

**SPECIAL BOARD OF SELECTMEN'S MEETING**  
**November 6, 2014 5:30 PM**

**Quorum noted**

**5:30 PM:** Meeting called to order by Acting Chairman Beckert.

**Roll Call:** Mr. Beckert, Mr. Hirst, Mr. Fernald, Mr. Murphy and Ms. Davis.

**This is a Workshop with the Board of Selectmen to discuss TIF Alternatives Projects.**

Mr. Beckert said that Ms. Joan Fortin was present from Bernstein Shur, who has been involved in the TIF process from its inception. He added that he would turn the meeting over to Ms. Fortin to facilitate; that this was for the public to discuss alternative projects and ideas the public may have and Ms. Fortin can explain to us if they are viable.

**5:31 PM** Mr. Lee said that he came on board in February after the TIF project on Route 236 had been defeated three times and came into a community that he felt was rather fractured over this issue and, in some cases, rather strongly fractured. He added that his hope was that, with us giving up on the Route 236 sewer project, accepting the fact that we need to come up with a new alternative, that the Town can begin a healing process, here, and we can come up with a good, viable project that everybody can get behind and we can begin to heal the wounds that took place over the three battles about the Route 236 corridor. He said that, with that, he asked Ms. Fortin to attend to help us and guide us; that part of it would not only be the ideas that would work but what process should we follow to get there. He added that Mr. (Denny) Lentz has mentioned that criteria are very important, others talk about the technical aspects, maps, getting through DECD, etc.; that Ms. Fortin would help us with all that but he really did hope that this is a new chapter for the Town of Eliot and we can move on, put this TIF to good use, and everybody feels good about it.

**5:35 PM** Ms. Fortin thanked everyone for having her and said that she was pleased to be here. She added that, as was said, she started this process many years ago working with the Town to put the maps together and projects, and all that, and thought you all probably know the history much better than she does, even; that she has come back and talked with folks at various meetings, over time; that there were a lot of familiar faces in the room. She added that she didn't know how familiar folks are with how to change the TIF and we are clearly at a place where something needs to be done. She said that she wanted to start in a really positive place, which was that the Town had an opportunity a number of years ago to grab some new value and put some money aside in a TIF fund and you have done that; that the Town has had some struggles over what to do with that money and the original project turned out not to be popular and not passed at Town-wide votes but, had you not created that TIF...that's a good problem to have is where she was going...you have a lot of money in a TIF fund that is money to be used for economic

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development. She said that there were lots of towns around Maine that would 'kill' to have that kind of money in an economic development fund; that you've got it and that's a really good place to be. She agreed with Mr. Lee; let's turn the page, start fresh, and try to figure out how you want to spend your money because you do have it and it is a great opportunity to do some economic development in Eliot and it's just a matter of figuring out what you folks want to do that works. Ms. Fortin said that she would start by telling how the Town could change the TIF. She said that we have an existing TIF document called the Development Program and that sets up the whole TIF in terms of showing a map of geographic boundaries, the sewer project; that in order to use your money for something different than the sewer project we need to amend that TIF, that project list. She added that, depending on what you decide to do with your money, you will probably also have to amend your map; that, so you understand, that is very close to doing a new TIF. She said that the facility (XNG) that is generating the revenue you want to keep in your TIF District.

Mr. Beckert clarified that XNG was an additional facility; that it is totally separate from the compressor station.

Ms. Fortin clarified that it was the compressor station she was meaning to talk about, which has generated these funds; that you want to keep that in your TIF District because that source of revenue will continue as long as this TIF is alive. She added that the big changes she would foresee that we need to talk about are: how do you want to spend the money, so, how do you want to change the project list and, then, depending on what you want to do with your money, does that require a map change. Ms. Fortin said that she wanted to get into how we might get there in a minute but wanted to talk real big picture about how we get to a change. She said one of the questions was did you want to do a TIF committee; that this Town has had a TIF committee before; that lots of towns don't have TIF committees and that was something she thought we all should talk about and get input on – do you want to do this by committee or empower the Selectmen; that those are options in terms of how we get there. She said that let's assume, for a moment, that we have a new project list and/or new map; that that process for getting approved and up-and-running means that we would need to have a public hearing, once it's all drafted and the changes are done, we have a new map, we have a new list, everything has been drafted; that we would then have to have a public hearing just like we had last time; that she thought the Eliot TIF public hearing was the biggest she ever had, with a very large crowd – that they would have to have another public hearing like that and, assuming that's passed by the voters, then we go to the State Department of Economic and Community Development (SDECD). She said that the Town's TIF application is submitted to the State and the State would presumably approve it; that she would work with the State, in advance, so that that would not be a big issue but those are the steps – public hearing, approval by the voters, and then it goes to DECD. She said that

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those are the big picture pieces; that she thought tonight that the big things that would be helpful to get some feedback on for your various Town leaders (Town Manager/BOS) was whether you want to do a committee, or not; how do we populate that committee, if we are going to do one; that it would be helpful to talk about big picture for some potential projects. She said that the project part is a planning exercise for all of you folks, collectively, who live here but what she can do is give you some on-the-ground quick feedback; that, sometimes, people will come up with ideas that she knows will not get through DECD and she can give you that quick feedback on-the-fly. She said that, in terms of a bunch of projects that could qualify, that's your call whether to have them, or not, and she won't give an opinion on that. She added that, at least, if she thinks it cannot get approved under the State statute, she will go through that. Ms. Fortin said that this is a workshop and designed for participation and suggested they start with the process. She asked if folks wanted a committee; that she knew there was one before and didn't know if people felt another committee was good, or should she be working with the Selectmen. She suggested people raising their hands on feedback regarding a committee/no committee.

