



City of Gardiner


Tax Increment Financing

Council Workshop

October 16, 2019

BY: TRACEY DESJARDINS

ECONOMIC DEVELOPMENT DIRECTOR/PLANNING

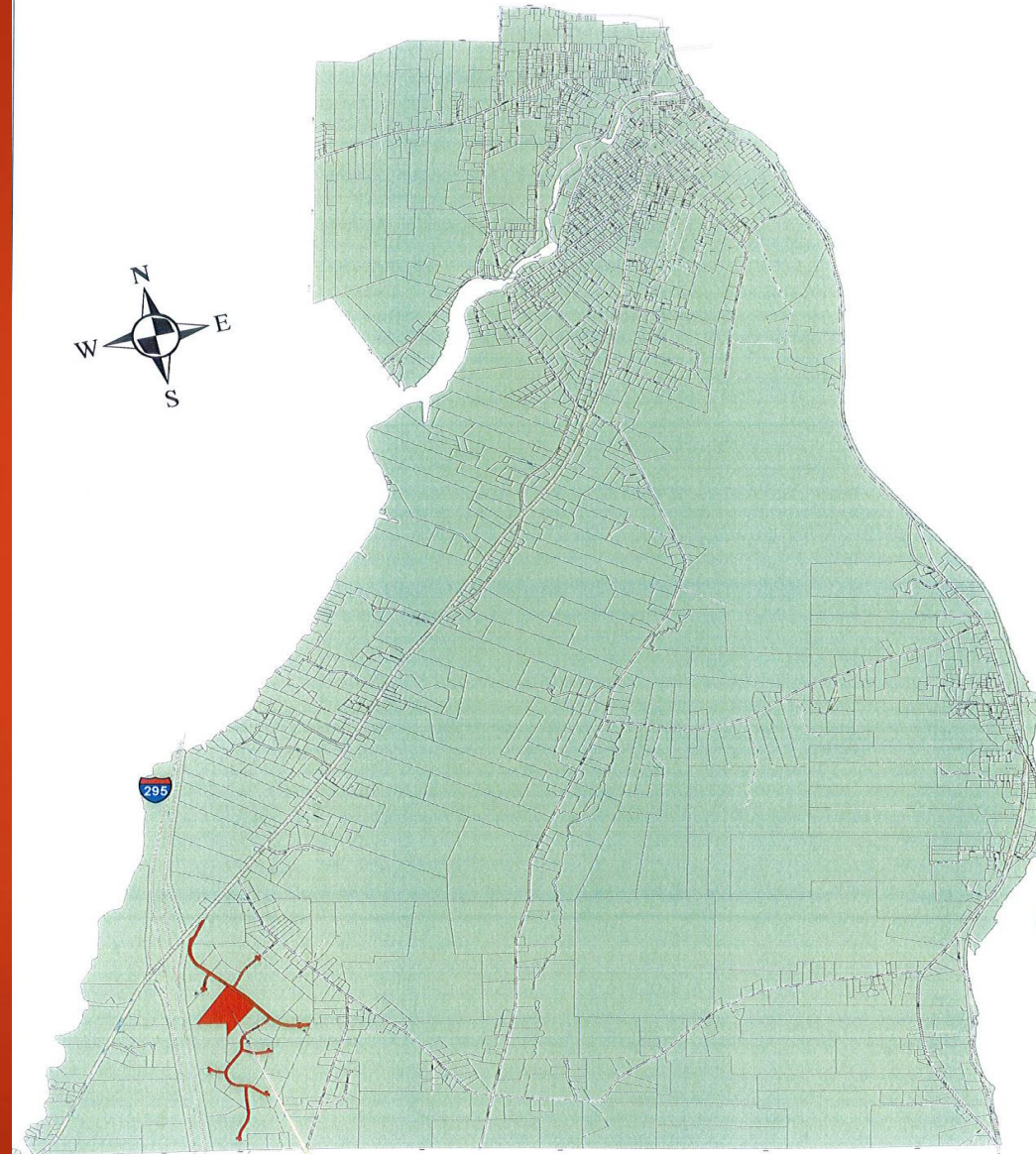


The City has established seven tax increment financing districts under the terms of applicable state laws, which are accounted for in the TIF Fund. Additionally, the City enters into property tax abatement agreements in the form of credit enhancement agreements (CEA's) with local businesses and individuals, as authorized by the State of Maine Department of Economic and Community Development, for the purpose of attracting or retaining businesses within the City, promoting economic development through real estate development and job creation, as well as infrastructure improvements. The CEA's outline conditions for the reimbursement of a percentage of the tax revenues generated through the increased values of certain parcels within the district. For the fiscal year ended June 30, 2019, the City remitted a total of \$46,292.42 in credit enhancement payments. The following details each TIF district within the City as well as the terms and amounts of credit enhancement agreements within each TIF district.

Harper's II LLC TIF:

- ▶ Established on March 23, 2001, for the purpose of economic development in the Libby Hill Business Park. The TIF will help offset the specific costs of the high-tech facility by paying for a portion of the marginal increase in debt service. This district was amended in 2011 to 30 years, and increased by 24.86 acres to include all Business Park roads and infrastructure areas. There is a 34% credit enhancement agreement on this TIF through 2020. Total credit enhancement payments made during the year by the City to the developer totaled \$19,068.58. District expires FY2030.

