



*P.O. Box 187, Oakland, Maine 04963 • Ph. 207-465-7357 • Fax 207-465-9118*

## OAKLAND TOWN COUNCIL AGENDA

April 10, 2024

6:00 pm

Fire Station – Atlantic Room

- I. Call to order
- II. Pledge of Allegiance
- III. Roll Call
- IV. To consider approving the minutes from the March 27, 2024 meeting, and signing the weekly warrant.
- V. Business Agenda:  
Order:
  - 63-2024 - Thomas College Student presentation
  - 64-2024 -Approval of Downtown TIF Agreement & Guidelines and Application
  - 65-2024 - MMA Internship Grant \$3,500 – Awarded to Town of Oakland - Environmental Svcs Dept.
  - 66-2024 -FY25 Fuel Bid Results
- VI. Executive Session: Acquisition of real property or economic development, 1 MRSA § 405(6)(c)

### **Adjournment**

Upcoming Meetings:

OAKLAND TOWN COUNCIL MINUTES  
March 27, 2024

I. Call to order

Meeting was called to order by Vice Chair Dana Wrigley.

II. Pledge of Allegiance

III. Roll Call Councilors present: Dana Wrigley, Robert Nutting and Donald Borman

Others: Kelly Pinney Michaud, Town Manager Abby Marshall, IT  
Janice Porter, Town Clerk

IV. Moved by Robert Nutting seconded by Donald Borman and voted 3-0 approving the minutes from the March 13, 2024, and signing the weekly warrant.

V. Business Agenda:

1. 62-2024- Sign FY25 Budget Warrant

Councilors signed the May 7, 2024 Town Meeting Warrant

**Adjournment:** Moved by Robert Nutting seconded by Donald Borman and voted 3-0 to adjourn at 5:45 pm.

Upcoming Meetings:

3/28/24 -Downtown TIF Meeting – 3:00 p.m. Police Station

4/3/24 – Transfer Station Committee Meeting – 5:30 p.m. Police Station

4/4/24 – ATV Committee Meeting – 4:00 p.m. – Police Station

4/8/24 – Memorial Hall Committee Meeting 4:00 p.m. – Police Station

4/10/24 – Council Meeting – 6:00 p.m. – Fire Station



## **Tax Increment Financing (TIF) & Credit Enhancement Agreement (CEA) Guidelines**

### **Tax Increment Financing (TIF) Districts Overview**

#### **Background**

Maine state law has established Development Districts - 30-A M.R.S. §5221 et seq. and 30-A M.R.S. §5245 et seq. (the “TIF Statute”), also referred to as Tax Increment Financing (TIF) Districts, as a program to promote local economic development and support municipal projects. TIF Districts allow municipalities to provide financial assistance to support:

1. Local economic development projects and programs including public infrastructure, public safety facilities, municipal economic development programs and staff, and business expansions.
2. Affordable housing projects including capital and operating costs of affordable housing and related public infrastructure improvements, support services for residents, costs of recreational and childcare facilities, public safety, and costs to establish a permanent housing development revolving loan or investment fund (As outlined by State Statute).

The Town of Oakland has the option of using the “incremental” taxes for:

- **Oakland Downtown economic development projects and activities defined within the TIF District Redevelopment Plan.**
- **Provide economic support for Memorial Hall, if needed.**
- **Reimburse a developer or business for development project costs relating to a specific project using a Credit Enhancement Agreement (CEA).**

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).

## **Purpose**

The purpose of the Oakland Downtown Tax Increment Financing (TIF) District and Credit Enhancement Agreement (CEA) guidelines is to outline standards and processes that will be used by the Town, in initiating or considering applications for funding within the Downtown TIF District and to enter into Credit Enhancement Agreements (CEA) within a newly established or existing TIF District. Notwithstanding these guidelines, the creation of a TIF District or authorizing a CEA is a policy decision of the Oakland Town Council made on a case-by-case basis. The Town Council may override these guidelines if it determines that a project merits such treatment. The approval of a TIF District application is not a right under Maine law and these guidelines do not create a right or entitlement for any application, nor should they be interpreted to encourage any application.

## **Guiding Principles**

The Town of Oakland's Downtown Tax Increment Financing District (TIF) and Credit Enhancement Agreement (CEA) Guiding Principles support investment in municipal economic development programs and activities, Downtown improvements, and site-specific financing needs as outlined by the Town's Downtown TIF District guidelines.

