

ECONOMIC DEVELOPMENT PROJECT

TOWN OF DAMARISCOTTA, MAINE

An Application for a Municipal Development and Tax Increment Financing District

**MAIN STREET DAMARISCOTTA MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DEVELOPMENT PROGRAM**

Presented to:

The Inhabitants of the Town of Damariscotta

February 19, 2020

TABLE OF CONTENTS

SECTION	PAGE
I. Introduction.....	4
II. Development Program Narrative	5
A. The Project	5
B. Strategic Growth and Development.....	6
C. The Development District.....	6
D. The Development Program	6
E. Improvements to the Public Infrastructure	7
F. Operational Components	7
1. Public Facilities.....	7
2. Commercial Improvements.....	7
3. Relocation of Displaced Persons	7
4. Transportation Improvements.....	8
5. Environmental Controls.....	8
6. Plan of Operation	8
III. Physical Description	8
IV. Financial Plan.....	9
A. Costs and Sources of Revenues	10
B. Public Indebtedness	10
V. Financial Data	11
VI. Tax Shifts.....	20
VII. Municipal Approvals	21
A. Notice of Public Hearing	21
B. Minutes of Public Hearing.....	22
C. Authorizing Votes.....	22

EXHIBIT LIST

- | | |
|--------------------|---|
| Exhibit A-1 | Town of Damariscotta Property Map Showing District Property Relative to Town Boundaries |
| Exhibit A-2 | Town of Damariscotta Property Map Showing District Property |
| Exhibit B | Assessor's Certificate – Town of Damariscotta |
| Exhibit C-1 | Anticipated TIF Revenues Generated by District |
| Exhibit C-2 | Tax Shelter Benefits and Tax Shifts |
| Exhibit D | Notice of and Minutes for Public Hearing |
| Exhibit E | Executed Select Board Resolution |
| Exhibit F | Record and Warrant from Town Meeting |

I. Introduction

The Town of Damariscotta, Maine (the “Town”) is a thriving community in Lincoln County with over 2,200 residents. Situated on the Damariscotta River and graced with a quaint downtown, Damariscotta is a popular tourist destination served by U.S. Route 1 and Maine Routes 129 and 215. Although Damariscotta’s residential population has remained relatively stable in the past decade, businesses continue to locate in Town, especially along the upper Main Street corridor. Currently, approximately twenty two percent (22.41) of the tax base comes from businesses.

The primary purpose of this project will be to support Damariscotta’s existing businesses and encourage the development of new businesses by providing safe pedestrian and bicycle access to retail and office uses in and around the Town’s Main Street. This is a public safety project necessitated by the development of the proposed district as a major retail, restaurant and office center. By creating a TIF District on the very parcels that will experience significant benefit from the sidewalks, the Town will obtain at least partial funding for the construction of these pedestrian access ways. This public infrastructure project will increase the prospects of further economic development potential of the upper Main Street corridor.

The Town’s long term plan is to have the new Main Street sidewalk (and bike paths) connect to: (1) a sidewalk that currently ends at the Rising Tide Market, (2) the sidewalk that the developer is required to build at 435 Main, (3) a sidewalk that has already been funded but not yet constructed at the corner of Biscay Road and Main Street, and (4) the sidewalk that was constructed by the Coastal Rivers Conservation Trust adjacent to Great Salt Bay Community School. In addition to sidewalks and bike paths, at least one traffic signal upgrade will be necessary for a crosswalk. If development in the TIF District is successful in future years, the Town will use TIF Revenues for pro-rated funding of a sidewalk snowplow and a firetruck to support needs created by the District’s success.

To bring these plans to fruition, the Town seeks to designate and create the “**Main Street Damariscotta Municipal Development and Tax Increment Financing District**” (the “District”). The District will encompass 33.31 acres on three adjacent parcels located on Main Street (the “Property”). The District is further described in Section II below and shown on **Exhibit A-1** and **Exhibit A-2** attached hereto. The Town will capture 100% of the increased assessed real and taxable personal property value located in the District and use such revenues (the “TIF Revenues”) for infrastructure improvements and economic development, all as further described in Table 1 and Table 2 herein.

In designating the proposed District and adopting the Development Program, the Town can accomplish the following goals:

1. Enjoy enhanced future tax revenues generated by development within the District;
2. Help finance the cost of infrastructure improvements that will enable the construction of sidewalks, and bike paths. that could serve a technology or business park;
3. Purchase public works and public safety equipment to support the increased demands of the District;
4. Create long-term, stable employment opportunities for area residents by enhancing

access to local businesses, thereby supporting the long-term success of local employers; and

5. Enhance the visibility and competitiveness and improve the general economy of the Town, the Mid-Coast Maine region and the State of Maine.

In addition, by creating a TIF district, the Town will “shelter” the increase in municipal valuation generated by growth within the District. The tax shelter provided by the District will mitigate the adverse effect that the District’s increased assessed property value would have on the Town’s share of state aid to education, municipal revenue sharing and county tax assessment, and the Town’s relative share of the local school district contributions. An estimate of the tax shelter benefit is shown as **Exhibit C-2** attached hereto.

II. Development Program Narrative

A. The Project – Public Infrastructure Improvements

A Portland, Maine based developer, Daniel Catlin, CEO of Commercial Properties, Inc., plans to construct three commercial buildings on an 11.3-acre parcel located at 435 Main Street (known locally at the Camden Bank Plaza). More specifically, his plan calls for the construction of three commercial buildings: a 22,000-square-foot building for two retail spaces, a 5,525-square-foot building with three commercial spaces, and a 2,700-square-foot bank with a drive-thru. Two additional parcels owned by Damariscotta Midtown LLC (Mason Sears), are contiguous with the Camden Plaza parcel and will add an additional 22.01 acres to the TIF District.

