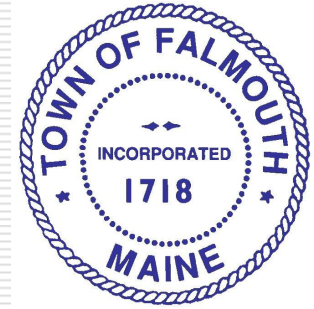


# Town of Falmouth

---

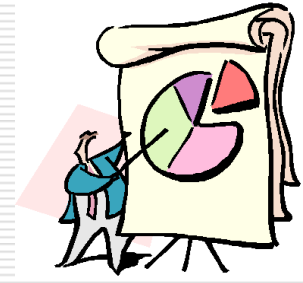


## 2008 TIF Update

Town Council Presentation April 15, 2008

# Tonight's Presentation

---

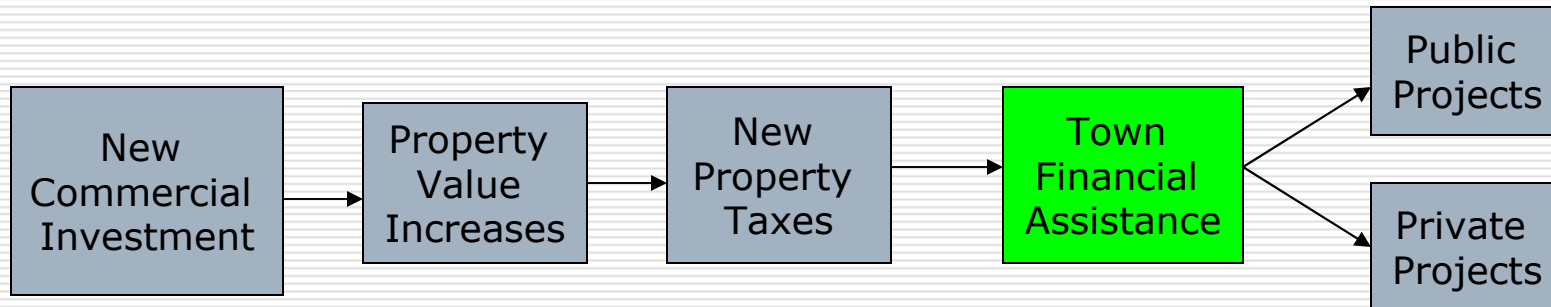


- ☐ TIF 101
- ☐ Falmouth TIF history
- ☐ Financial performance
- ☐ Projects completed with TIF funds
- ☐ Proposed 2008-2018 TIF Development Program
- ☐ Next steps for Town Council

# TIF 101: What is TIF?

---

- ❑ TIF = Tax Increment Financing
- ❑ State program to encourage local economic development
- ❑ Provides for financial assistance for public and private projects by using new property taxes that result from new commercial investment and corresponding property value increases



# TIF 101: How does it work?

---



- ❑ Town to target and designate a geographic area for business growth ("TIF district")
- ❑ Town to anticipate new private investment in that area (anticipate new tax revenues)

# TIF 101: Example

---



- ❑ Area = 100 acres
- ❑ Current value = \$1,000,000
- ❑ Mil rate = \$10.00/\$1,000 value
- ❑ Current taxes = \$10,000

# TIF 101: Example Future

---

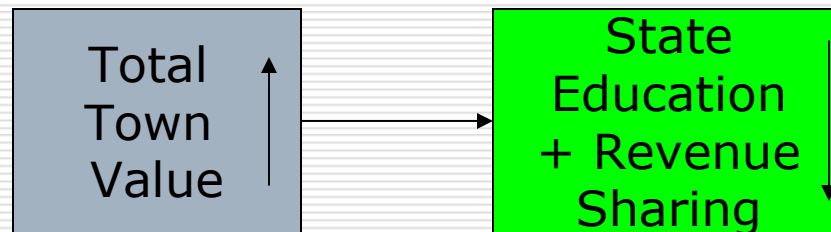


- ❑ "TIF district" = 100 acres
- ❑ Add new value = \$9,000,000
- ❑ Total value = \$10,000,000
- ❑ Mil rate = \$10.00/\$1,000 value
- ❑ New taxes = \$100,000
- ❑ Tax Increment = new taxes *minus* old taxes = \$90,000