The primary principles for establishing a TIF District include but are not limited to:

1. To support Oakland's Downtown Redevelopment Plan, Comprehensive Plan, and other related plans and policies include.
2. To stimulate the expansion of the Downtown's property tax base.
3. To create and retain quality employment opportunities in our Downtown District.
4. General Economic Development/Business Attraction/Marketing.
5. Encourage improvements to store facades.
6. To facilitate sidewalk and streetscape improvements.

## **Credit Enhancement Agreement (CEA) Overview**

### **Background**

A Credit Enhancement Agreement (CEA) is a financial mechanism that may be used within a TIF district to compensate a developer or business fully or partially for approved development project costs using TIF funds. The CEA is a contract between the municipality and developer or business to assist the development project by using some or all the incremental tax revenues generated by the new investment to pay certain authorized project costs with payments made directly to the developer or business.

### **Purpose**

These guidelines outline the standards and processes that the Town of Oakland will use in initiating or considering credit enhancement agreements (CEAs) within the existing Downtown Tax Increment Financing (TIF) District. A CEA is a financial mechanism, if chosen and approved by the Town Council, to be one of Oakland's economic development tools for business attraction, retention, and expansion.

Notwithstanding these guidelines, the creation of a CEA is a decision made by the Town Council on a case-by-case basis after holding a public hearing. Obtaining a CEA is not a right under Maine law, and meeting these guidelines should not be interpreted as creating any rights or entitlements in any application.

### **General priorities**

The priorities to consider for determining whether to create a CEA include:

1. Creates new jobs and/or assists existing business to retain jobs.
2. Introduces a unique or prestigious opportunity.
3. Improves the local economy.
4. Broadens the tax base.
5. Improves blighted areas.
6. Supports community projects.
7. Creates public benefits for other workers and/or businesses.
8. Contributes to growth of the Oakland Downtown

### **Establishing a Credit Enhancement Agreement (CEA)**

#### **Eligibility**

The following criteria shall be considered in authorizing Credit Enhancement Agreements for economic development:

1. Project would not likely occur otherwise.
2. Creates or retains employment opportunities.
3. Expands the Town's tax base; and
4. Conforms to the quality and types of development sought by the Town as outlined in the Comprehensive Plan, the Tax Increment Financing District Development Plans, and other plans and policies adopted by the Town Council; and
5. The developer must be current with payments to the Town, including property taxes and permitting fees.

#### **Application process**

CEA applications will be considered by the Town Manager, TIF Advisory Committee, and the Town Council, with all final approvals granted after a public hearing by the Town Council. The TIF Committee will coordinate all activities regarding applications and will advise the applicant throughout the process. The Town Manager or designee will negotiate for the Town based on the merits of the project and these guidelines following the process laid out in this document.

1. Developer/Business completes and submits CEA application and submits a letter of proposal to the Town Manager.
2. The application will be reviewed by the Town Manager and if it meets the required criteria, it will be forwarded to The TIF Advisory Committee for review.
3. The TIF Advisory Committee will review and make recommendations based on its alignment with CEA priorities.

4. A Council workshop will be scheduled to learn about the CEA as a component of the Downtown TIF district. The council may discuss details, including sensitive financial information, in Executive Session.
5. Public hearing and council vote on the TIF application if applicable and the CEA.

### **Application requirements**

Applicants for a CEA are subject to the following provisions:

1. Application fee. All applicants requesting the designation of a CEA shall pay a non-refundable application fee of \$ 250 at the time of application.
2. Documentation. The following documentation shall be included in all applications for a CEA:
  - 2.1. An executed Administrative and Professional Fee Agreement.
  - 2.2. A completed Application
  - 2.3. All financial disclosures, reporting, and other documentation as the Town of Oakland, the State of Maine, and/or what their legal counsel may require.
3. Capacity. The applicant must demonstrate financial capacity to undertake the project. All financial disclosures and financial capacity determinations will be conducted, reviewed, and certified by Kennebec County Council of Governments or the Central Maine Growth Council. The applicant must be compliant with all statutory and regulatory guidelines of the Town of Oakland and the State of Maine. The applicant shall not have engaged in illegal or unfair labor and employment practices, unsafe employment practices, or adverse or illegal environmental practices.
4. Terms. The specific terms of each CEA are negotiated on a case-by-case basis between the Town and the applicant. As a general guideline the tax recapture for any CEA should:
  - 4.1. Be less than any stated financing gap as set forth in an Applicant's Development/Project Financial Plan.
  - 4.2. State of Maine Statute allow for terms of between one (1) and thirty (30) years.
5. Costs and fees. All applicants shall pay for the Town of Oakland's legal fees and any other out-of-pocket costs associated with the development and approval of a CEA, regardless of whether it is approved or not.

