

**PORTSMOUTH TOWN COUNCIL MEETING
NOVEMBER 3, 2016 (Thursday)
AGENDA**

7:00 PM Town Council Chambers, Portsmouth Town Hall, 2200 East Main Road

PLEDGE OF ALLEGIANCE

SITTING AS THE PORTSMOUTH TOWN COUNCIL

OLD BUSINESS

1. Discussion - Tank Farm Redevelopment. / D. Schnepf, Matrix Design Group & G. Crosby

Documents:

[Tank Farm Redevelopment.pdf](#)
[Stragy Mtg Portsmouth Tank Farms .Pdf](#)
[Land Value Enhancement Strategy.pdf](#)

FUTURE MEETINGS

November 14	6:00 PM - Town Council Meeting
November 28	7:00 PM - Town Council Meeting
December 12	7:00 PM - Town Council Meeting
December 27	7:00 PM - Town Council Meeting (Tuesday)

ADJOURN

The public is welcome to any meeting of the Town's boards or its committees. If communication assistance (readers/interpreters/captions) is needed or any other accommodation to ensure equal participation, please contact the Town Clerk's Office at 683-2101 at least (3) business days prior to the meeting.

POSTED 11/01/16

November 1, 2016

TO: Town Council

FROM: Gary Crosby, Town Planner

RE: Tank Farm Redevelopment

Please put the following item on the agenda for the Town Council's November 3, 2016 meeting under Old Business.

Title: Tank Farm Redevelopment Discussion

Council Action Requested: Discussion of options for Tank Farm Redevelopment. Actual selection of a future course of action will not be voted on at this meeting. Council may direct Town Staff and the Tank Farm Advisory Committee on future activities.

Backup:

Dan Schnepf from Matrix Design Group will be on hand to give a slide presentation, answer questions and guide discussion regarding the possible acquisition of properties known as Tank Farms 1 & 2 from the US Navy as part of the 2005 BRAC process.

The Tank Farm Advisory Committee may give a short presentation describing their recent meetings and activities.

See attached backup materials.

Town of Portsmouth, R.I. Tank Farm Property Disposition Strategies

Committee Meeting, Path Forward
Workshop & Findings Reports

November 2-3, 2016

Presentation to:

Rich Rainer - Town Administrator

Gary Crosby – AICP, Town Planner

Town of Portsmouth – PLRA Committee

Matrix Presenters:

Dan Schnepf, Principal – BRAC Strategist

Don Brandes, Vice President - Lead Planner, LA

November 2-3, 2016





Workshop Agenda

- ▶ **Overview of Findings**
- ▶ **Environmental Update**
- ▶ **Financial Update**
- ▶ **New Plan Alternative**
- ▶ **Important Property Transfer Terminology**
- ▶ **Next Steps**
 - ✓ *FOST, FOSET & Parcelization Strategies*
- ▶ **Questions & Discussions**



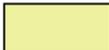
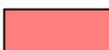
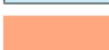
Overview of Findings

- ▶ **Navy cleanup commitment creates tremendous like use opportunity for near term to complete horizon**
- ▶ **Project economic fundamentals are good for marine oriented business attraction**
 - ✓ *Interim uses like solar and marine storage can generate early income opportunity & allows for property carry*
- ▶ **Preferred Land Plan consistent with all property disposition alternatives**
 - ✓ *EDC, ETCA, FOST, FOSET or Parcelization Approach*



Environmental Constraints Legend

Legend

	Building - Current		Industrial Exceedence (soil)		Confirmed ACM
	Building - Removed		Residential Exceedence (soil)		Fuel Line
	OWS		Exceeds GB (groundwater)		Fuel Unloading Area
	Sludge Disposal Pit		Exceeds GA (groundwater)		Stormwater Line
	AOC		Exceeds EPA Tap Water RSL (groundwater)		
	Impacted Zone		Free Product (historical)		
	Tanks (current)		Exceeds GB (groundwater, historical)		
	Tanks (removed)				

