

Development Program Narrative: Proposed TIF District for the Town of Bowdoinham

Section 1: Statement of Means and Objectives Designed to Improve the Quality of Life of Bowdoinham Residents

The Town of Bowdoinham (the "Town") desires to attract quality jobs and economic development to the community in order to create additional employment opportunities in the Town, to maintain a healthy tax base which will promote the community well being. In order to fulfill these goals, certain property has been proposed as the Pipeline/Municipal Development and Tax Increment Financing District (the "District") by the Town. The Development Program described herein will serve the purpose of administering the District as a Municipal Tax Increment Financing District pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended. Upon approval by the Town Meeting of the Town designating the District and adopting this Development Program. The designation of the District and adoption of the Development Program will become final immediately, subject only to approval by the Maine Department of Economic and Community Development (DECD).

The Development Program provides for economic development incentives called municipal tax increment financing (TIF) similar to that adopted by over 35 other Maine municipalities. A TIF involves creation of a geographically defined district in the Town and the "capture" or reinvestment of the new or "incremental" tax revenues generated by new development and business expansion in the District to pay certain costs of the Development program. The District is designed to encourage new development in Town by allocating a portion of the increment tax revenues generated by the new development in the District to pay the Project Costs of the Development program described herein.

The Town needs to expand its tax base by encouraging additional economic development in the Town. The District provides a source of funds to finance new economic development programs. In the past, the Town has not expended substantial sums on encouraging new or expanded employment opportunities in Town. The Town recognizes the need to make a more substantial commitment to economic and community development. This Development Plan will enable the Town to address the needs of the Town to develop activities and programs, including the hiring of professional economic development staff, to encourage new and expanded business development in Town.

The District is expected to generate certain incremental or additional tax revenues, which will be captured or retained to pay the costs of this Development Program. The Development Program as described herein, consists of and shall be limited to Project Costs as defined in 30-A M.R.S.A. 5251. Contingent upon DECD approval, costs may include:

- (1) Staffing a municipal Economic and Community Development Department with a department head entitled Economic and Community Development Director and one clerical support position. The Director will work directly with the Town Manager, the Board of Selectmen and the Community Development Advisory Committee;

- (2) Administrative costs of this Development Program, organizational costs of the District and other Project Costs as defined in 30-A M.R.S.A. 5251;
- (3) The development and implementation of plans designed to support and enhance economic development efforts, particularly those targeted towards small businesses, the creation of better employment opportunities for low and moderate income persons and investments that expand the tax base (including community marketing plan and profile, heritage-based tourism, intermodal transportation, recreation-based commercial development opportunities, and support for the arts and crafts business sector, promoting traditional natural resource based business sectors, support for other business sectors including tradespeople, and supporting the Town's activity as appropriate for a rural community);
- (4) Improve/increase public infrastructure and amenities in Town;
- (5) Mitigating any adverse impacts of the District upon the municipality or its constituents.
- (6) Identify and remove barriers within local ordinances and policies that prevent economic and community development

A. The Financial Plan

The Financial Plan of the District is set forth in greater detail in Section 2. The following is a brief summary of the Financial Plan. The development costs and sources and uses of funds associated with the Development Plan are described in Exhibit A hereto.

B. Description of Municipally Owned Property and Facilities to be Developed

The Town of Bowdoinham may develop, enhance, improve or construct the following types of public infrastructure over the life of the TIF District as the need in the community presents itself. Such development may include but not be limited to the following as approved by DECD:

- Telecommunication Improvements
- Waste Water Treatment & Sewer Line Development
- Improved Street Lighting
- Sidewalks and crosswalks
- Traffic Improvements,
- Development of Public Park and Open Space
- Public Parking and Environmental Improvements

C. Declaration - No Proposed Use of Private Property

The Development Plan proposes no use for private property within the District is a 175' wide strip of land equivalent to 66.3 acres being the site of the new 3.1 mile pipeline.

