

City Council Workshop
October 27, 2014
6:30 P.M.
South Portland City Hall Council Chambers

Councilors Present

Gerard Jalbert, Mayor
Linda Cohen
Thomas Blake
Patricia Smith
Michael Pock
Maxine Beecher
Melissa Linscott

Staff Present

Jim Gailey, City Manager

MINUTES

Mayor Jalbert opened the meeting and welcomed all in attendance. He reminded folks that members of the public are invited to comment on each item as it comes before the Council for a period of no more than two (2) minutes. All questions or concerns would be made through the Chair and if they wished to address the City Council they would be asked to please raise their hand and upon being recognized would state their name and address for the records.

- 1. Stan Cox Land Purchase**
- 2. Conservation Commission Update to Council**
- 3. Solar Farm Update**
- 4. Climate Action Plan implementation**
- 5. Executive Session**

1. Stan Cox Land Purchase: Jim Gailey, City Manager explained that the Mr. Stan Cox of 460 Highland Avenue has requested to purchase two tax-acquired parcels of land that abut his property. One is 68 Hillcrest Avenue and the other one is 21 Dresser Road.

68 Hillcrest Avenue is vacant land shown on the Assessor's tax maps as Map 38, Lot 19.v it is 1,525 square feet, a buildable lot of record, and zoned A Residential.

21 Dresser Road is vacant land shown on the Assessor's tax maps as Map 38, Lot 20. It is 3,752 square feet, a buildable lot of record, and zoned A Residential. Mr. Cox would like the property to remain as open space and would be agreeable to a deed restriction against building a house on either of the properties, but reserves the right to build either a city road or driveway through the parcel.

Mr. Cox has offered \$18,000 \$28,000 (as of 9-9-14) for both parcels.

The Planning Board held a public hearing on July 24, 2012 and reviewed forty-six parcels. The Board recommended that both these parcels be sold. This request was discussed at the May 12, 2014 workshop. At that workshop the Council asked staff to look at whether there would be a difference of value for the Dresser Road property if a city accepted road serving multiple house lots

was built versus a driveway serving a single house lot. The City Council questioned whether \$18,000 for both City owned properties was an acceptable offer price.

Elizabeth Sawyer, City Assessor, has provided the following:

I spoke with Steve Puleo this morning in attempting to determine the likelihood of the Planning Board allowing for a house to be built on the Dresser Road lot. That is key to determining what the market value of that lot is. The standard definition of market value is: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- *Buyer and seller are typically motivated;*
- *Both parties are well informed or well advised, and acting in what they consider their best interests;*
- *A reasonable time is allowed for exposure in the open market;*
- *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

Market value isn't what the value is to an abutter and what the abutter can do with it – in other words, I don't believe the City should be basing market value on what Stan Cox can do with the parcel if he acquires it – that value would be a value to one person only, and that wouldn't be market value. As stated above, market value would be what typical buyers would pay, and if in fact a house could be put on the Dresser lot, it would have appeal to multiple buyers. The other lot would probably only be attractive to an abutter so would only have a nominal value. The value on the Dresser lot carried for assessment purposes (\$6,900) (since its tax exempt it isn't actually "assessed") was created before the City allowed anything to be built on anything under 5,000 square feet.

Steve tells me that the sewer/stormwater system in that area is combined one and that the Water Resource Department would probably request that anything built on that lot be constructed with a slab on grade. That said, though, with the lot configuration as it is, I suppose that there is a possibility that it is possible that a house could be put on this lot. If that is the case, it would have more value than just excess land. Most of these have been sold with adjoining houses, so we don't have sales of these undersized lots alone for comparison. Small lots of around 5,000 square feet that don't require Planning Board approval sell between \$50,000 and \$70,000 depending on the neighborhood (obviously there are exceptions). Because of the uncertainty and the requirements of the Planning Board and Water Resource, this lot would be something less than that range. Steve tells me that the smallest lot that the Planning Board has approved was around 4,200 square feet, so it is conjecture to assume that this 3,752 square foot lot would receive approval, but because of the way that it's laid out and that it is adjacent to a paper street, I suppose it might pass muster. Please let me know if you want me to do more research on this.

