from new development and to provide amenity for residents and visitors. This investment is treated as a direct operational expense from TIF revenues, not an amortized capital investment.

**Footnote 6** Refers to portion of revenue that accrues to General Fund to cover anticipated costs to serve new residents and students from new development.

**Footnote 7** Refers to additional dedicated funds to General Fund to pay for unforeseen costs to serve new residents and students.

**Footnote 8** Refers to remaining TIF Fund balance from renewal of TIF II and TIF II.07 plus new development over 20 years (after 80% of revenues from new development accrue to the General Fund to cover costs to serve new residents and students) that can be used for unforeseen capital outlays or Credit Enhancement Agreements.

## 5.5 DEVELOPMENT PROGRAM

The proposed funding recipe outlined in section 5.3 and “stress tested” in section 5.4 involves the renewal of two expiring tax increment financing (TIF) districts in Freeport and the establishment of a new Transit-Oriented Development TIF encompassing the Dog Bone district.

When a municipality seeks to establish a TIF district, the municipality applies to the State of Maine’s Department of Economic and Community Development for review and approval.

Within a TIF application, the municipality sets forth a “Development Program,” which categorizes eligible expenses for use of sheltered TIF revenues.

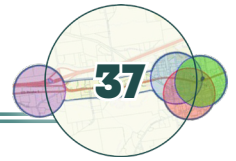
For the purpose of the Dog Bone district, the TIF Development Program should be structured to enable investment in priorities identified in Section 4.4., “Infrastructure Priorities.” In addition, the Development Program should be structured to support any necessary public safety investments to serve the district, as well as broader economic and community development priorities to support individual development projects that generate a public benefit, such as Credit Enhancement Agreements for qualified projects and affordable housing funding programs.

WITH TIF II AND TIF II.07 SCHEDULED TO EXPIRE IN 2027, THE TOWN WILL NEED TO FINE-TUNE THE DOG BONE TIF STRATEGY IN THE COMING MONTHS TO INTEGRATE THE EXPIRING DISTRICTS WITH NEW PRIORITIES IN A COMPREHENSIVE AND FLEXIBLE DEVELOPMENT PROGRAM TO BEST SERVE COMMUNITY GOALS.



## 6 POLICY RECOMMENDATIONS

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THE DOG BONE WORK GROUP HAS DETERMINED THAT THE PROPOSED TRANSIT-ORIENTED DEVELOPMENT STRATEGY IS FEASIBLE AND IS LIKELY TO GENERATE COMMUNITY, ECONOMIC, ENVIRONMENTAL, AND FISCAL BENEFITS FOR THE TOWN OF FREEPORT AND ITS RESIDENTS.

THE WORK GROUP OFFERS THE FOLLOWING LAND USE, INFRASTRUCTURE, AND FUNDING POLICY RECOMMENDATIONS TO ADVANCE IMPLEMENTATION OF TOD IN THE DOWNTOWN AND SOUTH ON RTE 1 TO FREEPORT'S SOUTHERN-MOST BREEZ STOP.

## 6.1 LAND USE

1. Update standards in all zones in the Dog Bone for mixed use and multifamily developments to be harmonious with VC1 density allowances and streamline review processes.

Development standards throughout the Dog Bone district are overly restrictive, extremely complex, and varied over multiple districts.

**INCREASE FLEXIBILITY TO CREATE A DIVERSITY OF HOUSING TYPES BY ELIMINATING MINIMUM LAND PER DWELLING UNIT REQUIREMENTS.**

While standards in VC1 offer flexibility for development to create a diversity of unit types by requiring no minimum land per dwelling unit, standards in other districts within the Dog Bone require significant land per dwelling unit, regardless of the size of units.

**Under the current standards, a 600 square foot senior affordable studio apartment requires the same amount of land per dwelling unit as a 1,400 square foot three-bedroom unit.**

**RELAX CURRENT BUILDING HEIGHT RESTRICTIONS TO UNLOCK VALUABLE LAND.**

As demonstrated in section 3.6 of this report, the positive fiscal impact of “missing middle” and multifamily projects makes developable land adjacent to public infrastructure within the Dog Bone district extremely valuable for achieving Town goals and for the Town’s long term fiscal sustainability. Allowing greater height for desirable projects within the district will allow greater density on smaller development footprints, conserving this valuable land for a variety of alternative benefits, such as landscaping and buffering, stormwater infiltration and management, trail and wildlife corridors, and additional development projects.

