

**OFFICIAL MINUTES: Business Meeting**  
**Eliot Tax Increment Financing Committee Meeting**  
**Eliot, Maine 03903**

**DATE: December 13, 2018**  
**APPROVED: January 3, 2019**

**OFFICERS:**

**Chair: Michael Dupuis**  
**Vice chairman: Michael Moynahan**  
**Secretary: Sarah Plocharczyk**

**RECEIVED**

**JAN 04 2018**

**ELIOT, MAINE**

The meeting was called to order at 6:02 PM at the Eliot Town Hall.

**In attendance:** Charles Bradstreet (Charlie), Edward Henningsen (Ed), Michael Dupuis (Mike), Sarah Plocharczyk, Randall (Randy) Stewart, Caleb Sloan, Douglas Greene, and Dana Lee (arrived late due to Select Board)

**Absent:** Michael Moynahan

**Public input:** Jessica O'Donoghue, Bob Pomerleau, Alex Orestis (arrived late due to Select Board) no comments.

Michael Moynahan indicated that he may be is-stepping down from both the TIF committee as well as Vice Chair. Alternate member required to step into regular member position. Caleb Sloan to fill in as regular member. Ed made a motion to have Caleb fill Michael's position, Charlie seconded. All in favor 4:0. Charlie motioned to have Ed as the Vice Chair, Caleb seconded. All in Favor 5:0.

Motion to approve last meeting's minutes. Charlie submitted a motion, Ed seconded. All in favor 5:0.

Discussion with Shana Cook Mueller regarding Eliot's TIF projects and limitations. Shana gave her background experience regarding her representation of various municipalities on TIF work. She was involved in 2009 developing Rt. 236 TIF district. Works alongside Joan Forton. TIF amendment that passed last June being reviewed by DECD who has requested some revisions prior to issuing an approval letter. Then it is within the town's authority to choose from the approved list of TIF projects on what to spend money on.

Around the room questions:

Ed: Still want sewer down Rt. 236. How do we get that back on the approved list of options? Can we put it to a vote to the town to put it back on the list? Shana: The amendment that passed last June includes infrastructure on Rt. 236 so that may be included. Randy: Water and power are included in that infrastructure, not sewer. Bob Pomerleau: By putting sewer on Rt. 236 would be circumventing what voters want. Last Select Board went through many efforts to advise voters that no sewer would be included in last June's TIF vote and that passed.

Shana: Would need a TIF amendment process to get sewer added to Rt. 236. Voters would have to approve the amendment which would then be reviewed by the state for compliance (which is currently

being done for June's vote). Charlie: We could go through the process of making a recommendation to the Select Board to put an amendment before the public to vote on, if we wanted. The TIF can be amended as long as we add TIF projects that meet the state requirements.

Mike: What year does the TIF District end? Final year is FY 38/39. Shana: Some towns decide to end their TIF districts early when they run out of projects that they want to spend money on. Priorities and projects change over time – would need an amendment to update and change the TIF menu in these instances. Mike: Are we maxed out on acreage in the TIF? 5% of town acreage is the limit for all TIF districts. 2% of town acreage for a single TIF district. Current TIF district at 1.87% - not much left to add to this particular TIF district. To put parcels into a TIF district 1) project will increase the land value that generates TIF money and 2) get approval faster by the state if a TIF project is in TIF district. If a parcel is in Land Trust is it a good idea to be in the TIF district? Shana: Probably not good to be in the TIF district – not increasing property value. If there are going to be map changes you would need the full TIF amendment process. Could we put in sewer to support an approved project? TIF funds can be used for acquisition and financing of a facility if that is required of that particular facility, infrastructure could support that. TIF might pay for that sewer but you would need to be very careful. May be better if potential TIF project could be connected from existing system or extended from existing system.

Comments from DECD from last June's amendment: There is some reluctance on projects that concern "multiuse." They don't want this ending up being a municipal rec center. Want more emphasis on tourism or economic development. Could prorate costs if shared for municipal use. Also, elder care is not approved TIF stature but child care is. Daycare is a physical building while the operation of child care is left to a private firm. In Shana's experience no town that she is aware of has ever used TIF revenue for daycare facilities. TIF money can be used to build the facility then it could be rented to a childcare provider. Additionally, training programs supported by the TIF statute would be used to develop a workforce for businesses that are IN town.

Randy: The elementary school runs after hours school care for school aged kids. Bob Pomerleau: Kids Play program qualifies under TIF statute – idea was to provide a facility to house them that would provide summer care. Never envisioned competing with private childcare facilities in the area. By providing a facility that would reduce the overhead costs and allow for lower operating costs by whatever childcare firm is using the space built by TIF funds. Bob worked with Joan on this previously and agrees that no towns have done this so far. Doug: Kittery has been very successful with programs that are run out of the Frisbee School.