### **CEA Execution**

Upon approval by the Town Council, the applicant and the Town will execute an agreement defining the terms and conditions of the CEA. The terms and conditions will include, but are not limited to:

1. Parcel identification and project description.
2. Term and performance standards.
3. Annual verification and reporting requirements.
4. Payment obligations and timing.
5. Defaults and remedies; and
6. Any other provisions deemed necessary by the Town.

# Town of Oakland

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## Downtown Tax Increment Financing Application

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Applicants should consult the Town’s TIF Guidelines prior to submitting an application.

Please submit the following information to the Oakland Town Manager. Only completed applications can be considered for review. If you need additional space, attach extra sheets.

Project Name: \_\_\_\_\_

### **I. Applicant Information**

Company Name:

Business Form: \_\_\_\_ Corporation \_\_\_\_ Partnership \_\_\_\_ Sole Proprietorship \_\_\_\_ Other (specify)

**EIN #:**

**DUNS #:**

Years in Business:

Number of years in Town:

Contact Person/Title:

Address:

City:

State:

Zip:

Phone number:

Fax number:

Email address:

Website:

Is applicant and/or company involved in any current or pending litigation, liens or claims?

If yes explain: \_\_\_\_\_

Has applicant and/or company been involved in bankruptcy or insolvency proceedings?

If yes explain: \_\_\_\_\_

Have you ever received TIF Funds for prior projects? Yes\_\_\_\_ No\_\_\_\_\_

If yes, where:\_\_\_\_\_

**II. Project Information**

Address of Proposed Project:

Project Summary:

Total Project Cost:

Amount of TIF Assistance Requested:

Use of TIF Funds

\_\_\_ Credit Enhancement Agreement \_\_\_ Land Acquisition \_\_\_ Professional Services  
\_\_\_ Site Improvements \_\_\_ Infrastructure \_\_\_ Rehabilitation/Expansion \_\_\_ Financing Cost  
\_\_\_ Other (specify) \_\_\_ Parking Lot/Landscaping

**III. Economic Development Information**

Current number of employees: Full Time: Part Time:

Estimated number of new jobs that will be created after the completion of the project

Full Time: Part Time:

Type of jobs:

Range of compensation:

List benefits for employees:

Current total annual payroll in Oakland:

Additional payroll created by project Oakland: \$\_\_\_\_\_

Current annual gross sales: \$\_\_\_\_\_

Estimated annual gross sales:

Current annual taxable sales: \$ \_\_\_\_\_

Estimated annual taxable sales:



**\*\*Consult with Town Tax Assessor if needed\*\***

Current Tax Assessment of Proposed District:

Map and Lot numbers:

Total Acreage of Proposed District:

Annual taxes currently paid to Oakland:

Describe all taxable property currently within the proposed district:

Anticipated new taxable value in proposed district, provided on a year-by-year basis for each year of TIF:

Anticipated new taxes in proposed district, provided on a year-by-year basis for each year assistance of TIF:

Does applicant have any outstanding taxes, fees or liens to the Oakland?

If yes, aged amounts: \$\_\_\_\_\_

Description of Permitting Status:

Description of current Use of property within proposed district:

**IV. Project Costs**

Purchase of Land/Building		
Demolition Cost		
Site Improvements		
Purchase of Existing Facility		
Construction of New Building(s)		
Renovation of Existing Structure		
Cost of Installation of Machinery & Equipment		
Architectural & Engineering Fees		
Legal & Other Professional Fees		
Contingency		

Working Capital		
Other (please specify)		
Track Project Costs		

Description of proposed use of property within proposed district:

Is the proposed use allowed by the zoning ordinance:

If not, describe proposed solution:

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**V. Amount \$ Source of Funds**

Source	Amount \$	Terms: Years/Interest	Contact Information
TIF**			
Equity			
Loans from other sources*** (i.e. lending institutions)			
1			
2			
3			
4			
Total Project Financing			

## **VI. Financing**

***\*\*Note: Tax Increment is not an upfront funding source, as it will be provided only on a pay-as-you-go basis. Applicant needs to identify funding sources to cover ALL costs up front, absent Tax Increment. \*\*\*Attach Letters of Commitment from all other sources of financing, stating terms and conditions of their participation in project.***

