



# Washington County TIF Management Guidance Memo

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May 26, 2009

This memo provides guidance, policies, and procedures for the administration and management of the Washington County Tax Increment Financing (TIF) District established in October 2007 for the purpose of financing both the development of wind turbines on Stetson Mountain and the establishment of an economic development program for the Unorganized Territories of Washington County. Eaton Peabody Consulting Group (EPCG) has prepared this *Guidance Memo* in coordination with the County Manager and Sunrise County Economic Council (SCEC).

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## Section 1. Background—Stetson Mountain TIF

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Evergreen Wind Power, LLC, (Company) has developed and is operating a wind project on Stetson Mountain in Washington County. The County worked with the Company to establish a Tax Increment Financing (TIF) District and an associated Credit Enhancement Agreement (CEA) to allow for the taxes generated by the project to remain with the County's unorganized territories for the purposes of economic development and to share a portion of the taxes with the Company to assist in financing the project. The TIF and CEA, together allow for 100 percent of the new taxes generated by the project to be retained by the County over 20 years. The County agreed to reimburse to the Company 60 percent of those new taxes annually for 20 years. The use of TIF funds are dedicated to the County as outlined in what is called the *County Development Plan* of the TIF.

As of the completion of this *Guidance Memo*, an amendment to the TIF is under deliberation. This *Guidance Memo* is being finalized with the understanding that there are two changes to the *County Development Plan* being made. We incorporate our understanding of those changes into this final version of the *Memo*. The amendment under consideration will provide additional TIF revenues to the Company as well as the County. The amendment contemplates extending the TIF District for an additional 10 years with 100 percent of the new taxes generated for those years to be dedicated exclusively to the County as outlined in the *County Development Plan*.

The two changes to the County Development Plan are detailed in Section 5. Specifically, the amended TIF will clarify the "Economic Development Planning" activity and include a "Capital Project Fund." The purpose of these amendments and recommendations on how to manage those activities are detailed in Section 5 on pages 8-10.

This *Guidance Memo* outlines the administration and distribution of the TIF funds dedicated to the County, for the purposes of economic development in the Unorganized Territories (UT), as outlined in the *County Development Plan*.

## Section 2. Administration Procedures

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The October 24, 2007 Credit Enhancement Agreement (CEA) between Washington County and Evergreen Wind Power V, LLC provides a detailed description of the financial administration procedures required by that agreement. To quote Article II, Section 2.1:

"The County shall create and establish a segregated fund in the name of the County designated as the "**Washington County Enterprise Tax Increment Financing District Program Fund**" (hereinafter the "Development Program Fund") pursuant to, and in accordance with the terms and conditions of, the Development Program 30-A M.R.S.A § 5227(3) (Supp. 2006).

“The Development Program Fund shall consist of a **Project Cost Account** that is pledged to and charged with the repayment of project costs as outlined in the Financial Plan of the Development Program and as provided in the 30-A M.R.S.A § 5227(3)(A).

“The Project Cost Account shall include a subaccount designated as the “**Stetson Wind Project Cost Subaccount**” and another subaccount designated as the **County Project Cost Subaccount**.”

Section 2.3 of the CEA further instructs the manner in which TIF revenues will be administered, to quote:

“Each year during the 20-year term of this Agreement, **the County shall deposit into the Development Program Fund all (100%) of the Evergreen Wind Power Tax Increment Revenues** contemporaneously with the County’s receipt of the Evergreen Wind Power Tax Increment Revenues from the State.

“The County shall allocate sixty percent (60%) of the Evergreen Wind Power Tax Increment Revenues so deposited in the Development Program Fund to the Stetson Wind Project Cost Subaccount and the remaining forty percent (40%) to the County Project Cost Subaccount.”

The tax bills for the UT are issued by the State of Maine on or about April or May of each year. The Company will pay the State the assessed tax bill. The State will then provide the captured TIF funds to the County on or about November.

Article III, Section 3.1 of the CEA outlines the next administrative steps required of the County:

“The County agrees to pay Developer, within fifteen (15) days following the date the County receives the Evergreen Wind Power Tax Increment Revenues from the State, all amounts then on deposit in the Stetson Wind Project Cost Subaccount.”

