

# **DRAFT**

**Town of Cape Elizabeth, Maine  
Municipal Downtown TIF District Application**

**Town Center Tax Increment Financing District  
Municipal Infrastructure Improvement Program**

Approved by the Cape Elizabeth Town Council  
at a Public Meeting  
Month date, 2014

DATE

Laura Santini-Smith  
Tax Incentives Program Director  
Maine Department of Economic and Community Development  
111 Sewall Street, 3rd Floor  
59 State House Station  
Augusta, Maine 04333-0059

Re: Town of Cape Elizabeth Town Center TIF District

Dear Smitty:

In accordance with Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, enclosed please find the application of the Town of Cape Elizabeth for a Town Center TIF District. This application was approved by the Cape Elizabeth Town Council at the DATE, 2014 meeting.

I certify that all information contained in this application is true and correct to the best of my knowledge.

Thank you for your guidance in preparing this application and please feel free to let me know if there is any additional information you require.

Sincerely,

Michael K. McGovern  
Town Manager

**APPLICATION COVER SHEET**

<b>MUNICIPAL TAX INCREMENT FINANCING</b>
--

**A. General Information**

1. Municipality Name: Town Of Cape Elizabeth		
2. Address: 320 Ocean House Rd PO Box 6260 Cape Elizabeth, Me 04107		
3. Telephone: 207-799-0115	4. Fax: None	5. Email: maureen.omeara@capeelizabeth.org
6. Municipal Contact Person: Maureen O'Meara, Town Planner		
7. Business Name: N/A		
8. Address: N/A		
9. Telephone: N/A	10. Fax: None	11. Email: N/A
12. Business Contact Person: N/A		
13. Principal Place of Business: N/A		
14. Company Structure (e.g. corporation, sub-chapter S, etc.): N/A		
15. Place of Incorporation: N/A		
16. Names of Officers: N/A		
17. Principal Owner(s) Name: N/A		
18. Address: N/A		

**B. Disclosure**

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input type="checkbox"/> job creation	<input type="checkbox"/> job retention	<input type="checkbox"/> capital investment
<input type="checkbox"/> training investment	<input type="checkbox"/> tax base improvement	<input checked="" type="checkbox"/> public facilities improvement
<input type="checkbox"/> other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input type="checkbox"/> real estate purchase	<input type="checkbox"/> machinery & equipment purchase	<input type="checkbox"/> training costs
<input type="checkbox"/> debt reduction	<input checked="" type="checkbox"/> other (list): Pedestrian and stormwater infrastructure	

**C. Employment Data**

List the company's goals for the number, type and wage levels of jobs to be created or retained as part of this TIF development project (please use next page).
---

## STATUTORY REQUIREMENTS & THRESHOLDS

<b>A. ACRE LIMITATION</b>		
1. Total Acreage of Municipality		9048
2. Total Acreage of Proposed Municipal TIF District		27.93
3. Total <b>Downtown</b> acres contained in the Proposed Municipal TIF District		27.93
4. Total <b>Transit</b> acres contained in the Proposed Municipal TIF District		—
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)		27.93
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1		0.3%
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage.		27.93
8. Total acreage of an existing or Proposed <b>Downtown</b> TIF District in the municipality.		27.93
9. Total acreage of all <u>existing</u> <b>Pine Tree Development Zone</b> TIF Districts in the municipality.		—
10. Total acreage of all existing or Proposed <b>Transit</b> TIF Districts in the municipality.		—
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A8+A9+A10 from A7.		27.93
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1.		0.3%
13. Total Acreage of all real property in the Proposed Municipal TIF District that is:		
(Note: a, b, or c must be at least 25%)	Acres	%
a. Blighted (Divide acres by A2)		Exempt
b. In need of rehabilitation/conservation (Divide acres by A2)		Exempt
c. Suitable for industrial/commercial site (Divide acres by A2)		Exempt
<b>TOTAL</b>	27.93	
<b>B. VALUATION LIMITATION</b>		
1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1<sup>st</sup></i>		1,668,734,900
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31<sup>st</sup> of tax year preceding date of municipal designation</i>		11,729,600
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. <i>Add b2 to sum of all existing TIF district OAVs</i>		11,729,600
4. OAV of an existing or proposed <b>Downtown</b> TIF District in the municipality.		11,729,600
5. OAV of all <u>existing</u> <b>Pine Tree Development Zone</b> TIF Districts in the municipality.		—
6. OAV of all existing or Proposed <b>Transit</b> TIF Districts in the municipality.		—
7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap <i>Subtract B4+B5+B6 from B3</i>		11,729,600
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) <i>Divide B7 by B1</i>		0.7%

