CALL TO ORDER – On Monday February 6, 2017 at 6:32 p.m. a Council Meeting was held in the City Hall Auditorium.

Recognition of Members Present – Mayor Roland Michaud recognized the members of the Council and determined that the Councilors present constituted a quorum. Councilors present: David Precourt, Roger Gay, William Doyle, Kevin Roche, Alan Minthorn, Eric Cote and Nathan Johnston. City Administrator Kevin Sutherland was also present this evening.

PLEDGE OF ALLEGIANCE

GENERAL

Presentation by Marston Lovell, York County Commissioner

Mr. Lovell noted that there has been a change in the county that the county government is responding to and that is the current opioid epidemic. The first article in the handout refers to the public hearing that the county had where we had approximately 75 people i.e. Councilors, Select Board people, Managers, Fire & Police Chiefs and citizens speak of the impact on their communities of the rising problem in opioid use. It has both humanitarian and financial impact to the county. The second page of the handout you can see that deaths have risen to about 3 dozen per year. That is up approximately on a 3 year average for 2015 about 18 per 100,000 and we are a county of 200,000. That is a statistic from the Office of Substance Abuse and Mental Health Services for the Maine Department of Health and Human Services. The 3rd article is written by the York County Sheriff who reports that in 2016 20% of the inmates are on a withdrawal protocol. That adds to the expense and overtime and other medical costs. The jail has a spending cap on it but must endure. On any given time there are a dozen inmates going through some phase of opioid withdrawal at the jail. The budget costs to the jail, plus the costs to residents and property owners for theft due to vandalism will exceed the cost to this proposed program. A draft of the proposal looks at a detox and rehab center costing about $1.7 million with a couple different parts that can be phased in. There are societal costs to ourselves and our neighbors in addition to the costs associated with vandalism or theft and that is those residents that are not gainfully employed until their opioid addiction and they may very well require general assistance additional costs to every community in the county. I do not know how Saco residents view the expense of the program which is why I have asked to be here this evening. I’m asking you and all of Saco’s residents to contact me at my County Commissioner e-mail address: MDLovell@yorkcountymaine.gov. The county’s plan is to seek state and federal funding to subsidize the cost of operation and depending on the outcome of this funding will affect the inauguration of services and that is by phasing in services over a 5 year period we expect to make the impact on the property tax to be very small. I would say that in the first year and perhaps in some of the subsequent years approximately $17,760 increase in the county tax will be to support the development and phasing in of this detoxification and rehab center. Where medical insurance is available the county will apply for medical reimbursement and that over a period of time that this program is run I expect that there won’t be any significant impact in property tax but, taxpayers need to know what they are paying for and if they send me an e-mail I will be more than willing to get them answers to any of their questions.

PUBLIC COMMENT

John Harkins Chairman of Saco Citizens for Sensible Government – We have exhausted our efforts to have the Council recognize the proper use of unexpended funds from completed capital projects. Simply put these dollars need to be approved by the City Council before use. It is required by the City Charter. There are no discretionary actions. Our concerns are all about policies, procedures, processes and accountability. Bringing these various issues to head was the transfer station. Over $144,000 was redirected from unexpended capital projects without Council knowledge or approval. It took over a year to have this fact acknowledged. No one ever challenged the merits of the children’s safety or DEP requirements of the project. Saco Citizens for Sensible Government is not a negative group of witch hunters. We are just involved taxpayers working toward the same goal. Our focus is on how our dollars are being spent and the tools employed in policy making. Let us move ahead on the right track and be guided by the cities various tools: charter, purchasing policies, administrative code and state statutes etc. Keep the door open and accessible. Avoid challenges by various public to avoid FOI requests and or involvement by the Civil
Liberties Union. In hindsight I also noticed on the agenda that there is an approval for the minutes on January 9th. There is a difference between a Workshop and a public meeting. You cannot take actions in a Workshop.