We recommend that the County follow the above detailed procedures in the administration and distribution of Stetson Wind project TIF revenues. The remainder of this *Guidance Memo* outlines recommended priorities of the activities approved in the *County Development Plan*.

### **Section 3. County Development Plan**

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The County shall make payments from the County **Project Cost Subaccount** based on the policies and procedures in this Section. Please note that additional cost accounts may be set up within the **County Project Cost Subaccount** so that individual County project expenses can be segregated by activity. For ease of accounting, reporting, and document funds, we recommend that the County consider separate cost accounts for individual Programs in the *County Development Plan*.

For clarity, we provide copy of the *County Development Plan* as approved in the Washington County Enterprise and Tax Increment Financing Development Program dated October 2, 2007:

The specific elements of the Washington County UT Economic Development Program include:

**Economic Development Director/ Commercial Revolving Loan Fund Administrator**

Contract for services or create a new Washington County position, serving the Unorganized Territory, to support business retention and attraction, as well as administer a Revolving Loan Fund (see next item). The cost of this new position will be prorated if serving the entire County.

**Commercial Revolving Loan Fund**

Establish a new commercial revolving loan fund, for the Unorganized Territory, to assist with business start-up and expansion with emphasis upon tourism and nature-based businesses.

**Economic Development Planning<sup>1</sup>**

***Multi-Purpose Commercial Facility*** – Conduct planning to construct a new commercial facility for conference/ tourism use within the Unorganized Territory.

***Speculative Commercial Buildings*** – Evaluate the need for and location to construct new commercial buildings to attract new businesses to the Unorganized Territory.

**Nature-based Tourism**

Determine approaches to expand nature-based tourism through increased public and private sector investment and undertake increased marketing for the Unorganized Territory.

**County Match for Economic Development Grant Programs**

Available funds will be utilized as match for federal, State and other agency economic development grant programs focused upon the unorganized territory. The amount of the local match will be prorated for grants covering the entire County

**TIF Administration**

Available funds will be utilized to cover the costs of professional services such as legal, accounting and consultant expenses associated with the management and administration of the TIF Program.

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<sup>1</sup> As noted in the introduction and detailed in Section 5, this activity is likely being amended and an additional activity added as part of the TIF amendments planned for June 2009. Details on those proposed amended activities are described in Section 5.

Washington County can designate the proposed TIF district in the UT consistent with the provisions of 30-A M.R.S.A. §5235, adopt the Development Program, authorize a credit enhancement agreement, and accomplish the following goals for the UT:

- Maintain the existing tax revenues generated within the County’s UT;
- Greatly enhance the future tax revenues generated within the TIF district;
- Greatly increase the amount of money available to the UT for economic development projects in and relating to the unorganized territories;
- Create employment opportunities for area residents; and
- Improve the general economy of the County as well as the State of Maine.

Table 1 provides the projected budget for the County UT TIF Program:

**Table 1:**  
 County Projected TIF Program Expense<sup>2</sup>

Activity	Total
Economic Development Director/Commercial Revolving Loan Fund Administrator	\$55,000/year or \$1.1 million
Commercial Revolving Loan Fund	\$1.0 million
Economic Development Planning (all categories)	\$600,000
Nature-based Tourism	\$510,000
County Match for Economic Development Grant Programs	\$25,000/year or \$500,000
TIF Administration	\$2,000/year or \$40,000
<b>Total</b>	<b>\$3.75 million</b>

Note: The above figures do not account for the currently contemplated TIF amendment.

The purpose of this memo is to provide an outline and guide for the prioritization of the above activities as well as procedures for the submission, review, and approval of expenditures for each activity. The remainder of this *Guidance Memo* outlines the *County Development Plan* program activities.

**Section 4. TIF Program Activity—Annual Priorities**

Based on a review of the *County Development Plan* and in consultation with the County Manager and Sunrise County Economic Council (SCEC), we identified three annual priority

<sup>2</sup> Figures in this table reflect the original TIF estimates and do not account for the proposed amendment to the TIF that will increase the program expense estimates.

activities. These activities were assumed as annual priorities based upon recollection of the intent of these programs as well as the documented annual funding recommendation in the *County Development Plan* (see Table 1).