With TIF Revenues generated by these growing developments, the Town will construct much needed sidewalks in the heart of the commercial district. Over three-quarters of a mile (4,200 linear feet) of sidewalk will be built on Main Street, from the current sidewalk terminus in front of a popular local community market, to the intersection of Biscay Road. An additional one-third of a mile (1650 linear feet) of sidewalk will run from the corner of Biscay Road to an existing sidewalk at the Great Salt Bay School, a K-8 school that serves children from Damariscotta, Newcastle and Bremen

Building over a mile of sidewalks to Damariscotta’s growing commercial center will increase patronage of local businesses and create new business opportunities. In turn, new business development will generate new jobs, thereby improving the Town’s tax base and allowing the Town to control the commercial development in this classic New England town.

The Town proposes to fund public infrastructure improvements with TIF revenues; these improvements will enhance accessibility to the Downtown.

Please see Section IV, Table I hereof for a complete list of Town-wide projects and their respective cost estimates.

B. Strategic Growth and Development

By creating and designating the District, the Town is maximizing the economic development potential of the 435 Main Street/Camden Bank Plaza development and the adjacent Damariscotta Midtown

LLC properties. The Town envisions the area as a commercially vibrant district with thriving businesses that bring an increased tax base and quality job opportunities to Damariscotta. The Plaza represents a thoughtful opportunity for smart cluster development located adjacent to a major transportation artery. The Plaza holds clear potential for further economic development.

The Town's designation of a TIF district and pursuit of this Development Program constitute a good and valid public purpose as described in the TIF statute in Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the Town and the Coastal Maine Region by providing jobs, contributing to property taxes and diversifying the region's economic base.

C. The Development District

The District will encompass approximately 33.31 acres of real property. The District is shown in Exhibit A-1 and Exhibit A-2 attached hereto.

D. The Development Program

The Town's designation of the District and adoption of this Development Program creates a single municipal TIF District in order to capture the value of the real and taxable personal property improvements made within the District and to permit tax increment financing for public infrastructure projects. The Development Program will begin with the Town's 2020-2021 fiscal year and will continue for a total of 30 years.

Under this Development Program, the Town will capture one hundred percent (100%) of the increased assessed real and taxable personal property value over the original assessed real and taxable personal property value of the District and retain the tax revenues generated by the captured assessed real and taxable personal property value for designated economic development purposes. (The calculation of TIF Revenues is more specifically described below in Section IV – Financial Plan.) In the Assessor's Certificate attached as Exhibit B hereto, the Town's Assessor has certified the original assessed property value of the District.

By adopting this Development Program, the Town is creating a TIF district that will: (1) contribute to the success of the current development within the District by supporting infrastructure improvements and increasing the development potential of the Plaza as a desirable place in which to locate a business; (2) promote additional economic development in Damariscotta by making it safe for pedestrians to shop, eat, bank and more along Main Street; and (3) shelter the new municipal real and taxable personal property value from impacting the overall State valuation for the Town of Damariscotta, thereby minimizing: (a) decreases in the Town's State school subsidy and State revenue sharing, and (b) increases in the Town's county tax assessments and local school district contributions.

Further, approval of this Development Program and the designation of the District will have a neutral impact on the existing tax base; only the increased assessed real and taxable personal property value over the original assessed property value within the District will be captured. In addition, at the end of the 30-year term of this Development Program, the Town expects to emerge with a substantial amount of new real and taxable personal property value to add to its municipal tax base.

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the "TIF Statute"). Subsequent to a Town Meeting vote designating the District and adopting this Development Program, the designation of the District and

adoption of this Development Program are effective upon approval by the DECD.

E. Improvements to the Public Infrastructure

Sidewalks, bike paths and lighting (pedestrian and street) along Main Street

F. Operational Components

1. Public Facilities

Not applicable.

2. Commercial Improvements Financed Through Development Program

Not applicable.

3. Relocation of Displaced Persons

Not applicable.

4. Transportation Improvements

Not applicable.

5. Environmental Controls

The improvements made under the proposed Development Program will meet or exceed all federal and state environmental regulations and will comply with all applicable land use requirements for the Town of Damariscotta.

6. Plan of Operation

During the 30 year term of the District, the Damariscotta Town Manager and Town administrative staff will be responsible for administrative matters within the purview of the Town concerning the implementation and operation of the District and carrying out of the approved projects with the assistance of qualified professionals (e.g. engineers, contractors, legal counsel).

7. Duration of the Program

The TIF will remain in operation for 30 years.

III. Physical Description

(1) Total acreage of the Town of Damariscotta:	9,414.4 acres
(2) Total acreage of the District:	33.31 acres
(3) Percentage of total acreage of the District to the total acreage of the Town of Damariscotta (cannot exceed 2%):	0.35

(4) Total acreage of <u>all</u> tax increment financing districts within the Town of Damariscotta including all proposed districts:	Existing: 0 Proposed: 33.31 Total: 33.31 acres
(5) Percentage of total acreage of all existing and proposed development districts within the Town of Damariscotta to the total acreage of the Town of Damariscotta (cannot exceed 5%):	0.35
(6) At least twenty-five percent (25%), by area, of the real property within the District is: (a) Blighted: (b) In Need of Rehabilitation, Redevelopment, or Conservation Work: (c) Suitable for Commercial Uses:	No No Yes
(7) Municipal documents relating to the District's physical description attached as Exhibits: (a) Town of Damariscotta property map showing the District relative to Town boundaries. <u>Exhibit A-1</u> (b) Town of Damariscotta property map showing the District property. <u>Exhibit A-2</u> (c) Certification by the Town of Damariscotta Assessor of the original assessed property value of the District. <u>Exhibit B.</u>	

IV. Financial Plan

The District will encompass approximately 33.31 acres of property. The original assessed value of the property in the District was \$818,000 as of March 31, 2019. Development of the 435 Main Street project will add an estimated increase in valuation of \$2.5 million within the next two to three years, as the property is developed, and would generate an additional \$40,250 in annual tax revenue for the Town. Additionally, it is hoped and presumed that additional businesses will locate in the Plaza and the adjacent property in the District thus providing additional TIF Revenues for the Town.