Notes:

-All feature locations approximated from US Department of the Navy's Environmental Condition of Property Reports (November 2009) Figures 4-6 (Tank Farm 2) and 4-9 (Tank Farm 1), Foster Wheeler Environmental Corp's Work Plan for Site Closure for Tank Farm 2 (May 2005) Figures 5-1, 5-2, and 5-5, Tetra Tech EC, Inc's Summary of Environmental Investigations for Tank Farm 1, 2, 3 (March 2009) Figures 2-2 and 3-1, and Tetra Tech's SI & RAR for Tank Farm 2 (July 2006) Figure 2-1.

-Graphical depiction of Proposed Re-Use Scenarios in the background of the figure is for reference only; areas are not to scale.

-GA: Rhode Island groundwater classification - suitable for drinking water without treatment

-GB: Rhode Island groundwater classification - NOT suitable for drinking water without treatment

-Only stormwater lines in proximity to or downstream from fuel tank system are shown.

-Aerial imagery accessed from ArcGIS Online on 11 January 2016; image dates 18 July 2014 and provided by the United States Department of



Environmental Findings

- ▶ **Navy Committed to cleanup of Tank Farms 1 & 2**
- ▶ **EIS Indicates funding is appropriated for Tank Farm 1, Tank Farm 2 less certain**
- ▶ **RI DEM not agreeing with methodology and wants more sampling and off-site media testing**
- ▶ **Multiple contaminants suspected including ACM, fuel by-products and other potential COC's**
- ▶ **Ground waster is identified as GB and GA some not to be used for domestic supply (GB)**
- ▶ **More environmental testing and assessment needed**