**Annual Priority Activity 1--Economic Development Director/Commercial Revolving Loan Fund Administrator (\$55,000 per year)**

It is recommended that a contract be drafted and adopted between the County and its current economic development contractor that allows the contractor to serve in this capacity on behalf of the UT. Sunrise County Economic Council (SCEC) is currently the County's economic development contractor and the remainder of this *Memo* refers to SCEC as that contractor. The contract should be for an agreed upon scope of work that includes business retention and attraction activities within the UT, including the establishment of a UT Revolving Loan Fund, and should be established in a way that allows it to be renewed annually. By statute, the "economic development" services provided by SCEC under this contract and paid by the TIF funds must be for activities within the Unorganized Territories.

**Annual Priority Activity 2--County Match for Economic Development Grant Programs (\$25,000 per year)**

We recommend that funding for the Grant Program be set aside and held in the account until disbursed according to the following procedures:

1. The County shall consider and dedicate funds for any grants it may consider in any one year before any other organizations. In other words, funds set aside any one year or any balance left over from any previous years should be dedicated to any economic development grant applications that the County is the applicant. Priority should be given to grant applications that propose economic development in the UT, either specifically or as part of a County-wide application. TIF matching funds may only be used for activities used in or that benefit the Unorganized Territories.
2. Any funds available after the County's consideration should be made available to governmental or non-profit applicants within Washington County that:
  - a. Propose planning or implementation activities that are consistent with those articulated within the *County Development Plan* for purposes within the Unorganized Territories and;
  - b. submit a formal written request to the County and;
  - c. document a completed grant application and demonstrate their need for matching funds.
  - d. Furthermore, in review of these requests, the County should give additional priority to those applicants that provide at least half (50%) of any cash match required by the grantor (sometimes referred to as "1:1 match").

- e. County funds will be committed and then reimbursed for expended costs as approved based on documentation of work completed and cash expended.
- f. The following scoring criteria are recommended and include the above (a-d) conditions:
  - i. Submission must be consistent with the *County Development Plan*.
  - ii. Request must be in writing and include a description of the project, how the project meets the intent of the *County Development Plan*, and clearly states the outcome (deliverables) of the grant. The County will score this narrative and score it between 0-25 points.
  - iii. Request must provide a budget that documents the need for the funds and amount of cash funds provided by the applicant. Applicants must demonstrate and document at least 50 percent of the total projects secured in cash contribution. Cash match is defined as actual cash expenditures for the project. The project will score a number of points based on the percent of applicant funds contributed (example, if applicant has secured 55% of total costs, score = 55, applicant that has secured 60% of total costs, score = 60).

Final determination and distribution of any funds should be at the discretion of the County Commissioners. In order to maintain flexibility to provide assistance when it is needed, yet still provide some structure to this process, we recommend that non-County grant match requests be accepted and adjudicated by the Commissioners on a quarterly basis, within the context of their regular meeting schedule. The County Manager should be charged with administrative handling of requests and facilitating for the Commissioners the quarterly consideration of requests. The County Manager may consider the appointment of a committee to review and score requests, with final approval at the sole discretion of the Commissioners.

### **Annual Priority Activity 3--TIF Administration (\$2,000 per year)**

We recommend that funding for the TIF administration be set aside and held in the account until transferred or accounted for to cover the costs of County staff in administering the County TIF funds.

## **Section 5. TIF Program Activity Prioritized Annually**

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With the annual priorities set (as summarized Section 4), the Commissioners can then annually turn their attention to prioritizing the funding of the other TIF Programs documented in the *County Development Plan*. These programs are for activities that support economic development in the Unorganized Territories. In this section, we provide recommendations on how to prioritize and direct funds for those programs.

We should note here that annual TIF funds need not be spent each year. Funds may be directed to any program in any year and not spent. In that case, we would recommend that the subsequent prioritization include review of the “carry over funds” for dedication into any TIF program activity.

### **Revolving Loan Fund**

The TIF funds will provide capital to a revolving loan fund (RLF) with a focus on funding business start-ups and expansions within the UT, with emphasis on tourism and nature-based businesses. This fund will be administered under contract by SCEC. We recommend that administration of the RLF be integrated into the annual contract for Economic Development (annual priority project 1, page 6). Furthermore, we recommend that the RLF be established under the general guidelines of SCEC’s existing loan programs with the following notable exceptions:

1. These funds are limited to UT businesses, including establishment of start-ups, retention and expansion of existing firms, and attraction of relocating firms, with an emphasis on tourism and nature-based businesses as per the *County Development Plan*.
2. SCEC will provide to the Commissioners for review and approval the loan procedures and policies for this program. Commissioner’s approval is required at the outset of this program and annually if requested by the Commissioners or amended by SCEC.
3. SCEC will provide the Commissioners a report annually, by November 30, on loans requested and made with these funds.

