



PAUL R. LePAGE
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



GEORGE C. GERRAIS
COMMISSIONER

February 26, 2016

Heather Moody
Chair, Board of Selectmen
TOWN OF KINGFIELD
38 School Street
Kingfield, ME 04947

RE: Town of Kingfield and Arts District Municipal Tax Increment Financing (TIF) District; Development Program First Amendment (AMD-1)

CONDITIONAL APPROVAL

Dear Heather,

The Maine Department of Economic and Community Development (DECD) reviewed the above referenced Municipal TIF District and Development Program amendment application. The District merits full approval effective today. The Omnibus capacity portion of the Program has earned CONDITIONAL approval, subject to DECD receipt/review of requirements immediately following:

- | | |
|---|--|
| <ul style="list-style-type: none"> a. Public process per § 5226(1) for Omnibus capacity reimbursement percentage per previous DECD request; b. Per Minutes of October 19, 2015—addition of public hearing component before execution by Board of Selectmen of any/each future reimbursement agreement(s); c. Subject to DECD review and approval of above two requirements Town may <u>NOT</u> execute any new reimbursement agreements for this District; | <ul style="list-style-type: none"> d. Following full DECD approval of Omnibus capacity, <u>TOWN MUST FORWARD EXECUTION COPY</u> of each agreement or assignment with completed Application Cover Sheet if company/developer and completed Employment Goals Form if company; e. Each execution copy submission for DECD files <u>MUST</u> include copy of notice of public hearing published 10 or more days prior, or any associated agreement or assignment will not have met Program requirements. |
|---|--|

Based on balance of application, I am happy to note/approve:

- | | |
|---|--|
| <ul style="list-style-type: none"> f. District taxable Original Assessed Value of \$4,461,715 as of April 1, 2014/2006—acreage 347.39; g. Increased Assessed Value (IAV) capture of up to 100% of real property improvements; | <ul style="list-style-type: none"> h. Poland Spring Bottling Company (Company) reimbursement limited to incremental taxes from <u>NEW</u> actual value, extended throughout balance of District term, projected at \$3,880,430 total or 40% annually. |
|---|--|

Town revenue allocation projected at \$6.07 million may facilitate funding for an estimated \$5.7 million in public costs and associated debt **as further described in Development Program**. This funding MUST comply with already established Town appropriation process—with activities/projects due completion



PAUL R. LEPAGE
GOVERNOR



GEORGE C. GERVAIS
COMMISSIONER

BEFORE/BY June 30, 2038. List immediately following is comprehensive and supersedes original designation approval:

WITHIN DISTRICT

- i. Public works machinery prorated to District use including sweeper, plow truck, tractor and sidewalk equipment \$300,000; x
- j. Village Center (VC) business/commercial wireless network infrastructure and associated equipment \$75,000; x
- k. Capital costs debt retirement \$1.145 million; x
- l. Fire Department capital costs prorated to District use including fire truck \$300,000; x
- m. Public ways and sidewalk/street construction/improvements including paving, signs and railings \$140,000; x
- n. VC capital costs including landscaping/permanent plantings, street lights, sidewalks and walking trails, demolition and site preparation \$500,000; x Φ x
- o. Municipal surface/structural parking construction/improvements including land acquisition \$185,000; x
- p. Public infrastructure investments encouraging commercial and Arts District access, including road upgrades/extensions, water and 3-phase power installation \$500,000; Ψ x
- q. VC septic system upgrades including fees/expenses and associated studies \$515,000; Ψ x
- r. Riverfront Trail Head costs including permitting/planning/site preparation \$500,000; Φ x x
- s. Arts center and/or festival area including performance space/gazebo and associated fees/expenses \$500,000; x x Φ

- t. Infrastructure maintenance/improvements of archaeological/historic/Arts District cultural sites/attractions and Historical Society, strictly limited/prorated to costs associated with tourism development \$90,000; Φ x Δ
- u. Professional service including legal/consulting expenses related to District Development Program \$20,000;
- v. Prorated town administrative assistant salary associated with District administration \$110,000.