Upon each payment of property taxes by property owners inside the District, the Town will deposit into a Development Program Fund the entirety of the property tax payments constituting TIF Revenues (the "Development Program Fund"). The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Development Program Fund consists of two segregated accounts, a sinking fund account ("Sinking Fund Account") and a project cost account (the "Project Cost Account"). The Town will deposit the TIF Revenues necessary to pay debt service on any bonds that may be issued to pay for the Town's TIF projects into the Sinking Fund Account.

The money in this account is pledged to and charged with the payment of interest and principal on municipal indebtedness related to improvements in the District. Thereafter, the Town will deposit any additional TIF Revenues the Project Cost Account to be used for approved municipal projects outlined in this Development Program and not financed with Town indebtedness.

Estimates of the increased assessed property values of the District, the anticipated TIF Revenues generated by the District, and the estimated tax shifts are shown in Exhibit C-1 and Exhibit C-2, respectively.

A. Costs and Sources of Revenue

The estimated cost of the projects to be funded through TIF Revenues includes a portion of the \$2,341,800 needed for the Town infrastructure projects, primarily sidewalk construction. If sufficient TIF Revenues are generated over the life of the TIF, the Town will purchase a sidewalk snowplow and fire truck to serve the needs created by the District, with the use of TIF Revenues appropriately prorated. The revenue for these projects will be TIF Revenues, as set forth more specifically in Exhibit C-1. Owners of properties located within the District will pay for and/or finance all private improvements located in the District through private sources.

B. Public Indebtedness

The Town intends to obtain bond financing in the amount of \$500,000, with annual principal and interest to be paid over twenty years.

TABLE 1

Town’s Proposed Project Costs

Project	Cost Estimate	Title 30-A Citation
<u>Professional Costs</u> : Professional service costs, including but not limited to legal and/or consultant services, in connection with establishment, implementation and administration of the Development Program.	\$7,000	§ 5225(1)(A)(4)
<u>Administrative Costs</u> : Town Manager salary costs (at 5% of \$111,600 salary and benefits annually) associated with TIF program administration.	\$5,580	§ 5225(1)(A)(5)
<u>Public Infrastructure</u> : Costs associated with the construction of infrastructure improvements and upgrades, including sidewalks, curbing, lights, and bike trails.	\$2,341,800	§ 5225(1)(B)(1-2) § 5230

<u>Bond payments:</u> Debt service on bonds issued to pay for sidewalk construction.	\$34,800 (\$500,000, twenty-year bond @ 3.5%)	§ 5225(1)(C)(1)
<u>Grant Match:</u> TIF Revenues to be used for local match on federal or state economic development grants	\$400,000	§ 5230
<u>Sidewalk Equipment and Maintenance</u> 10% of cost of sidewalk plow 10% of cost of employee time to plow sidewalk 10% of cost of sand/salt (prorated based on percent of total sidewalks maintained by town)	\$12,500	§ 5225(1)(A)(1), (B)(1)
Fire Truck @\$540,000 (Pumper to be purchased in 2028 - cost prorated (10%) for District use)	\$54,000	§ 5225(1)(A)

V. Financial Data

(1) Total value of taxable property in Damariscotta as of April 1, 2019	\$331,873,700
(2) Original assessed value of taxable property in all existing and proposed tax increment financing districts in Damariscotta as of March 31, 2019.	\$818,000
(3) Percentage of total value of taxable property represented by aggregate value of all taxable property in all existing and proposed tax increment financing districts (i.e., item (2) divided by item (1) expressed as a percentage.	0.246%

VI. Tax Shifts

In accordance with Maine statutes governing the establishment of a tax increment financing district, the table set forth in **Exhibit C-2** identifies the tax shifts that are expected to result during the term of the District from the establishment of the District.

VII. Municipal Approvals

A. Notice of Public Hearing

Attached as **Exhibit D** is a copy of the Notice of Public Hearing held on February 19, 2020, in accordance with the requirements of 30-A M.R.S.A. § 5226(1). The notice was published in the *Lincoln County News*, a newspaper of general circulation in Damariscotta on or before February 6, 2020, a date at least ten (10) days prior to the public hearing.

B. Minutes of Public Hearing

Attached as **Exhibit E** is a copy of the Warrant Article adopted at the Town Meeting duly called and held on February 19, 2020, at which time the proposed Development Plan and District was discussed and approved.

C. Authorizing Votes

Attached as **Exhibit F** is a certified copy of the minutes of the public hearing held on February 19, 2020, as well as a copy of the Resolution adopted by the Board of Selectmen at said hearing. Exhibit F also includes a record of the district designation and adoption of the development program by the municipal legislative body, said vote being held at a Town Meeting on February 19, 2020.