**5:40 PM** Mr. (Bob) Pomerleau, Cedar Road, said that that was a tough call because when it comes down to the nitty-gritty details he felt that required a professional, such as Ms. Fortin or SMRPC; that there are cost projections needing to be done because we might like a project but the numbers might be out of sight for the TIF we have. He added that, regarding the selection of areas to target, things that would appear to be favorable to the community, he thought that was a good place for a committee then, when moving into different stages, it would be turning it over to Selectmen and Town Manager and Planning Board (PB); that he didn't think this was something a committee could do independently without outside support.

Ms. Fortin said that what she heard him saying was to, maybe, use the committee to figure out which parts of Town we want included in the new TIF District or which parts of Town we want to encourage economic development but have the nitty-gritty worked out with professionals who work for the Town, asking if she was in the ballpark.

Mr. Pomerleau said that that was partially it; include all the components that have been submitted that the community would be most interested in as a focus point and, maybe, they would list their top three projects.

Ms. Fortin said both location and big-picture projects.

Mr. Pomerleau agreed.

Ms. Fortin asked for other reactions to that; other thoughts.

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Mr. (Bob) Fisher asked if the TIF District had to be contiguous or could there be some distance between different areas but still be one district.

Ms. Fortin said that that was a great question; that she wanted to back up and tell them one more thing about TIF Districts that will become relevant as we talk about changing the map. She added that the TIF statute has statutory limits, so, the size of the TIF District, in terms of acres, cannot exceed 2% of the acreage of the Town (that we may be close) and we may have to take some areas out, may need to add some areas. She said that one thought she hadn't discussed with the BOS was that, if they wanted to include the downtown, then we could call this a Downtown TIF, a conversion; that one reason was because those statutory limits do not apply to a Downtown TIF, so, depending on where you wanted to do your improvements, to the extent you wanted to try to encourage some improvements in your downtown, and loop your downtown in, then you don't have that 2% acreage cap and you could have a bigger district, if that is what you choose to do. She said that she was assuming we're going to add to your TIF District. She added that it does not have to be geographically contiguous; that it doesn't have to all be connected; that you can have spots around Town. She added that, typically, it's tied; that usually they will run a spaghetti strand down a public road; that they tend to be connected but they don't have to be.

**5:43 PM**

Mr. Lee pointed out the map showing the current TIF parcels and according to their zoning, as well.

Mr. (Jack) Murphy pointed out that there are residential parcels within the current TIF District.

Mr. Pomerleau said that he thought they currently had between 50 and 70 acres in the TIF District to play with.

Mr. Lee asked, by a show of hands, how many people would favor the creation of a committee – most favored this. He added that he thought that, from a process standpoint, they really should start with a committee that recommends to the Board; that he thought that was a way to bring the entire community, their thoughts, in to this and then these folks can pull together on it and move it forward. He said that he would personally love to see a committee on this because he thinks we need broad representation of ideas or we are going to end up in the same place again.

Ms. Fortin said that the thing she loved about the TIF statute and the TIF program, generally, is that it is incredibly flexible and you can just do it in so many different ways. She added that, where this TIF has had a bumpy path here in Eliot and we are kind of starting anew, another thing we could do if you folks want to is that we could have a committee and then we could set up a schedule –

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that you had one required public hearing before the vote but there was no reason why you can't have multiple public forums like this one. She added that we could have a committee that makes some recommendations on the areas of Town in which we're going to encourage economic development and then that could come, if you wanted to, to a workshop like this to talk about it and get feedback and then go to the next stage and talk about projects, or, those two might be linked because you might want to think about projects in relation to where they need to be. She said that you could have a hybrid system – a committee, with regular workshops so we're having lots of public input, if that's what you folks desire, so that by the time we get to the final required public hearing and vote this has been out there and discussed by the public throughout the whole process. Ms. Fortin said that it looks like we are headed for a committee and asked if anyone wanted to speak on their concerns regarding a committee and maybe we can bake in a solution as we try to figure out how to populate it.

**5:47 PM** Ms. (Nancy) Shapleigh said that they had a TIF committee; that there were three pros and three cons and they couldn't get together; that they finally just stopped meeting. She added that, having worked on the Sewer Committee (SC) for a long time and having been a broker here for 43 years and knowing that that's a requirement, most generally, for new business, there are a few lots out on Route 236 where the Town voted for a commercial/industrial district that have been able to support a business but most of the people and most things they want is sewer. She asked, in doing these little areas, can you do that where the zoning allows for Home Occupation, say, and is that something that is allowable. She said that it seemed that we are going totally away from what we set out to do, what's practical, what people in business want to do, what the study that the people wanted and said about Route 236; that she didn't see why we have to be changing our whole Town and that seems like what you have to do because, for some reason, some people don't want business on Route 236.