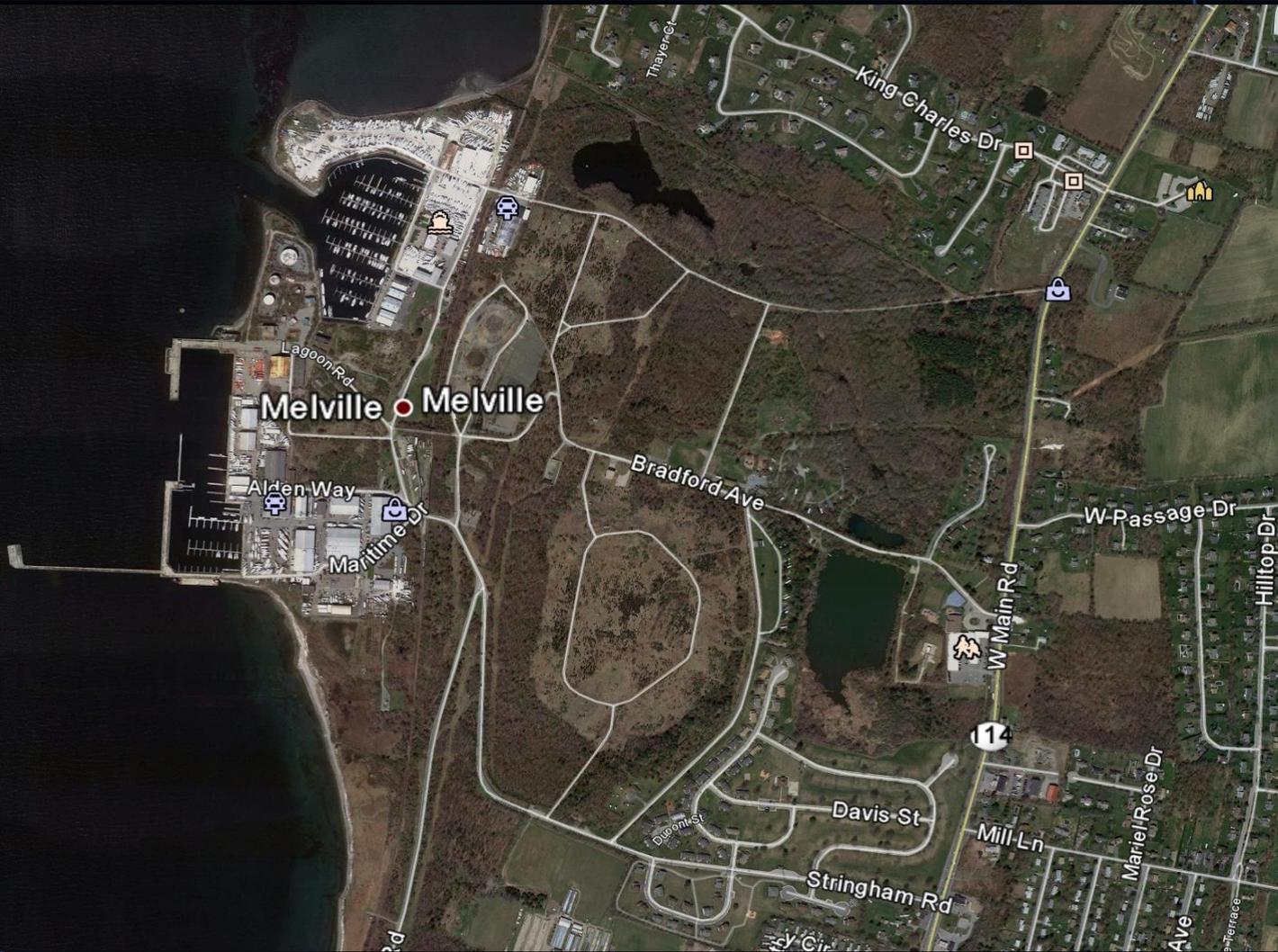


Preliminary Financial Findings

- ▶ **Improvement of land values since 2013 (up 3%)**
- ▶ **Phased approach to development is recommended**
 - ✓ *Allow for early solar use & marine boat storage*
 - ✓ *Gives way to marine industrial complex*
 - ✓ *Marine oriented manufacture, maintenance & storage*
- ▶ **Revenue generation estimated at \$600k/yr. - \$900k/yr.**
- ▶ **Preferred Land Plan valued at \$14 mm - \$26 mm**
- ▶ **Over a 15 year development horizon**
- ▶ **Development of detailed pro forma required**
- ▶ **Allows for significant tax return to the Town**