**STATUTORY REQUIREMENTS AND THRESHOLDS
ECONOMIC DEVELOPMENT PROJECT TOWN OF DAMARISCOTTA, MAINE**

SECTION A. Acreage Caps		
1. Total municipal acreage;		9,414.4
2. Acreage of proposed Municipal TIF District;		33.31
3. Downtown-designation ¹ acres in proposed Municipal TIF District;		0
4. Transit-Oriented Development ² acres in proposed Municipal TIF District;		0
5. Total acreage [=A2-A3-A4] of proposed Municipal TIF District counted toward 2% limit;		33.31
6. Percentage [=A5÷A1] of total acreage in proposed Municipal TIF District (CANNOT EXCEED 2%).		0.35%
7. Total acreage of all <u>existing/proposed</u> Municipal TIF districts in municipality including Municipal Affordable Housing Development districts: ³ Economic Development Project Town of Damariscotta, Maine/33.31	Existing	0
	Proposed	33.31
	Total:	33.31
30-A § 5223(3) EXEMPTIONS⁴		
8. Acreage of an <u>existing/proposed</u> Downtown Municipal TIF district;		0
9. Acreage of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: District Name/Acreage District Name/Acreage		0
10. Acreage of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: District Name/Acreage District Name/Acreage		0
11. Acreage in all <u>existing/proposed</u> Municipal TIF districts common to ⁵ Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such acreage also factored in Exemptions 8-10 above: District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage District Name/Acreage		0
12. Total acreage [=A7-A8-A9-A10-A11] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;		33.31
13. Percentage of total acreage [=A12÷A1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).		0.35%
14. Real property in proposed Municipal TIF District that is:	ACRES	% [=Acres÷A2]
a. A blighted area;	0	N/A
b. In need of rehabilitation, redevelopment or conservation;	0	N/A
c. Suitable for commercial or arts district uses.	33.31	100%
TOTAL (except for § 5223 (3) exemptions a., b. OR c. must be at least 25%)		33.31

¹ Before final designation, the Commissioner will seek advice from MDOACF and MDOT per 30-A § 5226(2).

² For Transit-Oriented Development (TOD) definitions see 30-A § 5222 sub-§§ 19-24.

³ For AH-TIF acreage requirement see 30-A § 5247(3)(B). Alternatively, Section B. must exclude AH-TIF valuation.

⁴ Downtown/TOD overlap nets single acreage/valuation caps exemption.

⁵ PTZ districts approved through December 31, 2008.

**STATUTORY REQUIREMENTS AND THRESHOLDS
ECONOMIC DEVELOPMENT PROJECT TOWN OF DAMARISCOTTA, MAINE**

SECTION B. Valuation Cap		
1. Total TAXABLE municipal valuation—use most recent April 1;	331,873,700	
2. Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;	818,000	
3. Taxable OAV of all <u>existing/proposed</u> Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts: Economic Development Project Town of Damariscotta, Maine/\$818,000	Existing	0
	Proposed	818,000
	Total:	818,000
30-A § 5223(3) EXEMPTIONS		
4. Taxable OAV of an <u>existing/proposed</u> Downtown Municipal TIF district;	0	
5. Taxable OAV of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts: District Name/OAV District Name/OAV	0	
6. Taxable OAV of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts: District Name/OAV District Name/OAV	0	
7. Taxable OAV of all <u>existing/proposed</u> Single Taxpayer/High Valuation⁶ Municipal TIF districts: District Name/OAV District Name/OAV	0	
8. Taxable OAV in all <u>existing/proposed</u> Municipal TIF districts common to Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such OAV also factored in Exemptions 4-7 above: District Name/OAV District Name/OAV District Name/OAV District Name/OAV District Name/OAV District Name/OAV	0	
9. Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	818,000	
10. Percentage of total taxable OAV [=B9÷B1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	0.246%	

COMPLETED BY	
NAME:	Amanda Meader and Emily T. White, Attorneys
DATE:	1/20/2020

⁶ For this exemption see 30-A §5223(3)(C) sub-§§ 1-4.