*Thanks,
Elizabeth*

Other Notes between Elizabeth Sawyer and me:

Jim: Question around stated use of the property as a driveway serving one house up on the Cox back 7 acres or a road serving several houses up on the back 7 acres. Would there be a valuation difference between the Dresser Road property being used for a driveway or a road?

Elizabeth: If you are looking for "market value", I don't think it matters. I think it is only relevant what the market would pay - and that would be the typical buyer - not a single abutter.

Jim: So there is no value increase from a driveway that serves a single lot versus a roadway that provides an opportunity for an owner to sell 8 lots at 100K apiece?

Elizabeth: There may be additional value to ONE buyer - the abutter, but that is not "market value." Think of it this way: if the City were to put it on the open market for sale, what would it sell for? Market value is the value to multiple buyers, not a single buyer. This is why banks get appraisals. They already know that there's one person willing to pay a contract price on a property - they want to make sure that there are multiple others that would be willing to pay the same should the borrower default.

Potential Build-out

The Cox's has stated that they would like to preserve the front 5 acres of land in an attempt to preserving the Cox Farm. By doing so this would leave upwards of 7 acres remaining on the parcel. If all access was cut-off from Highland like Stan Cox has stated, the rear 7 acres would be accessed by frontage along Juniper Circle within the Grandview Estates Subdivision and possibly, if sold by the City, the parcel on Dresser Road.

New Information – Since July 14, 2014

On September 9, 2014, I met with Stan and Linda to talk further about the proposed request. On July 14th, the City Council was concerned that the original proposal of \$18,000 for both properties was too low. The City Council inquired about a conservation easement on the front 5-acres if Stan and Linda wanted to continue their proposal of \$18,000. The City Council believed a combination of a small cash offering and a conservation easement would a fair concession for the two city owned parcels. Stan and Linda, at this time, are not willing to pursue the 5-acre conservation easement. They have presented the City with a new offer of \$28,000 for both parcels. Stan Cox and Linda Ruterbories will be at Monday's meeting to answer any City Council questions.

Stan Cox 460 Highland Ave. added that he and Linda had met with the City Manager and there has been three (3) Workshops on this proposals and hopes that this will soon be settled.

Public Comment Opened: No comments

Mayor Jalbert asked about a lot size correction being 3,500 rather than 3,700 and added that the City does not measure private lots that a surveyor would.

Councilor Smith questioned the conservation easement and asked for further details on this.

Mr. Cox discussed this being 5 acres and added that you can't sell building lots for less than this. He discussed the price being \$28,000 with no restriction up from \$18,000 and added that the ultimate goal is to preserve the farm that has been in the family for over 75 years.

Councilor Smith asked about the value of the Conservation Easement and the idea of preserving open space as there are few places for this and was a bit confused on this.

Councilor Beecher was happy that the proposed cost went up in price and would like the conservation easement to be with this. She was happy to have this in there and added that she had driven by the land and was ok with it.

Mr. Cox added that it would remain the same for future generations and the goals are to preserve as a farm and not a park or anything else.

Councilor Blake was misunderstanding the easement item and the acres being buildable or not.

(They are not) and he added that they have been working on this for quite some time and was not ok with not having an easement. He had concern for making it a buildable lot but felt that if they sell to Mr. Cox should they have a "No Building" on lots clause and that questioned fairness here.

Mr. Cox discussed the value being here to help preserve the lots, and having the second access to help the farm, not having a park and keeping it a beautiful farm as it is the last farm in this city. He was not comfortable restricting this for \$10,000 and added that they can put this out to bid if they wanted to put restrictions on this. He added that the price seemed more important as he put it up to \$28,000.

Councilor Blake added that he was not seeing the connector here and still had issues with the proposal.

Councilor Linscott felt confused as well and felt bad that the conservation easement was taken out and wondered if the neighbors knew about this? She was ok with the barn and or storage area and felt a need for restrictions if it was sold and a home could go on it.