The Commissioners annual prioritization should focus on the extent the RLF Program will be capitalized each year, based on present and anticipated demand. As part of the Commissioners prioritization process SCEC should be consulted regarding market demand for loan funds within the UT. In subsequent years, the SCEC annual report on the RLF shall provide guidance on projected demand.

### **Economic Development Planning**

Per the adopted and approved *County Development Plan*, TIF funds may be directed from time to time to support consultant costs relating to certain economic development planning activities that assess opportunities for construction of new revenue-generating facilities within the Unorganized Territories. As noted in the introduction to this *Memo* and elsewhere (see footnote 1 on page 4), the TIF that adopted the *County Development Plan* is being amended. That amendment, although not finalized, will likely include revisions to this activity and the addition of a new activity (“Capital Project Fund,” described below). EPCG is advising the County on that amendment and therefore incorporating the amendment, as currently drafted,



into this Memo. We are assuming the amended Plan will be substantially the same as described here.

The amended County Development Plan will clarify the previous plan and broaden the use of planning activities. The amended plan calls for the following activities as part of “Economic Development Planning:”

Consultant costs associated with planning studies or feasibility analyses to support economic development programs that will of expand commercial and revenue generating projects within the Unorganized Territory. Areas of planning focus may include, but are not limited to, feasibility and analysis for multi-purpose commercial facility for conference center(s) or tourism facilities, commercial buildings to attract new enterprise, energy development facilities, and transportation infrastructure.

The County Commissioners will make final decisions on requesting proposals for use of funds in this activity. Procurement of all professional services under this activity should be subject to existing County procurement procedures.<sup>3</sup> The Commissioners’ annual prioritization should focus on the extent to which such economic development planning activities will be undertaken in the coming year, and designate annual TIF funds for those plans.

### **Capital Project Fund**

As noted, the amended TIF will call for the funding of capital projects in the UTs. This activity is included in the draft and pending Amendment to the TIF as described in the introduction to this Memo and elsewhere (see footnote 1 on page 4). We are assuming the amended Plan will be substantially the same as described here. The amended TIF specifically calls for :

Public and/or commercial improvements within the District resulting from the planning and feasibility activities described in item 4. Expenditures may include capital costs, financing costs, real property assembly costs, and professional service costs.

The Capital Project Fund is intended to provide for capital costs associated with projects identified indentified, but not limited to, in economic development planning activities. All projects must meet statutory requirements of 30-A §5225. Specifically:

Costs of improvements made within the tax increment financing district, including, but not limited to:

(1) Capital costs, including, but not limited to:

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<sup>3</sup> The County procurement rules state that for any expenditure of \$7,500 or more formal bids must be submitted.

- (a) The acquisition or construction of land, improvements, buildings, structures, fixtures and equipment for public, arts district or commercial use;
  - (b) The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures;
  - (c) Site preparation and finishing work; and
  - (d) All fees and expenses that are eligible to be included in the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses;
- (2) Financing costs, including, but not limited to, closing costs, issuance costs and interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity;
  - (3) Real property assembly costs;
  - (4) Professional service costs, including, but not limited to, licensing, architectural, planning, engineering and legal expenses;

We recommend that the County Commissioners, during their annual prioritization, determine funds to place into reserve for future capital projects. The amount to be placed aside should be based on the current annual needs of the other projects as requested and outlined in this *Memo*. At some point, a capital project may be identified and the reserved funds used (as well as current year or future year funds). It is important to realize that TIF funds not expended at the end of the term of the TIF are subject, retroactively, to State tax. It is critical, that the Commissioners keep this in mind, particularly in later years of the TIF and plan appropriately.

### **Nature Based Tourism**

With the means now in place to address grant match and commercial loan program needs relating to UT economic development, the Commissioners should complete their annual prioritization by considering the use of TIF revenues to support Nature Based Tourism activities in the Unorganized Territories.