# TIF 101: Role of “Tax Increment”

---

- ❑ State of Maine education and revenue sharing subsidies to the Town are based on total Town property valuation



- ❑ Additional new value (ex. \$9,000,000) does NOT get included in total Town valuation
- ❑ As new investments are “sheltered”, the State’s subsidies to Town are NOT reduced

# TIF 101: Spending Options

---



- for some or all of tax increment funds -
- ☐ Retire bonds issued by Town as part of the project ( typ. infrastructure)
- ☐ Compensate the investing business for development costs (do "credit enhancement agreement" or CEA)
- ☐ Fund eligible municipal economic development activities



# TIF 101: Things to keep in mind

---



- ❑ TIF districts may be designated for up to 30 years
- ❑ Min. 25% of district must be suitable for business development
- ❑ Expenses can be for improvements within or outside District, as long as they are directly related – physically or operationally - to the District

## TIF 101: More things to keep in mind

---



- ❑ Acreage cap:
  - Each district may not exceed 2% of total Town acreage
  - Total may not exceed 5% of total Town acreage
  
- ❑ Value cap:
  - May not exceed 5% of total Town value at time of designation

# Falmouth TIF History

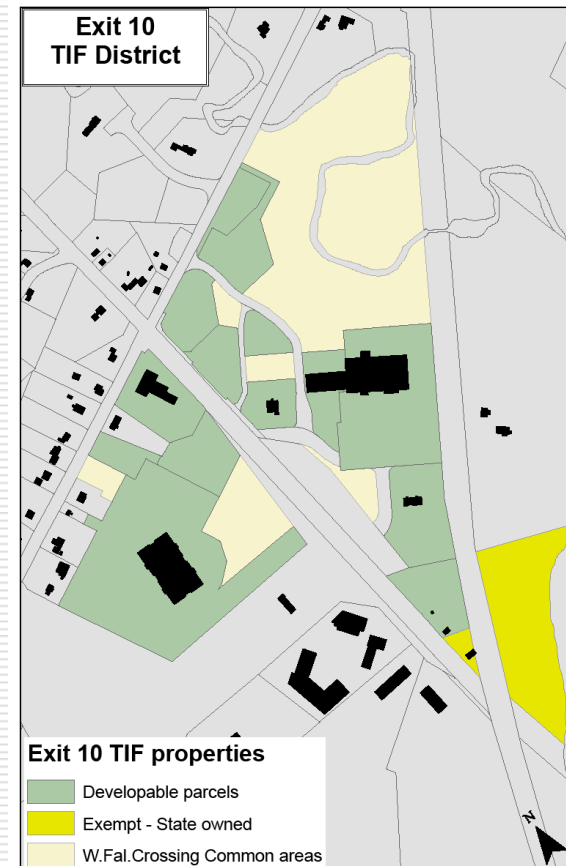
---



- ❑ 1998: West Falmouth Crossing (Former "Exit 10")
- ❑ 2000: Route One (North and South)
- ❑ 2005: Development program amendment (for both districts)
- ❑ 2008: Addison Capital amendment (Route One TIF)