Sarah: Currently the waiting list to get into the shipyard's daycare program is years long. Shipyard employees are eligible for getting paid the difference when they have to take their children to private daycares because the shipyard's is full but they must meet the same accreditation/certification as the shipyards, which most don't. Additionally, there is a shortage of certified daycare providers that is preventing the shipyards daycare facility from expanding. If we built the childcare facility and it had the same accreditation as the shipyard's there is a high likelihood of it doing well with all the shipyard families in the area coming down Rt. 236. Also possible training program for certified childcare providers?

There is concern about the town competing with private business for childcare services – perhaps TIF funds can be used to improve existing facilities?

Mike: Are engineering and consulting services covered by the TIF? Our concern is that we do not want to continue past failures with TIF projects. Could be covered by current TIF menu.

Charlie: What exactly is considered economic development? Using the sewer as an example, if that was put in it would increase property value, correct? Shana: Any residential incidental use might be okay but it MUST go to a business. TIF money cannot be used to boost residential property value solely.

Randy: What would be the consequences to dissolve the TIF and put it into the general fund to reduce taxes? Would the town have to pay a penalty? Shana: If you wanted to go that route I would recommend that going forward you would no longer shelter tax value in the district and spend the accumulated TIF money on TIF projects that way no penalty would be invoked. The TIF district would be kept because if the district is cancelled the accumulated TIF funds cannot be used. You would have to do this through the amendment process. Currently roughly \$500,000 is generated annually by the TIF district which will increase to roughly \$1.5 million with the new compressor station. Bob: If we went that route significant tax reductions could be made. Sarah: But if dissolved the TIF district now and payed off taxes that would be a short tem solution as Eliot relies mostly on residential property for income. By not diversifying (investing in economic growth), eventually taxes will go up. .

Caleb: Do you (Shana) have a top ten list of successful TIF projects completed by towns? Majority of towns do major infrastructure projects in conjunction with a TIF approved project so they get more bang for their buck, i.e. a bond that coincides with a TIF project. A list would be difficult as each municipality has different statutes. But as an example South Portland did a combined sewer that resulted in 50% discount with TIF cost savings. Caleb: What about low cost housing? Shana: There is a separate statue for that through the Maine State Housing Authority that is separate from the TIF. How that could relate to the TIF would be rental housing geared towards businesses.

How the town allocates TIF money has to be put before voters for approval. It might be helpful for voters to know that it is TIF money being spent on a project and not tax money.

Amendments to the TIF can happen quickly if supported by the Select Board and put to a vote, but it will have to be approved by the state (as last June's is currently being evaluated) so may want to stick with currently approved TIF menu.

Caleb asked Dana why the sewer was not approved in 236 in the past and if he could provide some history. Dana provided history on sewer on Rt. 236. Also provided clarification that there is currently no land in the TIF district that is being used for Land Trust, the parcel in question is for use, the orange that appears on the TIF district map, is the 1/3 of the parcel, the other 2/3 of the parcel are white and not included in the TIF district as will be used for conservation. River road will probably need sewer in the future, if that would be taken care of in conjunction with a TIF project it would kill two birds with one stone.

Rt. 236 traffic and safety a concern. Currently a CACS study is being done on a portion of Rt. 236 in Kittery. Probably don't want the town to take over a state road. Dana or Doug will contact the state to see if there is a 2 or 5 year plan for Rt. 236. Sarah: The shipyard is increasing its hiring and with more boats on yard I would expect traffic on Rt. 236 to increase in the future.

Previous question of can we run a road along a utility corridor? No, you can run a road perpendicular across power lines but not parallel.

For future meeting we should focus our efforts and what TIF projects we would like to pursue. Perhaps an updated survey of the town to see what projects they would want to see? Bring back Chuck Lawton to do another survey/consult? We should also come up with a timeline on what we want to see accomplished and when. Future meetings will be held on the first Thursday of the month. Next meeting 3 January 2018.

Bob: An alternate member cannot be voted to be a regular member by the TIF committee, it would have to go to Select Board to fill the vacant regular members spot with an announcement. If an alternate was approved as the new regular member then another announcement would need to go out for a new alternate position.

Action Items: Dana will contact Chuck Lawton and DOT. Also post an announcement for a regular member on the TIF committee.

Charlie made a motion to adjourn, Ed seconded, unanimously approved. Meeting adjourned at 7:43 pm.

Respectfully submitted,

Sarah Plocharczyk

Secretary, TIF Committee

Cc: Eliot Town Clerk, Commission Members, Commission File

CC/ Approved Mike Dupuis, Chair 01-03-19