

Tax Increment Financing Guidelines Town of Dover-Foxcroft, Maine

Following are the Town of Dover-Foxcroft tax increment financing (TIF) guidelines and standard operating procedures.

Policy Guidelines

Pursuant to Title 30-A MRSA sec. 5254, applications for tax increment financing assistance will be considered by the Town of Dover-Foxcroft, subject to the following guidelines:

Notwithstanding compliance with any or all of the guidelines, the creation of a TIF district is a policy choice to be made by the Dover-Foxcroft Board of Selectmen on a case-by-case basis; and confirmed by town meeting vote; a TIF is not a right under Maine law and meeting these guidelines does not create a right or entitlement in any applicant.

I. Basic provisions

(1) In order to minimize risk to the citizens of Dover-Foxcroft, tax increment financing will be provided via credit enhancement agreement only. The credit enhancement agreement must contain provisions acceptable to the Selectmen that will (a) reasonably protect the Town's economic and financial position and (b) assure that the public benefits contemplated by the agreement will in fact be obtained. The applicant must provide any and all documentation necessary for this purpose. *only*

(2) Absent extraordinary circumstances, the portion of the tax increment allocated to project costs over the life of the district may not exceed 80%. Subject to this limitation, the actual percentage of the tax increment to be allocated to project costs for any particular project will be negotiated with the project owner, based on consideration of the factors set out in section III below.

(3) Tax increment financing agreements of ten years or less are highly preferred by the Town.

II. Guidelines that must be met

In all instances, applicants requesting tax increment financing must demonstrate:

(1) The Town's participation is economically necessary and involvement by the Town is needed in order for the project to be undertaken. Justification for economic need and Town involvement must be demonstrated by:

- a) A need to offset infrastructure costs unique to the site; or
 - b) A need to offset economic advantages available to the corporate entity if it should build (or expand) outside of Dover-Foxcroft; or
 - c) The unavailability of sufficient private or other public funding sources to meet the full capital investment needs of the corporate entity seeking assistance;
- (2) The project creates significant new tax value equal to or greater than \$1 million, or a significant employment impact;
 - (3) Financial capability to undertake project must be evidenced prior to review;
 - (4) Compliance with all statutory and regulatory guidelines of the Town and state; and

III. Guidelines to determine the level of the Town's participation

Although an applicant need not meet each of the following criteria, they will be used to determine the level of participation by the Town:

- (1) The project assists an established business in the Town of Dover-Foxcroft, thus retaining existing employment;
- (2) The project creates long-term, permanent employment;
- (3) The project improves a blighted area in need of redevelopment, or an area identified as a priority by the Town's Comprehensive Planning Committee;
- (4) The project improves a blighted building in need of rehabilitation;
- (5) The project creates public infrastructure facilities which have application beyond the particular development such as traffic upgrades, public parking facilities, etc.;
- (6) If not from the beginning of the district, then as soon as is financially possible, the project will support community projects or create public benefits such as granting access to open spaces, creating student internships, providing job training, supporting local contractors and suppliers, etc.
- (7) The project helps stimulate other business in the Town or offers presently unavailable economic benefits.
- (8) Dover will give preferential consideration to projects in which there is no direct municipal borrowing and tax increment revenues are not obligated or pledged as collateral for third-party project financing, but are simply reimbursed to the project owner on an annual basis.

(9) Projects located in PineCrest Business Park are a priority for the Town. The Town may allocate up to 10% of the tax increment to supplemental development program activities intended to improve amenities or infrastructure, support employee training, provide marketing services, or for related purposes.

(10) The project involves manufacturing, service, or lodging/restaurant/convention center, rather than retail.



IV. Standard operating procedures

The Board of Selectmen's Tax increment financing committee will act as a clearing house and coordinate all activity regarding TIF proposals. The committee will:

- (1) Provide information on tax increment financing;
- (2) Discuss project proposals and accept preliminary application from applicants;
- (3) Review preliminary applications based on policy guidelines with the Town Tax Assessor, Eastern Maine Development Corporation, Town legal counsel, and others as necessary;
- (4) Advise applicants on findings of the committee, legal counsel, and town staff;
- (5) Provide assistance, if required, in making recommendations to the full Board of Selectmen;
- (6) Submit application to State, based on direction of the Board of Selectmen;
- (7) Monitor on-going public and private investment in the development project.

All applicants must pay a \$250 non-refundable application fee at the time of submission. If tax increment financing is approved, an annual administrative fee equal to 1% of the incremental taxes reallocated back to the project will be charged.

All applicants will be required to sign a Legal Fee Consent form agreeing to reimburse the Town of all legal costs incurred as a result of the tax increment financing proposal, whether or not tax increment financing is approved.

In addition, any out-of-pocket expenses incurred by the Town in connection with the tax increment financing proposal will be reimbursed by the applicant, whether or not tax increment financing is approved.