Aerial of Site





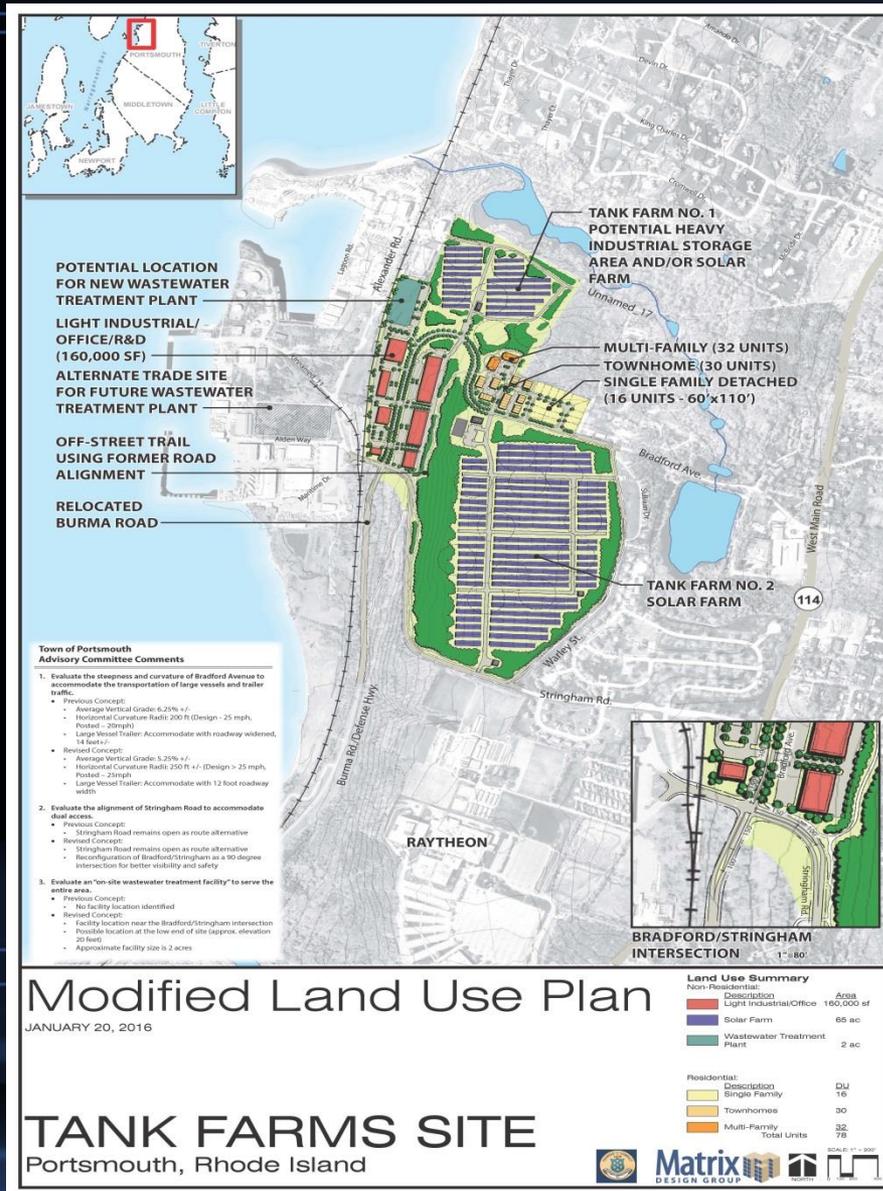
Project Infrastructure Overview

Improvements Required





Preferred Alternative Land Plan



Modified Land Use Plan

JANUARY 20, 2016

TANK FARMS SITE Portsmouth, Rhode Island





Plan Adjustments and Intersection Configuration

Town of Portsmouth Advisory Committee Comments

1. Evaluate the steepness and curvature of Bradford Avenue to accommodate the transportation of large vessels and trailer traffic.
 - Previous Concept:
 - Average Vertical Grade: 6.25% +/-
 - Horizontal Curvature Radii: 200 ft (Design - 25 mph, Posted - 20mph)
 - Large Vessel Trailer: Accommodate with roadway widened, 14 feet+/-
 - Revised Concept:
 - Average Vertical Grade: 5.25% +/-
 - Horizontal Curvature Radii: 250 ft +/- (Design > 25 mph, Posted - 25mph)
 - Large Vessel Trailer: Accommodate with 12 foot roadway width
2. Evaluate the alignment of Stringham Road to accommodate dual access.
 - Previous Concept:
 - Stringham Road remains open as route alternative
 - Revised Concept:
 - Stringham Road remains open as route alternative
 - Reconfiguration of Bradford/Stringham as a 90 degree intersection for better visibility and safety
3. Evaluate an "on-site wastewater treatment facility" to serve the entire area.
 - Previous Concept:
 - No facility location identified
 - Revised Concept:
 - Facility location near the Bradford/Stringham intersection
 - Possible location at the low end of site (approx. elevation 20 feet)
 - Approximate facility size is 2 acres



**BRADFORD/STRINGHAM
INTERSECTION** 1"=80'



Important Property Transfer Terminology

- ▶ Dept. of the Navy (DON)
- ▶ Economic Development Conveyance (EDC)
- ▶ Environmental Condition of the Property Report (ECP)
- ▶ Installation Restoration Program (IRP)
- ▶ Solid Waste Management Units (SWMU)
- ▶ Comprehensive Environmental Response & Compensation Liability Act (CERCLA)