Councilor Cohen would be willing to sell this and did not feel that this was about the money; she further discussed the easement and added that she understood that there would be not single family home built on this location.

Mayor Jalbert discussed the value and providing access to the lots, he added that he was happy to see \$28,000 and felt that it was hard to determine the issue of being a buildable lot. He was ok for the sale here and felt that people would come out if the buildable lot issue comes up.

Jim Gailey discussed the issues being prohibit a single-family home, ok with a barn/storage structure and would like direction on how the Council will proceed.

Councilor Blake had concern on the intent for the property, he could support but felt that is was unfair to the neighbors, concern or size of structure here.

Councilor Smith encouraged the Conservation Commission involvement here as there is land to be looked at and felt that money was not the end all here.

Councilor Pock added that last July Mr. Cox would have paid \$18,000 for this land with the easements now being talked about, and the Council did not move; now the price has increased and restrictions are an issue again. If he purchases the land he has the rights to his land.

Councilor Cohen discussed the original offer with the conservation easement and would the Council want that.

Mayor Jalbert felt the need to move along with this proposal and bring it to Council for a vote.

Councilor Linscott had concern about a road that could lead to a subdivision and felt there was more weight with the easement.

2. Conservation Commission Update to Council: Jim Gailey, City Manager explained that the Conservation Commission has requested an opportunity to update the City Council of the work the Commission is doing. Chairman David Chritchfield and members of the Commission were in attendance and provided a presentation.

Nathan Marles, Conservation Commission and South Portland resident introduced the committee members who were present, Will Fitzmine, Robert Klats, Sara Sagrephis, and Mitch Sturgeon. He presented and discussed the following items:

- Freshwater compensation fund
- Trout Brook Youth Core, clean-up and continued work on this area
- Plants
- Members and promoting associated members to have more people involved
- Barberry Creek – Mitch Sturgeon Would like to clean up this areas and work with Water Resource Dept. to get a study completed
- Mildred Street

- Land Trust work
- Recycle/Energy Committee work
- Solid Waste
- Coastal Maine clean-up
- Urban repair
- Grants/Grow fund
- Need help: Increase membership
- Work well together funds

Public Comment Opened:

Russell Lunt Brigham Street added that this group is doing a great job with the creeks and the continued work.

Public Comment Closed:

Councilor Beecher was very happy to have this group and the work that they are doing is wonderful.

Jim Gailey discussed the appointment of members, primary and associate.

Councilor Smith thanked all for their work and further discussed trail maintenance, Trout Brook, etc. and added that it looks great. She further discussed the sustainability Committee and working together with others for a big group meeting to brain storm, etc. She asked about the Planning Board and any dialogue there.

Mitchell Sturgeon explained that he and David Critchfield had meet with the Planning Board and he felt that this clogs up the process and progress.

Councilor Blake wished the group a Happy 25th Anniversary and added that they have come a long way with their work and the establishment of the committee. He discussed the resource manual that they had built and continued work on which helps folks understand the needs and mission of the group and added that this may need some updating. He felt that the vacancies needed to be kept up-to-date and getting the word out to others as well. He further discussed the comprehensive fund \$185,000 and what a great amount to work with.

Tex Haeuser, Planning Director discussed the different requirements that some applicants need to fulfill, such as mitigation, minimizing fill-in, fees for impacts of wetlands, a formula that is used for this process and not a pay-to-fill analysis.

Councilor Blake felt that a buffer zone is important and further discussed the process of spending funds and letting the Council know how it is being used. He further discussed Barberry Creek, Old Joe's Pond and working together to re-claim this pond.

Councilor Cohen thanked the group for a very nice presentation and urged the process of recruiting new members, doing site walks to waterways with members and Councilors as well.

Councilor Linscott thanked all involved with the committee and asked about making efforts toward other groups (yes). She asked about new member process and if people could let them know if there is interest. She asked about associate members and if they can vote?