**STREAMLINE AND SIMPLIFY THE TOWN’S REVIEW PROCESS**  
In November 2024, the Planning Board recommended to Town Council that multifamily developments should be exempt from Subdivision Review in order to streamline Town approval processes, while maintaining a thorough review via Site Plan review. The Town should continue down this path by amending ordinances to:

**Because the district comprises just 2.5 percent of the total land in Freeport, density in the Dog Bone can help conserve Freeport’s rural character in surrounding areas.**

- **SIMPLIFY SITE PLAN REVIEW** (Section 602 of the Town Ordinances) and enact appropriate changes to reduce redundancy and add efficiency.
- **ELIMINATE NET RESIDENTIAL ACREAGE CALCULATION REQUIREMENTS** in the Dog Bone to simplify standards and early-stage pre-development analyses, while reducing development soft costs.
- **ELIMINATE THE VILLAGE OVERLAY DISTRICT TO REDUCE CONFUSION.** The Town is taking the positive step to overhaul its Design Review District standards, but areas of the Dog Bone district are also regulated by the Freeport Village Overlay District. Standards for these two Districts often conflict, creating confusion.

## 6.1 LAND USE

2. Designate the Dog Bone geography as a priority development district in all Town plans and policies and include Work Group recommendations as shared priorities for the Town Council and relevant Boards and Committees for the coming year.

The Dog Bone is the land where the Freeport community's shared goals in the *Comprehensive Plan*, *Downtown Vision*, *Climate Action Plan*, and *Active Living Plan* align together. Implementation of the proposed TOD strategies will require focused and concerted effort across multiple boards, committees, and stakeholders.

In addition, regional, state, and federal partner agencies look to a municipality's officially adopted plans to confirm alignment when awarding funding and resources to implement shared priorities.

By endorsing the Dog Bone TOD framework as an official Town priority and implementation strategy for the Comprehensive Plan, and by formally adopting the Downtown Vision Plan with the Dog Bone framework as a guiding implementation strategy, the Town Council will align activities across Town boards, committees, staff, and budgets, and signal alignment to regional, state, and federal partners on shared transportation, housing, and economic development priorities.

**The Town could integrate the Dog Bone Work Group recommendations as an implementation plan addendum to the Downtown Vision Plan, and then formally adopt the Downtown Vision as Town policy.**

## 6.2 INFRASTRUCTURE

### 1. ENDORSE THE DOG BONE INVESTMENT PRIORITIES AS PROPOSED AND PROCEED WITH NECESSARY DUE DILIGENCE.

The active transportation, streetscape, micro transit, and stormwater upgrades identified in section 4.4 of this report reflect the current understanding of baseline critical infrastructure investments identified by a qualified consultant and key local stakeholders as essential to ensure that Dog Bone district development results in a high quality built and natural environment that supports the Town's environmental sustainability, economic, housing, and transportation goals.

### 2. FUND AND DEVELOP A COORDINATED DEVELOPMENT DESIGN FOR THE DOG BONE DISTRICT THAT IS INTEGRATED WITH THE MAINEDOT PPI INITIATIVE AND INCLUDES APPROPRIATE LOCATIONS FOR PUBLIC WAYS, UTILITIES, ENVIRONMENTAL SERVICES, WILDLIFE CORRIDORS, AND BIKE/PED CONNECTIONS.

The Dog Bone district encompasses multiple property owners over hundreds of acres and based on existing Town plans, the district holds potential to advance multiple community goals.

To accomplish this, the Work Group proposes that the Town retain qualified engineering and landscape architect professionals to design a comprehensive approach to land use and infrastructure in the district via a Coordinated Development Design. A coordinated design will identify land best suited for development and delineate public infrastructure and trail corridors to unlock land best suited for new housing and mixed-use developments, while conserving natural and development-constrained areas best suited for trail and wildlife corridors and environmental services.