Important Property Transfer Terminology

- ▶ Resource Conservation & Recovery Act (RCRA)
- ▶ Environmental Transfer Cooperative Agreement (ETCA)
- ▶ Finding of Suitability to Transfer (FOST)
- ▶ Finding of Suitability for Early Transfer (FOSET)
- ▶ Random Order of Magnitude (ROM)
- ▶ National Environmental Protection Act (NEPA)
- ▶ National Priority List (NPL)
- ▶ Environmental Impact Statement (EIS)
- ▶ Record of Decision (ROD)



Land Transfer Approaches – Opt. 1 FOST Strategy

- ▶ **Finding of Suitability to Transfer (FOST)**
- ▶ **Environmental review & consultation (owners rep.)**
 - ✓ *Insure environmental compliance for land use*
 - ✓ *Review & comment on EIS*
- ▶ **Create development guidance documents**
 - ✓ *Zoning, design guidelines, development standards*
- ▶ **Develop entitlements process**
- ▶ **Develop Portsmouth requirement for sale (\$/acre of sale)**
- ▶ **Input to Navy sale and purchase agreement or lease**



Land Transfer Approaches – Opt. 2 FOSET Strategy

- ▶ **Finding of Suitability for Early Transfer (FOSET)**
- ▶ **Environmental review and model**
- ▶ **Pro forma and market study development for negotiation**
- ▶ **Covenant deferral approval & Gov. approved trans.**
- ▶ **ETCA – environmental transfer cooperative agreement**
- ▶ **Develop environmental privatization approach**
- ▶ **Create implementing LRA**
- ▶ **Master developer competition**



Land Transfer Approaches – Opt. 3 Parcelization

Strategy

- ▶ **Parcelization – transfer property as it is available**
- ▶ **Combines 1 & 2 above**
- ▶ **Allows for incremental disposition of parcels**
 - ✓ *Requires survey and transfer as clean (FOST)*
 - ✓ *Early generation of land use and development*
- ▶ **Portsmouth controls development**
- ▶ **Create development guidance documents**
 - ✓ *Zoning, design guidelines, development standards*
- ▶ **Liability controlled and reduced under BRAC sec. 330**



Questions and Discussion

Matrix Presenters:

Dan Schnepf, Principal – BRAC Strategist

Don Brandes, Vice President - Lead Planner, LA

November 2-3, 2016





Questions

Economic and Market Issues

- ▶ **Since the findings of the JDA Market Study of 2013 what economic, demographic or market conditions have changed to support new or different development opportunities?**
- ▶ **Today, is there market demand for the proposed solar farm, heavy industrial warehousing/storage and housing?**
- ▶ **Does current or future market demand support the cost of roadway improvements, infrastructure and the placement of a new wastewater treatment plant?**



Questions

- ▶ **What are the cost of development improvements?**
- ▶ **Assuming the land was free of environmental constraints what would be the “highest and best use” for the property that would have the greatest return of investment (ROI) for the Town?**
- ▶ **What funding or financing strategies exist that would encourage the Town to become a potential partner in the future development of the Tank Farm property?**



Environmental Conditions and Constraints

- ▶ **What is the current environmental condition of the Tank Farm land?**
- ▶ **What, if anything, has been accomplished since 2013 to make the land more developable?**
- ▶ **Assuming the DOD continues to remediate and clean the Tank Farm site how long would you estimate it would take to bring the site to an “industrial” level of remediation? What would it cost the DOD?**