**5:49 PM** Ms. Fortin said that one comment she had was that we have to keep in mind what projects we can do; that she has heard this theme as she has been here over the years that she knew way back when we started there was talk about sewer issues in a residential area, so she asked to tackle commercial versus residential recognizing that that was not the whole of Ms. Shapleigh's issues but came to mind while we were talking. She said that when we think about projects that the TIF statute will allow the really important concept she wants everyone to keep in mind while we're talking is that this is an economic development statute and it provides an economic development tool to the municipality and any project you folks come up with and that we are going to be able to get approved that we could spend money on has to have an economic development tie. She reiterated that the TIF statute is extremely flexible and what exactly that means can mean a whole lot of different things; that she can come back to that and give you some specific examples in just a minute. She said that what she thought we did before, without

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recreating the history, was that we have a pretty narrow list. She added that that was a long time ago; that the TIF's she does now have very long project lists. Ms. Fortin said that the clear direction she is hearing is that we aren't going to do sewer and water on Route 236; that that has been tried and failed three times so we're just going to set that aside. She said that there are certainly other things you can do on Route 236 that don't involve water and sewer. She asked Ms. Shapleigh if the area she was referring to that is designated as commercial was in the TIF District.

**5:51 PM** Ms. Shapleigh said it is up and down almost all of Route 236.

Ms. Fortin said okay and that her comment, then, is assuming we change the TIF there can still be economic development uses along Route 236. She added that she thought the only thing we are going to collectively agree on, for the moment, is we are moving beyond water and sewer because that has been the source, really, of the stalemate for this Town.

Mr. Murphy said that something that has not been recognized or talked about is that Eliot, as a municipality, has zoning in the standard way since the 1970's and, when you have zoning, he understands that the State requires that we have a commercial/industrial (C/I). He asked if that is required or can we actually get rid of the C/I Zone and not have any C/I Zone in the Town.

Ms. Fortin said that she thought you did but she doesn't do enough land use work anymore to be sure; that we aren't just going to get rid of it; that you do have a comprehensive plan (CP) and we aren't going to come up with any projects that aren't consistent with the CP; that we aren't going to approve projects that we wouldn't be able to do if a business owner, let's say, wanted to go get a building approved but it's in the wrong zone; that we still have to pay attention to the land use structure in your Town so we aren't going crazy but just trying to think about legitimate land use projects that you can do along Route 236 and, maybe, some additional areas.

**5:53 PM** Mr. Lee discussed that they have been considering putting a solar array on the land fill to provide electricity for all of the municipal buildings and 85% of the school system for many years to come. He said it's going to be about the amount of money we have and Ms. Fortin said that that probably wouldn't fly by the State because there is no economic development aspect to that. He added that that was one of those that you might think is a good project but you can't relate it back to economic development.

Ms. Fortin said that a few pages into the packet that was handed out there was a list of approved municipal and county TIF investment plans for existing TIFs in Maine. She added that she and Ms. Mueller have been doing this for a long, long

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time and work in communities all over Maine; that they realized that it was hard to come up with projects with this big confusing statute and how what a town might want to do would fit the statute so we started compiling this list; that they organized by county, by town, and by population and created it as a tool for our clients. She encouraged everyone to spend some time with this list as we go through this process because it may help to generate some ideas that could be applicable to Eliot. She said that these weren't the only projects Eliot could do but these are approved at the local and State level so we know that those projects work.

**5:55 PM**

Mr. Lee said, to help the Selectmen as much as possible, if we have decided on a committee, it would be good to decide how to populate that committee – which Town committees, how much of general population, do we want a Selectmen rep or not. He added that he thought that if this was to be a successful workshop for the Board he thought it would be helpful, probably, to get an idea from you folks who you think would be the appropriate parties to populate this committee; that he didn't necessarily need names but a PB member, a BDC member, at least five from the general public because we want broad representation, maybe it's BudCom. He said that it seems a committee is the approach people want to take so, if the Selectmen do the right thing, and when they populate it, he would like to make sure that we have people's buy-in that they did it properly, they didn't weight it, they didn't, you know, tip the scale, or any of that. He said that he would like to discuss for a few minutes on how to populate it, what the right-sized group is, and what board representation should be on there. He added that, when you talk about Comp Plan and zoning consistency, a couple of committees come to mind – the Comp Plan Implementation Committee and the Planning Board. He gave it back to Ms. Fortin to help him get some feedback.

Ms. Fortin discussed size, first, suggesting they wouldn't want a committee of three or twenty, asking if people thought it should be less than ten people.

Ms. Saklad said that, before we do that, the people here seem to be the most involved people in this process and she would like to see how many people here tonight would like to volunteer for a committee like this.

**5:58 PM**

Ms. Fortin asked people to raise their hands if they would be interested in being on this committee.

Most people raised their hand and a sign-up sheet was passed around to get their information.

Ms. Saurman said that, certainly, a committee would not be restricted to only those who are here; that the fact that someone is not here tonight should not be a

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reason for the Board to put out a notice that there are vacancies on this. She added that we need to make the invitation to the entire Town.

Ms. Fortin clarified that just because people sign this sheet doesn't mean they will be on the committee; that the Selectmen will appoint a committee later.

Mr. Fernald asked what was going to be the responsibility of this committee. He asked if they were going to come up with three different projects or are they going to make that decision and bring it back to the Selectmen, or, are there going to be five.

