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TOWN of RANGELEY and OQUOSSOC VILLAGE TAX INCREMENT FINANCING POLICY and GUIDELINES

Adopted February 21, 2023

The following are the Town of Rangeley and Oquossoc Village Tax Increment Financing (TIF) Policy and Credit Enhancement Agreement Application Guidelines.

I. Purpose and Introduction

A municipality's total equalized assessed value is used to calculate General Purpose Aid to Education (subsidy), State Revenue Sharing (subsidy), and County taxes (expense). When a municipality's equalized assessed value increases, State Aid for Education decreases, municipal revenue sharing decreases, and the municipality pays a greater portion of County taxes. TIF allows municipalities to "shelter" new value resulting from private investment from the calculation of its State subsidies (education and revenue sharing) and County taxes. Specific municipal shelter benefits for the term of the TIF include: No reduction in State aid for education, no reduction in municipal revenue sharing, and no increase in County taxes (assuming 100% capture).

A Tax Increment Financing District is a tool available to the Town of Rangeley and Oquossoc Village to promote economic development. The TIF District allows the Town to capture some or all of the incremental real and/or personal property tax revenues derived from new development or expansion of an existing development and provides a means of financing the economic and community development goals of Rangeley and Oquossoc as set forth in the Development Program of the District adopted by the Board of Selectmen and as authorized by state law. The captured tax revenues from a TIF District can be used to finance municipal investments and town infrastructure projects; and can also be used to provide incentive or financing to a private development in the form of an associated Credit Enhancement Agreement (CEA), as authorized by the Development Program of the District and state law. TIF enables the Town to revitalize and redevelop designated areas of the Town and build community and economic growth through public-private partnerships.

These guidelines are intended to provide guidance and outline standards for the Rangeley Region Economic Opportunity Committee (RREOC), Board of Selectmen, Town Staff, Consultants, and Assessors when utilizing TIF Districts and TIF revenue for the Town's development and redevelopment efforts. Notwithstanding compliance with any or all of these guidelines, the creation of a TIF District or authorization of a Credit Enhancement Agreement is a policy decision of the Town of Rangeley to be evaluated by the Town on a

case-by-case basis. The adoption of this policy or any TIF District does not create a right or entitlement to assistance by any applicant.

II. Eligibility for Assistance

Economic development projects may be eligible for Tax Increment Financing assistance from the Town when they meet the following standards:

- Would not occur without Town assistance
- Create or retain employment opportunities
- Significantly expand the Town's tax base by a minimum of \$300,000
- Diversify the economy and tax base of the Town
- Conform to the quality and types of development sought by the Town as outlined in the Comprehensive Plan, Downtown Revitalization Action Plan, Economic Action Plan, and Zoning Ordinances
- Demonstrate a public benefit, such as the expansion of public infrastructure to service areas beyond the project or the creation of job opportunities or affordable housing
- Public benefits from development must outweigh any possible adverse impacts on existing businesses or residents of the Town

TIF assistance is provided by the Town through a Credit Enhancement Agreement that provides developers with a reimbursement of a percentage of the property tax revenue paid on the increased assessed value (or incremental value) of their property. Tax revenue on incremental value that is returned to the developers under a Credit Enhancement Agreement will not exceed an average of 75% of the incremental taxes over the life of the particular tax increment financing district or the Credit Enhancement Agreement. Further, the Board of Selectmen may establish a cap on the total amount of incremental taxes to be reimbursed to a developer under a CEA on an annual and/or cumulative basis. The applicant is required to submit all documentation required by the Town in consideration of a Credit Enhancement Agreement. A Public Hearing shall be held to receive public comment on a completed CEA application at least seven days prior to a meeting at which the CEA is being considered for approval by the Board of Selectmen. The Rangeley Region Economic Opportunity Committee may submit comments during the Public Hearing.

III. Application Process

The Town has established an Application for Tax Increment Financing & Credit Enhancement Agreement. Applications (whether initiated by the Town or requested by a developer or business) will be considered by the Town Manager and the Board of Selectmen. Applications for a new TIF District or an amendment to an existing TIF District are subject to final approval by Town Meeting and the Maine Department of Economic and Community Development (DECD). The Town Manager may solicit input from the RREOC, Economic Development Consultant, or other source that they deem appropriate in reviewing applications. The specific terms of TIF assistance through a CEA will be negotiated between the Town and the applicant on a case-by-case basis. The Town Manager or the Town Manager's designee will negotiate for the Town, and all recommendations for TIF assistance shall be based on the merits of the project and compliance with these guidelines. Based on

Board of Selectmen direction and approval, the Town Manager will coordinate all activities regarding applications and will prepare materials as needed. The Town Manager will be responsible for assisting the developer through the process and will monitor ongoing investments in the development project if TIF assistance is granted.

All applicants for TIF assistance must pay a \$500 non-refundable application fee at the time of submission. All applicants are required to reimburse the Town of Rangeley for all legal and administrative costs incurred as a result of the TIF proposal, including the cost of preparing all materials necessary to establish a new TIF District, amend an existing TIF District and draft the Credit Enhancement Agreement. If a Credit Enhancement Agreement is approved, an annual fee equal to 2% of the incremental tax reallocated back to the project will be assessed.