TIF Exhibit A-2

Proposed TIF District

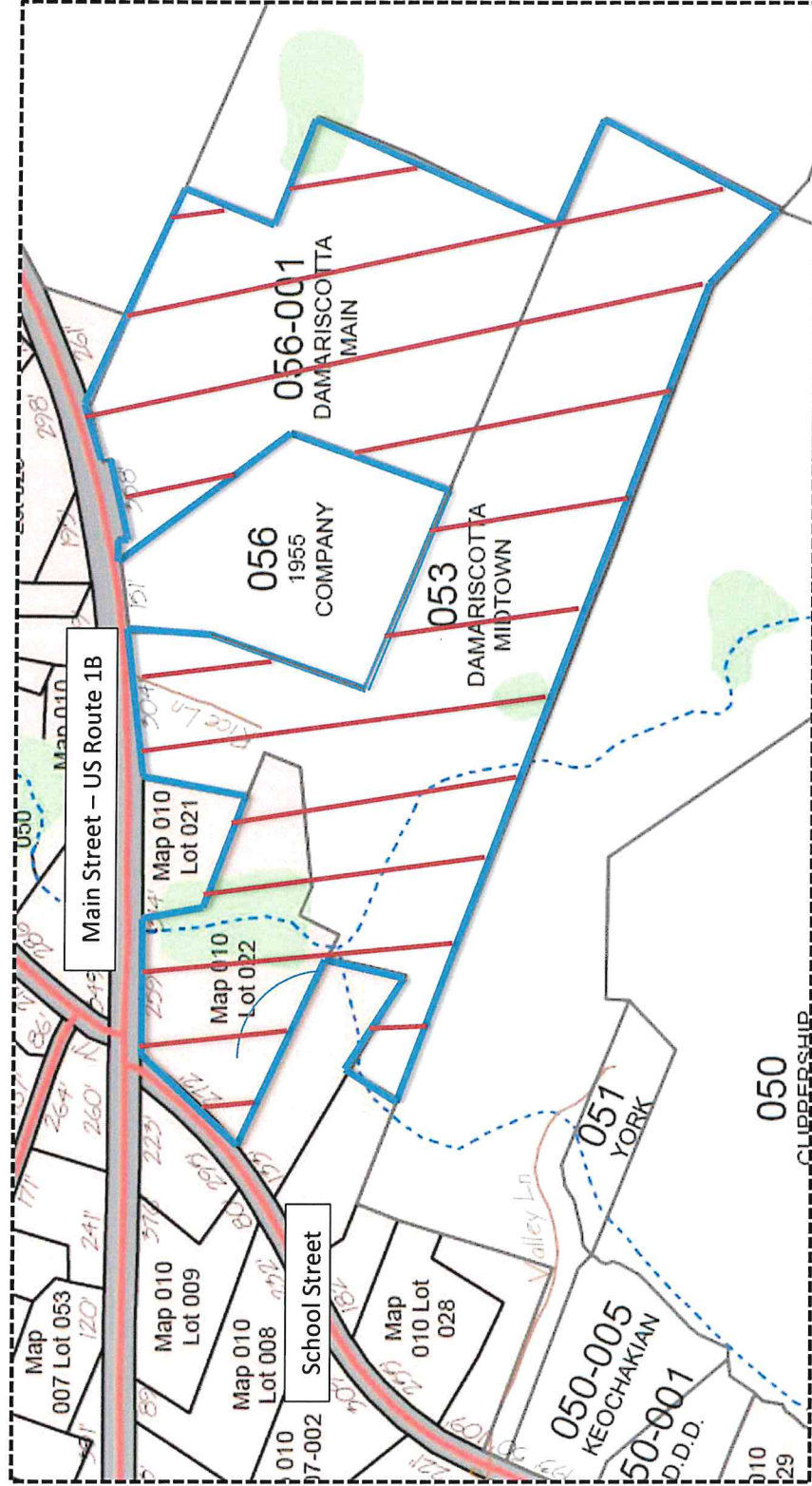


EXHIBIT B


**ASSESSOR'S CERTIFICATE
STATE OF MAINE TAX ASSESSORS**

The undersigned Assessor for the Town of Damariscotta hereby certifies pursuant to the Provisions of 30-A M.R.S.A. § 5227(2) that:

The assessed value of the Main Street Damariscotta Municipal Development and Tax Increment Financing Development Program as described in the Development Program to which this Certificate is included, was \$818,000 (in United States currency) as of March 31, 2019.

IN WITNESS WHEREOF, this Certificate has been executed as of this 11th day of January 2020.

TOWN OF DAMARISCOTTA TAX ASSESSOR



Matthew Murphy, Assessor's Agent

EXHIBIT C-1

ANTICIPATED TIF REVENUES GENERATED BY DISTRICT

TIF Year	Year	Tax Rate	Estimated TIF Revenues						
			Original Assessed Value	Projected Assessed Valuation	Projected Total Increased Assessed Value (100% Captured as Captured ("CAV"))	Total TIF Revenue	Bond Repayment	Economic Development	Cumulative TIF Revenue
	2019	16.300000							
1.00	2020	16.100000	818,000.00	818,000.00	-	-	-	-	-
2.00	2021	16.100000	818,000.00	1,818,000.00	1,000,000.00	16,100.00	16,100.00	-	16,100.00
3.00	2022	16.100000	818,000.00	2,818,000.00	2,000,000.00	32,200.00	32,200.00	-	48,300.00
4.00	2023	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	88,550.00
5.00	2024	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	128,800.00
6.00	2025	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	169,050.00
7.00	2026	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	209,300.00
8.00	2027	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	249,550.00
9.00	2028	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	289,800.00
10.00	2029	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	330,050.00
11.00	2030	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	370,300.00
12.00	2031	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	410,550.00
13.00	2032	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	450,800.00
14.00	2033	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	491,050.00
15.00	2034	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	531,300.00
16.00	2035	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	571,550.00
17.00	2036	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	611,800.00
18.00	2037	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	652,050.00
19.00	2038	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	40,250.00	-	692,300.00
20.00	2039	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	3,700.00	36,550.00	732,550.00
21.00	2040	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	772,800.00
22.00	2041	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	813,050.00
23.00	2042	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	853,300.00
24.00	2043	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	893,550.00
25.00	2044	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	933,800.00
26.00	2045	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	974,050.00
27.00	2046	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	1,014,300.00
28.00	2047	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	1,054,550.00
29.00	2048	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	1,094,800.00
30.00	2049	16.100000	818,000.00	3,318,000.00	2,500,000.00	40,250.00	-	40,250.00	1,135,050.00
Total							696,000.00	439,050.00	
							Cumulative		1,135,050.00

See Assumptions Below

1. Property tax rate and assessed value of property for year 2020 are based on actual figures. The assessed value of the property for years 2021 - 2049 are estimates based on preliminary budget.
2. Assessed value, mill rate, and state valuation assumed to remain constant for years 2020 and forward.
3. Projections are less likely to be accurate for years further in the future.
4. These projections are based on 100% of the Increased Assessed Value being captured.
5. These projections assume that Damariscotta will use 50% of the CAV to pay the bond and 50% to pay direct cost of economic development out of the fund.
6. Assume 100% of TIF Revenue is put to sinking fund until entire amount of bond repayment is obtained. Thereafter, assume 100% of remaining TIF Revenue deposited in Project Cost Account.