In particular, this Coordinated Development Design recommendation leverages the Town's upcoming PPI with MaineDOT to modernize the Route 1 Corridor within the Dog Bone district in line with the Freeport community's vision. While the joint effort with MaineDOT will focus on transportation infrastructure upgrades along Route 1, the Dog Bone Coordinated Development Design recommendation in this report focuses on complementary new housing and mixed-use development to advance Town goals in the land adjacent to the PPI focus area. Undertaking parallel studies of the Route 1 transportation corridor simultaneously with an integrated design for the adjacent land will assist the Town and private landowners to make the best use of land within the Dog Bone district.

## 6.3 FUNDING & PARTNERSHIPS

1. REFINES THE DOG BONE TAX INCREMENT FINANCING (TIF) STRATEGY, INCLUDING THE RENEWAL OF EXPIRING TIF DISTRICTS AND /OR THE CREATION OF A NEW OMNIBUS DISTRICT, AND DEVELOP RELEVANT APPLICATION(S) TO THE STATE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT.

As detailed in Section 5 of this report, Funding Model, Freeport is uniquely positioned to take advantage of the State of Maine's transit-oriented development (TOD) opportunities within the State's TIF statute.

The State has prioritized TOD by creating exemptions to land and valuation caps that limit the scope and scale of typical TIF districts and has also created a unique district renewal policy allowing communities to extend the life of expiring districts by an additional 20 years in order to spur investment in TOD and affordable housing.

Based on the GPCOG fiscal impact analysis and proposed funding recipe detailed in section 5.3 and "stress tested" in section 5.4 of this report, renewal of the expiring TIF II and TIF II.07 will generate adequate positive cash flow to enable the Town to fund known infrastructure needs within the Dog Bone district. Because TOD districts are exempt from the State's TIF land and valuation caps, Freeport could also designate the entire Dog Bone district as a TOD district, while remaining well below the State caps of 5% of land and 5% of total municipal valuation.

**The TOD train is leaving the station, and Freeport should get on board.**

In order to capture this unique opportunity, the Town of Freeport must develop an integrated plan to renew the expiring districts, while proposing the new TOD district. The Development Program will be carefully designed to maximize the flexibility of the Development Program to enable the Town to fund a breadth of necessary investments to support new development, while benefitting all local taxpayers. Finally, the Town will develop application packages to the State Department of Economic and Community Development and negotiate approvals with State staff. To accomplish these steps, the Town should allocate funding for legal and fiscal consultants to support Town staff with applications that secure beneficial terms for the Town.

2. FACILITATE CLOSE COORDINATION WITH STATE AND REGIONAL PARTNERS TO SECURE RELATED FUNDING AND TO INTEGRATE TRANSIT-ORIENTED DEVELOPMENT IMPLEMENTATION WITH BROADER TRANSPORTATION SYSTEM UPGRADES.

Regional, State, and Federal planning initiatives and programming suggest strong support for transit-oriented development strategies going forward.

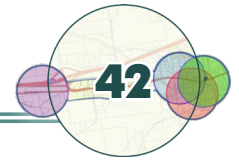
The State of Maine's special treatment of TOD TIF programs is one example.

The Portland Area Comprehensive Transportation System's Reimagining Route 1 regional planning initiative is another example of this shared priority around integrating transportation and land use to address the State's housing, economic, transportation and environmental sustainability goals.

By adopting the recommendations of the Dog Bone Work Group, the Town of Freeport will have the policy frameworks, the dedicated funding streams to match state and federal dollars with local investment, and the clear community consensus on shared TOD goals that will position Freeport as an obvious partner for pilot programs and projects.

## 7 FREQUENTLY ASKED QUESTIONS

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DURING WORK GROUP DISCUSSIONS, MEMBERS RAISED THE QUESTION OF POTENTIAL UNFORESEEN IMPACTS TO RESIDENTS THAT ARE NOT ACCOUNTED FOR OR DISCUSSED IN THE INFRASTRUCTURE PRIORITIES SECTION OF THIS REPORT. IN PARTICULAR THE NEGATIVE IMPACTS ON LOCAL QUALITY OF LIFE RELATED TO INCREASED TRAFFIC, AND THE POTENTIAL IMPACT OF NEW STUDENTS WHO LIVE IN NEW HOUSING UNITS ON RSU 5 FACILITIES AND RESOURCE NEEDS.