# West Falmouth Crossing TIF

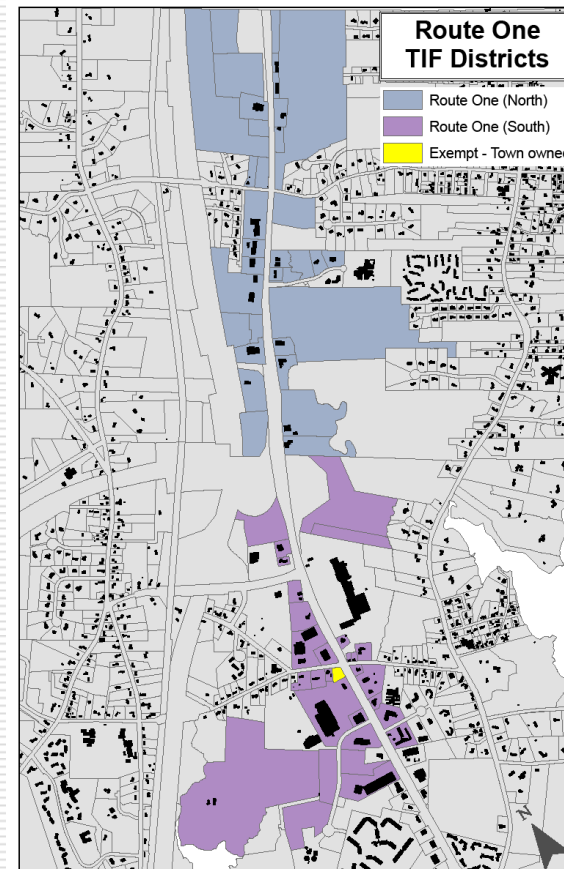
- ❑ Established 1998
  - ❑ 59.74 acres
  - ❑ Hannaford +  
TD BankNorth
  - ❑ 25 year TIF (ends: 2023)
  - ❑ 1998 Credit  
Enhancement:
    - Year 1-16: 90%  
(subject to annual cap)
    - Year 17-22: 60%
- to repay privately-funded  
sewer extension



# Route 1 TIF

---

- ❑ Established 2000
- ❑ North: 252 acres
- ❑ South: 142 acres
- ❑ Wal-Mart, Shops at Falmouth Village, Tidewater
- ❑ 20 year TIF (ends: 2020)
- ❑ 2008 Credit Enhancement: average of 55% to Addison Capital for 15 years



# TIF Caps

---



## ☐ Acreage cap (max. 5%)

■ West Falmouth =	0.32 %
■ Route One North =	1.33 %
■ Route One South =	<u>0.75 %</u>
Total =	2.4%

## ☐ Value cap (max. 5% at time of designation)

■ West Falmouth =	0.06 %
■ Route One North =	1.59 %
■ Route One South =	<u>3.06 %</u>
Total =	4.71%

# Financial Performance

## West Falmouth Crossing TIF

---



- ❑ 1998 Base Value: \$553,000
- ❑ Projected investment/added value at time of inception: +\$22.1M
- ❑ Captured value 2007: +\$44,899,600
- ❑ TIF funds expended since 2000:
  - Returned to developer: \$1,749,674
  - Town projects: \$458,833

# Financial Performance Route One TIF

---



- ❑ 2000 Base Value: \$41,602,300
- ❑ Projected investment/added value at time of inception: +\$23.3M
- ❑ Captured value 2007: +\$42,238,400
- ❑ TIF funds expended since 2001
  - Returned to developer: \$0
  - Town projects: \$1,778,638



