

Letter of Agreement
For Implementation of a Master Development Plan
For the Monument Square Block in Gray Village
Based on an Initiative of the Liberty Family Foundation
Draft February 28, 2012

This Letter of Agreement is entered into between the parties with property ownership or investment interests in a block of properties designated as "Monument Square" bounded by Main Street, Shaker Road, and Gray Park.

It is the intent of this Letter of Agreement (hereafter the "Agreement") to set forth:

- A. The background of discussions between the parties over cooperation and participation in a Master Development Plan (hereafter "Master Plan") for the block;**
- B. The progress that has been made to date in reaching agreement on key issues;**
- C. Issues on which there is need for further discussion before an overall agreement can be reached; and,**
- D. The procedural steps to accomplish the foregoing.**

All parties acknowledge that there must be agreement on all of the key issues relating to the overall proposed development goals before any item of the proposal becomes effective. All parties also acknowledge that this Agreement creates no legal rights or responsibilities for any party and that this document is simply to provide the basis for effective and consistent negotiation to reach binding agreements.

A. Background of Discussions

- 1. MASTER PLANNING PROCESS** – For the past year and a half, the Town of Gray has been involved in a master planning process for the Monument Square Block involving extensive public participation. With funding from the Cumberland County Community Development Block Grant program, a study was done to determine the individual and collective development potential of the block's properties based on traffic, stormwater, and wastewater constraints. That study concluded that the primary constraint to redevelopment was the fragmented ownership of property that prevented effective traffic access and parking.

In November of 2010 the Community Economic Development Committee organized and conducted a community design workshop to create a common vision and goals for the future of the block. Participants in the workshop evaluated alternative potential outcomes and concluded that the best future for the

community and the property owners would be one where common access and parking for the block would open opportunities for investment and redevelopment in keeping with goals set forth in the Gray Village Master Plan (2006). That event also pointed to the benefits of building renovations and expansion of green space and recreational facilities for the downtown revitalization process.

Although participants at the community design workshop recognized challenges to the grand vision for the block depicted in Exhibit A, the group consensus was that the Town should use its land holdings in the block to stimulate redevelopment in that direction, as opposed to allowing the status quo of declining property conditions and values (*Monument Square Master Plan Report*, January 2011, Page 17, 19).

Based on input from citizens at the November 2010 design workshop, CEDC member and engineer Rick Licht prepared a set of conceptual design drawings showing how the Town-owned properties could be redeveloped in keeping with the Gray Village Master Plan, using the publicly-owned lots in isolation and in cooperation with abutting lot owners. Those alternatives are attached as Exhibit B to this Agreement. Exhibit B1 depicted removal of the existing Town-owned buildings (old Post Office, Town Hall, and Stimson Hall) and their replacement with two modern commercial buildings. Exhibit B2 depicted a redevelopment scenario where Stimson Hall would be retained and pedestrian and vehicle connections would be made to the Russell Elementary School properties of MSAD 15 (the "School District"), crossing the intervening property at 10 Shaker Rd.

The CEDC report and recommendation was that the Town conduct a broader citizen survey to solicit public support for making the Town-owned properties available to a developer at no cost or low cost as an incentive to attract private investment to the block (*Monument Square Master Plan Report*, January 2011, Page 21). Subsequent CEDC discussions identified concerns for the character of Stimson Hall and the potential costs of renovating the building to preserve it from decay and demolition. The cost factor was seen as a deterrent to either public or private redevelopment of the Town properties.

To address specific concerns related to the future of Stimson Hall, the CEDC produced and circulated a newsletter and survey on the matter and convened a public forum in July of 2011. According to a report prepared by the forum facilitator, "There seemed to be no consensus developed on whether to keep the property as one parcel or 'save' Stimson and develop the remaining acreage." (*Report of Public Forum on Stimson Hall*, Town of Gray Community and Economic Development Committee, July 18, 2011, Page 3)

The CEDC continued to explore options for moving forward with a master plan for the Monument Square Block and debated doing an engineering study to determine the full extent and costs of renovations needed to preserve Stimson Hall before issuing a Request for Development Proposals.