7.1 CONSIDERATION OF POTENTIAL IMPACTS ON ROADS & TRAFFIC

Potential impacts to local road capacity and traffic are an important consideration. Even though traffic counts have generally declined in the Dog Bone district over the last decade, the Town will proactively plan for anticipated development in the Dog Bone district in collaboration with MaineDOT and explore Traffic Demand Strategies (TDM) to support alternative modes of transportation and mitigate traffic impacts.

MaineDOT Traffic Counts at U.S. Route 1 / Main Street Intersections

U.S. Route 1 at Shaw's Entrance	July 2012 17,007	Sept 2016 18,378	Aug 2022 9,848	10 Year Change -7,159
Main Street at West Street	June 2010 14,593	Sept 2016 15,036	Aug 2022 11,429	12 Year Change -3,164
Main Street at Mill Street	April 2008 11,196	June 2010 11,490	Aug 2022 7,732	12 Year Change -3,758
Mallet Drive at Main Street	Aug 2019 15,716	Aug 2022 10,019	Aug 2024 13,445	5 Year Change -2,271

RECENT TRENDS. Traffic volumes have been generally declining along U.S. Route 1 in the Dog Bone district, according to MaineDOT “Yearly Traffic Counts.”<sup>10</sup> Following are representative examples of this trend:

MAINEDOT PLANNING PARTNERSHIP INITIATIVE. On December 3, 2024, the Freeport Town Council endorsed a collaborative PPI to study the U.S. Route 1 corridor and identify system improvements and placemaking opportunities within an focus area that closely aligns with the Dog Bone district.

As part of the PPI study, “conceptual plans will be developed using future traffic volumes that can be reasonably expected based on accepted growth forecasts for the design year 2050, as well as known development and land uses.”

Studying the impacts of desirable new development in the Dog Bone district as part of the PPI will create the opportunity to anticipate potential future bottlenecks and design mitigation strategies in advance, like traffic demand management.

TRAFFIC DEMAND MANAGEMENT STRATEGIES. While the MaineDOT PPI will focus on all modes of transportation along the Route 1 corridor, it is important to note that bicycle, pedestrian, and micro transit improvements dominate the infrastructure investment priorities in section 4.5 of this report.

A key goal of the Dog Bone initiative is to support the creation of a high-quality village environment within which residents can access all their basic needs plus cultural amenities within a 20-minute walk, 7-minute bike trip, or short transit ride.

By prioritizing multimodal transportation options, the Town will implement the Active Living Plan, while mitigating increased traffic.

<sup>10</sup> Access MaineDOT traffic count data at: [Yearly Traffic Counts | MaineDOT](#)

## 7.2 CONSIDERATION OF POTENTIAL IMPACTS TO RSU 5

In addition to potential traffic impacts, the Work Group determined it important that potential impacts to RSU 5 generated by new residential development be considered. An increase in the number of students could strain the RSU's facilities and budgets, while new housing options within a reasonable commute to RSU facilities in Freeport can also be expected to boost employee attraction and retention with some positive operational benefits. As Freeport moves from planning to implementation, it is critical that the Work Group incorporate realistic expectations for increased enrollment, and that associated costs are included in the Town's broader fiscal analysis.

**STUDENTS PER UNIT ASSUMPTIONS.** Section 3.4 of this report includes assumptions for the number of public school students that various types of units in the Dog Bone district are likely to generate for RSU 5. The assumptions are based on available local and national data by unit type.