TIF funds allocated to this activity shall be made to non-profit or for-profit organizations that wish to develop a nature-based tourism project within the UT. We recommend that the funds be managed and accounted as follows for each project:

1. An approved project (applicant) will provide a plan for the expenditure of project funds, both matching funds and TIF County funds.
2. The applicant shall request a draw-down from the approved TIF County funds monthly. Draw-down requests must include:
  - a. Evidence of expenditures or work completed (receipts, completed work orders).

- b. An inspection of the work completed by an agent appointed by the County Manager.
- c. When the work is completed by a third-party (i.e. contractor, installer, etc). A 2-party check will be made available to the applicant and third party within seven (7) days of an approved inspection.

We recommend that requests for these funds meet the following conditions, criteria and scoring.

Priority should be given to requests that meet the following 'base conditions':

1. The project will occur in the Unorganized Territory of Washington County;
2. The project will expand nature-based tourism within the UT and Washington County—for purposes of this program “nature-based tourism project” is defined as a project that:
  - a. Enhance an area within the UT that has cultural, natural, or historic value (application must describe as such),
  - b. Provide an enhanced or improved economic opportunity for local citizens (in order of preference)
  - c. Full-time Residents of the UT
  - d. Property owners in the UT
  - e. Residents of northern Washington County
  - f. Residents of other areas of Washington County
  - g. Help to conserve the natural resource while providing sustainable economic opportunity
3. The project activity to be funded is consistent with the authorized project costs as enumerated by 30-A M.R.S.A § 5225 (“Project Costs”), item 1 (“Authorized Project Costs”) (A-D), included here for reference:

#### **Costs within the District**

- *Capital costs, including:*
  - acquisition or construction of land, improvements, buildings, structures, fixtures and equipment;
  - demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures;
  - site preparation and finishing work; and
  - fees and expenses that are eligible to be included in the capital cost of such improvements.
- *Financing costs, including:*
  - all interest paid to holders of evidences of indebtedness (notes, bonds, etc.) issued to pay for project costs (either municipal or corporate); and
  - any premiums paid for early redemption of obligations before maturity.

- *Real property assembly costs.*
- *Professional services, such as licensing, architectural, planning, engineering and legal expenses.*
- *Reasonable administrative expenses, including those incurred by municipal employees in connection with implementation of a development program.*
- *Relocation costs, including relocation payments made following condemnation.*
- *Organizational costs relating to the establishment of the district, such as environmental impact and other studies, and costs to inform the public about the district.*

**Costs outside the District, but directly related to, or are made necessary by, the establishment or operation of the district {Note: by statute costs 'outside the District' must still be spent for projects within the UT}**

- *Certain infrastructure improvements associated with the project, including:*
  - sewage treatment plants, water treatment plants or other environmental protection devices;
  - storm or sanitary sewer lines and water lines;
  - electrical lines;
  - improvements to fire stations; and
  - amenities on streets.
- *Other improvements, including:*
  - public safety improvements made necessary by the establishment of the district;
  - costs incurred to mitigate any adverse impact of the district upon the municipality.

**Costs for Economic Development, Environmental Improvements or Employment Training within the municipality {Note: 'municipality' in this case means UT}**

- *Economic development programs, or events developed by the municipality, or marketing of the municipality as a business location;*
- *Environmental improvement projects developed by the municipality for commercial use or related to commercial activities;*
- *Establishing permanent economic development revolving loan funds or investment funds to support commercial and industrial activities;*
- *Employment training to provide skills development for residents of the municipality. These costs may not exceed 20% of the total project costs and must be designated as training funds in the development program; and*

- *Quality child care costs*, including finance costs and construction, staffing, training, certification and accreditation costs related to child care.