D. Relocation of Displaced Persons

No displacement of persons or businesses is anticipated through any activity funded under the Development activities proposed in the District

E. Proposed Improvement of Transportation System and Facility

The existing transportation system of the Town is adequate to accommodate current development within the Town but will need to be improved proportionate with the needs and demands of new development.

F. Environmental Controls

All environmental controls required by law shall be adhered to by the Development Program, including any applicable requirements of local ordinances.

G. Plan of Operation Upon Completion of the District

During the life of the District, the Town Manager or his/her designee will be responsible for all administrative matters concerning the implementation and operation of the District through the Economic and Development Department. The Company, its successor or assigns, will operate the improvements constructed by the Company and pay all maintenance and operational expenses. The Development Program will be reviewed annually by the Board of Selectmen who will have authority to establish the upcoming years work plan. Town Meeting input will be sought as appropriate for major changes to the Development Program.

H. Program Duration

The duration of the District will begin on the designation of the District and the effective date of its approval by the Maine Department of Economic and Community Development and end on the earlier of 20 years thereafter or payment of all Project Costs

Section 2: Financial Plan

A. Costs Estimates for the Development Program

The estimated annual costs of the Development Program are \$54,862. Such costs are set forth in greater detail in Exhibit A hereto.

B. No Program Indebtedness

The Town will not incur any indebtedness in connection with the Development Program without a revision to the Plan approved of by the State Office of Economic Development. The Town will aggressively seek grant opportunities which will meet the program mission – matching funds will be provided in municipal budgets over the 20 year period as appropriate.

C. Sources of Anticipated Revenues

The sources of anticipated revenues generated by the District to be used to pay Project Costs are:

- (a.) municipal tax increment revenues on retained captured assessed value, which will be deposited as received into the Development Program Fund as described below, and
- (b.) earnings on amounts deposited in the Development Program Fund, and
- (c.) grant dollars

It is anticipated that other sources or revenues derived from the District will include additional property taxes generated from other development within the Town and building permit fees that may be generated from new construction and or business development .

D. Estimates of Captured Assessed Values (CAV) and Portion of CAV to be Applied to the Development Program

The following table reflects (a.) the original assessed value of all properties within the District, (b.) the estimated captured assessed value increase in assessed value per year following implementation of the Development Program, (c.) the percentage of captured assessed value to be retained by the District, and (d.) the estimated tax increment revenues per year on the entire increase in assessed value following implementation of the Development Program. The Percentage of Captured Assessed Value (CAV) Retained shall be 100% of the incremental taxes (in excess of the taxes on the original assessed value thereof) on all real and personal property now or hereafter in the District until the earlier of (a) payment of all Project Costs or (b) 20 years from the date of approval of this Development Program.

Year	Original Assessed Value	Increase in Assessed Value	Captured Assessed Value (CAV)	Estimated Percentage of CAV Retained by Town	Total Estimated Tax Revenues on CAV
1	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
2	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
3	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
4	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
5	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
6	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
7	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
8	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
9	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
10	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
11	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
12	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
13	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
14	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
15	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
16	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
17	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
18	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
19	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
20	\$29,800	\$ 3,164,800	\$ 3,135,000	100%	\$ 54,862
				TOTAL	\$ 1,097,240

Creation of Fund Accounting: A Development Program Fund shall be established by the Town. Upon receipt of each payment of property tax from taxpayers within the District and the payment of personal property tax by Maritime & Northeast Pipeline, the Town shall deposit that portion of each payment constituting the retained tax increment revenues into the Development Program Fund.

E. Financial and Statistical Data

A summary of the physical description of the District and financial and statistical information relating to the District's satisfaction of certain conditions imposed under Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, as a prerequisite to designation of the District is set forth in Exhibit B hereto. Additional information is set forth below:

Total value of equalized taxable property in Bowdoinham as of March 31, 2000	\$3,164,800
Aggregated value of equalized taxable property in the proposed TIF District as of the April 1, 2000 preceding the district's designation	\$29,800
Percentage of total value of equalized taxable property represented by aggregate value of all equalized taxable property in the proposed TIF District	0.01%

\$101,300,000.