# Completed Projects

---



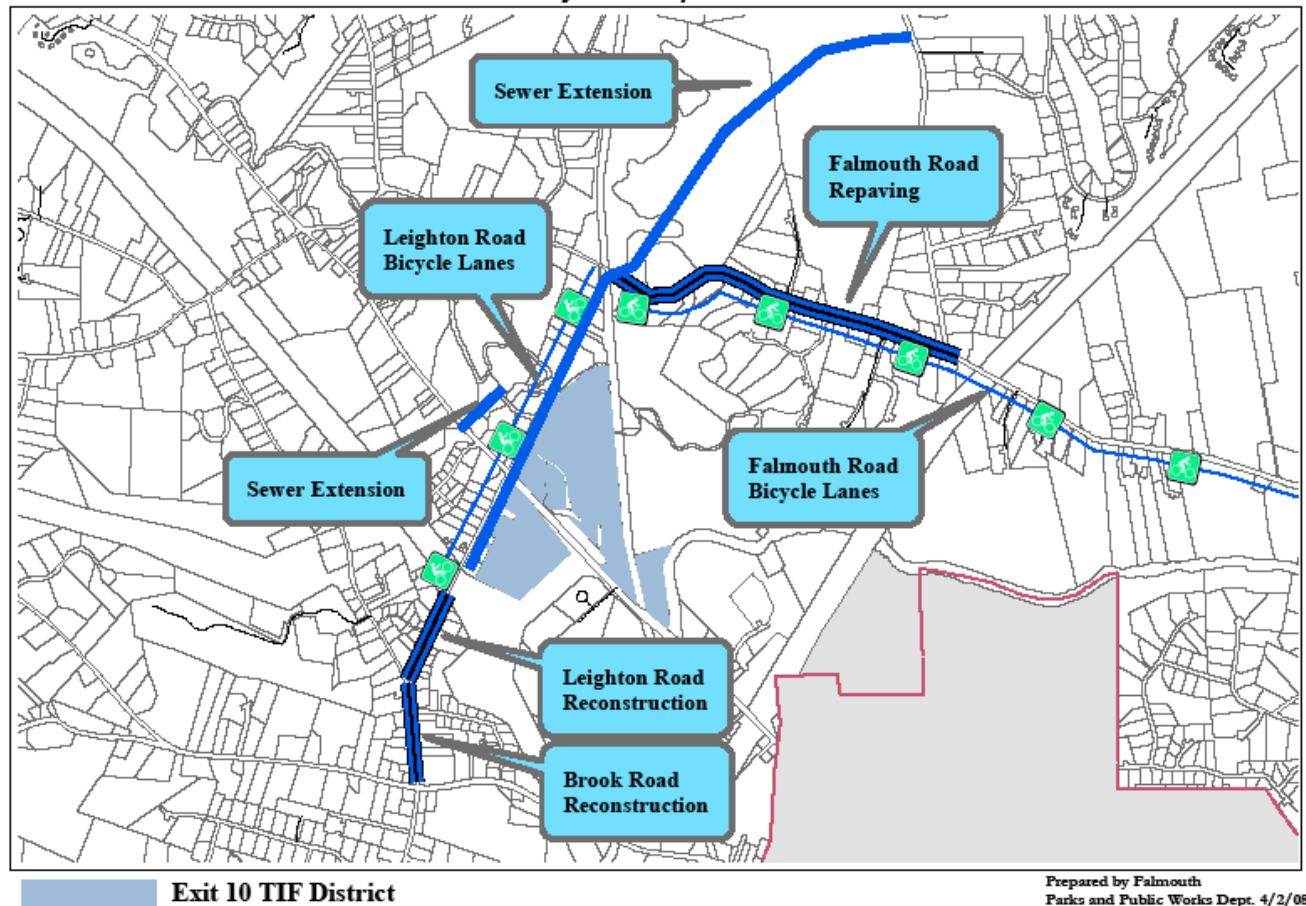
## West Falmouth TIF

- ☐ Developer: 80%
- ☐ Roads: 12%
- ☐ Sewer: 8%

## Route One TIF

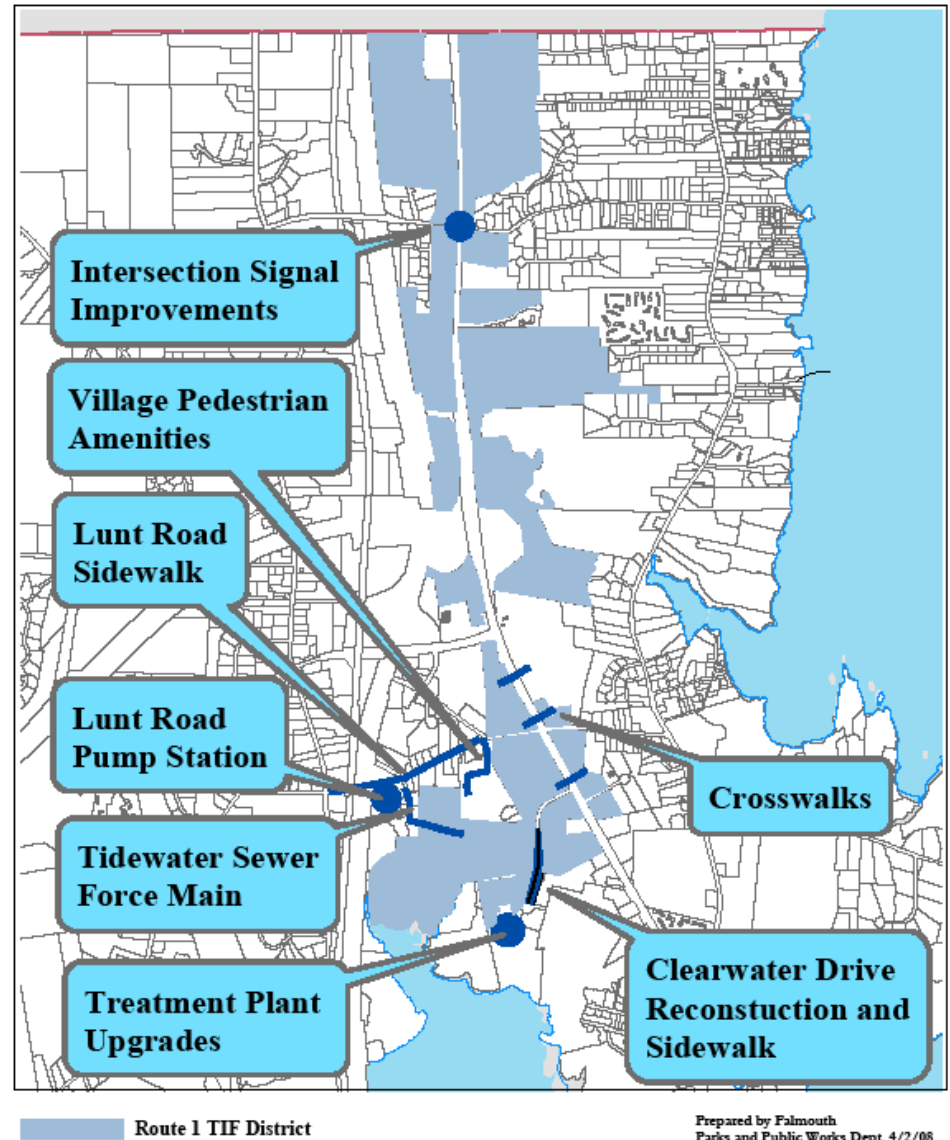
- ☐ Developer: 0%
- ☐ Roads: 60%
- ☐ Sewer: 31%
- ☐ Sidewalks: 9%

# Completed Projects – West Falmouth



# Completed Projects Route One

---



# Let's Look to Next 10 Years...

---



## **West Falmouth TIF**

- ☐ TIF ends 2023
- ☐ Captured value 2007:  
\$44,899,600
- ☐ Captured tax 2007:  
\$655,534
- ☐ Projected TIF income  
2008-2018: \$7.8M

## **Route One TIF**

- ☐ TIF ends 2020
- ☐ Captured value 2007:  
\$42,238,400
- ☐ Captured tax 2007:  
\$616,680
- ☐ Projected TIF income  
2008-2018: \$6.6M

# Proposed 2008-2018 TIF Development Program

---



- ☐ Project List:  
Project Description  
+ Cost Estimate
- ☐ Capital  
Expenditures by  
Year 2008-2018
- ☐ Capital Expenditure  
Balances