Requests that meet the 'base conditions' are then 'scored' as follows;

1. Projects that will directly create or retain jobs, score 1 point per job. Jobs are measured as full time-equivalent (FTE) based on 2080 hours per year. (Example: a project that creates two full time jobs for six months equals one FTE).
2. Projects are awarded points based on the number of jobs per funds requested from the County TIF program as follows:
  - a. If the number of jobs proposed to be created or retained divided by the funding request from County TIF program is less than .001, applicant gets no (0) points
  - b. If the number of jobs proposed to be created or retained divided by the funding request from County TIF program is between .001 and .002, applicant gets 1 point
  - c. If the number of jobs proposed to be created or retained divided by the funding request from County TIF program is between .002 and .003, applicant gets 5 points
  - d. If the number of jobs proposed to be created or retained divided by the funding request from County TIF program is between .003 and .005, applicant gets 10 points
  - e. If the number of jobs proposed to be created or retained divided by the funding request from County TIF program is greater than .005, applicant gets 15 points
3. Project requests that demonstrate at least 50 percent of total project costs will be paid from secured funds from the applicant, score number of points based on percent of applicant funds (example, if applicant has secured 55% of total costs, score = 55, applicant that has secured 60% of total costs, score = 60).
4. Applicants whose primary business location and 75 percent of its assets are located in Washington County, score 10 points.

Final determination of the distribution of any funds should be at the discretion of the County Commissioners. In order to maintain flexibility to provide assistance when it is needed, yet still provide some structure to this process, we recommend that Nature-Based Tourism requests be accepted and adjudicated by the Commissioners on a quarterly basis, within the context of their regular meeting schedule. The County Manager should be charged with administrative handling of requests and facilitating for the Commissioners the quarterly consideration of requests. The County Manager may consider the appointment of a committee to review and score requests, with final approval at the sole discretion of the Commissioners.

## **Section 6. Urgent Need or High Priority Projects**

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During the Commissioners' priority setting meeting (June) or throughout the year if all funds are not currently committed to projects, the Commissioners may declare an "Urgent Need" or "High Priority" Project. We recommend that such a "declaration" shall allow the Commissioners to prioritize funds towards the high priority project ahead of any other annual or project prioritization noted in this *Memo*. A high priority or urgent project must adhere to the *County Development Plan*, must be justified under one of the approved Program Activities, and must be directed for a project in the Unorganized Territories. A project that does not meet the policies or guidelines any program in *County Development Plan* will require an amendment to the TIF. In declaring an urgent need or high priority project, the Commissioners must determine that the project meets the following conditions:

1. The project has a high likelihood of creating or retaining significant employment opportunities.
2. The project is of county-wide significance, but located in the Unorganized Territories.
3. The project would benefit from TIF funds used for capital (hard assets).

## **Section 7. Handling Requests for Funds**

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Sections 4 and 5 of the *Guidance Memo* recommend policies and procedures for annual prioritization of the TIF funds for the *County Development Plan* programs as well as distribution of funds for activities under each program. In this Section, we summarize the timeline, "cash flow," and handling of requests for TIF funds.

### **Timeline and Cash Flow**

Figure 1 provides an annual calendar for the prioritization of TIF funds, review of requests for funds from each program, and a general schedule for the flow of funds from the Company, to the State, to the County, and ultimately into the *Plan* programs. Following Figure 1, we provide the calendar with additional context. We conclude this section with guidance on how to direct requests for funds into each program area.

The expenditure of "Capital Projects" is not noted in the cash flow or timeline. It is expected that such expenditures will be designated from time-to-time throughout the term of the TIF and not annually. That is not to say that an annual "reserve" for such project should not be designated at the annual priority setting meeting (June). Indeed, the Commissioners should consider such a reserve and its annual allocation. Clearly, when such projects are allocated careful review of the TIF funds available for other projects will likely need to be reviewed.



**Figure 1:** Timeline, Prioritization, and Cash Flow for County TIF Program

July	}	<i>July - November:</i> State distributes portion of tax funds to County; County distributes portion of tax funds to Company; County retains TIF funds
August		
September		
October		
November		County Executes/Renews SCEC Contract; Awards Grant Matching Funds, and Nature-Based Tourism Funds
December		County Makes Contract Payment to SCEC
January		County Awards Grant Matching Funds, and Nature-Based Tourism Funds
February		
March		
April	}	<i>April - June:</i> State Assesses and Issues Tax Bill to Company; Company Pays State
May		
June		
		County Confirms Annual Priorities; Awards Grant Matching Funds, and Nature-Based Tourism Funds



## June

County Commissioners confirm annual priorities and then prioritize next years (Jan-Dec of following year) funding for other program areas.

County Commissioners, following guidance from County Manager, award any funds under the Grant Matching program (Starting in 2010). See page 6.