2. **LIBERTY FAMILY FOUNDATION OFFER** – In October of 2011 a representative of the Liberty Family Foundation approached the Town Manager with an offer to fund the renovation of Stimson Hall, upgrade the existing Little League facilities, and establish a community park for Gray Village on the Town-owned Shaker Road properties. A quick series of meetings of the Town Council and Community Economic Development Committee led to a request that the Liberty Family Foundation submit a letter of intent for the initiative based on a conceptual plan prepared by the Town's economic development consultant (Exhibit C). The intent of this Letter of Agreement is to establish the intent and commitment of the Liberty Family Foundation to pursue the project and the willingness of the Town of Gray and other property owners to participate as needed to achieve success.

B. Progress to Date on Key Issues

1. **COMMUNICATIONS WITH OTHER PROPERTY OWNERS** – Successful implementation of the Liberty Family Foundation vision for a renovated Stimson Hall, improved Little League complex, and Village Park will require cooperation and coordination of improvements on abutting properties owned by Keith Harriman (Main Street shopping center), Peter Marion (10 Shaker Road), and the School District (Russell Elementary School and District offices). Meetings were arranged with these property owners in December and January to discuss the opportunity and to determine their willingness to participate.
2. **COMMON GOALS FOR THE MASTER PLAN** – Based on discussions with the Town Council, CEDC, and abutting property owners, a set of draft goals for the project were identified for each of the parties. The framework of a public-private partnership to accomplish the goals of all parties is set forth in Exhibit D of this Agreement.
3. **POTENTIAL INVOLVEMENT OF EACH OWNER** – Based on discussions with the Town Council, CEDC, and abutting property owners, a set of potential points of involvement in the project were identified for each of the parties. The framework of a public-private partnership with points of involvement of all parties is also set forth in Exhibit D of this Agreement.

C. Key Issues Which Require Further Discussion

1. **LETTER OF AGREEMENT (LoA)** – This Letter of Agreement outlines the current areas of agreement as indicated in the chart of goals and potential involvement (Exhibit D) of each of the parties. The Letter of Agreement expresses their intent and commitment to pursue further negotiation in keeping with the content and principles set forth in this Letter of Agreement and its attachments. Although it is not legally binding on the parties in terms of property rights and contracts, it provides a basis for all of the parties to proceed with

investment of time and money to design the project and develop the necessary legal documents.

2. **DESIGN PROCESS** – The first step in the planning process will be to develop a preliminary design for the public and private facilities so that all of the parties will know exactly what they are committing to. As the financial sponsor of the initiative, the Liberty Family Foundation will want to be sure that the final products meet their philanthropic goals and that the quality of the facilities will adequately reflect the high standards they have set for themselves and the community projects they support. They will also expect that the design process will be an efficient and positive experience as opposed to a protracted public debate over every detail and decision.

At the same time, the public properties involved are subject to the oversight responsibility and authority of the Town Council, and the process must be transparent and accountable to the citizens of Gray. Similarly, the process must recognize the transparency and accountability required of the School District, a school administrative unit governed by a publicly elected school board. Stakeholders in the community will similarly be concerned with the process and outcomes (i.e., other neighbors, Little League Association, Gray Historical Society).

To provide a balance of efficiency and accountability, the parties agree to pursue an initial design process with a limited group of representatives of the stakeholder groups to prepare a draft site plan that can be more broadly circulated to the community with multiple opportunities for input, both positive and negative. Participants in the initial design phase will be selected based on expertise they can bring to the design process and their commitment to focus on the positive opportunities to create a community center that will showcase the Village and stimulate similar investment elsewhere in Gray.

3. **REVIEW OF INITIAL DESIGN BY THE PARTIES** – To ensure that the preliminary design meets the goals and expectations of the involved parties, a draft product will be circulated to the parties for review and comment before it is made public or public meetings for broader input are conducted. Since the exchange of property rights and economic development is involved, the public agencies (Town Council, Community Economic Development Committee, & School Board) agree to conduct initial meetings and discussions in executive session to the extent permitted by law as provided in the Freedom of Information Act until the private parties and the School District are comfortable with the design for their property components and the plan for moving forward.
4. **REVIEW OF INITIAL DESIGN & AGREEMENT FRAMEWORK BY THE PUBLIC** – The parties agree that any plan that develops from the design process and the public/private partnership framework outlined in Exhibit D of this Agreement will be subjected to a full opportunity for review and comment by members of the public. A minimum of one and maximum of two public hearings

will be conducted by the Town Council /Community Economic Development Committee to solicit public input on the proposed preliminary design of the public facility components of the plan and on the Agreement framework for goals of and public involvement in the project.