**Anticipated costs to serve projected new students are included in the fiscal impact analysis detailed in Section 3.5 of this report based on Town financial data.**

In general, existing data suggests new housing development is unlikely to trigger a jump in school enrollment<sup>11</sup> and the number of bedrooms per residential unit is a strong predictor for the number of students contributed to local schools by that unit.<sup>12</sup> This assumption is supported by local Freeport data, where 764 building permits have been issued by Codes Enforcement since 2010<sup>13</sup>, whereas over a similar time frame, enrollment in Freeport's two Elementary Schools has increased by 64 students.<sup>14</sup>

Typically, smaller studio and one-bedroom multifamily units contribute on average between one<sup>15</sup> and seven<sup>16</sup> children per 100 units. According to the data, typical studios or one-bedroom apartments in larger developments of 20 or more units contribute about one student per 100 units, while the higher range of students per unit occurs in smaller developments of four or less units.<sup>17</sup>

In contrast, larger units with three bedrooms can be expected to contribute 17 to 63 students per 100 units,<sup>18</sup> whereas two-bedroom apartments typically contribute approximately 26 students per 100 units.<sup>19</sup>

Based on market trends, the assumptions in the fiscal impact model are weighted towards smaller units that generate fewer students. As a result, the assumptions used for the number of students that desirable development in the Dog Bone district will generate are as follows:

Multifamily up to 4 units: 15 students per 100 units (.15 students per unit)

Multifamily 5-8 units: 10 students per 100 units (.10 students per unit)

Multifamily > 9 units: 3 students per 100 units (.03 students per unit)

<sup>11</sup> Vermont Housing Finance Authority. [Housing and Vermont's School Enrollment](#). January 2007.

<sup>12</sup> New Hampshire Housing Authority. [Housing and School Enrollment in New Hampshire: An Expanded View](#). May 2005.

<sup>13</sup> Freeport Comprehensive Plan Update. Draft Housing Chapter. Accessed at [www.futurefreeport.com](http://www.futurefreeport.com) on December 1, 2024.

<sup>14</sup> New England School Development Council. [RSU 5 2020-2021 School Enrollment Projections](#). November 16, 2021. Maine Department of Education. School Enrollment Data. Retrieved on December 1, 2024 from: <https://www.maine.gov/doe/data-warehouse/reporting/enrollment>

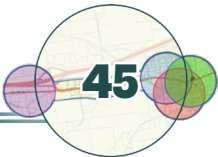
<sup>15</sup> Na Zhao, Ph.D. [One Public School Child for Every Three Homes](#). NAHB Economics and Housing Policy Group. May 1, 2020. Page 22.

<sup>16</sup> Carmel Ford. [The Average Number of School Age Children Per Home](#). National Association for Home Builders. February 2017. Retrieved on December 1, 2024 from: [The Average Number of School Age Children per Home](#).

<sup>17</sup> Morris Davis, Ph.D. et al. [School-Age Children in Rental Units in New Jersey: Results from a Survey of Developers and Property Managers](#). Rutgers Center for Real Estate. July 2018.

<sup>18</sup> Ibid.

<sup>19</sup> Na Zhao, Ph.D. [One Public School Child for Every Three Homes](#). NAHB Economics and Housing Policy Group. May 1, 2020.



7.2 CONSIDERATION OF POTENTIAL IMPACTS TO RSU 5  
CONTINUED

In contrast to multifamily units, single family homes on average contribute 43 students per 100 units.<sup>20</sup> As a result, the assumption used in the fiscal impact model for single family homes is .43 students per unit.

**PROJECTED NEW STUDENTS OVER BUILD OUT PERIOD.** Based on the available data and build out projections in Section 3.6 of this report, desirable new development in the Dog Bone district is projected to generate approximately 66 new RSU 5 students over a 10–20-year buildout period.

This figure is roughly on par with local students in new residential development at The Downs in Scarborough, where an estimated 50 students live in 606 new housing units.<sup>21</sup> While this estimate is not insignificant, the buildout is anticipated to occur over several years so the impact to RSU 5 facilities and operations is anticipated to be consistent with historical trends.

**Since 2010, building permits for 764 residential units have been issued in Freeport, while the local Elementary School enrollment has increased by 64 students over the same period, or eight students per 100 units.**

Projected Number of RSU 5 Students at Full Build Out

Unit Type	Projected Units	Students Per Unit	Projected Students at Full Buildout
Compact Single Family Homes	101	0.43	43.09
4 Unit Market Rate	32	0.15	4.80
16 Unit Apartment Building	112	0.03	3.35
8 Unit Condo Building	64	0.05	3.24
30 Unit Market Rate	90	0.03	2.69
42 Unit Senior Affordable Housing	126	0.03	3.77
60 Unit Market Rate	180	0.03	5.38
		Total	66.33

<sup>20</sup> Ibid.