Updated 01/20/2011

## **Introduction**

In 1993, the Town of Cape Elizabeth Town Council adopted a Town Center Plan. The plan laid out a vision for a Town Center, including a new zoning district adopted in 1995, and a pedestrian friendly environment that was formally recognized as the town's central business district, municipal and cultural center.

Twenty years later, a new Town Center Plan committee was appointed by the Town Council to update the plan. Overall, the 2014 Town Center Plan continues the direction established in 1993, but also offers a sharper focus on the needs of the town center going forward. The 2014 plan includes only 7 recommendations. In particular, the plan recognizes the town's inability to fully realize the 1993 pedestrian-friendly infrastructure recommendations. The Town Center zoning district requires new development to build sidewalk along its frontage and the town has made over \$500,000 in sidewalk improvements, however, the town center sidewalk network remains incomplete. Public comment has consistently supported an interconnected sidewalk network. Further, it has become apparent that the modest town center stormwater infrastructure should be modernized and expanded.

For these reasons, the plan includes a recommendation to establish a Town Center TIF District for the purpose of completing the sidewalk network, potentially expanding the sidewalk network to adjacent neighborhoods, and improving stormwater infrastructure. TIF funds will be used for municipal infrastructure improvements.

### **5. The Development Program - State of means and objectives**

To implement the public infrastructure recommendations in the Town Center Plan (See Attachment A), the Town of Cape Elizabeth is designating properties within the town center as a Tax Increment Financing (TIF) District, pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. A twenty (20) year TIF program is proposed.

The TIF district encompasses approximately 27.93 acres. This area represents the central business district, and includes the school campus, a concentration of municipal uses and the largest number of commercial establishments in town. The Town Center TIF district will support community development objectives by:

- Realizing the town center vision "to create an identifiable, vibrant town center that includes mixed retail uses for residents and visitors, a safe and inviting pedestrian and bicycle environment, a common meeting place, visual vitality, and linkages to the town's open space and nearby residential neighborhoods;"
- Constructing and improving public pedestrian facilities and stormwater infrastructure.

- Positioning the town to quickly respond to possible grant funding opportunities;
- Stimulating private reinvestment in existing town center zoned properties by improving the adjacent public infrastructure; and
- Improving the appeal and draw of the town center to support existing commercial businesses.

a. Description of Public Facilities and Programs

The Town Center TIF district is proposed to fund improvements described in the following recommendations in the 2014 Town Center Plan.