**6:00 PM**

Ms. Fortin said that that was a great question and thought that went to the committee's charge and something she wanted to talk about. She said that we need to talk about how big is the committee, who is on it, and what is their charge.

Mr. Lentz asked for clarification on why some people did not want a committee.

Ms. Fortin said that she was trying to be careful not to put anyone on the spot; that there were only a couple of people that answered that way. She added that she thinks the answer she heard, and correct her if she is wrong, is that we already had a committee and we've got a TIF District and we've got projects and why do we need to do this again.

Mr. Lee said that what he thought would happen, as in any group, there are people who can move on and will move on and others who will have some lingering doubts about the whole thing and, probably, still some hard feelings. He added that he is in hopes that the alternative projects are such that they appease even the hardest sceptics of this; that there was a committee and it didn't work and there was a reason to be skeptical, he guessed, but he hoped that the community, as a whole, was ready to turn the page and we can hopefully bring people along and rebuild some trust and openness in communication.

Mr. Pomerleau said that he kind of rejected the need for skepticism on a committee; that he was on the other committee – Route 236 Committee – and it was charged with coming up with pros and cons; that it was adversarial, in nature, with four pros and three cons and based on voting it didn't work. He added that a committee like this that wants to work together toward a common goal, and not adversarial, he didn't think should create skepticism. He suggested the committee make their decisions based on consensus, not votes.

**6:02 PM**

Ms. Saklad suggested this committee be made up of lay people because you have your resources, such as the PB and Comp Plan Committee, and you can always turn to them when you narrow down your projects. She added that you have a whole new group of activists, here, to do this and they have not been tapped yet. She said that it opens up a nice new world of unity and involvement by just using

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lay people and, then, going to your board people for resourcing and researching needs.

Mr. Lentz said that he would like that committee to start off with some basic project management tools – phase I might be feasibility and preliminary study, phase II might get more serious about numbers, etc.; that there are some basic project management processes out there that would certainly help the committee and he agreed we didn't need all these people involved; that they could draw on these resources as they get into the phases where it really is necessary.

**6:05 PM**

Ms. Fortin said that she was going to flip what she said; that she was talking about starting with the size of the committee and getting to the charge but she thought we should talk about the charge because she hears what Mr. Lentz is saying about project management but it really depends on whether we're talking about a high-level committee or a detail committee. She said that, if we're talking about a high-level committee, then she would suggest a phase I review is done with the planning staff or Mr. Lee takes that lead with staff. She added that, if you want a committee doing that then that's a different committee than a high-level committee, so, let's talk about the appropriate charge – what this committee is going to do. She added that, in this case, you already have a TIF structure – a pretty good one – but you have a thirty-year TIF, a lot of money flowing in, you haven't yet promised any money to a developer so it's all yours, so, she thinks your structure is pretty good. She added that it seemed to her the really big questions on the table are what you are going to do with the money and do those projects require a map change; that that strikes her, potentially, as a high-level discussion. She asked people to raise their hands if what she said sounds about right to you; that we're talking about a committee that's looking at big-picture, high-level, where in Town should we focus our efforts. She then asked people to raise their hands if they thought this committee should be much more hands-on and make very concrete, specific recommendations to the Board – looking at phase I determination of projects based on the environmental feasibility so more detailed. She said that she thought that there was a pretty decisive preference in a high-level planning committee that is going to look big-picture, if we go with consensus, around the Town – where do we want to focus development, where do we want to push development in the Town. Ms. Fortin said that if we are doing high-level then her thought on the projects would also be high-level projects – we want to do infrastructure projects in this area of Town or we want to use our money to hire an economic development staff and we'll figure out the details of that later. She said that if we are talking about a high-level planning group that's looking at areas of Town she would think we're looking high-level categories of projects. She asked people to raise their hand if that sounded about right. She said that it doesn't sound about right to almost all of you so let's try to dig into that a little bit and get a sense on the project side of what level of involvement you folks feel like we should have.

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**6:08 PM**

Mr. Fisher said that he didn't think the Town wanted high-level; that he thought what the Town wanted was input from the people; that they want a committee of people that have their hands in the pot, right here, and what they think they want done, not from the high-level people.

Mr. (Bud) Moynahan said that he thought it was important to get people from every geographic area of Eliot.

Mr. Lee clarified that, when we appoint members to the committee, we try to get a geographic distribution – a rural, a waterfront, a River Road, a South Eliot.

Mr. Moynahan agreed and also said that there isn't just a lot of people in this room but a lot of people in this Town.

Mr. DePaul said that it would seem to him that at a very high-level, if you look at economic development, then that is what a TIF is for. He added that there are different philosophies in obtaining economic development, so, he was looking at the project list under infrastructure regarding sidewalks or another direction or philosophy would be to bring in businesses; totally different directions. He added that it seemed to him that there should be general consensus with the residents in Town that we're all in the same consensus as to what direction we go to utilize the TIF; that that should be defined, up front, then drill down from that.

**6:11 PM**

Mr. Lee said that he thought that one of the things that ought to be a charge for this committee, be it macro level or not, are criteria and he thought that was kind of what Mr. DePaul was getting at – what is a good project for this Town, being primarily residential, maybe doing something in the Village area; that we may not want to bring a lot of retail shops here but sidewalks and hooking in trail systems and recreational stuff.