County Commissioners, following guidance from County Manager, award any funds under the Nature Based Tourism program (Starting in 2010). See page 10.

## July - November

It is not clear on the exact timing but during this period the State will distribute the tax funds paid by the Company within the TIF District back to the County. The County shall deposit the tax funds as outlined in Section 2, making it payment to the Company and retaining TIF funds for its *County Development Plan*.

## October

Execute or renew contract with SCEC for Economic Development Services (annual priority 1) and Revolving Loan Fund. See page 6 and page 8.

County Commissioners, following guidance from County Manager, award any funds under the Grant Matching program (Starting in 2010). See page 6.

County Commissioners, following guidance from County Manager, award any funds under the Nature Based Tourism program (Starting in 2010). See page 10.

## December

County makes SCEC contract payment for subsequent year.

## January

County Commissioners, following guidance from County Manager, award any funds under the Grant Matching program (Starting in 2010). See page 6.

County Commissioners, following guidance from County Manager, award any funds under the Nature Based Tourism program (Starting in 2010). See page 10.



April

County Commissioners, following guidance from County Manager, award any funds under the Grant Matching program (Starting in 2010). See page 6.

County Commissioners, following guidance from County Manager, award any funds under the Nature Based Tourism program (Starting in 2010). See page 10.

April – June

State assesses Company property and issues tax bill to Company. Company pays tax bill to State.

### Requests for Funds

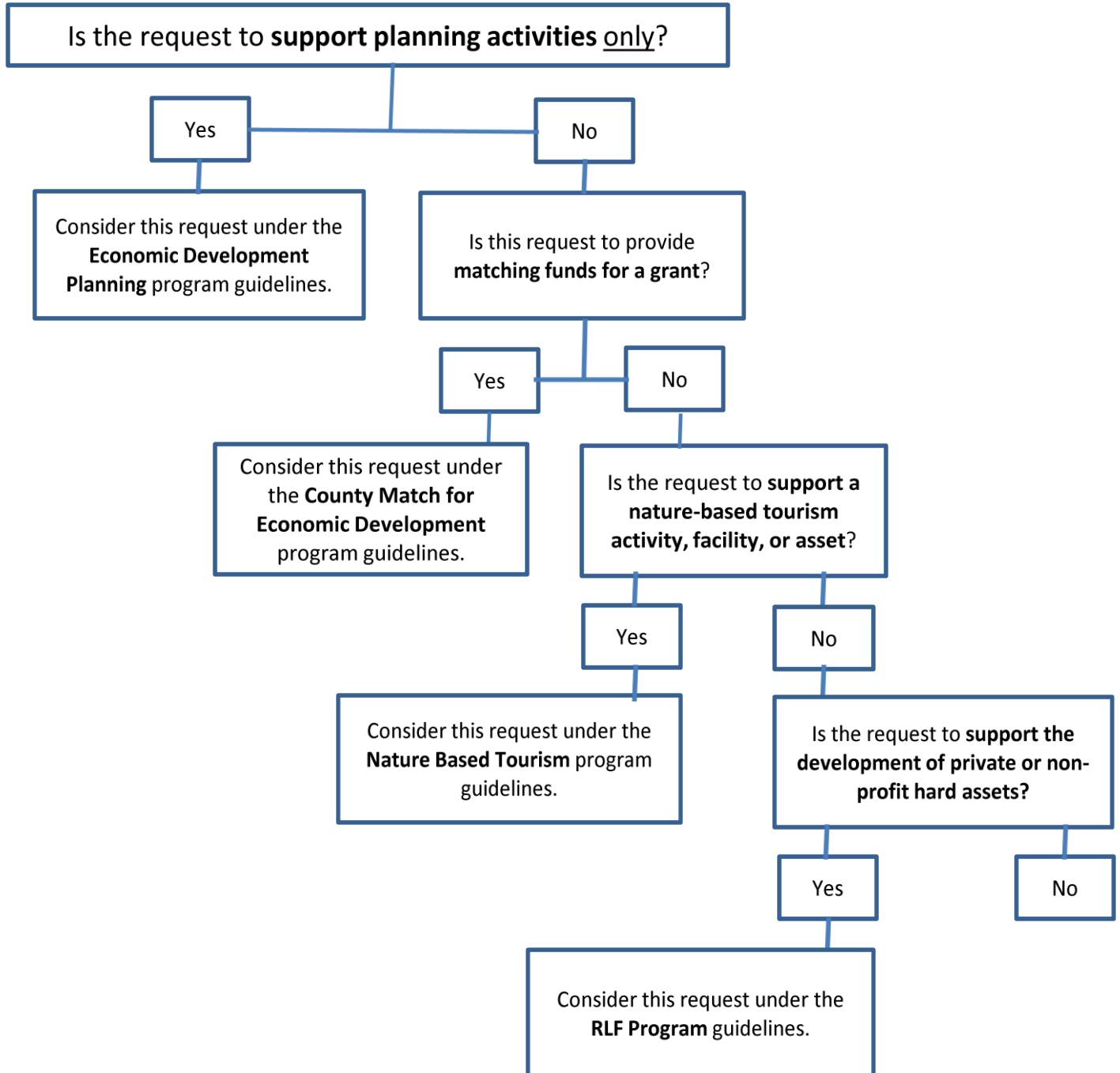
To summarize how the County can handle requests for TIF funds, we present a decision-tree. The *County Development Plan* programs overlap in some areas of interest and this decision-tree may be used to channel requests towards to appropriate program area. As the *Plan* gets underway and more established, there may be forms and applications that may provide additional guidance on the channeling of requests.