Assume obtain \$500,000 tax exempt bond repayable over 20 years at 3.5% interest for a total payment of: 696,000.00

EXHIBIT C-2

TAX SHELTER BENEFITS AND TAX SHIFTS

Projected Tax Shift Benefits						
TIF Year	Tax Year	State Aid to Education Benefit (2 yr lag)	Additional Local Education Benefit (1 yr lag)	County Tax Benefit (1 yr lag)	State Revenue Sharing Benefit (1 yr lag)	Total Tax Shift Benefits
1	2020	-	-	-	-	-
2	2021	-	-	-	-	-
3	2022	-	3,442.92	1,376.00	1,040.37	5,859.29
4	2023	8,280.00	6,874.87	2,814.00	2,074.93	20,043.81
5	2024	16,560.00	8,586.75	3,597.00	2,590.06	31,333.81
6	2025	20,700.00	8,586.75	3,677.00	2,590.06	35,553.81
7	2026	20,700.00	8,586.75	3,760.00	2,590.06	35,636.81
8	2027	20,700.00	8,586.75	3,845.00	2,590.06	35,721.81
9	2028	20,700.00	8,586.75	3,932.00	2,590.06	35,808.81
10	2029	20,700.00	8,586.75	4,021.00	2,590.06	35,897.81
11	2030	20,700.00	8,586.75	4,111.00	2,590.06	35,987.81
12	2031	20,700.00	8,586.75	4,203.00	2,590.06	36,079.81
13	2032	20,700.00	8,586.75	4,297.00	2,590.06	36,173.81
14	2033	20,700.00	8,586.75	4,395.00	2,590.06	36,271.81
15	2034	20,700.00	8,586.75	4,494.00	2,590.06	36,370.81
16	2035	20,700.00	8,586.75	4,595.00	2,590.06	36,471.81
17	2036	20,700.00	8,586.75	4,698.00	2,590.06	36,574.81
18	2037	20,700.00	8,586.75	4,804.00	2,590.06	36,680.81
19	2038	20,700.00	8,586.75	4,911.00	2,590.06	36,787.81
20	2039	20,700.00	8,586.75	5,022.00	2,590.06	36,898.81
21	2040	20,700.00	8,586.75	5,135.00	2,590.06	37,011.81
22	2041	20,700.00	8,586.75	5,251.00	2,590.06	37,127.81
23	2042	20,700.00	8,586.75	5,369.00	2,590.06	37,245.81
24	2043	20,700.00	8,586.75	5,490.00	2,590.06	37,366.81
25	2044	20,700.00	8,586.75	5,614.00	2,590.06	37,490.81
26	2045	20,700.00	8,586.75	5,740.00	2,590.06	37,616.81
27	2046	20,700.00	8,586.75	5,869.00	2,590.06	37,745.81
28	2047	20,700.00	8,586.75	6,001.00	2,590.06	37,877.81
29	2048	20,700.00	8,586.75	6,136.00	2,590.06	38,012.81
30	2049	20,700.00	8,586.75	6,274.00	2,590.06	38,150.81
	2050	20,700.00	8,586.75	6,415.00	2,590.06	38,291.81
	2051	20,700.00	-	-	-	20,700.00
Total		583,740.00	242,160.06	135,846.00	73,046.79	1,034,792.85
Average		19,458.00	8,072.00	4,528.20	2,434.89	34,493.10

See Assumptions Below

1. Property tax rate and assessed value of property for years 2012 - 2019 are based on actual figures. The rate for 2020 - 2026 is estimated based on average rate growth in 2011-2019. The assessed value of the property for years 2020-2026 are estimates based on preliminary budget.
2. Assessed value and state valuation assumed to remain constant during term of District. Except as provided otherwise herein, these projections assume that formulas and general inputs for state subsidies and county taxes do not change over time and they assume that all other values in other communities are static relative to one another except for the new value assessed.
3. State Aid to Education Benefit for years 2020 - 2026 are determined based on DOE ED 279s for Damariscotta Public Schools and Great Salt Bay CSD year 2018-2019 and the Preliminary DOE ED 279s for Damariscotta Public Schools and Great Salt Bay CSD year 2019-2020.
4. Tax shifts losses are comprised of declining subsidies in revenue sharing and education aid and increasing obligation to pay county taxes and additional local education contributions. No tax shift losses occur when a TIF captures all of the new value. Tax shift impacts are lagged by a couple years because the formulas calculating these figures utilize older valuations.
5. Additional Local Education Benefit is determined based the "local" raise for Damariscotta's portion of Damariscotta Public Schools and Great Salt Bay CSD for year 2018-2019 and Preliminary year 2019-2020.
6. County Tax assumes that percent of valuation in 2019 is the same for future years. Assume growth of county tax equal to the average growth from 2015 - 2019.
7. These projections assume that the formulas and general inputs for state subsidies do not change over time and assume that all other values in other communities are static relative to one another except for the new value captured in the TIF District. The Projections are less likely to be accurate farther into the future.
8. State Revenue Sharing for year ending 2019 is based on actual projections for year ending 2019. State Revenue Sharing for year ending 2020 is based on the State's most recent projections for year ending 2020, as revised on August 28, 2019. State Revenue Sharing for year ending 2021 is based on revenue sharing increasing from 3% in 2020 to 3.75% in 2021 pursuant to 30-A M.R.S.A. § 5681(5). State Revenue Sharing for years ending 2022 and forward are based on revenue sharing increasing from 3.75% in 2021 to 5% in 2022 pursuant to 30-A M.R.S.A. § 5681(5). These projections assume State revenue and Damariscotta's percentage stays constant for 2020 - 2050 and assumes the revenue sharing for years 2022 - 2050 remain constant.