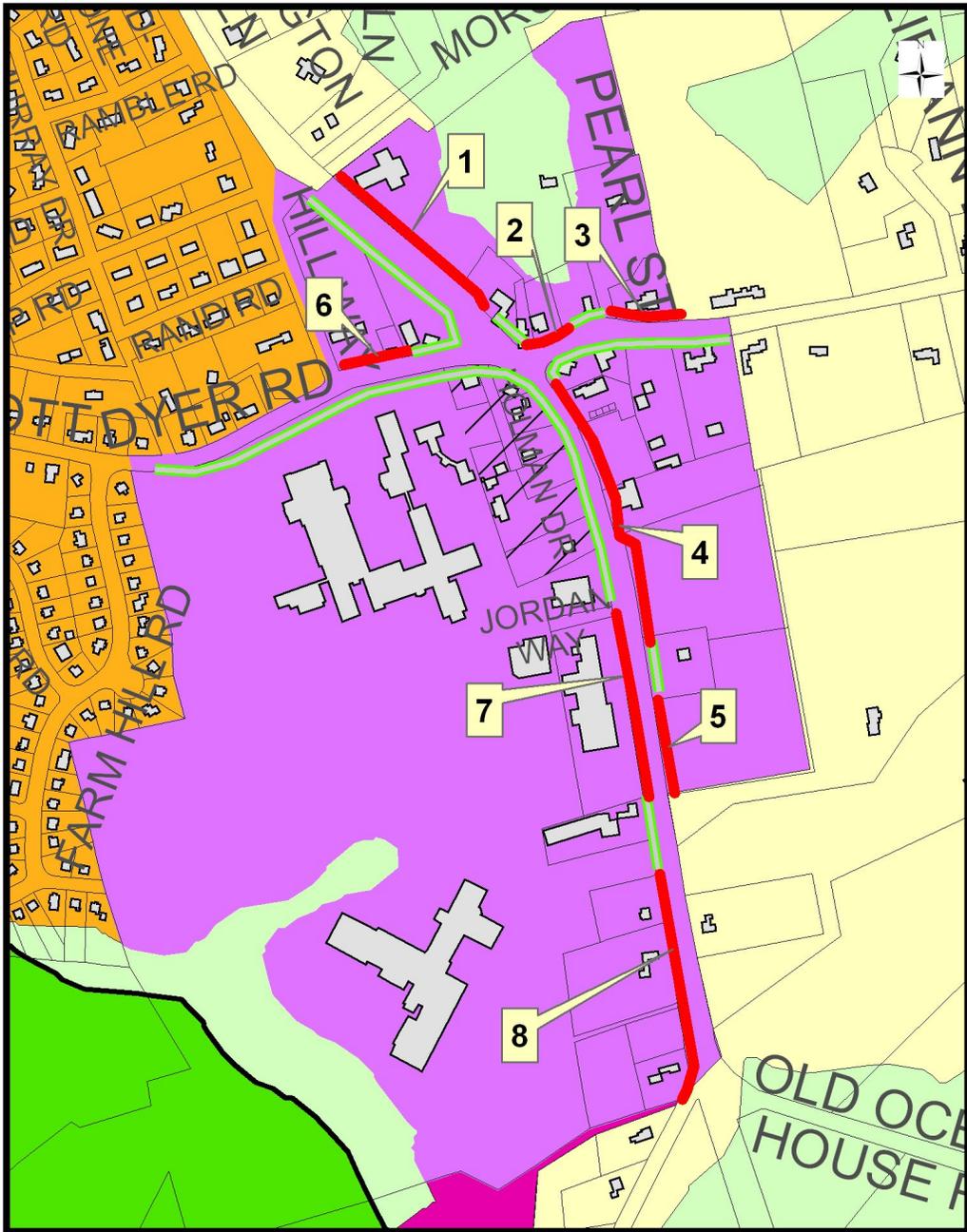
**Goal: Pedestrian and Vehicular Circulation**

1. Improve and expand pedestrian and bicycle safety and connectivity of sidewalks and paths within the Town Center and to nearby neighborhoods.

Background: In the late 1990's, the Town obtained grant funding to build and rebuild sidewalks from Scott Dyer Rd/Longfellow Drive to the Pond Cove Shopping Center on Route 77. Additional sidewalk construction has occurred in the Town Center and the Shore Road Path was constructed in 2011. (See Appendix F for more information on existing and proposed sidewalks.)

Recommendation Description: This recommendation would complete the sidewalk network throughout the Town Center. Additional sidewalk connections to nearby neighborhoods would also be pursued. Less formal paths within the Town Center, including greenbelt connections to Robinson Woods and the Spurwink Marsh, and a path from Route 77 to the library, would be evaluated, constructed, improved and/or maintained. Pedestrian safety in the Town Center is a priority, including at the Route 77/Shore Rd/Scott Dyer Rd intersection. Preservation of existing biking infrastructure and expansion of biking infrastructure when appropriate should also be considered.

