



STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



PAUL R. LEPAGE
GOVERNOR

GEORGE C. GERVAIS
COMMISSIONER

March 14, 2014

Dana Berry,
Town Manager
TOWN OF MADISON
26 Weston Avenue
Madison, ME 04950

RE: Backyard Farms Municipal Tax Increment Financing (TIF) District; Development Program; Second Amendment (AMD-2)

Dear Mr. Berry,

The Maine Department of Economic and Community Development (Department) has reviewed and EFFECTIVE TODAY APPROVED your application to amend above referenced Municipal TIF District and Program. Based on application, the Department notes/approves:

- a. District taxable Original Assessed Value of \$7,166,940 as of April 1, 2012/06/04—acreage 339.46;

Future town revenue allocation projected at \$7.14 million may facilitate funding for an estimated \$21.6 million in public costs within sole Board of Selectmen discretion, EXCEPT FOR any activities/projects funded via public indebtedness per Development Program, subject to written comprehensive annual report to Town—with activities/projects COMPLETE BEFORE/BY June 30, 2037. The Department restates/approves public activities/projects costs listed below as further described in Development Program, with AMD-2 changes/additions underlined:

WITHIN DISTRICT

- b. Up to 40/5% salary/benefit costs respective of town manager/finance officer positions for time spent on economic development activities and District Program administration \$825,000;
- c. Capital/financing/real property assembly/professional service costs including water/sewer, daycare operations, parking and public transportation \$100,000; Ψ
- d. Capital/financing/real property assembly/professional service costs including sidewalks and related infrastructure on Park and Main streets, Weston Avenue \$750,000;
- e. Legal fees \$15,000;
- f. Blight removal Revolving Loan Fund capitalization \$1.5 million; Δ
- g. Local road reconstruction related to environmental/public safety costs including salt purchases/training prorated to District, construction of new salt storage facility \$250,000; †
- h. Land acquisition/infrastructure costs supporting market-rate rental housing \$1 million;
- i. Kennebec River and Lake Wesserunnett boat landings costs \$750,000;
- j. Solid waste/recycling/composting transfer station \$500,000;

- k. Water/sewer infrastructure expansion costs \$1.75 million; Ψ

WITHIN/OUTSIDE DISTRICT

- l. Road reconstruction including reclaiming/resurfacing \$5.5 million;
- m. Prorated general road maintenance including Highway Department equipment \$1.69 million;

OUTSIDE DISTRICT

- n. Prorated capital costs of public safety building to house municipal fire/rescue departments \$1 million; †
- o. Prorated fire/rescue costs \$536,000; †
- p. Prorated fire/rescue equipment made necessary by commercial growth \$750,000;

WITHIN MUNICIPALITY

- q. Marketing of municipality for economic development purposes including consulting/legal fees, dues and Web site creation/maintenance \$2.5 million;
- r. Matching Grant Pilot Program \$1 million; Δ
- s. One-time Revolving Loan Pilot Program \$100,000; Δ
- t. Downtown Village Area promotion including events \$500,000;

u. Training funds including space/facilities staffing/consulting and materials \$300,000;

v. Recreational trails and related costs \$300,000. Φ

Per March 30, 2006 original designation and previous amendment approvals, Department restates:

- w. Increased Assessed Value (IAV) capture of up to 100% of real and personal property improvements limited to Backyard Farms Tract;
- x. District revenues to be deposited/held in dedicated accounts and applied ONLY toward approved activities/ projects,
- i. Project Cost accounts to reimburse Backyard Farms (Company) for costs of economic development activities authorized by 30-A M.R.S. § 5225 (1)(A) and Department rules as amended from time to time,
- ii. Project Cost Account for Town allocation of District revenue and any reimbursement authorized by 36 M.R.S §§ 691-700-B (BETE) to fund public activities/projects;
- iii. Sinking Fund Account to retire public debt and facilitate completion of all public activities/projects BEFORE/BY June 30, 2037;
- y. Company reimbursement is limited to incremental taxes from Increased Assessed Value (IAV) in Backyard Farms Tract and at time of AMD-2 projected at \$5,047,613 or 70% if 349 and fewer full-time equivalent employees (FTEEs) or 75% if 350 or more FTEEs for the lesser period of 15 years or District term balance for less than \$60 million investment with 169 and fewer FTEEs or 20 years or District term balance if more than \$60 million investment with 170 or more FTEEs as further described in Development Program. Reimbursement will drop to \$0 should taxable value of Tract fall below \$8 million;
- z. Any non-captured incremental property values resulting in General Fund revenue/deposits MUST be included/reported with Town equalized assessed value;
- aa. Any future amendment MUST comply with 30-A M.R.S. §§ 5221-5235 and Department rules. With next application the Department requests revised, comprehensive (all Tracts) assessor certificate accounting for real and personal property, comprehensive pro forma for entire term/district with actual to-date in all allocation columns and comprehensive tax shifts;
- bb. TOWN MUST NOTIFY DEPARTMENT IN WRITING when District expires or is otherwise terminated.

MAINE IS OPEN FOR BUSINESS. Please contact Municipal Tax Increment Financing Program Director Laura Santini-Smith with questions about this certification letter or Department review. With this approval, the Department extends an open ended offer of assistance and best wishes for the success of your District.

Sincerely,



George C. Gervais
Commissioner

cc: Senator Rodney Whittemore (SD-26) and Representative Ann Dorney (HD-86), 126th Legislature;
David Ledew, MRS Director Property Tax Division; Brian Mulligan, Governor's Account Executive;
Joan Fortin, Bernstein Shur

Ψ Exclusive of private residential distribution line(s) costs.

Δ Permanent revolving loan funds, investment funds and grants per § 5225(1)(C)(3) for costs of economic development activities authorized by 30-A M.R.S. § 5225 and Department rules as amended from time to time.

‡ Exclusive of law enforcement (police) costs.

Φ Exclusive of public park(s) costs.