City of Gardiner Harpers II TIF



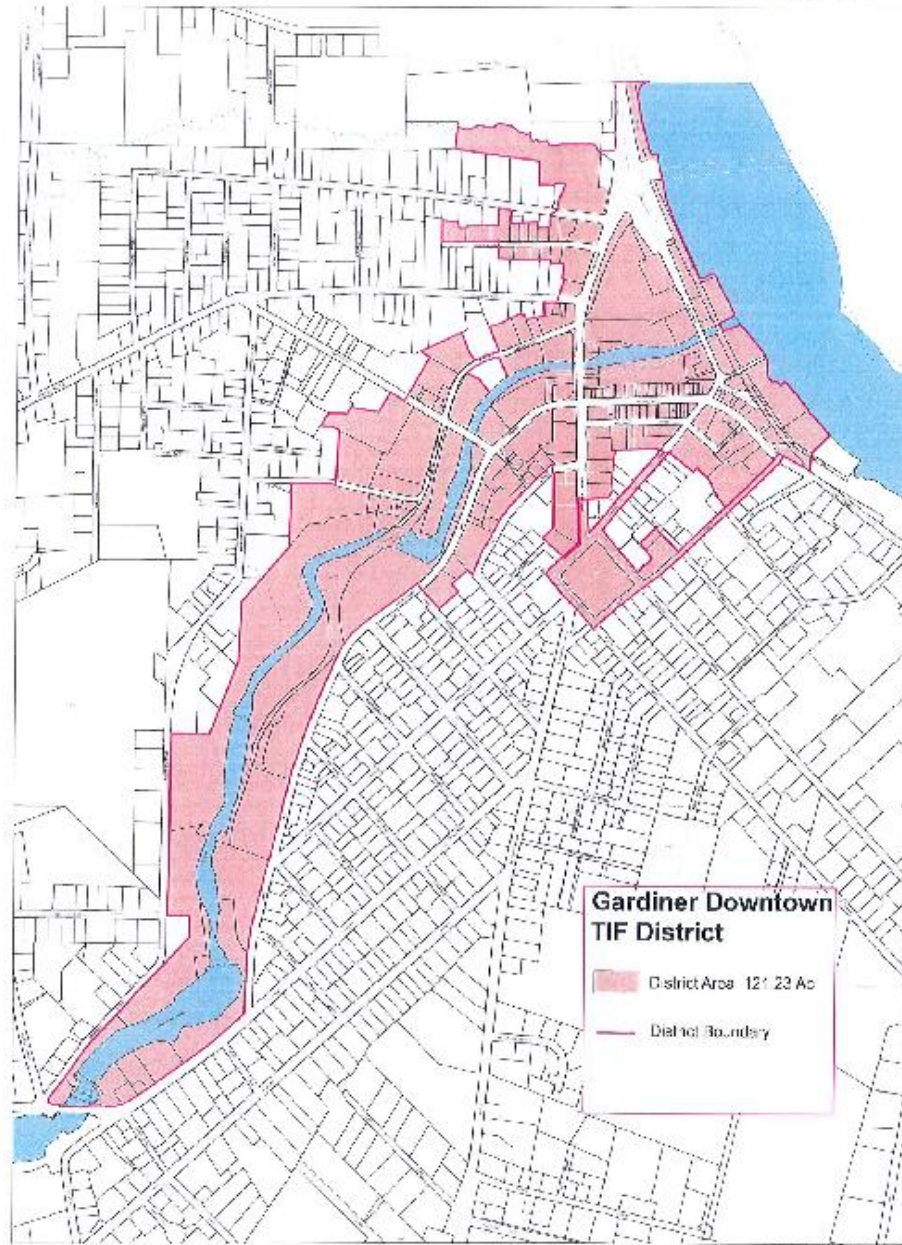
Harpers TIF Location

Downtown TIF:

- ▶ The City established the **Downtown Municipal Development Tax Incremental Financing District** on March 20, 2003, for the purpose of improving the downtown area. The TIF will fund debt service payments for a bond issued for downtown improvements. The TIF was designated for 10 years or until the project costs are expended. This district was amended in 2009 to 30 years, and increased in size to include City owned areas including the City Common, and portions of Church and School Streets leading to the downtown area. During fiscal year 2015, the City adopted a Credit Enhancement program for the downtown, which may result in credit enhancements for qualified properties.
- ▶ Current active credit enhancement agreements include Johnson Hall Redevelopment LLC, 8 years at 100% reimbursement for years 1-3 and 100% reimbursement over and above \$19,000 annual real estate taxes in years 4-8. Total credit enhancement payments made during the year by the City to the developers totaled \$5,531.90.
- ▶ District expires FY2032