# TIF Project Descriptions



## Town of Falmouth Tax Increment Financing – 2008 Development Program Update

Draft: April 8, 2008

WEST FALMOUTH TIF				
Project Name	Scope	Approximate cost	Proposed Fiscal Year(s) Ending	Notes
<b>Roads</b>				
Brook Road Reconstruction	Blackstrap to Westbrook line	\$386,240	2010	The Leighton to Blackstrap section was done with sidewalk in 2007. The Blackstrap to Westbrook line section is in PACTS/MDOT work plan with TIF funds to pay local match plus sidewalk cost. Inclusion of sidewalks as part of this project is yet TBD.
Brook Road Reconstruction	Leighton to Blackstrap	\$205,700	2007 carry-over to 2008	
Intersection Falmouth/Winn Road		\$100,000	2007 carry-over to 2008	GPI did analysis to create T-intersection. This is in Town work plan for 2008 as part of Falmouth Road reconstruction.
Falmouth Road Reconstruction	Leighton to Winn	\$200,000	2008	This project is in Town work plan for 2008.
Route 100 Reconstruction	Leighton to Mountain Road	\$100,000 sidewalk only	2011	This is an unfunded MDOT project to reconstruct Route 100. The Town would fund the local match. Project would also include storm drainage, sidewalks and bicycle lanes. Potential sewer extensions in this area should be evaluated. Scope could also include improvements on side roads, such as Mountain Road (section from Turnpike to Route 100) and Marston Road.
Blackstrap	Turnpike overpass to Portland line	\$85,000	2009	

# Capital Expenditure Schedules



TIF West Falmouth Capital Expenditure Schedule 020-2597		
Year	Expense	Explanation
<b>2007</b>		
W Falmouth Sewer Bond	\$40,484	
Developer Refund	\$338,865	
Lunt Road	\$37,544	
Rt. 100 Sewer to Marston St.	\$76,874	
Sewer Line Infiltration Reduction	\$148,620	
Brook Rd Recon - Leighton to Blackstrap	\$4,300	
Total	\$646,687	
<b>2008</b>		
2007 Carry-over: Intersection Falmouth/Winn Rd	\$100,000	
2007 Carry-over: Brook Rd Recon - Leighton to Blackstrap	\$205,700	
W Falmouth Sewer Bond	\$41,422	
Developer Refund	\$361,455	
District Operations	\$41,500	
TIF Staff Time	\$23,580	
Falmouth Road Reconstruction - Leighton to Winn	\$200,000	
Total	\$973,657	
<b>2009</b>		
W Falmouth Sewer Bond	\$40,953	
TIF Staff Time	\$40,487	
GIS Maintenance	\$3,750	
Blackstrap - Turnpike overpass to Portland line	\$85,000	
Developer Refund	\$370,170	
Total	\$411,123	
<b>2010</b>		
W Falmouth Sewer Bond	\$40,484	
Developer Refund	\$378,193	
Brook Road - Blackstrap to Westbrook Line	\$386,240	
TIF Staff Time	\$41,702	
GIS Maintenance	\$3,750	
Wayfinding / Signage	\$25,000	
Total	\$875,369	
<b>2011</b>		
W Falmouth Sewer Bond	\$40,015	
Developer Refund	\$387,703	
GIS Maintenance	\$3,750	
TIF Staff Time	\$42,953	
Rt 100 Sidewalk	\$100,000	
Leighton Road Sidewalk	\$75,000	
Total	\$649,421	

# Capital Expenditure Balances



Town of Falmouth  
TIF West Falmouth Capital Expenditure Schedule  
2007 - 2008 Budget

Account	020-2597									
	[a]	[b] Plus	[c] Plus	[d]	[e]	[f] Less	[g] Net	[h] Subtotal	[i] Plus	[j] Projected
Year	Beginning Balance	Budgeted Funding	Misc. Revenue	Subtotal Reserve	Capital Purchases	Trade-In Value	Capital Purchases	Less Purchases	Interest	Ending Balance
2007	590,385	583,646	-	1,174,031	646,687	-	646,687	527,344	-	527,344
2008	527,344	655,534	-	1,182,878	973,657	-	973,657	209,221	-	209,221
2009	209,221	665,367	-	874,588	411,123	-	411,123	463,465	-	463,465
2010	463,465	675,348	-	1,138,813	875,369	-	875,369	263,444	-	263,444
2011	263,444	678,724	-	942,168	649,421	-	649,421	292,748	-	292,748
2012	292,748	682,118	-	974,865	684,394	-	684,394	290,471	-	290,471
2013	290,471	685,528	-	976,000	655,474	-	655,474	320,525	-	320,525
2014	320,525	685,528	-	1,006,054	766,280	-	766,280	239,774	-	239,774
2015	239,774	685,528	-	925,303	727,397	-	727,397	197,906	-	197,906
2016	197,906	685,528	-	883,434	593,604	-	593,604	289,830	-	289,830
2017	289,830	685,528	-	975,359	601,623	-	601,623	373,736	-	373,736
2018	373,736	685,528	-	1,059,265	606,576	-	606,576	452,688	-	452,688