Mr. DePaul said that it doesn't have to be all or nothing in one direction; that it could be 50% from the business standpoint and 50% from the residential standpoint. He added that he thought that laying the framework for that before you even begin to drill down to how the money is going to be spent is important.

Ms. Fortin said that one thing he said that she really wanted to highlight was that you can have a combination of ways that you use this money and that was what she was talking about with the committee being at the macro level. She added that a lot of times we have this long laundry list of projects; that more and more she sees towns funding their TIF projects out of cash-on-hand and you are a prime example; that you have cash-on-hand and you shouldn't need to bond anything to do your projects; that there may be a project you'll want to bond in the future but you certainly have a lot of money where you can fund cash-on-hand. She said that

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we very rarely create TIF's these days that only have a couple of projects; that they are often at least two or three pages long with lots of projects. She added that each year the Town already has a pre-approved list and you get to go to the list and work off the list; that you can decide, on a going forward basis, which of those projects you want to fund at that time. She said that, typically, what she's used to seeing is many, many, many projects; that what we often do, and did not for the purposes of this set of examples, is separate them by category. She said that we might have five infrastructure projects listed (not that you will necessarily do them all but you have the option), seven environmental projects so, for example, if the Town owned a piece of property that you wanted to be able to sell or lease or do something with but has some environmental remediation that you need to do, then you could actually use your TIF money to clean up that site so that you could then sell it or lease it or do something else with it; that you could have acquisition – buy and sell property; that there's lots you can do with property. She added that there is also a whole host of projects that she just puts in a big bucket of what she calls general economic development such as: job retraining for people in Eliot; revolving loan funds or grants to encourage small business (seed money); recreational trails to try to bring cross-country skiers, or whoever, here; you could create and maintain trails; do a high-level marketing campaign with ads in fancy outdoor magazines to encourage people to come to Eliot; that she wasn't saying these are ideas you want to do but just trying to show you the variety; that if you said that you wanted a full-time economic director you could fund that person's salary out of this money; that there are big-picture categories that all have lots of examples of things that you can do. She wanted to come back to what level of detail is this committee going to get into; that she thought that this committee could say that they want to do a panoply of things – we want to have some general economic development, we want to have some revolving (repayable) loans, a smattering of grants, we want some potential to do infrastructure projects; that you could just set the categories and, then, someone else could bring in the detail, or, you could have a committee where you start working off this list and you come up with an actual list that she would call a much more detail-level committee. She said that that was what she was trying to get to. She asked if everyone wanted big-picture, bigger categories or do you want the committee to get into more detail, like the phase I and phase II and that would be a pretty detailed level committee, she thought.

**6:18 PM** Mr. (Dan) Bogannam asked if there was money going continuously into this account and going forward.

Ms. Fortin said that because you set this TIF up when you did and at the time you did there is a continuous stream of money as long as that compressor station is there and taxable. She added that this was set up as a thirty-year TIF so you will have an annual flow of money into this for thirty years.

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Mr. Bogannam asked if it all came from one source.

Ms. Fortin said not completely; that there was a huge project that really spurred this discussion because that compressor station was going in but the math is done now. She added that any new value in that whole district flows into the TIF fund.

Mr. Pomerleau said that when they called for alternatives he looked at the Comprehensive Plan and focused in on the Village plan, which seemed to be the next biggest development plan in the Comp Plan; that he then simply married the list of projects that Ms. Fortin had provided that other communities have done with specific elements within the Comp Plan that married up very nicely. He added that he thought we would do well to identify areas of development within the existing Comp Plan and, then, marry those with projects that appear to be workable and ideal within the structure of our existing Comp Plan.

Ms. Fortin said that he might have just come up with the charge; that that makes a lot of sense to her. She said to look at the district you have and the Comp Plan, ask if you need to add new areas, or not, are you pretty well covered and, then, just use this as examples, maybe; not that that limits your choices but, then, marry up what's in the Comp Plan and kind of what's envisioned for Eliot with what you could do with TIF funds to see if you could come up with an initial set of recommendations. She asked how that sounded to folks. She said that she was seeing some head-nodding and asked if that sounded like a good charge for this committee.

A member of the audience asked if one of the goals shouldn't be to get lower taxes with this money.

Ms. Fortin thanked him for asking that question and clarified. She said that her simple answer was that you cannot use TIF funds to lower the tax rate directly. She added that where she coached communities that are concerned about that is to think about how you can lower your tax rate with TIF funds by, for instance, looking at what is in your capital improvement plan (CIP) already; that that could qualify for TIF funds and that is how you could do it. She described an example from her work with northern Maine communities in that they made the argument to DECD that economic development in that area involves logging and transportation on the roads; that now she has a similar list that is specific to wind TIFs and they all have roads, graders, plow trucks, a lot of road improvement and a lot of road equipment. She said that that was because we were able to make the argument that without those roads they would not have economic development.

**6:22 PM**

Mr. Lee said that an example for Eliot might be what he has heard suggested about building a parallel road to Route 236 that might sustain other types of professional services, doctor's offices, etc., then that might be a case we could

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make; to help offset the traffic on Route 236 or clean up the egress, the access management, etc.