# Town Center District Sidewalks



Prepared by the Cape Elizabeth Planning Office 5/2/2014

<b>Town Center District Sidewalks</b>				
Budgetary Design and Construction Costs*				
<b>Sidewalk Segment</b>	<b>Location</b>	<b>Approximate Length</b>	<b>Budgetary Costs</b>	<b>Per Foot Budgetary Cost</b>
<b>1</b>	Ocean House Rd from Cumberland Farms north to Methodist Church	525'	\$103,320	\$197
<b>2</b>	Ocean House Rd from Town Center East on Shore Rd	150'	\$29,520	\$197
<b>3</b>	Shore Rd easterly of Segment 2	250'	\$49,200	\$197
<b>4</b>	Ocean House Rd from Town Center southerly to Town Hall	875'	\$172,200	\$197
<b>5</b>	Ocean House Rd from Town Hall southerly	300'	\$59,040	\$197
<b>6</b>	Ocean House Rd from Town Center westerly on Scott Dyer Rd	250'	\$49,200	\$197
<b>7</b>	Ocean House Rd from Shopping Center southerly to Town Hall	525'	\$103,320	\$197
<b>8</b>	Ocean House Rd from High School entrance southerly to Fowler Rd	725'	\$380,480	\$525
*Sidewalk and Shoulder improvements to include 6-foot wide concrete sidewalk, 2-foot shoulder, 2-foot esplanade with trees, lighting, granite curb, and drainage improvements				

<b>Town Center sidewalk Connections to nearby neighborhoods</b>				
Location	Estimated Distance (in linear ft)	Budget Cost	Per Foot Cost	
Fowler Rd: from Route 77 to Fenway Rd	4,575	600,100	131	
Scott Dyer Rd: Village Crossings to Spurwink Ave	2,100	275,520	131	
Scott Dyer Rd to Wells Rd to Cross Hill Rd	2,600	341,120	131	
Route 77: Canter Ln to Mitchell Rd	3,200	419,840	131	
<b>TOTAL</b>	<b>12,475</b>	<b>1,636,580</b>		

**Goal: Primary Commercial Area**

3. Update the Town Center Stormwater Management Study and plan for construction of needed stormwater improvements.

Recommendation Description: The 1995 plan should be reviewed and updated, both with improvements already constructed and with integration of Low Impact Development (LID) techniques as appropriate. The study should be prepared by a professional engineer working with town staff. Seventy-five percent of the 1995 study was funded with a grant and town staff should be directed to pursue grant funding for the update.

The Town has received grant funding for the study, so TIF funds would be limited to design/construction of stormwater facilities consistent with the new stormwater plan.

**Goal: Infrastructure financing**

7. Develop funding strategies, including but not limited to a Tax Increment Financing (TIF) District for the Town Center, to fund infrastructure improvements.

Background: The 1993 Town Center Plan included recommendations for construction of sidewalks throughout the Town Center, creation of a

village green, a stormwater management system, and other improvements. Most of these improvements have not been completed due to a lack of funding. Some sidewalk connections and stormwater improvements were designed but not built due to a lack of construction funding. Many of these same improvements are now recommended as part of this Town Center Plan, but the outlook for municipal funding at this time remains the same.

b. Description of commercial facilities, arts districts, improvements or projects to be financed

Non-municipal improvements are not proposed to be financed by the Town Center TIF District proceeds.