Gardiner Downtown TIF District

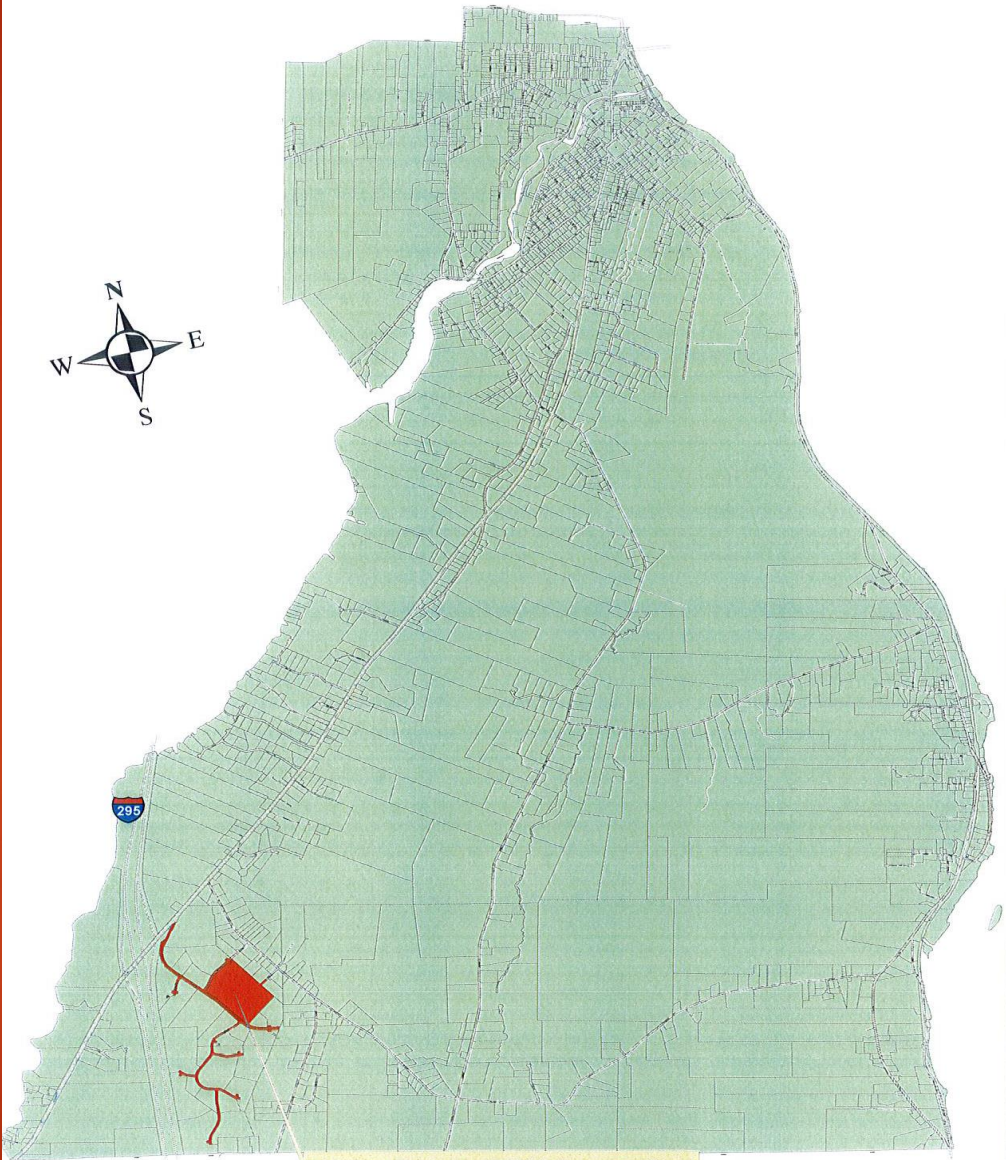
Maine DECID Approval Dates:
Approved March 31, 2002
Amended July 7, 2009
Amended May 12, 2017
Amended May 1, 2018



Pine State Trading TIF:

- ▶ Established March 30, 2004, for the purpose of economic development in the Libby Hill Business Park. The TIF will help offset the costs of a new building by paying for a portion of the project. The TIF was designated for 10 years and 50% of the captured assessed value will be applied to the Credit Enhancement Agreement. This district was amended in 2011 to 30 years, and increased by 24.86 acres to include all Business Park roads and infrastructure areas. Fiscal year 2014 was the final year of the credit enhancement agreement for this district and, therefore, the City now retains 100% of the tax payments to be used in their entirety towards economic development. District expires FY2030. CEA expired FY2013.

