



## Legislation Details (With Text)

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<b>Type:</b>	Discussion Item	<b>Status:</b>		Agenda Ready	
<b>File created:</b>	1/20/2017	<b>In control:</b>		Town Council	
<b>On agenda:</b>	7/25/2017	<b>Final action:</b>			
<b>Title:</b>	Tax Increment Financing Policy & Credit Enhancement Agreement Criteria.				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. CD 17-035 Cover Sheet, 2. Augusta TIF Policy, 3. Belfast TIF Policy, 4. Caribou TIF Policy, 5. Dover-Foxcroft TIF Policy, 6. Farmington TIF Policy, 7. Fort Fairfield TIF Policy, 8. Gray TIF Policy, 9. Kennebunk TIF Policy, 10. Lincoln TIF Policy, 11. Old Town TIF Policy, 12. Skowhegan TIF Policy				

Date	Ver.	Action By	Action	Result
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### Tax Increment Financing Policy & Credit Enhancement Agreement Criteria.

The Council will have an introductory discussion about adopting a policy on tax increment financing and the use of credit enhancement agreements.

The town currently has four tax increment financing districts (also known as municipal development districts):

- Pipeline District
- Roosevelt Promenade District
- Gateway North A District
- New Marblehead Manor Affordable Housing District

Only the New Marblehead Manor affordable housing TIF district utilizes a credit enhancement agreement (or “CEA”), which is a means of returning some portion of the property taxes paid by new development in the district to the property owner. The other districts use the value of new commercial development to generate revenue sheltered from the action of the state school funding formula, revenue sharing distribution formula, and the allocation of county taxes to pay for the town’s economic development activities, transportation and wastewater planning, groundwater monitoring, and some infrastructure projects.

At its meeting of June 27, 2017 the Council discussed a concept for a public-private partnership to aid in the development of a public wastewater collection, treatment, and disposal system in a portion of North Windham. The partnership with Martin Lippman likely will involve the creation of a TIF district, entering into some form of CEA, and modification of a conservation easement. The town has considered credit enhancement agreements only rarely, and has not yet established any policy or criteria outlining the circumstances under which a CEA will be considered and what public benefits will be required as conditions.

Attached are examples of TIF policies from a number of Maine communities. At the July 25, 2017 meeting the Council will discuss the general elements of TIF and CEA policies. At a subsequent meeting the Council is expected to have a work session to outline the provisions of a draft policy for Council consideration.