c. Duration of the Program

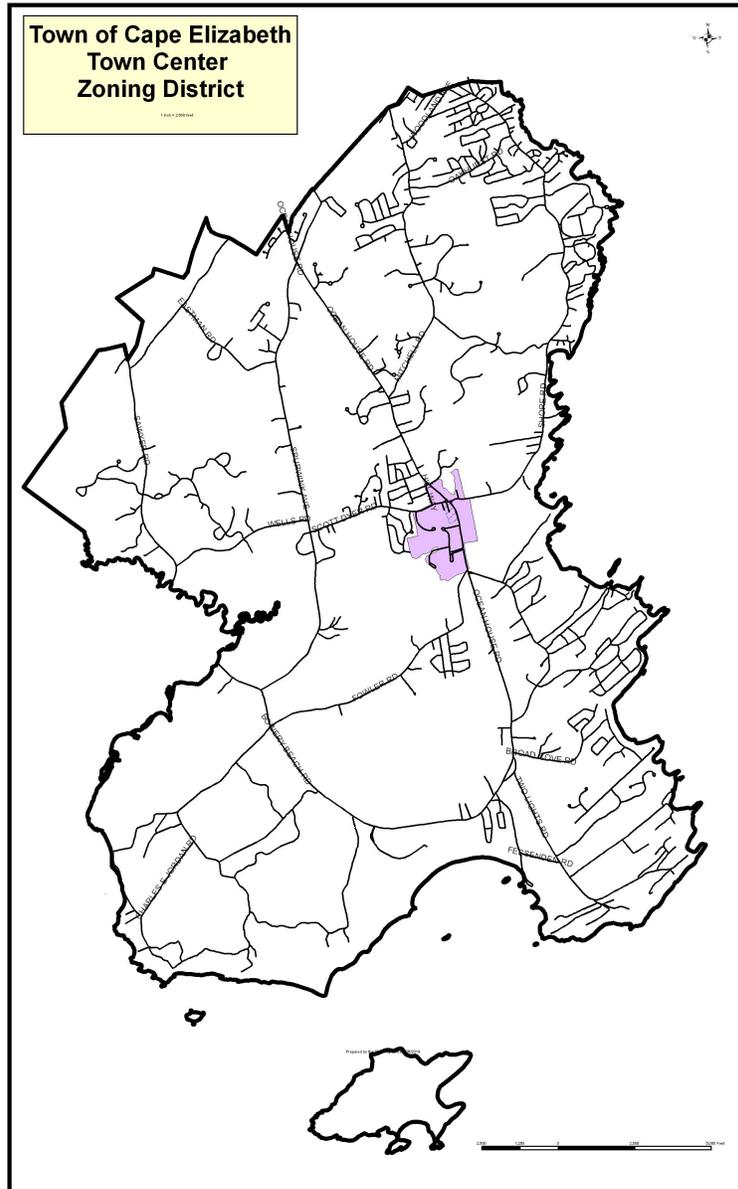
The duration of the Town Center TIF District is proposed to be 20 years.

d. Certification of original assessed value of the taxable property in the TIF district by the municipal tax assessor, using valuation from the prior March 31st.

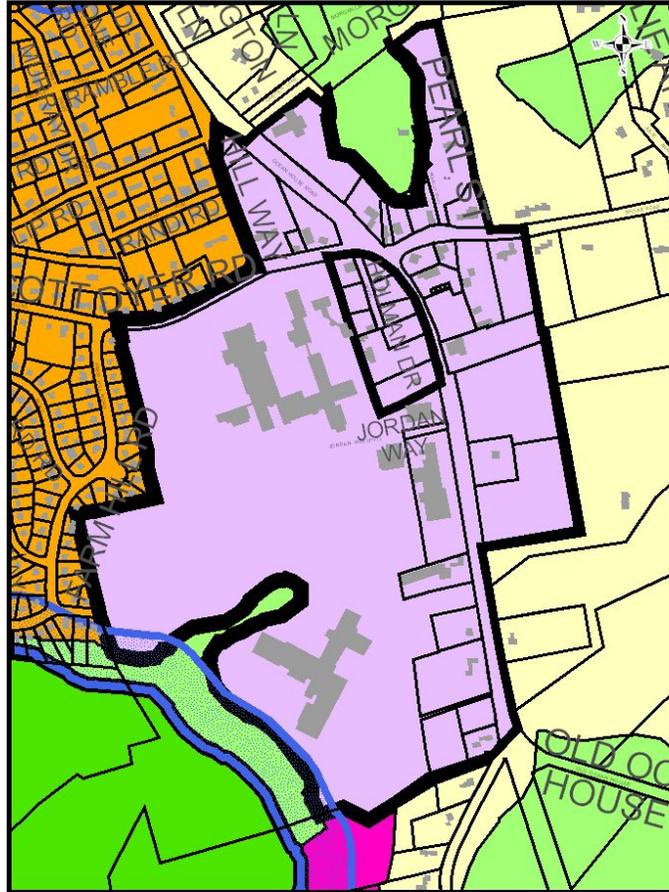
Matthew Sturgis, Municipal Tax Assessor for the Town of Cape Elizabeth, certifies the original assessed value of the taxable property in the Town Center to be \$11,729,600.