City of Gardiner Pine State Trading Co. TIF



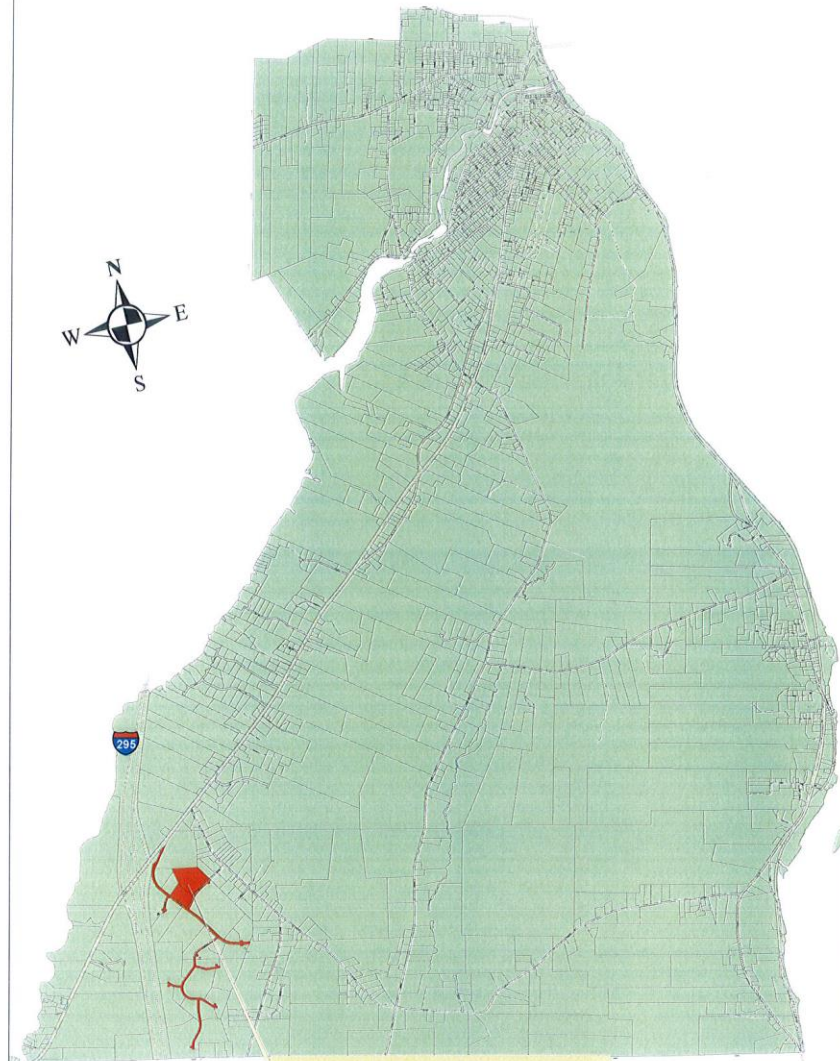
Pine State TIF Location



EJ Prescott TIF:

- ▶ Established in March 2005. . The TIF was designated as follows: 75% of the captured assessed value to be paid to developers for years one through six and 50% for years seven through ten. This district was amended in 2011 to 30 years, and increased by 24.86 acres to include all Business Park roads and infrastructure areas. Fiscal year 2015 was the final year of the credit enhancement agreement for this district and, therefore, the City now retains 100% of the tax payments to be used in their entirety towards economic development. District expires FY2034. CEA expired FY2014.