<sup>21</sup> Drew Johnson. Developers at The Downs Seek Greater Cooperation with Scarborough. Press Herald. October 9, 2024.

## 7.3 CONSIDERATION OF POTENTIAL IMPACTS TO THE ENVIRONMENT

Desirable development in the Dog Bone district will meet many important critical needs, but it is also likely to convert current open space to housing, mixed-use projects, and related amenities. With this in mind, it is important to consider the potential impacts to the natural environment.

While there are environmental trade-offs with the Dog Bone transit-oriented development strategy, inviting new development adjacent to Freeport's village and existing infrastructure holds great potential to:

- Conserve open space, sensitive natural resources, and wildlife habitat in Freeport's rural areas by clustering new development with compact land use practices on existing infrastructure.
- Minimize air pollution by making it easier for residents to choose to walk, cycle, or ride in transit.
- Mitigate climate impacts by encouraging active transportation and reducing automobile emissions.
- Protect water quality by minimizing the sprawl of paved impervious surfaces and related run-off by focusing on infill development in currently developed areas.
- Minimize the need for disruptive infrastructure in undeveloped areas.

Because of these diverse benefits, the Dog Bone transit-oriented development benefits outweigh the impacts of development in Freeport's village and commercial core and are viewed by the Work Group as a net benefit for the natural environment in Freeport.

## 7.4 CONSIDERATION OF THE DOG BONE GEOGRAPHY & RELATION TO OTHER TOWN PRIORITIES

The Dog Bone geography is generally defined as the land where the Comprehensive Plan, Downtown Vision Plan, Active Living Plan, and Climate Action Plan come together. This geography also aligns with State tax increment financing (TIF) definitions for transit-oriented development districts, which, as described in section five of this report, offers a unique funding opportunity for the Town to support necessary upgrades in the district. The Town of Freeport, its boards and committees, and its residents and property owners have identified, articulated, and planned for a variety of goals and priorities in various areas throughout Freeport. The Work Group discussed the proposed district boundaries and reached the following findings.

### FINDINGS.

1. Development of housing and mixed-use development within the Dog Bone geography is a long-standing and clearly defined priority in Freeport's plans, established in the 2011 Comprehensive Plan and restated in the 2022 Downtown Vision Plan. As such, the Work Group advocates that the Town move forward now on implementation of the recommendations in this report, while the current Comprehensive Plan Update Process continues over the next several months.
2. The Dog Bone geography along the Route 1 corridor should be expanded to land within 1,000 feet of the right of way from the 500 feet defined in the State of Maine TIF statute definition. Land within 1,000 feet of the corridor will allow residents to conveniently access pedestrian, bicycle, and transit options.
3. As the Town moves from planning to design and implementation, areas adjacent to the current Dog Bone geography that make sense for inclusion in the district, should be added to the district. Examples of such areas include transition zones where bike/ped amenities will create critical connections and adjacent parcels where private landowners seek to undertake desirable development projects that advance the stated goals of this report.
4. If Town, committee, board, or stakeholder organization priorities, goals, or plans do not show up in this report, it is not a reflection of their merit or importance. Rather, the Work Group carried out the challenging task of prioritization to focus on a reasonable geography where common ground and shared priorities closely align. If projects and priority investment areas outside the Dog Bone do not show up in this report, it is the Work Group's understanding that such initiatives are being advanced through alternative planning processes, work groups, and funding mechanisms outside the purview of the Dog Bone Work Group.

**The Dog Bone is unique in that the land within the district is identified in both the Comprehensive Plan and Downtown Vision Plan as a priority growth area for housing and mixed used development, as well as a critical area to advance the Active Living Plan and Climate Action Plan.**

## 7.5 BACKGROUND ON THE DOG BONE WORK GROUP

The Freeport Town Council appointed the Dog Bone Work Group on August 6, 2024, and endorsed the Group's work plan and charter (see below). Prior to the creation of the Work Group and appointment of the members, the Town Council endorsed this transit-oriented development planning initiative on April 23, 2024, as part of a broader endorsement of the recommendations from the Town's Ad Hoc Housing Task Force.