Ms. Fortin said that she would go out on a limb and say that you would be able to cover that if the idea is to encourage office development; if it's to encourage economic development off Route 236 then you could definitely cover that.

Mr. Murphy said that the money we get will stop at the end of 30 years but, if we have set up a revolving fund to support stuff, does that stop at 30 years or could we, in a sense, keep it going forever; that we gain some money and we use it in a revolving way over and over again.

Ms. Fortin said that that was a very good question. She explained that you can't keep using TIF money forever and ever but, yes, you could otherwise have all those people who repay set that in a slightly different account and that, over time, would be your new source for your revolving loan fund so this could essentially be seed money for a revolving loan fund that goes on and on in perpetuity.

Mr. Pomerleau said that, regarding helping the tax rate, one example that jumped out at him was that someone purchased a new fire truck; that that would help lower the tax rate.

Ms. Fortin said that the fire trucks are funny; that when she first started doing TIFs you couldn't do that, early on, and it is now so routine that she wouldn't even blink if you said you wanted to buy a fire truck. She added that she saw fire trucks and fire stations routinely and she would certainly throw that in there; that, again, it didn't obligate you to buy one but, at least if you wanted to and it was approved, then you could buy it with TIF funds and not with your general fund money.

**6:25 PM**

Ms. Shapleigh asked for clarification regarding the revolving loan idea and who would repay this TIF money.

Ms. Fortin clarified that Mr. Murphy was asking about if we did a revolving loan fund; that that was one option you could consider. She said that one of the projects could be setting aside X number of dollars a year, say \$100,000 or \$50,000, of TIF money in a separate account and that would be called your revolving loan fund and, then, someone wants to expand their business or start a new business and they could just use a little help to get going; that you could set up a process by which they can apply to the Town for a loan. She added that you would take your TIF money out of that account, lend them money, and they would eventually pay you back; that when they pay you back it isn't TIF money anymore; that towns that do this are willing to incur some risk because they are

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trying to help people get started. She said that revolving loan funds are very common in TIFs.

Mr. Lee said that he ran a micro loan pool in the Town of Mechanic Falls for that very thing; that it was around for years and years. He said it was a source (EDA) of funds we got to set up a loan pool and that money had long disappeared; that we were living on the interest and, to this day, they are still making loans off that interest. He added that, at first, he was skeptical about how we would ever get these loans back but we had only a 1.5% failure rate over the 16 years he was there. He added that they are really quite successful; that he has seen things like the whole downtown agrees that they would like to give grants to storefronts so that everybody will have a yellow awning or a common facade, for example.

Ms. (Donna) Murphy asked, if that was set up, who sets the criteria for who is eligible for the loan and who makes the final determination of who gets that loan.

**6:28 PM**

Mr. Lee said that there were lots of models for that.

Ms. Fortin said that she has many, many, many times written a revolving loan fund into TIFs but never been involved in how it is implemented.

Mr. Lee said that he thought we could even subcontract it out to SMRPEDC (Southern Maine Region Planning & Economic Development Commission) now; that they would probably handle the loans, payments, collections, etc.; that they have their own criteria, their own separate loan committee; that we can get all that if we go in that direction.

Ms. Fortin discussed a really good success story on that topic called the Stetson Mountain Wind TIF Project (available online) in Washington County; that they created a revolving loan fund for businesses to get matching grant money that leveraged even more money, which created jobs, etc.

Mr. Pomerleau asked, regarding downtown development TIF's, if there were matching grants available.

Ms. Fortin said that Mr. Lee would probably know more about that than she does. She added that, in her experience with downtown TIF's and the big reason she works with towns that think about doing that is that the statutory limits go away. She said that there are two big limits that inhibit the size of a TIF district – the acreage limit (2%) and the value limit (5%). She discussed the casino in Bangor being captured for the downtown development and that the new Bangor Cross Center (auditorium) is, in part, paid for by TIF funds that come from that casino. She reiterated that, when she says this program is flexible and you can do a lot of things, it really is flexible. She added that she was pleased because it sounds like

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this Town has moved to a much more positive place; that you have a really great opportunity; that you have a pretty big TIF District, you have a lot of money, you have a lot of options and she really loves what she is hearing tonight; that people sound invested and involved and let's get together, be positive, and figure out what to do with it. She said that she thought there were a lot of really cool things you could do.

**6:32 PM** Ms. (Rosanne) Adams discussed the charge of the committee. She said that she agreed with Mr. Pomerleau that you start with the Comp Plan to see what you might do and, as far as how high-level or low-level we are looking at, she thinks it's somewhere in the middle and geographically composed. She added that you need to look at out-there things but, also, some specific things, such as a revolving fund or whatever the committee would come up with; that she thought they needed to engage the public, have a number of hearings, and let the public rate the projects they come up with and, maybe, do them all. She said that the public has to buy into it and, in order for that to happen, they have to be kept informed of the meetings and be engaged; that it's not enough to just announce there's going to be a public hearing; it has to be in front of the people, continuously, the way the Comp Plan was.

Ms. Fortin said that it sounds like what would work well in this Town is a process that maybe has a committee, workshop, committee, etc.; that what she thinks she is hearing is a desire for a lot of public input; that that was something the Selectmen could consider as to how to structure that.

Mr. DePaul asked if the projects would be written up as a detailed business plan.