Councilor Beecher explained that an Associate Member can vote if the actual member is absent and some Associate Members may just want to belong but not vote.

Jim Gailey discussed detail from the Ordinance regarding the Conservation Commission. Ch 27 (Sec. 1526).

Bob Klats Conservation Commission was very happy to be at the Council Workshop, presenting their work and being part of this group. He added that they are supportive of working with other groups, having site visits as well as the recruitment of new members and Associate Members. **Mayor Jalbert** thanked all involved with this committee, the updates and the work being done.

3. Solar Farm Update: Jim Gailey, City Manager explained that Tex Haeuser and Steve Hinchman and Same Lavallee from ReVision Energy would make a presentation updating the City Council on the community solar farm. (see enclosed memorandum and information from Tex Haeuser regarding this item in detail).

The memorandum explained that at a City Council workshop on November 13, 2013, the City Council gave a general thumbs up to the idea of doing a study for the feasibility of installing a solar photovoltaic (PV) array on the City's capped landfill off Highland Avenue. It was discussed that the study was going to cost \$12,500 and that approximately \$60,000 was anticipated to be needed to proceed with the first stage of engineering and permitting if the feasibility study proved to be favorable.

ReVision Energy, the firm that the City used for a power purchase agreement for the Planning Department's solar system, completed the feasibility study, within its \$12,500 budget, this past April. We have waited until now to make a report on the study in order to look into the alternatives and to see how the Public Utilities Commission (PUC) would resolve a large CMP rate case given that the case had a potential to change the study's cost-benefit analysis.

A copy of the feasibility study and its attachments are included in this agenda item. As will be reported at the workshop, the study concludes that "the South Portland Landfill site is suitable for a solar array of any size up to a maximum of three megawatts (MW)." There are power lines in the vicinity that are of sufficient size to receive the energy from the array, and the development of the new Public Works facility can help with providing the interconnection. The solar farm will not interfere with the Greenbelt Walkway and may improve the maintenance of the landfill cap by reducing 4-wheeler traffic.

The study recommends that the project be built in phases with Phase I consisting of the development of 660 kW within a portion of the area designated "Area 1" on the Site Plan. (660kW is the limit under current State statute for net energy billing.)

Creating a solar PV array on the City's landfill would help South Portland meet its objectives for reducing the use of fossil fuels and limiting the release of greenhouse gas emissions. It would make a significant statement about the City's commitment to provide leadership in transitioning to a renewable energy future. If the community solar farm alternative is chosen for one or more of the phases, the array could provide the benefits of solar electricity and net energy credits to a number of households that may want solar PV but do not have roof or site characteristics suitable for solar panels. However, as will be presented and as can be seen in the study's Figure 4, there are relatively long payback periods for the three alternatives examined. The Council may want to consider, therefore, authorizing moving forward with funding for some of the Phase I engineering, and for including the interconnect infrastructure in the construction of the new Public Works facility, but otherwise waiting to see if legislative and/or PUC rate case efforts are successful in improving the economics for municipal solar projects.

Tex Haeuser, Greg L'Heureux, and Jon Jennings (tentative) were available at the workshop to help answer questions. Steve Hinchman and Sam Lavallee from ReVision Energy made the presentation.

Steve Hinchman and **Sam Lavalle**, ReVision Energy gave a presentation on Preliminary Feasibility Study Solar Farm Site – South Portland Landfill: Interconnection – West/East (sides)

Sam Lavalle discussed solar rays, the areas that they would be used in, panels, mega watts per year and percentage off sets. Further discussion on tilted panels so that it makes it easier for the snow to slide off and so that you can tell when the weather is bad.

Further discussion on phasing the project and how that would work, as well as Financial Analysis and finding many groups who would have an interest in doing this job, ways that it could be financed and the benefit of how this could work within the City structure.

Comparative Financial Analysis – Net Metering: This is the process of building credits on “off” days then uses these at a later date. Discussion ensued on the limited number of meters connected to the project.