The Dog Bone Work Group members represent a diverse cross-section of various boards, committees and organizations who have been deeply involved in recent planning efforts over the past decade.

As described in the attached project charter, the Work Group met over the course of four months to review available data provided by an infrastructure study by Woodard and Curran, a fiscal impact analysis provided by Greater Portland Council of Governments, a dynamic project pro forma presented by the Freeport Housing Trust, and staff presentations on existing zoning and conceptual build out potential. Consistent with Town Policy, the Work Group meetings were noticed on the Town website and were held at Town Hall, open to the public.

On December 11, 2024, the Work Group convened to review a draft version of this report and unanimously approved to submit the report to the Freeport Town Council and request that the Work Group's recommendations be established as Town priorities in 2025 and beyond.





## Dog Bone TOD Work Group Project Charter

1. General Project Information			
<b>Project Name:</b>	Dog Bone TOD Work Group	<b>Date:</b>	09/1/2024
<b>Project Manager:</b>	Brett Richardson, Development Director Town of Freeport	<b>Target End Date</b>	12/17/2024
2. Project Team Members and Stakeholders			
Name	Committee / Group	Name	Committee / Group
Joanna Benoit	Town Councilor	Wayne Jortner	Planning Board
Kim True	Complete Streets Committee	Caroline Pelletier	Assistant Town Manager
Mandana MacPherson	Freeport Sustainability Advisory Brd	Kyle Drexler	Town Planner
Mitch Rouda	Planning Board	Brett Richardson	Development Director
3. Project Elements			
<b>A. Project Purpose / Goals / Impact</b>			
<p><b>Purpose.</b> To development recommended implementation actions for desirable development in a transit-oriented development (TOD) geography, including Downtown and Route One South to the Metro Breeze bus stop near Maine Beer Company, consistent with the Comprehensive Plan and Downtown Vision and based on relevant data from recent studies, including infrastructure, residential fiscal impact, and parking.</p> <p><b>Goals.</b> Help the Freeport community to understand benefits, costs, and policy considerations to enable desirable development and facilities in the Town's primary transit-oriented development geography; Provide actionable next steps for Town policy makers and staff.</p> <p><b>Impact.</b> Downtown Vision Plan and Comprehensive Plan implemetation strategies will be integrated with Town policies, and capital improvement plans, to support TOD strategies that support housing, active transportation, economic development and sustainability.</p>			
<b>B. Deliverable</b> <i>Briefly list the items needed to support and advance the project (e.g., study, report, mapping, costs, etc.)</i>			
<p>Summary report of:</p> <ol style="list-style-type: none"> <li>1) Residential development potential within designated growth areas and associated fiscal impacts</li> <li>2) Targeted infrastructure investment priorities and estimated costs for integration with Town capital improvement planning</li> <li>3) Required policy and ordinance changes to enable implementation</li> </ol>			
<b>C. Project Milestones</b> <i>Propose start and end dates for Project Phases (e.g., Kick-off, Planning, Design, Construction, Delivery) and other significant milestones</i>			
<ol style="list-style-type: none"> <li>1. <b>Council Appoints Work Group Members:</b> August 6, 2024</li> <li>2. <b>Kick-Off Meeting:</b> Week of Septmber 2, 2024</li> <li>3. <b>Work Session 1:</b> Week of Sept 16 ~ Residential development potential, production goals, pro forma-based project feasibility thresholds &amp; anticipated fiscal impacts (1.5 hrs)</li> <li>4. <b>Work Session 2:</b> Week of Oct 14 ~ Capital improvement priorities &amp; anticipated costs (1.5 hrs)</li> <li>5. <b>Work Session 3:</b> Week of Nov 11 ~ Policy and Ordinance changes to enable implementation (1.5 hrs)</li> <li>6. <b>Draft Report:</b> Week of November 25 ~ Distributed to stakeholders for review and comment</li> <li>7. <b>Final Report:</b> Week of December 9 ~ Submitted to Town Manager &amp; Council Chair</li> <li>8. <b>Council Workshop:</b> December 17, 2024</li> </ol>			