City of Gardiner EJ Prescott TIF



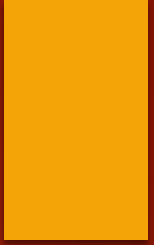
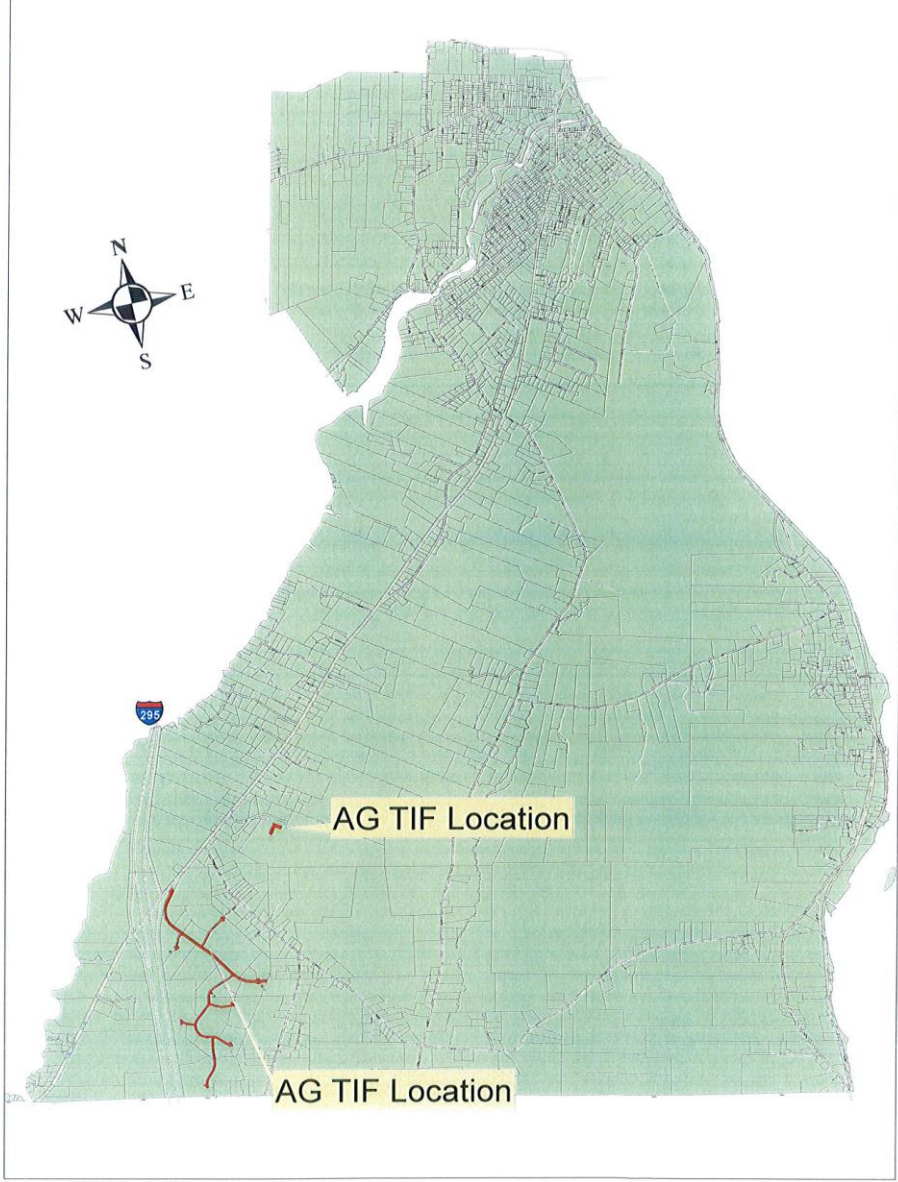
EJ Prescott TIF Location

Associated Grocers TIF:

- ▶ Established in 2006, encompassing the facilities 40,000 square foot expansion completed in 2005. This district was amended in 2011 to 30 years, and increased by 24.88 acres to include all Business Park roads and infrastructure areas, as well as fire suppression system which supports the property. This property is owned by Stag Industrial Holdings and is occupied by Core Mark. FY11 was the final year of the credit enhancement agreement for this district due to foreclosure sale and, therefore, the City now retains 100% of the tax payments to be used in their entirety towards economic development. District expires FY2035.



