

November 23, 2015

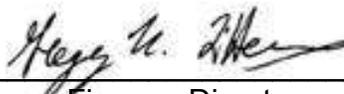
Amending Various TIF's Eligible Uses

Over the past year, we have identified a couple possible uses the City might consider adding to the list of eligible uses for a number of the City's existing TIF districts. When the City approves a TIF District, it outlines possible uses for any captured TIF revenues. The same projects, if funded out of the City's general fund, would cost the City approximately 50% more in light of the so-called "tax shift benefit" of TIF districts. These uses and any subsequent amendments the City Council approves require the State Department of Economic and Community Development to review and approve if they meet the criteria of the State TIF Statute.

Over the past several years, the Fire Chief has expressed concern of the aging fire apparatus fleet and the added demand in the West End area of the City. The City added the West End Fire Station back in 2004 as a result of the rapid growth in this area. With the significant expansion of businesses over the past 10 years in the general West End area, the demand for these fire vehicles has only grown. The area has numerous high risk structures and the various TIF district developments have added to this concern. As a result, we are proposing amending various TIF districts that would be serviced by fire apparatus in the future. The State requires, in these situations, the funding be only proportionally supported by the effective TIF Districts. Our proposal would be to obtain proportional funding for future fire apparatus approved by the State for the Fairchild, Texas Instruments, Long Creek and Hannaford TIF Districts. We would anticipate this would be for a pumper style fire truck to be located at the West End Station (replacing Squad 4) and a ladder truck to be located somewhere in the City that would cover the West End area.

Additionally, as part of the City's Economic Development Strategic Planning process, the expansion of the City's High Speed "Open-Access" Fiber project was identified as high priority to support Economic Development in the City. The first phase of the project, constructed in 2015, connected several of the City's municipal buildings with a 4-mile symmetrical gigabit broadband fiber backbone that is connected to the "3-Ring Binder". With this being open access, businesses along this corridor could contract with a local vendor to connect to and take advantage of its gigabit internet service. The City wishes to expand this high speed "open access" fiber backbone to several key areas within the City to aide access to high speed broadband access for businesses. Future phases of the high speed fiber project would be added as eligible TIF uses for the Fairchild, Texas Instruments, Long Creek and Hannaford TIF Districts. Again this would most likely be proportionally funded by the various TIF's and other sources.

We feel the two above items would be appropriate additional TIF eligible uses. We are recommending the next steps be Public Notice, Public Hearing and Council approval as required by State Statute.



Finance Director

PROJECT COSTS TO BE ADDED IN THE PROPOSED AMENDMENTS TO THE FOLLOWING DISTRICTS

- Fairchild Semiconductor TIF District**
- Texas Instruments TIF District**
- Long Creek TIF District**
- Hannaford TIF District**

PROJECT	COST ESTIMATE	STATUTORY CITATION	CURRENT STATUS
<p>1. Fire Apparatus* A prorated portion of the cost of fire apparatus based on the extent to which the equipment will be used in and around the district, including a pumper truck and a ladder truck, for use in the vicinity of the District. Such fire apparatus is needed to protect the district and its surroundings.</p>	\$1,600,000	30-A M.R.S.A. §5225(1)(B)(2)	Not yet undertaken
<p>2. High Speed "Open-access" Fiber Backbone* The City has recently developed and a new high speed "open-access" fiber backbone bringing symmetrical gigabit broadband to 4 miles of the City. This first phase of the project connected several of the City's buildings to the "3-Ring Binder" and will allow businesses and residents along its route to take advantage of this gigabit internet service. The City wishes to expand this high speed "open access" fiber backbone to several key areas within the City to aide access to high speed broadband access for businesses and patrons of businesses. TIF revenues will be used for this project on a prorated basis in order to account for the fact that some of the expansion of cable will serve residences and TIF revenue cannot be used for such purposes.</p>	\$300,000	30-A M.R.S.A. §5225(1)(C)(1)	Not yet undertaken

* These projects will be jointly funded by several TIF districts including Fairchild Semiconductor TIF, Texas Instruments TIF, Long Creek TIF and Hannaford TIF, as well as potentially other sources of revenue. For such projects, the City will determine on a case-by-case basis which TIF district(s) will fund each project approved in Development Programs when those projects are actually undertaken.