e. Physical description of the district

Below is a map showing the boundaries of Cape Elizabeth and the location of the Town Center zoning district.



Below is a map of the Town Center zoning district (shown in purple), which is proposed to be the Town Center TIF District:



f. Financial Plan

i. Cost estimates for the development program

Estimated cost to complete the sidewalk network within the town center is \$946,280 dollars. Estimated cost to extend sidewalks from the town center to nearby neighborhoods is \$1,636,580 dollars. The town has received a grant to update the stormwater plan and that update will include stormwater infrastructure cost estimates. Sidewalk construction costs alone far exceed anticipated TIF revenues.

ii. Amount of public indebtedness to be incurred.

No public indebtedness is proposed at this time. The intention of the Town of Cape Elizabeth is to allow TIF revenues to accrue in a

segregated account until a public infrastructure project can be funded. The town expects that TIF funds will be supplemented with general revenues, grants, donations and other funding dependent on the infrastructure project to be constructed.

iii. Sources of anticipated revenues

Infrastructure improvement project funding will vary, but is expected to be a combination of general revenues, grants, and donations.

iv. Description of the terms/ conditions of any agreements

No credit enhancement agreement (CEA) is proposed as part of this TIF.

v. Estimates of increased assessed values of the district for each year of the program.

See Table 1. The town is estimating 4 million dollars in increased property value in the town center over the next 20 years. The estimate is based on past experience with values in the town center and the amount of property in the town center currently in transition.

vi. Portion of the increased assessed values to be applied to the development program as captured assessed values and resulting tax increments in each year of the program.

One hundred percent of the increased assessed values is proposed to be applied to the development program. See Table 1.

vii. Tax shift calculations for each year of the program.

See Table 2. The estimated tax shift is \$2,000 annually.

g. Plans for the relocation of persons displaced by the development activities

Not applicable. No displacement of persons will be required to construct public infrastructure improvements.

h. Proposed regulations and facilities to improve transportation

No new regulations are proposed. Any improvements considered in the TIF district within the right-of-way of Route 77 will be subject to review by the Maine Department of Transportation. Improvements considered in the TIF district within the right-of-way of other roads will be reviewed for compliance with town road and pedestrian improvement standards.

Improvements will accommodate anticipated vehicular, bicycle and pedestrian traffic in the TIF district.

i. Environmental Controls

Any improvements proposed in the Development Program will comply with all federal, state and local rules and regulations and applicable land use requirements.

j. Operation of the Town Center TIF District after the infrastructure improvements are completed

Improvements in the TIF District within the public way will at all times be owned by the Town of Cape Elizabeth, or its successors or assigns, which will be responsible for all maintenance of said improvements. During the duration of the TIF District, the town manager or his/her designee will be responsible for all administrative matters concerning the implementation and operation of the TIF District.

**6. Evidence of Public Hearing**

- a. 10 day notice of public hearing, including proof of date of publication

INSERT COPY OF PUBLIC HEARING AD WITH DATE

- b. Minutes of public hearing, attested to and signed

INSERT COPY OF PUBLIC HEARING MINUTES

- c. Record of district designation by municipal legislative body

The Cape Elizabeth Town Council authorized designation of the Town Center TIF district as the DATE meeting, the minutes of which are attached under subsection b above.