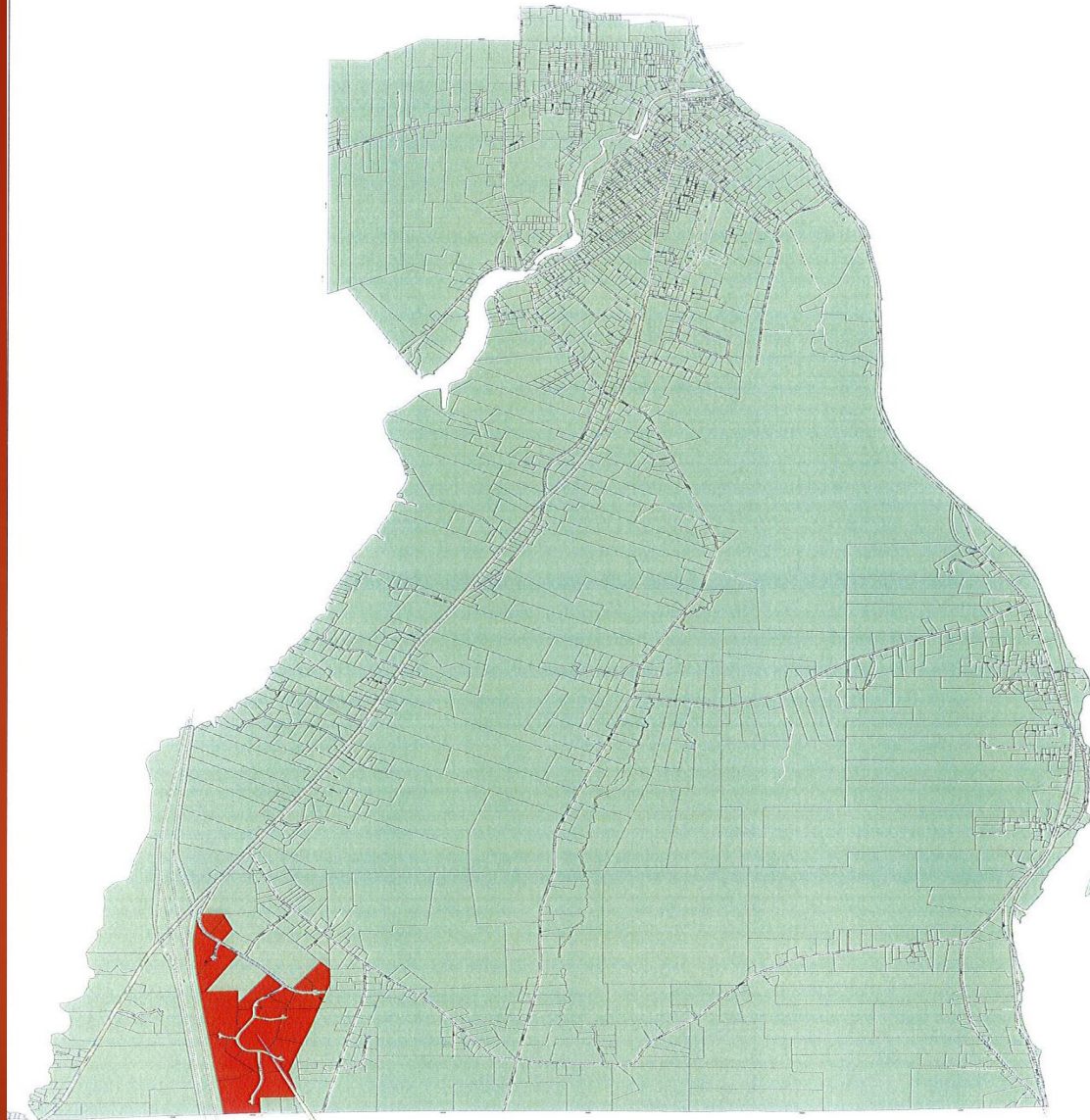
City of Gardiner Associated Grocers TIF



Libby Hill Area Wide TIF:

- ▶ The City established the **Libby Hill Area Wide Tax Incremental Financing District** in the spring of 2009. This thirty year TIF includes all the remaining lots within Libby Hill Phase I and Phase II that were not already in a separate TIF agreement as of that date. Credit enhancement agreements are decided on a case-by-case basis. Any captured assessed value will be applied to debt service on Libby Hill and economic development expenditures. A credit enhancement agreement in place with Black Diamond is currently suspended due to unfulfilled requirements by the developer. Current active credit enhancement agreements include Dennison Lubricants, 10 years at 25% reimbursement, and William Lovely, with 50% reimbursement. Total credit enhancement payments made during the year by the City to the developers totaled \$21,691.58.
- ▶ Expires FY2039.

City of Gardiner Libby Hill Area Wide TIF



Proposed TIF Location



Summer Street Affordable Housing

TIF:

- ▶ The City established the **Summer Street Affordable Housing Municipal Development and Tax Increment Financing District** on October 6, 2016, to assist with the proposed development of a senior housing project and a workforce housing project. The TIF is for thirty years. The District was amended in FY2019 and now encompasses 1.75 acres located at 58-60 Summer Street and 59 Summer Street. An area of the District was removed and returned to the Downtown Tax Increment Financing District for construction of a Kidney Dialysis Center upon approval from the Maine State Housing Authority and the Department of Economic Development. No captured assessments were retained for fiscal year 2019 in this district as the properties within the district remained tax exempt under City ownership.

Summer Street Affordable Housing Development District