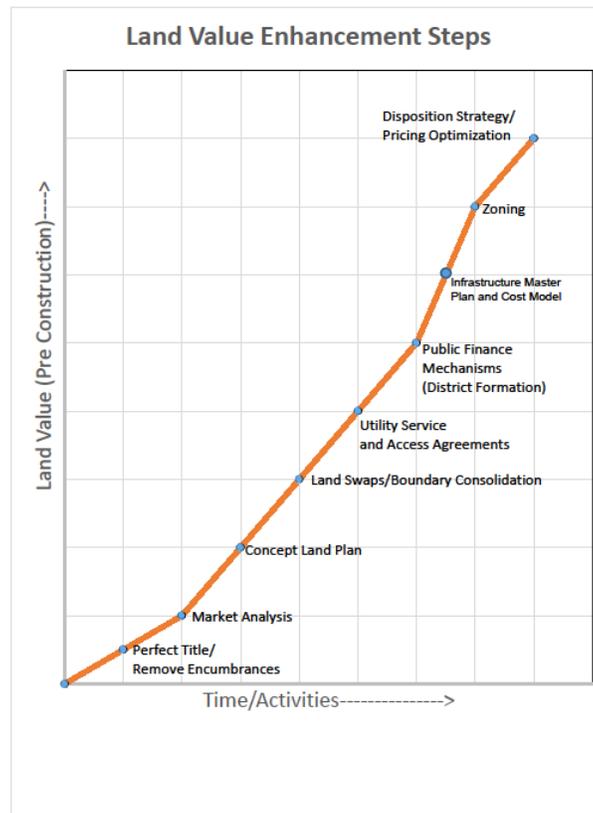


Questions

- ▶ **If no remediation were to occur on site what uses would be suitable? What uses would be feasible?**
- ▶ **What additional studies or research would need to be done to determine the extent of environmental remediation required to develop the site for solar, heavy industrial warehouse/storage and housing?**

Land Value Enhancement Strategy

Land value enhancement activities increase the price of land from rural to urban use, moving pricing from dollars per acre to dollars per square foot. The graph below shows illustrative value enhancements from incremental land planning and management activities that will be applied to any land development project or redevelopment project.



These nine activities that need to be pursued to enhance value are:

1. Perfect Title and Remove Encumbrances. Lack of clarity of title and historic easements can limit value. Many of these restrictions that diminish value can often be removed.
2. Market Analysis. A third party market analysis establishes best use for the site within market context. A good market analysis is often required by buyers.
3. Concept Land Plan. A land plan translates the market analysis into land use and density. Buyers often look at density yields to establish land purchase pricing.
4. Land Swaps/Boundary Consolidation. Boundary smoothing can increase development yields. Often public agencies desire land that has low development value but higher environmental value, and are willing to consider land trades.
5. Utility Service and Access Agreements. Establishing rights to water, sewer, and road access service to undeveloped land is an enhancement of value. The current owner may be in a better position to negotiate these services and rights.

6. Public Finance Mechanisms. The creation of public districts can enhance land value because development costs can be financed by future property taxes paid by ultimate buyers. Again, the current owner may be in a more advantageous position to receive county approval for district creation.
7. Infrastructure Master Plan and Cost Model. The advancement of specific public and private investments must be based on a reliable set of cost and development data that is produced during a detailed Infrastructure Master Plan and cost model. This model results in a series of “puts and takes” that define how the program will be financed and phased.
8. Zoning. A critical step in value creation is establishment of vested development rights through zoning. The current owner, acting as rezoning proponent or maintaining an ownership role, can enhance rezoning success.
9. Disposition Strategy/Pricing Optimization. Establishing the process for selecting development partners and/or buyers is critical to finalizing land value. The strategy includes timing, parcelization, broker process, marketing, and outright sale vs. continuing owner role.

In addition to these planning and management activities, an owner can also choose to be a part of more active land development through platting, construction document preparation, and infrastructure construction for improved property sales to commercial developers or homebuilders. These land value enhancement activities require additional capital and risk. A variety of business structures will be evaluated with owner input to identify the optimal risk and business profile consistent with owner objectives.