Dayton Planning Board
March 28, 2017

Members Present: Dan Plourde, Bruce Reynolds, John Boissonnault, Darren Adams, Ryan Loshaw

Town Employees Present: Jim Roberts (CEO), Angela Cushman (Secretary)

Public Present: Chuck Morgan, Southern Maine Planning and Development Commission

Administrative:
No administrative action was done.

Old Business:
Comprehensive Plan. Chuck Morgan from Southern Maine Planning and Development joined the Board meeting to continue discussions on what Tax Increment Financing (TIF) programs are about and what you can do with them.

Jim asked if we could do more than one TIF district.

Chuck stated that you can do multiple ones. You are limited in terms of acreage, no more than 5% of the town's acreage. No one district can be more than 2%. All the districts cannot add up to more than 5% of your valuation.

Chuck brought three sample TIF applications for discussion; Hollis Poland Spring TIF, Kennebunk Alfred Municipal Development & Kennebunk Route One Municipal Development. These handouts will be made a part of these minutes. Discussion followed in regard to the handouts. There are three main parts to the TIF application that is submitted to the State for approval: 1) a map of the TIF district, 2) calculation of tax shifts and 3) a development plan.

Calculation of tax shift here is the projected cumulative investment, increased in assessed value. Note where it is going to start with, here is what we think it is going to add, and here is how it is going to grow over the term. It includes the percentage that will be retained. The percentage will be weaned off as you near the end of the TIF. This becomes the basis of your revenue. You then have to take that and determine what the impact would be to education subsidy, revenue sharing and county tax shift. There are attorneys available that help with these calculations.

TIF districts are set up in response to a new business or where towns think they might like to entice business to develop in town. TIFs benefit property owners and the town TIFs can be a block of land that is all connected or can be blocks that are connected by a road. TIFs are usually 20, 25 or 30 years long.

The first steps include:

Define the TIF district. The borders of the TIF district can follow the property lines or not. Either can be done.

Define value of TIF district. A valuation baseline needs to be established using values as of April 1st of prior year. A spreadsheet should be completed with lot, business/property owner, assessed value, property address, acres and any comments.

Define development plan. Where are you going to spend the monies? If the tax dollars come in higher than estimated on the plan, the additional money can only be used towards items on the plan.

Credit enhancement agreement can be used outside of the boundaries of the TIF as long it has an economic enhancement, i.e. roads, fire station, new building. A credit enhancement is a tax reduction to the owner for the first couple of years to entice new business. Set parameters should be established to apply to each business prior speaking about specifics with potential new business owners. There is always flexibility.

Revolving loan funds. Towns can set up a short term revolving loan program to help new businesses. A TIF development plan can include allowing small businesses a loan to get started.

The board spent some time discussing defining a potential TIF district. Jim Roberts will determine the acreage for the potential district. This potential TIF district will be based on raw land value as the area is under developed.

Chuck is recommending defining the district and developing a valuation baseline. He also suggested that we look at historical data over the last 5 years to try to get a sense of increased value. So you can guesstimate how much it is going to go up and therefore here is what it going to mean in dollars. The last piece is to figure where you are going to spend those dollars.

A TIF application could be submitted not knowing any specific business being developed. The application would only be based on inflation. TIF districts can be amended thru the state, but it is not an easy thing to do. A TIF application requires a public hearing and a town meeting warrant article.

Chuck stated there is a brand new TIF coordinator at the state. Turn-around time for an application depends on the time of the year. Right now it is very busy as towns are trying to submit prior to April 1st.

After discussion the group decided it would be beneficial for the group to speak to specific property/business owners to see what might be their short term plans for development. These discussions with owners could help in defining in the TIF district.

New Business:
None Discussed.

Outstanding Business:
Public Hearing for Comprehensive Plan

John made a motion to adjourn and Darren seconded it. The meeting adjourned at 8:17 PM. The next meeting will be Tuesday, April 25, 2017, at 6:30 PM at the Dayton Town Hall.

Angela Cushman Date: 4/8/17

Angela Cushman, Secretary

Dan Plourde Date: 4/25/17

Dan Plourde, Chairman

COPIES TO: Jim Roberts, Code Enforcement Officer; Selectmen; and Tax Assessor
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