**ATTACHMENT A**  
**2014 Town Center Plan**



TIF YEAR	NEW GENERAL FUND	TOWN TIF %	TOWN TIF REVENUES	TOTAL TOWN REVENUES	EPD EDUCATION SHIFT	REVENUE SHARING SHIFT	COUNTY TAX SHIFT	TOTAL TAX SHIFT ANNUAL	TOTAL TAX SHIFT ACCUMULATED
			<b>TABLE 2</b>						
			TOWN OF CAPE ELIZABETH						
			TOWN CENTER TIF PROFORMA						
			STATE / COUNTY PROJECTED TAX SHIFT						
1		100%	\$ 8,400.00	\$ 8,400.00	\$	\$ 4,500	\$ 329	\$ 4,963	\$ 4,963
2		100%	\$ 3,360.00	\$ 11,760.00	\$	\$ 1,800	\$ 132	\$ 1,985	\$ 6,948
3		100%	\$ 5,040.00	\$ 16,800.00	\$	\$ 2,700	\$ 80	\$ 2,978	\$ 9,926
4		100%	\$ 1,680.00	\$ 18,480.00	\$	\$ 900	\$ 27	\$ 992	\$ 10,919
5		100%	\$ 3,360.00	\$ 21,840.00	\$	\$ 1,800	\$ 54	\$ 1,985	\$ 12,904
6		100%	\$ 5,040.00	\$ 26,880.00	\$	\$ 2,700	\$ 80	\$ 2,978	\$ 15,882
7		100%	\$ 3,360.00	\$ 30,240.00	\$	\$ 1,800	\$ 132	\$ 1,985	\$ 17,867
8		100%	\$ 1,680.00	\$ 31,920.00	\$	\$ 900	\$ 27	\$ 992	\$ 18,860
9		100%	\$ 3,360.00	\$ 35,280.00	\$	\$ 1,800	\$ 54	\$ 1,985	\$ 20,845
10		100%	\$ 1,680.00	\$ 36,960.00	\$	\$ 900	\$ 27	\$ 992	\$ 21,837
11		100%	\$ 1,680.00	\$ 38,640.00	\$	\$ 1,800	\$ 27	\$ 1,892	\$ 23,730
12		100%	\$ 3,360.00	\$ 42,000.00	\$	\$ 1,800	\$ 132	\$ 1,985	\$ 25,715
13		100%	\$ 1,680.00	\$ 43,680.00	\$	\$ 900	\$ 27	\$ 992	\$ 26,708
14		100%	\$ 3,360.00	\$ 47,040.00	\$	\$ 1,800	\$ 54	\$ 1,985	\$ 28,693
15		100%	\$ 3,360.00	\$ 50,400.00	\$	\$ 1,800	\$ 132	\$ 1,985	\$ 30,678
16		100%	\$ 1,680.00	\$ 52,080.00	\$	\$ 900	\$ 27	\$ 992	\$ 31,671
17		100%	\$ 3,360.00	\$ 55,440.00	\$	\$ 1,800	\$ 54	\$ 1,985	\$ 33,656
18		100%	\$ 3,360.00	\$ 58,800.00	\$	\$ 1,800	\$ 132	\$ 1,985	\$ 35,641
19		100%	\$ 5,040.00	\$ 63,840.00	\$	\$ 2,700	\$ 80	\$ 2,978	\$ 38,619
20		100%	\$ 3,360.00	\$ 67,200.00	\$	\$ 1,800	\$ 132	\$ 1,985	\$ 40,605
<b>TOTAL</b>			<b>\$ 67,200.00</b>	<b>\$ 757,680.00</b>	<b>\$</b>	<b>\$ 36,900</b>	<b>\$ 1,073</b>	<b>\$ 40,605</b>	<b>\$ 456,667</b>
<b>AVG</b>		<b>100%</b>	<b>\$ 3,360.00</b>	<b>\$ 37,884.00</b>		<b>\$ 1,845</b>	<b>\$ 54</b>	<b>\$ 2,030</b>	<b>\$ 22,833</b>