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(3/1000 * 1/10)

Attached hereto as Exhibit C is the anticipated form of certification of original assessed value by the Assessor's Agent of the Town of Bowdoinham in accordance with the requirement of 30-A M.R.S.A. 5254(2).

F. Estimated Impact of Financing Upon Taxing Jurisdiction

The table set forth below identifies the estimated tax shifts which will result during the term of the District from the establishment of the District, using formulas specified by the Department of Economic and Community Development.

TAX SHIFTS

Tax Shift Item	Average Annual Amount	Total Undiscounted Amount
Educational Aid (MSAD 75)	\$17,026	\$ 340,520
Sagadahoc County Tax	4,272	85,440
Municipal Rev. Sharing	5,629	112,580
Total	\$26,927	\$ 538,540

Attached hereto as Exhibit D is a summary of the methodology utilized in calculating tax shifts and the general tax shift calculations.

Section 3: Physical Description

A. Physical Description of the District

The real property included in the District consists of lots located on the Town of Bowdoinham's Property Tax Map R4: Lots 15, 24, 26, 32, 35, 36, 36B, 37C, 50, 53, 56, 58A, 59, 59B, 59C and 60. Set forth in Exhibit B is a plan depicting the District.

Section 4: Municipal Approvals

A. Public Hearing Record

1. The Board of Selectmen held a public hearing on the creation of the Tax Increment Finance District on Wednesday, **May 24, 2000** at 7:00 p.m. at the Bowdoinham Town Hall. (See Exhibit F.)

Attached hereto as Exhibit F is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. 5253. The Notice was published in the Times Record, a newspaper of general circulation in the Town on May 10th and May 17th, 2000, dates of 14 and 7 days prior to the public hearing on Wednesday, May 24, 2000.

2. The Board of Selectmen held a public hearing on the creation of the Tax Increment Finance District on Wednesday, **June 7, 2000** at 7:00 p.m. at the Bowdoinham Town Hall. (See Exhibit F.)

Attached hereto as Exhibit F is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. 5253. The Notice was published in the Times Record, a newspaper of general circulation in the Town on May 22nd through May 26th, 2000, dates of 16 and 12 days prior to the public hearing on Wednesday, June 7, 2000.

B. Authorizing Votes

Attached as Exhibit G is a copy of the authorizing Votes and municipal tax increment financing article adopted by the Town Meeting of the Town of Bowdoinham at a meeting thereof duly called and held on June 21, 2000 designating the District and adopting the Development Plan.

The undersigned, being the Chairman of the Board of Selectmen for the Town of Bowdoinham, certifies that all of the information contained herein is true to the best of my knowledge.

Dated: _____

Brian Hobart, Chairman
Town of Bowdoinham

Exhibit A

Allocated Costs by Development Activity

(Estimated Costs over Life of TIF District)

Staffing a Municipal Economic and Community Development Department	\$610,200
\$30,510 x 20 years	
Economic and Community Development Plans	
\$24,352 x 20 Years	\$487,040
Total	\$1,097,240

Economic and Community Development Plans and Projects may include the following, subject to approval by DECD:

- Community Profile and Marketing Plan
- Plan to support natural resource based businesses such as Agriculture, Tree Farming, Aqua Farming, Woodworking, etc.)
- Plans for support of artists, craftspeople and trades people by providing technical assistance and networking to expand markets for crafts and trade products.
- Develop a Plan to expand the Historical Society's role in creating historical appreciation for Bowdoinham.
- Plan for intermodal transportation options that will be available for import/export of the communities produce and products by rail, air, land and water.
- Development of Recreational-based business opportunities
- Rehabilitation plan for the "Village"
- Inventory and usage plan for vacant commercial/light industrial space, especially in the Village
- Plan for support services for existing small businesses (marketing, etc.)
- Develop opportunities for recreation or commercial activity on municipally owned property. (Parks and open space or lease of land for commercial ventures)
- Identify and remove from local ordinances and policies barriers preventing economic and community development.
- Plan to promote the town and display it's attributes through the "Celebrate Bowdoinham" festival. An annual event in commemoration of the Town's birthday, September 18, 1763.