Education Tax Shift - State Aid to Education Benefit (based on DOE ED 279 for Damariscotta Public Schools and Great Salt Bay CSD 2018-2019 and Preliminary for 2019-2020)									
TIF Year	Local Contribution Rate	Tax Year	CAV (2 Year Lag)	Estimated Shift					
1	8.28	2020		-					
2	8.28	2021	1,000,000.00	-					
3	8.28	2022	2,000,000.00	-					
4	8.28	2023	2,500,000.00	8,280.00					
5	8.28	2024	2,500,000.00	16,560.00					
6	8.28	2025	2,500,000.00	20,700.00					
7	8.28	2026	2,500,000.00	20,700.00					
8	8.28	2027	2,500,000.00	20,700.00					
9	8.28	2028	2,500,000.00	20,700.00					
10	8.28	2029	2,500,000.00	20,700.00					
11	8.28	2030	2,500,000.00	20,700.00					
12	8.28	2031	2,500,000.00	20,700.00					
13	8.28	2032	2,500,000.00	20,700.00					
14	8.28	2033	2,500,000.00	20,700.00					
15	8.28	2034	2,500,000.00	20,700.00					
16	8.28	2035	2,500,000.00	20,700.00					
17	8.28	2036	2,500,000.00	20,700.00					
18	8.28	2037	2,500,000.00	20,700.00					
19	8.28	2038	2,500,000.00	20,700.00					
20	8.28	2039	2,500,000.00	20,700.00					
21	8.28	2040	2,500,000.00	20,700.00					
22	8.28	2041	2,500,000.00	20,700.00					
23	8.28	2042	2,500,000.00	20,700.00					
24	8.28	2043	2,500,000.00	20,700.00					
25	8.28	2044	2,500,000.00	20,700.00					
26	8.28	2045	2,500,000.00	20,700.00					
27	8.28	2046	2,500,000.00	20,700.00					
28	8.28	2047	2,500,000.00	20,700.00					
29	8.28	2048	2,500,000.00	20,700.00					
30	8.28	2049	2,500,000.00	20,700.00					
8.28	2050			20,700.00					
8.28	2051			20,700.00					
Total				583,740.00					

Education Tax Shift - Additional Local Education Benefit (based on DOE ED 279 for Damariscotta Public Schools and Great Salt Bay CSD 2018-2019 and Preliminary for 2019-2020)									
TIF Year	Tax Year	State Average Valuation of Damariscotta	State Average Valuation of DPs and GSB (Combined)	Damariscotta % w/o CAV	CAV (1 Year Lag)	Damariscotta % w/ CAV	Absolute Change	Total Local Share	Shelter
	2019	336,300,000.00	657,594,850.00					5,166,595.79	
	2020	343,266,666.00	625,727,931.00	54.86%	54.86%	54.86%	54.86%	4,780,053.18	-
	2021	343,266,666.00	625,727,931.00	54.86%	1,000,000.00	54.86%	54.86%	4,780,053.18	-
	2022	343,266,666.00	625,727,931.00	54.86%	2,000,000.00	54.93%	54.93%	4,780,053.18	3,442.92
	2023	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.00%	55.00%	4,780,053.18	6,874.87
	2024	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2025	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2026	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2027	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2028	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2029	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2030	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2031	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2032	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2033	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2034	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2035	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2036	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2037	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2038	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2039	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2040	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2041	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2042	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2043	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2044	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2045	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2046	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2047	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2048	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2049	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2050	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
	2051	343,266,666.00	625,727,931.00	54.86%	2,500,000.00	55.04%	55.04%	4,780,053.18	8,586.75
Total							Total Shift	242,160.06	

EXHIBIT D

NOTICE AND MINUTES OF February 19, 2020 PUBLIC HEARING

Notice

FEBRUARY 3, 2020

Lincoln County News
PO Box 520
Newcastle, ME 04553

VIA email

Please include the following ad as small as practicable on the public notices page for your February 6th and 13th edition(s) and bill the Town of Damariscotta accordingly. If you have any questions please contact Becky @ 563-5168.

Public Notice
Town of Damariscotta
Public Hearing & Special Town Meeting

When: Wednesday, February 19, 2020 @ 5:30 pm
Where: Damariscotta Town Hall at 21 School Street

The Board of Selectmen will hold a public hearing on the following:

- Shall the Town designate the Main Street Damariscotta TIF District, consisting of the parcels identified on the Town's tax maps as Map 001 Lot 056-001; Map 010 Lot 022; Map 001 Lot 053; and encompassing approximately 33.31 acres, and adopt the Main Street Damariscotta TIF District Development Plan, all in accordance with M.R.S.A. Title 30-A Chapter 206.

A special town meeting will take place immediately following the public hearing. At this meeting, voters will be asked to consider approval of the designation of the TIF District and adoption of the TIF District Development Plan as outlined above.

Damariscotta voters are encouraged to attend.

January 15, 2020

Lincoln County News
PO Box 520
Newcastle, ME 04553

VIA email

Please include the following ad as small as practicable on the public notices page for your January 23rd & 30th edition(s) and bill the Town of Damariscotta accordingly. If you have any questions please contact Becky @ 563-5168.

Public Notice
Town of Damariscotta
TIF Presentation with Q & A

When: Wednesday, February 5, 2020 @ 4:00 pm
Where: Damariscotta Town Hall at 21 School Street

There will be a public presentation / Q & A session on the proposed designation a TIF District.

A public hearing and special town meeting will also be held on Wednesday, February 19, 2020 at 5:30 pm. At this meeting, voters will be asked to consider approval of the designation of the TIF District and adoption of the TIF District Development Plan as outlined below:

- Shall the Town designate the Main Street Damariscotta TIF District, consisting of the parcels identified on the Town's tax maps as Map 001 Lot 056-001; Map 010 Lot 022; Map 001 Lot 053; and encompassing approximately 33.31 acres, and adopt the Main Street Damariscotta TIF District Development Plan, all in accordance with M.R.S.A. Title 30-A Chapter 206.

Damariscotta voters are encouraged to attend.