**6:35 PM** Ms. Fortin said that she did not think of it that way but we may be using different language to look at the same concept, which is how you want to promote economic development in Eliot.

Mr. DePaul used the solar array as an example; that if we wrote a certain business plan and wrote a certain model that offered new businesses free electricity and they have to have a facility worth, let's say, \$1 million and have to employ at least 50 people then that's a business plan; that that's his point and thinks they could write that. He also thought it was very important that all these projects have a solid business plan that goes back to economic development for the Town.

Ms. Fortin reiterated that she might be using different language to get to a similar place but she doesn't think of it in terms of a business plan for projects. She said that each project has to have an economic tie but it's hard to nail down...if she thinks about some of the examples in the packet list such as the fire truck...

Mr. DePaul agreed that it was a stretch on some of these projects by face value.

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Ms. Fortin explained why she didn't focus, in her mind, on the business plan; that there were a lot of people here, there were a lot more people who aren't here, there are a lot of different views on how to use this TIF money and gave examples. She said that, for instance, you all want to encourage new businesses in X, Y, Z part of Town and one way that towns do that is they create a business park, they pave a road to it, they run power, they create lots; that that is one concrete way to drive and encourage business to a specific area; totally legitimate and you may want to do that. She added that another interest that she has heard at least once tonight, and she was pretty sure there were other people thinking this, is this TIF thing is great but they want their tax rate to go down; that she was saying that a fire truck may not have a clear business plan tied to drive economic development but it is a legitimate way to use your TIF fund that at least satisfies some people to help on the mil rate. She said that her point was that there are a lot of interests and a lot of ways to use this money and they don't all have kind of a clear-cut business plan.

Mr. DePaul thought that you could write a solid business plan for a fire truck, as an example in northern Maine, as it is a remote area and, if companies didn't feel comfortable building a facility too far out of town from adequate fire services.

There was discussion on whether purchasing a fire truck could apply to Eliot.

Mr. Fisher said that he thought that we do need a fire truck in Eliot to put out propane fires in Eliot because of the big tank at the PNG site and now the trucking business there, as there is no one in the area that can put out propane fires.

Ms. Fortin said that that is an example of the type of discussion that justifies a project, or not, and then it is for you all to decide. She added that she could make an argument for it but that doesn't mean it's the right thing for Eliot; that's your job.

**6:39 PM**

Mr. Lee said that the thing we are trying to get done tonight, primarily, is to figure out if we want a lay group of committee members that have a charge that is not way up 'here', probably not way down 'here'; that he was kind of with Ms. Adams that it probably is to go through all the potential types of projects that you can see on that list and say, "Acquisition. I don't want the Town acquiring and building a business park. I do not want our money going into that. I don't trust them to do it properly and I think X on that one. I don't think that one should be utilized."; to go down through and where would those projects be, line them up against the CIP, line them up against the Comp Plan and put together your best ideas of what you think we could use and where we could use it that is consistent. He added that he thought another charge is what he and Mr. Lentz have talked a bit about, which is that, at your very first meeting, set up the criteria of what is a project that is likely to have broad appeal and what is likely to have a narrow

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appeal; that perhaps what we did the first time was a narrow appeal but the criteria and a list of projects that would be involved in this new TIF, where they're located and, roughly, what you think we might do with that he thought was what we might like to see; that they could then workshop it, narrow it down, flesh out some details, narrow it down further, flesh out some details, narrow it down further until we are left with a couple of really decent projects that really fit the bill. He added to let that be driven by a group of citizens, PB review, CPIC review, Selectmen workshops to hear it out. He said that he thought that would be a neat process; that he thought that would appease most of the people here and asked if that was about where we are at.

**6:41 PM** There was general agreement from the audience members.

Mr. Lee said that he would defer to the Board Chair on other feedback they would be looking for tonight.

Mr. Beckert, as a Chair, listening to what has gone on, he thinks that's spot on; that he encourages getting the public involved in the committee, get their input, get the ideas, get it narrowed down, then, it goes to the feasibility issue.

Ms. Fortin said maybe a workshop to get feedback.

Mr. Beckert agreed, then they could go to the feasibility issue with the PA asking her how 'this' fits in with the zoning and that type of thing; having Ms. Fortin weigh in on whether it would go through the TIF statute; is it even possible. He also said that one thing he heard immediately was whether we would have to redraw the map; that once the ideas and areas of Town are developed we will need to determine whether the map will need to be redrawn, added to, or split up.

Mr. Lee discussed a timeframe. He said that, if you think about this with the end in mind, at some point it has to go to a vote; that whatever this new project is, the new re-purposed TIF has got to go to a vote. He added that, before we get the committee even appointed, before we get the applications, it's probably going to be late January before that group is seated up; that around holidays it tends to be hard, etc. He said that, if it is January before the group starts, we will have to have a number of meetings, a number of workshops, etc., and we don't want to hurry this probably; that we probably ought to get this right and not go out with something that is really incomplete and there are questions. He asked if we are shooting for June 2016 for a vote, or November 2016. He said that one of the things this committee would have to discuss immediately is what is a reasonable timeframe to accomplish all this stuff; get the proposals, the public hearings, the information out to people several times, you know, what is a reasonable timeframe, then recommend that back to the Board; that they would need 18 months, or 24 months, maybe, but he thought that was another key piece at that

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first meeting along with deciding consensus versus voting, criteria development and, then, the timeframe and do it project-management style, as was discussed; let's take this in bite-size pieces.