We propose that the County ask the following questions and answers to determine what program a request should be considered under (all requests should be for activities or support of an activity in the UT). Figure 2 presents the questions below graphically as a decision tree.

1. Is the request to support planning activities (only) with no hard assets developed?
  - a. If yes, consider this request under the guidelines of the Economic Development Planning program
  - b. If no, proceed to step 2.
2. Is the request to provide matching funds for a grant the applicant is applying for?
  - a. If yes, consider this request under the guidelines of the County Match for Economic Development program.
  - b. If no, proceed to step 3.
3. Is the request to support a nature-based tourism activity, facility, or asset?
  - a. If yes, consider this request under the guidelines of the Nature Based Tourism program.
  - b. If no, proceed to step 4.
4. Is the request to support the development of private or non-profit hard assets?
  - a. If yes, consider this request under the RLF Program administered by SCEC.

These questions and decision-tree do not take into account deliberations nor allocation of funds for “Capital Projects.” As noted above, such decisions should be based on a careful plan for such a project and then Commissioner allocation or dedication of funds.

**Figure 2:** Decision Tree for Handling County TIF Fund Requests



## **Section 8. District and Development Program Amendments**

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As of this writing, an amendment to the TIF is under deliberation. This *Guidance Memo* is based on the assumption that the TIF Programs will not be substantially changed or that new programs will be not added.

Regardless of the current amendment talks, the County may amend its designated development district and its adopted development program at any time in the future after meeting the following requirements:

- The County Commissioners, as the legislative body of the County, must hold at least one Public Hearing for the purpose of receiving comment from the public on the proposed amendment;
- Notice of the Public Hearing must be published at least 10 days before the hearing, in a newspaper of general circulation in the County;
- The County may not amend the designation of a development district if the amendment would result in the district's being out of compliance with any of the following conditions;
  - At least 25% of the District area must be:
    - Blighted; or
    - In need of rehabilitation, redevelopment, or conservation; or
    - Suitable for industrial and commercial sites.
  - The District may not exceed 2% of the total acreage of the UT; and the total of all districts may not exceed 5% of the total acreage of the UT within Washington County. The boundaries (area) of a designated district may be altered only through an amendment process.
  - The value (as of March 31<sup>st</sup> of the preceding tax year) of all taxable property within the proposed district, plus the value of all existing TIF districts (at the time of their designations) may not exceed 5% of the UT's total value of taxable property as of April 1<sup>st</sup> preceding the date of DECD's approval.
  - The total amount of debt issued to support TIF district development programs within the county may not exceed \$50 million.
  - Bonds issued as part of an amended TIF District may be issued for a maximum of 20 years (anticipation notes for three years).
  - TIF districts may be designated for a maximum of 30 years.
- The current amendment under development will extend this TIF District to its maximum term (30 years).
- Before final designation of an amended development district and adopted development program, the Maine DECD commissioner must review and approve the proposed amendment to ensure the proposal complies with statutory requirements.