- [a] This column states the beginning balance of the reserve for each year. In 2007, we have the actual balance. In subsequent years, we take the balance from column [j] of the previous year.
- [b] This column states the budgeted amount to be funded to the reserve by year.
- [c] This column states any other revenue added to the reserve (i.e. grants, fees, etc.).
- [d] This column calculates a subtotal balance by adding the additional funding to the beginning balance. (a + b + c = d)
- [e] This column states the total capital purchases by year. A detailed list of these purchases can be found on the next page.
- [f] This column states the total trade in value realized by year. A detailed list of these trade-ins can be found on the next page.
- [g] This column calculates the net capital purchases by year. (e + f = g)
- [h] This column calculates a subtotal balance by subtracting the net capital purchases from the previous column. (d - g = h)
- [i] This column states the interest earned by the reserve by year.
- [j] This column calculates the ending balance of the reserve. (h + i = j)



# Proposed Development Program 2008-2018 Overview



## **West Falmouth TIF**

Total: \$7.8M

- ☐ Developer: 51%
- ☐ Roads: 14%
- ☐ Sewer: 4%
- ☐ Staff: 6%
- ☐ Misc: 3%
- ☐ TBD: 22%

## **Route One TIF**

Total: \$6.6M

- ☐ Developer: 6%
- ☐ Roads: 49%
- ☐ Sewer: 0%
- ☐ Sidewalks: 14%
- ☐ Elec. Utilities: 19%
- ☐ Staff: 7%
- ☐ Misc: 2%
- ☐ TBD: 3%

# West Falmouth TIF (1 of 3)

---



## ROADS

- Brook Road Reconstruction
- Falmouth/Winn Road intersection
- Falmouth Road Reconstruction
- Route 100 Reconstruction
- Blackstrap Road