Not
Required

Minutes

Special B.O.S. meeting to
be held week of
February 24 to approve
minutes of 2/19/2020

EXHIBIT E

**RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF DAMARISCOTTA, MAINE
REGARDING TAX INCREMENT FINANCING FOR THE MAIN STREET DAMARISCOTTA
MUNICIPAL TIF DISTRICT AND DEVELOPMENT PLAN**

WHEREAS, the Town of Damariscotta (the “Town”) is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the Town as the Main Street Damariscotta Municipal Development and Tax Increment Financing District (the “District”) and to adopt a Development Program for the District (the “Development Program”); and

WHEREAS, there is a need for commercial development in the Town of Damariscotta and the surrounding region; and

WHEREAS, there is a need to provide additional employment opportunities for the citizens of the Town of Damariscotta and the surrounding region; to improve and broaden the tax base of the Town of Damariscotta; and to improve the general economy of the Town of Damariscotta, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to support local businesses by improving pedestrian access via sidewalks and bike paths, and in supporting existing businesses and encouraging the development of new businesses, the Development Program will therefore provide additional employment for the citizens of the Town of Damariscotta and the surrounding region; improve and broaden the tax base in the Town of Damariscotta and improve the economy of the Town of Damariscotta and the State of Maine; and

WHEREAS, there is a need to encourage the development of commercial facilities through the establishment of the District in accordance with the provision of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended; and

WHEREAS, the Board of Selectmen desires to designate the Main Street Damariscotta Municipal Development and Tax Increment Financing District, and to adopt a Development Program for the District; and

WHEREAS, it is expected that approval will be obtained from the Maine Department of Economic and Community Development (the “Department”), approving the designation of the District and the adoption of the Development Program for the District.

NOW, THEREFORE, BE IT HEREBY VOTED BY THE BOARD OF SELECTMEN:

Section 1. The Board of Selectmen hereby finds and determines that:

- a At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for commercial uses as defined in 30-A M.R.S.A. §5223; and
- b The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all development districts within the Town does not exceed five percent (5%) of the total acreage of the Town; and

- c. The aggregate value of equalized taxable property of the District as of April 1, 2019 does not exceed five percent (5%) of the total value of equalized taxable property within the Town as of April 1, 2019; and
- d. The Board expects that the Development Program will be completed within thirty (30) years of the designation of the District by the Department; and
- e. The designation of the District and pursuit of the Development Program will make a contribution to the economic growth and well-being of the Town of Damariscotta and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of the Town of Damariscotta, including safe pedestrian access to shops, restaurants and offices, additional employment opportunities, a broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Board of Selectmen hereby recommends the designation of the Main Street Damariscotta Municipal Development and Tax Increment Financing District designated and described as more particularly set forth in the “Main Street Damariscotta Municipal Development and Tax Increment Financing District Development Program” and orders the matter be presented to Town Meeting.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. §5224, the percentage of increased assessed value to be retained as captured assessed value in accordance with the Development Program is hereby established as set forth in the Development Program. If at any time during the term of the District the captured assessed value in the District increases by reason of revaluation, the maximum amount of retained captured assessed value shall increase in proportion to an increase in assessed value attributable to such revaluation, it being the intent of the Town that the retained tax increment from the captured assessed value shall remain at a level at least equivalent to the dollar values specified in the Development Program over the life of the District.

Section 4. The Board of Selectmen, or its duly appointed representative, is hereby authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226.

Section 5. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department, without requirements of further action by the Town, the Board of Selectmen , or any other party.

Section 6. The Board of Selectmen, or its duly appointed representative, is hereby authorized and empowered to make such revisions to the Development Program as the Board of Selectmen , or its duly appointed representative, deem reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Department, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

Approved January 15, 2020, by the Board of Selectmen at a meeting duly convened and conducted at Damariscotta, Maine.

TOWN OF DAMARISCOTTA, MAINE

Robin Mayer

Mark Hagar

Louis F. Abbotoni

Joshua Pinkham

EXHIBIT F
RECORD AND WARRANT FROM TOWN MEETING

**TOWN OF DAMARISCOTTA
WARRANT
FOR
SPECIAL TOWN MEETING
February 19, 2020**

LINCOLN, SS

STATE OF MAINE

TO: Jason Warlick, a Constable for the Town of Damariscotta in the County of Lincoln.

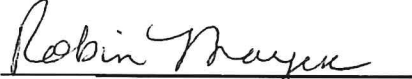
GREETINGS:

In the name of the State of Maine, you are hereby required to notify and warn the voters of the Town of Damariscotta, in said County, qualified by law to vote in Town Affairs, to assemble at the Damariscotta Town Hall at 21 School Street in said Town, on Monday, the 19th day of February A.D. 2020 at 5:30 PM, then and there to act on Articles 1 and 2.

ARTICLE 1: To choose a Moderator to preside at said meeting.

ARTICLE 2: Shall the Town designate the Main Street Damariscotta TIF District, consisting of the parcels identified on the Town's Tax Maps as Map 001- Lot 056-001, Map 010- Lot 022 and Map 001-Lot 053 and encompassing approximately 33.31 acres, and adopt the Main Street Damariscotta TIF District Development Plan, all in accordance with MRS Title 30-A Chapter 206.

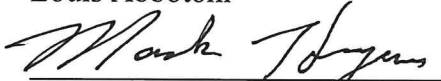
Given under our hands at said Damariscotta, Maine this 18th day of December, A.D., 2019



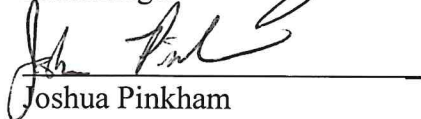
Robin Mayer, Chair



Louis Abbotoni



Mark Hagar



Joshua Pinkham

Board of Selectmen
Damariscotta, Maine

Attest: Matthew J. Lutkus, Town Manager