**6:43 PM**

Mr. Fernald said that, with all due respect to everyone in the room, he thought they needed to choose and make sure that we have a broad selection of people from all over Town and that selection, itself, was going to be somewhat challenging; that we need to come up with how we're going to do that and how many people are actually going to be on that list.

Mr. Lee said that it would be his recommendation, if the Board was so inclined, is for him to begin putting together, from this meeting, an outline of what he heard tonight and some of those criteria – either a 7-person committee or a 9-person committee, geographic distribution and maybe age distribution, background, etc. to get a good mix. He added that he could make a proposal to the Board, the Board could doctor it up a little bit and say that is what you want – the size of the committee, the charge, the timeframe – and if that gets endorsed then we start seeking applications to populate the committee.

The Board agreed.

Ms. Shapleigh asked if we could use some of the TIF funds to put out a survey to all the residents of the Town before much more time has passed.

Mr. Lee said that we have allocated some money from the TIF fund in support of his salary, in part, and for some legal and also, he thought, for consulting, which he thought could be used for doing surveys to get feedback.

**6:46 PM**

Ms. Fortin agreed and said that that's a great idea.

Ms. Shapleigh said that people aren't coming to meetings and, maybe, if they get a survey and a reminder in the mail with a plea on it to please answer because it is their community; that she thought it would be good to send out a survey even before the committee is formed to find out what the community wants.

Ms. Saurman discussed the potential need for the committee to have a budget, especially to keeping the Town truly informed.

Ms. Fortin said that you can use TIF funds to administer the TIF and she would put this in that category.

Mr. Lee said that we did a flyer in the Weekly Sentinel that gets to every resident in Eliot for about \$300; if we do our own photocopying, we could do that several

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times over 18 months with a survey; here's the big list and the short list; the big meeting; the big, big meeting, etc.

Mr. Pomerleau asked, once the Town decides, how long it would take Ms. Fortin to draw up a plan.

**6:48 PM**

Ms. Fortin said that we will not wait until the end for all of it. She added, for example, one thing that's really helpful as a planning tool is to run Mr. Murphy's projections so we have some idea what you've got for money. She said that she thought it would only be a matter of updating because you already have some and the money is coming in; that the Town has a pretty good handle on what kind of money we're talking about. She said that it would be great to have between 2 and 4 weeks to pull it all together because we will probably work with engineers on maps and with somebody else on numbers and she has to draft and you have to look at it.

Mr. Lee asked about DECD approval.

Ms. Fortin said that DECD calls it pre-flight; that that isn't approval, She explained that what anyone who typically works with TIFS is that we write up the document and then go meet with DECD, in advance, and really what they focus on, from a town perspective, is your projects; that if there are any questions she will have to justify why that's an economic development project. She said that the important thing for you is that we do that in advance so that by the time you have a Town-wide vote, we already know you aren't going to have trouble with DECD, for the most part; that we won't send anything up to Augusta that has big, red flags on it. She said that that will be done as we go along or as questions arise.

**6:50 PM**

Mr. Lee asked, if we built in 6-8 weeks for the final approval-type process, would that be adequate.

Ms. Fortin said that in terms of once you approve it at your level and it goes to DECD...it's really hard for her to say but 6-8 weeks should be reasonable, depending on the time of year; that in the spring there is a floodgate of TIF applications; that if you wrapped up in July, which is pretty slow, she thought you could get approval in a month or 2 months. She added that the Town would want to give the DECD some lead-time because she couldn't guarantee their workload.

Ms. Saurman asked the Board how they would decide what kind of folks you are looking for; how does that get decided.

Mr. Lee said that he is going to try to draft something that makes some sense.

Ms. Fortin said that this was a really great discussion and glad to see so many people really interested.

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Ms. (Melissa) Horner said that she doesn't know where this falls into everything but she thinks it's really important for the community to remember that money is going to keep coming in as we decide projects; that it might be okay to decide on a smaller project, to start, while more money keeps coming in, more to what Mr. Lentz was saying about phases.

**6:52 PM**

Ms. Fortin said that she would encourage people not to limit themselves because it is better to have a long list and not do it all than have a short list and fight over which ones you're going to do; get a nice, healthy list.

Mr. Lee said that the list we had in Poland went on for 2½ pages and one of the things you have to do is, for each of those projects, you have to project how much of the total amount of your TIF might go into, for example, each one of these line items.

Ms. Fortin said that you will see that there are numbers done, so, what we'll do is look at what the TIF is generating for revenue now and project that out. She added that it is an impossible exercise because who knows what it is going to generate 25 to 30 years from now but you do the best you can to just do a projection, so, let's say at the end you might have \$40 million and thinking you want to have enough projects in there to fill \$40 million, then, you are not going to have six projects on your list.

Ms. Adams said that we are already about five years into this and we are just amending the TIF, not starting a new TIF, so we have 25 years.

Ms. Fortin agreed.

The Board thanked everyone for coming and for their input.

**Adjourn**

There was a motion and second to adjourn the meeting at 6:55 PM.

**VOTE**

**4-0**

**Chair concurs**

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**DATE**

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**Mr. Grant Hirst, Secretary**