# West Falmouth TIF (2 of 3)

---



## UTILITIES

- Sewer Bond
- Main/Pumpstation Upgrade

## PEDESTRIAN

- Leighton Road Sidewalk

## OTHER IMPROVEMENTS

- Public Parking/P+R (TBD)
- Wayfinding Signage

# West Falmouth TIF (3 of 3)

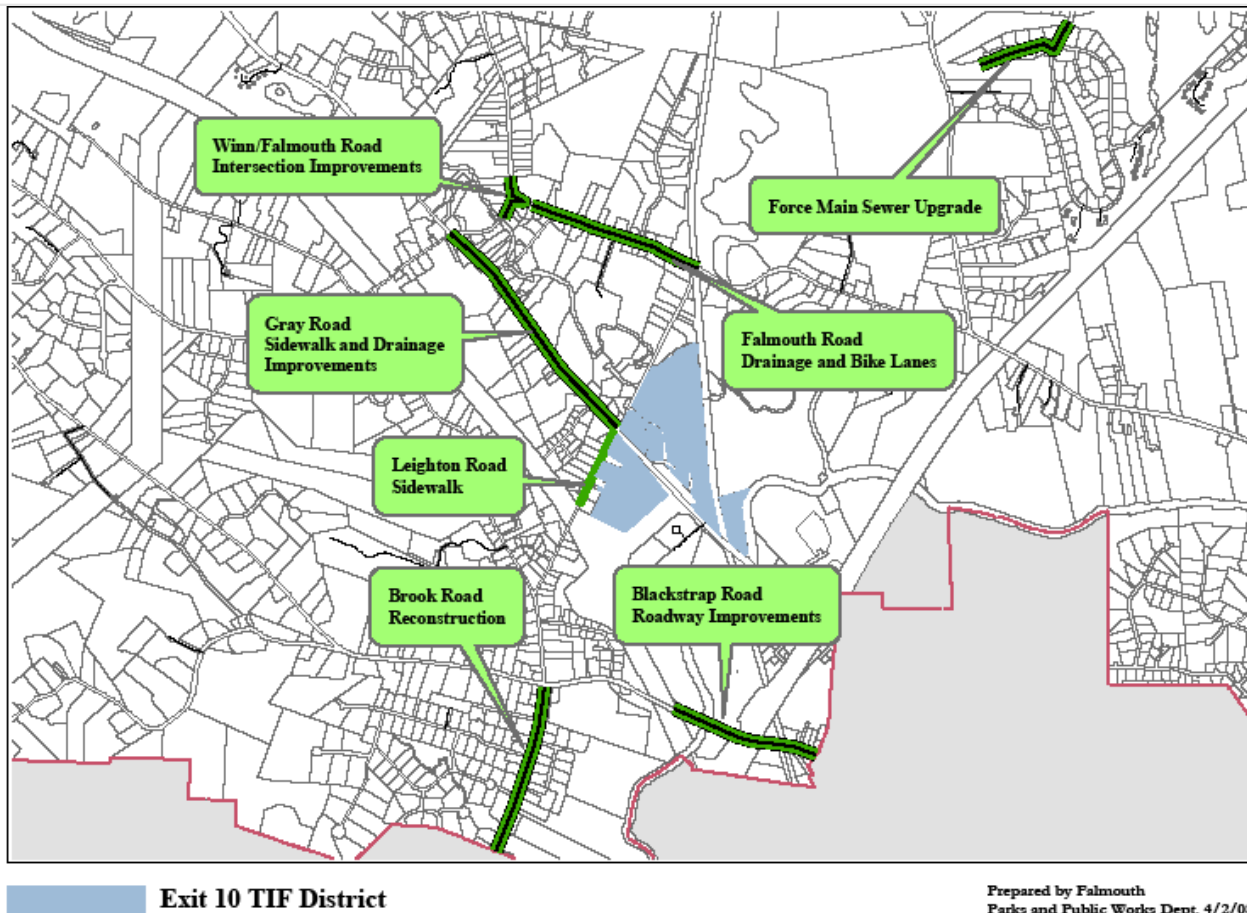
---

## OTHER

- TIF Staff Time
- GIS Maintenance
- District Operations
- TBD Projects

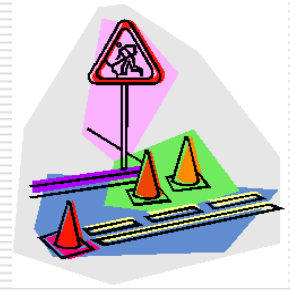


# Proposed Projects – West Falmouth



# Route 1 TIF (1 of 3)

---



## ROADS

- Johnson Road Reconstruction
- Access Roads/Congestion Mitigation
- Clearwater Drive "Gateway" Upgrade
- Route 1 Traffic Islands
- Falmouth Road Reconstruction
- Route 9/Bucknam Road Intersection
- Lunt and Depot Road Repaving
- Depot Road Curbing

# Route 1 TIF (2 of 3)

---



## UTILITIES

- Underground wires and upgraded street lighting

## PEDESTRIAN

- Route 1 (2 parts)
- Bucknam Road
- Village Pedestrian Access

# Route 1 TIF (3 of 3)

---



## OTHER

- Public Parking/P+R (TBD)
- Wayfinding Signage
- TIF Staff Time
- GIS Maintenance
- District Operations
- TBD Projects



# Proposed Projects Route One

---



# Next Steps

---



- ☐ Link 2008-2018 TIF Development Program to 2008-2018 CIP and 2008-2009 Operational Budget
- ☐ Make Terms of Route 1 TIF and Addison Capital TIF Concurrent
- ☐ Council to adopt amended TIF Development Program 2008-2018
- ☐ State (DECD) to approve this amendment



# Thoughts for Future Discussion

---

- West Falmouth 25-year TIF ends in 2023
- Route One 20-year TIF ends in 2020
- Pursue TIF District Extension (add 5 or 10 years) or District Renewal?
- Pursue TIF District Expansion?
- Identify “TBD” Projects

*Make this part of Comprehensive Plan Update*