Greg L’Heureux Finance Director discussed the capital cost for doing such a project and the debt service. He added that the cost is high at the start (above market) but once the large portion is paid out then it is just paying for maintenance.

Steve Hinchman explained that a project like this would be two (2) million dollars or more, (off balance sheet) and that turnkey would be infeasible but here could be tax investor benefits to this and discussed how many years parts would last before the need to replace items and at what point this may occur. He further discussed the state of Maine and the need for advanced renewable policies. He added comments regarding the uncertainty of obtaining a tax partner to work with and deal with the current rate structure, as there would be the need of an incentive, which would be paying a lot to do so. He added that they could use traditional financing to this possibly, maybe start smaller a lead in project with the ground mount or something else but in the end it would be very costly.

Tex Haeuser Planning Director discussed the plan and how it would be a long process for achieving the goal of clean, renewable energy. He understands that it would be hard but phasing and long-term planning the project can be a hopeful, wonderful plan. He discussed moving forward with expenditures, possibly interconnect with the new Public Works Facility, do some upgrades, consulting services, and working with Senator Millett on moving in the right direction to obtain a waiver. There are some things that can be done initially to put this in place.

Public Comment Opened:

Russ Lunt Brigham Street agreed with Tex Haeuser and added this was great work, very proactive.

Bob Klats 10 Whitehall Ave. urged the Council to not pass this opportunity up, to get started here with this process of making trash to gold. He felt that this was wonderful work being done here and a solution to many issues.

Senator Rebecca Millett added that she would be making this a priority in Augusta if she succeeds in the election; she felt that this was great work and agreed in the changes needed at the PUC level.

Nathan Marles 127 Settler Rd. added that during his travels for work he sees this type of project in other areas and urged those to find a plan, to get this going here in Maine, in South Portland become a model for all others.

Public Comment Closed:

Councilor Beecher asked about cost, (2.1 million) the phases of the work and added that there is so much information, she asked how many buildings if they did fund would it be. (8%) of total city load in Phase I.

Councilor Linscott felt that this was indeed a great project, very hard and asked what it would look like if we were not limited? She discussed the next level and wondered if there would be more parcels involved? (Yes as there would be less administration or start-up costs) Further discussion on a study for logical steps to take here.

Steve Hinchman discussed how a cap would work and what the engineer work would involve.

Greg L'Heureux discussed the proposal of working with Central Maine Power in the process of the new Public Works/Parks/Transportation building.

Jim Gailey discussed working with Sebago Technics on the Public Works facility and to see what they can do there in regards to the new building. Further discussion on the Commissioner and waving rules on some level.

Councilor Cohen discussed the idea of using solar energy and would like a further assessment as well as the States support on this. She asked who would be able to buy in here and if it would be commercial? She also questioned whether you could to the PUC first or start the project first?

Councilor Blake thanked all involved with the work on this proposal and felt that it showed leadership as well as vision. He discussed the future and felt that baby steps will lead to giant steps but it takes time and work and moving forward is the way to start. He felt that this was great work on Tex's part and supported moving ahead with reporting back to the Council on the progress.

Mayor Jalbert discussed risk vs. reward and working with the PUC to get past some of the legislative process. He felt the need to work on becoming progressive with certain items and applying for a waiver on this as well and asked if this has been done yet?

Councilor Smith felt that this was a mixed bag here and asked if the residents have given feedback on this, she discussed a check-in and next steps as well as cost for the site and suitability. She discussed exploring and moving forward the items to do now. She had a great feel for this and felt that the savings would occur eventually, she also discussed having partnerships possibly colleges and added that if we build it they will come as having less expensive electricity would be something people would be on board with.

Councilor Pock agreed that it would be costly to go at this alone, and that it may be too hard for turnkey. He added that costs may go down as you work on phases and added that he was on board to continue to investigate further.

Councilor Beecher supported looking into further and asked about the second steps.

Further discussion on a Geo-technical study to see when they can do this they will come back with the cost of what the next steps may be.

The City Council Workshop Adjourned at 9:30 p.m.