



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**



Meeting Date	02/05/2020	Department	Planning/Economic Dev
Agenda Item	4.9 Consider Setting a Public Hearing Date for Central Maine Crossing Proposed TIF District		
Est. Cost	n/a		

Background Information	<p>The City of Gardiner would designate a Tax Increment Financing District on the urgent care facility and the back undeveloped area behind it that Central Maine Crossing is planning to develop.</p> <ul style="list-style-type: none"> • Urgent Care Lot: The capture rate would be 100% on the urgent care lot. For the urgent care lot, <ul style="list-style-type: none"> o 40% of the TIF revenue generated would be set aside for payment to the developer for 10 years as a way to reimburse them for costs associated with the infrastructure needs for the road and area to be developed behind the urgent care facility. The total projected amount to be paid to the developer is less than half of the developer's projected costs in constructing the road and building the infrastructure. The first payment(s) to the developer will be reduced by the costs of the City in designating the district and entering into the CEA – a maximum amount of \$15,000. o 20% of the TIF revenue generated would be held in an escrow subaccount by the City. Such 20% would be paid to the developer if the increased assessed value in the overall TIF district reaches \$7 million before year 4 of the TIF district's term. If such target is achieved, then the payment obligation to the developer would be 60% instead of 40% for the remaining years of the 10-year CEA term. Otherwise, the City will retain those 20% revenues as TIF funds for its own economic development projects. o The remaining 40% of the TIF revenue generated would be held in a City project cost account for use on TIF approved municipal projects. Following the end of the 10-year CEA, the City would capture all of the TIF revenues for such TIF approved municipal projects. • Undeveloped Area: The capture rate on the undeveloped portion of the district would remain 0% unless and until the City decides to enter into future CEAs with future developers only after a public hearing and vote of the Council. Any future CEAs would not require DECD review/approval. • Timeline: In order for the assessed value associated with the urgent care facility to be captured in a TIF district at all, the application for the district must be approved by Council and submitted to the Department of Economic and Community Development before March 1, 2020. As such, the Council could set the public hearing and vote on the proposal on February 19, 2020 and meet this deadline. A 10-day public hearing notice will be published in a newspaper of general circulation and the proposal materials will be on file with the City in advance.
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Requested Action	'I move to set a public hearing for February 19, 2020 regarding the designation of the Central Maine Crossing TIF District, adoption of a development program for the TIF District, and authorization of credit enhancement agreement with Central Maine Crossing.'
City Manager and/or Finance Review	The City Manager recommends the above action.
Council Vote/ Action Taken	
Departmental Follow-Up	

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____