WITHIN MUNICIPALITY

- w. Economic Development (ED) programs marketing town as business/arts (b/a) location including prorated municipal staff and consultant salaries \$500,000; x
- x. Portion of municipal administrative assistant salary prorated to ED \$225,000;
- y. ED programs marketing town as b/a location including consultant and marketing strategy/plan/implementation with associated social media efforts and relevant municipal Web site modules \$100,000;
- z. ED events marketing town as b/a location including prorated relevant portions of Kingfield Pops and Kingfield Days \$350,000;
- aa. Permanent revolving loan funds, investment funds and grants per § 5225(1)(C)(3) for costs authorized by 30-A M.R.S. § 5225 and DECD rules as amended from time to time plus grant matching related to 30-A M.R.S. §§ 5221-5235 ED activities \$500,000.
- bb. Recreational trails \$150,000.

Per December 21, 2007 original designation approval, DECD restates:

- cc. District term of 30 years starting July 1, 2008 and ending June 30, 2038;
- dd. District revenues deposited/held in dedicated accounts and applied ONLY toward approved activities/projects due completion BEFORE/BY June 30, 2038,
- i) Project Cost accounts to reimburse Company for costs authorized by 30-A M.R.S. § 5225(1)(A) and DECD rules as amended from time to time AND/OR fund public activities/projects,
- ii) Sinking Fund Account to retire associated public debt if any;



PAUL R. LePAGE
GOVERNOR



GEORGE C. GERVAIS
COMMISSIONER

- ee. UPON EXECUTION, TOWN MUST FORWARD COPY of any associated credit enhancement agreement or assignment to DECD;
- ff. Non-captured incremental property values resulting in General Fund revenue/deposits MUST be reported with Town equalized assessed value;
- gg. Any future amendment MUST comply with 30-A M.R.S. §§ 5221-5235 and DECD rules;
- hh. When District expires or is terminated TOWN MUST NOTIFY DECD IN WRITING.

MAINE IS OPEN FOR BUSINESS. Please contact Municipal Tax Increment Financing Program Director Laura Santini-Smith with questions about this certification letter or DECD review. With this approval, DECD extends best wishes for the success of your District.

Sincerely,

George C. Gervais
Commissioner

cc: Senator Thomas Saviello (SD-17) and Representative Thomas Skolfield (HD-112) — 127th Legislature;
David Ledew, MRS Director Property Tax Division; Diane Jackson, Governor's Account Executive;
Raegan LaRochelle, Eaton Peabody Consulting Group

EXCLUDING FOLLOWING COSTS/FUNDING:

- Φ Public park(s)
- Δ Rent and operational expenses
- Ψ Private residential distribution line(s)
- ⌘ Items beyond § 5222(1) scope, i.e.: holiday decorations, plant pots/containers and art
- × § 5225(1)(A)(1)(a)(i), (8) and (C)(7)(b) Transit-Oriented Development projects



PAUL R. LEPAGE
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



GEORGE C. GERVAIS
COMMISSIONER

October 21, 2013

James M. Saffian
PIERCE ATWOOD
254 Commercial Street
Portland, ME 04101

RE: Natural gas projects and the Municipal Tax Increment Financing (TIF) Program

Dear Jim,

Thank you for meeting with us in September. Please accept this letter in reference to your inquiry regarding municipalities incentivizing private natural gas projects via so called TIF revenues.

The Department will support reimbursement formulas based on mile(s) of pipeline laid in public property, whether main or distribution lines and irrespective of local zoning ordinances. Company or developer ("company") reimbursement via credit enhancement agreement (CEA) or other contract MAY include higher rates of reimbursement for pipeline laid in residential zones. The formula MAY also incentivize reimbursement based on speed and stages of project completion.

A municipality MAY set up a Revolving Loan, Investment or Grant fund to assist its commercial taxpayers. We encourage such a fund be set up to incentivize commercial conversions regardless of energy type, source, delivery means or final application.

Thank you again for bringing this matter to our attention.

Sincerely,

George C. Gervais
Commissioner

COPY

cc: Senior Policy Advisor John Butera; Office of Energy Independence Director Patrick Woodcock;
Office of Business Development and Innovation Director Brian Whitney; Tax Incentives Director
Laura Santini-Smith