5. **PREPARATION OF A FORMAL MASTER PLAN** – After public input is received on the preliminary design and public/private partnership framework, a formal master plan will be prepared to establish the parameters of the proposed public facility improvements and development rights that will be provided to the School District and the private property interests.
6. **ZONING FLEXIBILITY** – The parties recognize that the purpose of zoning is to provide predictability in land use and protection for property from nuisance effects. Master planning or “planned unit development” provides even better predictability and protection by designating actual construction and use of property in advance of development. Therefore, flexibility can be provided in the zoning rules to allow the parties to achieve the desired development outcomes. The parties agree that in pursuit of a master redevelopment plan, the Town will consider adoption of a special zoning district that will allow needed flexibility on minimum lot area, parking, lot coverage, setbacks and other spatial standards. All development will be required to meet State of Maine life safety and water quality standards, and State and local building codes and standards for traffic safety. All public and private improvements will also be required to meet the design standards of the site plan review sections of the Gray Zoning Ordinance. The Town specifically acknowledges and supports the goal of the private landowners to obtain adequate land area and parking for the installation of additional commercial and residential units, and for the School District to obtain an alternate bus access route.
7. **PREPARATION OF ZONING AMENDMENTS** – A special zoning district based on the master development plan will be prepared and enacted subject to Town Charter requirements.
8. **SHARED PARKING AND ACCESS** – The parties agree that shared access and parking arrangements benefit all parties and are critical to the redevelopment of the block. Cross easements, construction easements, and maintenance agreements will be part of any transfer of property rights.
9. **LIMITED DEVELOPMENT AGREEMENT (LDA)** – A legally binding Limited Development Agreement will be needed to establish the rights and responsibilities of the parties for the process and the project’s component parts. The Limited Development Agreement will lay out the specific short-term and long-term commitments based on the prior outlined steps and the time frames for completing them. This will enable the parties to quickly reach agreement and move forward with the project. The Limited Development Agreement will be a contract between the parties to develop construction plans, apply for development permits, exchange deeds, and sign maintenance agreements based on those plans.

D. Procedural Steps to Accomplish the Project Goals

1. Modify and execute this Letter of Agreement (B.1).
2. Conduct a design charrette (as described in Section B.2) to develop a preliminary plan for redevelopment of the block.
3. Submit the preliminary design to the parties to the Agreement for review and approval (as stipulated in B.3).
4. Conduct one or two public hearings on the preliminary design and public/private partnership framework (B.4).
5. Take the results of Items 3 and 4 and incorporate them into a draft master development plan for the block (B.5).
6. Identify needed changes to zoning standards and zoning parameters for the master plan (B.6 & 7).
7. Identify all legal documents needed to grant full rights to develop the master plan to all parties (B.8).
8. Draft a Limited Development Agreement (B.9) with provisions to:
 - a. Establish an efficient public review process for implementation of its terms (Town Council);
 - b. Adopt a Master Plan for the Monument Square Block (Town Council);
 - c. Adopt a Special Zoning District to provide development rights based on the approved Master Plan (Town Council);
 - d. Prepare construction plans for public facility improvements (Liberty Family Foundation);
 - e. Prepare construction plans for School District improvements and private property improvements (hereinafter, the School District and private property owners are referred to as the "Property Owners");
 - f. Apply for needed regulatory permits for proposed construction (Liberty Family Foundation and Property Owners);
 - g. Exchange deeds and easements and enter maintenance agreements (Town, Property Owners); and,
 - h. Construct public and private facility improvements (Liberty Family Foundation and Property Owners)
9. Modify and execute the Limited Development Agreement.
10. Complete steps 2. through 9. above within six (6) to eight (8) months of approval of the Letter of Agreement by the Town Council.

DATED:

Gray Town Council

By: Matt Sturgis
Matt Sturgis, Chairman

DATED:

Liberty Family Foundation

By: Rick Liberty
Rick Liberty

DATED:

~~MSAD 15~~
Maine School Administrative District 15

By: Bruce Beasley
Bruce Beasley, Superintendent

DATED:

Shopping Center

By: Keith Harriman
Keith Harriman

DATED:

10 Shaker Road

By: Peter Marion
Peter Marion

DATED:

19 Main Street

By: Cathy Manchester
Cathy Manchester