**Please include attachments or narratives that address the following: See attached**

1. Written business plan, including a description of the business, ownership/management, date established, products and services, future plans etc.
2. Past two years financial statements, profit & loss statements and balance sheet (If unaudited please include Federal Income Tax Returns)
3. Current financial statements, profit & loss statement to date, balance sheet to date (If unaudited please include Federal Income Tax Returns)
4. Two year financial projections
5. Project Description
  - a. Construction information that may include the number of square feet to be demolished and constructed, the number and square footage of units, parking, public facilities improvements (roadways, sewer, water, storm drains etc.) and the number of construction phases;
  - b. Evaluation of site or other constraints;
  - c. State benefits or services to the community;
  - d. State impact this project will have on local businesses;
  - e. State impact project will have on town services;
6. A list of names of officers and shareholders/partners in the corporation/partnership
7. A request for the Town's assistance with the project that specifies the type(s) of assistance needed and why it is needed – Include a "but-for" analysis that will show the costs without the TIF and the difference with the TIF (see attached sample "but for" analysis)
8. Construction start date and timeline for Project Completion

Applicant may need to also submit any additional information such as site plans, tax maps or other maps showing location, environmental studies, marketing studies, engineering or architectural drawings to be included for review and consideration.

Based on the Town's TIF Guidelines, the Town Manager will advise applicants on its findings following a review of this application by TIF Advisory committee, Town Attorney and Town Council. Successful applicants will be required to prepare and submit a formal application in accordance with the applicable statute and Maine Department of Economic and Community Development requirements.

All applicants are required to include a \$250.00 non-refundable application fee when submitting this application.

All applicants will be required to sign a Legal Fee Consent form agreeing to reimburse the Town for all legal costs incurred as a result of the application, regardless of the application's approval. Additionally, out of pocket expenses incurred by the Town in relation to this application will be reimbursed by the applicant.

## **VII. Certification by Applicant**

The applicant certifies that it will comply with all the rules, regulations and ordinances of the Town of Oakland. Applicant hereby certifies that all information contained above and in exhibits attached hereto is true to his/her best knowledge and belief and are submitted for the purpose of obtaining financial assistance from the Town of Oakland. The undersigned authorizes the Town of Town of Oakland to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the Town after the filing of this application.

Applicant Signature:

Printed Name/Title:

Phone:

Date:



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## **TOWN OF OAKLAND ADMINISTRATIVE & PROFESSIONAL FEE AGREEMENT**

**Purpose:** All applicants requesting a Credit Enhancement Agreement (CEA) from the Town of Oakland shall pay a non-refundable application fee at the time of application.

Application Fee: \$250

Applicant:

Signature: \_\_\_\_\_

Printed Name & Title \_\_\_\_\_

Company: \_\_\_\_\_

## **TOWN OF OAKLAND**

Signature: \_\_\_\_\_

Printed name & Title: \_\_\_\_\_

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(F) 207-624-0129

April 1, 2024

Boyd Snowden  
Municipal Engineer  
Town of Oakland  
P.O. Box 187  
Oakland, ME 04963

Dear Boyd:

I am pleased to inform you that the Town of Oakland was selected to receive a \$3,500 Maine Municipal Association (MMA) Municipal Internship Grant for summer 2024. The grant is intended to offset costs to the municipality associated with paying the intern's salary, providing any needed training, and the administrative fee paid to the Margaret Chase Smith Policy Center. The award will be presented to the Town at the conclusion of the summer internship program in August 2024.

A small committee of MMA Executive Committee members and staff reviewed applications from eight municipalities that applied to host an intern this summer and selected four municipalities to receive an award, based primarily on the quality of the proposed internship, the potential impact on the community, and the capacity for the internship to provide exposure to municipal careers. We are pleased to share that the Town of Northport, Town of China, Town of Casco, and Town of Oakland were all selected to receive an award.

The intent of this grant program is to promote and support internships as a way of encouraging more young people in Maine to pursue municipal careers. To that end, we are also pleased to offer complimentary registration for your intern to any MMA-sponsored workshops, conferences, and Convention throughout the internship and for one year following it. We hope you will encourage their participation!

The MMA Executive Committee thanks your municipality for your commitment to promoting municipal careers by hiring a summer intern. If MMA can offer you or your intern any support throughout the summer, I hope you will contact Peter Osborne, Director of Educational Services, at [posborne@memun.org](mailto:posborne@memun.org). We wish you and your municipal intern the best of luck.

Best regards,

Catherine Conlow  
Executive Director

CC: Kelly Pinney-Michaud, Town Manager