IV. Waiver of Provisions

The Town of Rangeley reserves the right under certain conditions to waive the provisions of the policy. The decision to do so shall be made by applying the following guidelines to ensure that the project remains within the general parameters of the Rangeley Comprehensive Plan and community development vision(s). Criteria to be considered with granting a waiver are:

- Consistency with the Rangeley Comprehensive Plan
- Consistency with the Downtown Revitalization Action Plan
- Consistency with the Town's Economic Action Plan
- Consistency with the Development Plan of the TIF District
- Consistency with other local, State and Federal laws / rules
- Evidence of need, and
- Capacity to carry out the project

V. Mandatory Guidelines

In all instances, applicants for tax increment financing and Credit Enhancement Agreements must demonstrate that the Town's participation is economically needed to undertake the project. Such justification is demonstrated by:

- Need to offset infrastructure costs unique to the site
- Need to offset economic advantages available if it should develop a project or expand operations outside of Rangeley and Oquossoc
- Lack of sufficient funding sources to meet the full capital investments needed to undertake the project
- Project creates significant new tax value throughout the Downtown District and other areas the Board of Selectmen deems necessary
- Developer is financially capable to undertake the project
- Developer is compliant with all statutory and regulatory guidelines of the Town of Rangeley and the State of Maine

VI. Guidelines that Determine the Level of Municipal Participation

Although the applicant/applicant project need not meet each of the following criteria, the following will be used to determine the level of participation of the Town of Rangeley.

- Assists an established business in Rangeley and Oquossoc, retaining existing employment opportunities
- Creates long-term permanent and quality employment opportunities
- Contributes to the revitalization of the Downtown District or other areas in need of development or redevelopment
- Improves a blighted building site in need of rehabilitation
- Creates public infrastructure facilities that have application beyond the particular development, improvements to roads, parking, sidewalks, green space, etc.
- Supports or will support community projects, job training, internships, programs that assist the under-employed, and supports local contractors and suppliers.

VII. Transfer of Ownership

If the applicant transfers ownership of property in the TIF District subject to a CEA to which the applicant is a party, the applicant must notify the Town Manager in writing prior to finalizing the transfer. The prospective new owner must agree, in writing, to accept the provisions of the agreement as presented to and approved by the Board of Selectmen before the Town will release any further TIF reimbursements under the CEA. Failure to provide notice of a transfer of ownership by the applicant, or for the prospective new owner to accept the terms of the CEA prior to the transfer shall render the CEA invalid and no further payments under it shall be authorized.

VIII. Annual Expenditure of TIF Revenues for Municipal Projects

Each year the Town Manager will make recommendations with input from the Assessor to the Board of Selectmen as to the use of available TIF revenues. The Town Manager may solicit input from the RREOC, Economic Development Consultant, or other sources that they deem appropriate in formulating recommendations to the Board of Selectmen.

Annual allocations of TIF revenues to fund existing Credit Enhancement Agreement commitments will be factored into the annual review of the use of the available TIF revenues and estimates of proposed Credit Enhancement Agreements will be calculated by the Town Assessor and Town Treasurer and provided to the Board of Selectmen for consideration.

Such budget for expenditure of TIF revenues shall be approved annually by the Board of Selectmen based on the amount of available TIF revenues captured in that tax year as set forth in the Annual Town Tax Commitment. Approved TIF expenditures shall be presented to Town Meeting for final authorization and appropriation.

The Town can capture up to 100% of the incremental value created by the designated TIF Districts, as expressly set forth in the Development Program for the TIF District. The Board of Selectmen meet with the Town's Assessor each year in July to set the Annual Tax Commitment. It is at this time the Assessor can provide the Board the mil rate impact of the

100% capture. If the Board wishes to capture a lower percentage to offset a significant mill rate increase the Assessor will assist with the decision and the resulting impact on our County tax valuation as well as other factors to take into account when considering a reduced capture percentage.

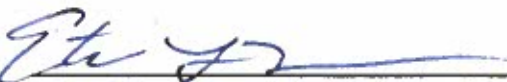
IX. Conflicts of Interest

All public officials, committee members, consultants, and assessors must be fair and impartial in carrying out their duties and responsibilities, and must ensure that their official actions do not create actual, potential, or the appearance of personal or financial gain, either directly or indirectly for themselves, family members, or personal friends. Any actual or potential conflicts between personal interests and Town business must be fully disclosed in a timely fashion to the appropriate Board. If the Board determines that a conflict of interest does exist, then the public official must recuse him/herself from officially participating in any discussion or decision-making action or vote on the issue.

This conflict of interest provision does not prohibit a public official or employee from acting as a private citizen, outside of any official duties, if they are a resident of the Town of Rangeley or Oquossoc Village.

ADOPTED February 21, 2023


Cynthia Egan, Chairman


Ethna Thompson, Vice-Chairman


Shelly Lowell, Selectman


Ethan Shaffer, Selectman


Samantha White, Selectman