VI. CONSENT AGENDA

Mayor Michaud pulled consent agenda item A. - January 3, 2017 minutes, Councilor Roche asked that the January 17th minutes be pulled and Councilor Cote asked that the January 9th minutes be pulled so they could all be discussed and voted on separately.

Councilor Minthorn moved, Councilor Roche seconded to approve consent agenda items A, (Sept 6th,) B, C, D, E and F as follows:

A. Minutes - Be it ordered that the City Council approve the minutes for September 6, 2016 and further move to approve the order;

B. Asset Forfeiture – State v. Candice Weiss – Be it Ordered that the Saco City Council does hereby approve with reference to York County Superior Court Docket #CR-16-611-Criminal Forfeiture, of the transfer of assets to the City of Saco, pursuant to 15 M.R.S. §5824(3) and/or §5826(6). Further move to approve the order.

C. Confirm the Mayor’s Reappointment of Jay St. John to the Historic Preservation Commission - Be it Ordered that the City Council confirm the Mayor’s reappointment of Jay St. John as a member of the Historic Preservation Commission for a three year term ending November 18, 2019.” Further move to approve the Order.

D. Applications for a License to Operate Games of Chance - Fraternal Order of Eagles #3792 - Be it Ordered that the City Council grant the applications for a License to Operate Games of Chance as follows: Various Pull Tickets from April 1, 2017 to March 31, 2018 and a Meat Shoot on April 9, 2017 as submitted by the Fraternal Order of Eagles #3792.” Further move to approve the Order.

E. Adoption of the 2015 York County Hazard Mitigation Plan - Be it Ordered that the City Council adopt the 2015 York County Hazard Mitigation Plan”. Further move to approve the Order.

F. Confirm the Mayor’s Appointment of Joseph Gunn to the Zoning Board of Appeals - Be it ordered that the City Council confirm the Mayor’s appointment of Joseph Gunn to the Zoning Board of Appeals for a 5-year term to expire February 6, 2022”. Further move to approve the order.

The motion passed with seven (7) yeas.

A. Minutes:

- Jan. 3rd - Councilor Minthorn moved, Councilor Doyle seconded to approve the minutes. The motion passed with seven (7) yeas.
- Jan. 9th - Councilor Minthorn moved, Councilor Doyle seconded to approve the minutes. The motion passed with seven (7) yeas.

Councilor Roche noted on the Jan. 17th minutes that some Q & A made the minutes on the municipal budget and other information such as the Audit Q & A did not. This does not give a clear picture of what happened at the meeting. Residents will need to review the tape for the complete picture. He noted that the Audit report indicates a favorable financial position going into the new-year for the City of Saco. The cities unassigned fund balance is above policy and our debt service remains “well” below state regulations. There was also other conversation there saying that Saco is in a great position. The best it has been in 15 years. Then we moved onto what the Councilors wanted to see to start the budget process. Councilor Roche read all the comments listed in the minutes but he wanted it to be clear that the city is looking at potential increases for the school and he wanted to make sure that a goal for zero city increase if that is what the majority meant, still means a tax increase to the constituents will be likely. There is a difference between the city and the schools. We also said that through the numbers for the last 10 years that the city mil rate has increased on average by 5%. The school has a bigger budget and reimbursement by the state and it has increased on average 4%.

- Jan. 17th - Councilor Minthorn moved, Councilor Doyle seconded to approve the minutes. The motion passed with seven (7) yeas.
VII. AGENDA
A. DESIGNATION OF SACO OMNIBUS MUNICIPAL DEVELOPMENT DISTRICT – (PUBLIC HEARING)

The City’s Existing Downtown/Saco Island TIF reached its statutory (30 year) maturity on December 30, 2016. Attached is the Saco Downtown Omnibus Municipal Development District Program (Development District #15) that is being proposed to replace the recently matured TIF.

There have been several changes and enhancements to Maine law relating to DEVELOPMENT DISTRICTS - Statute: 30-A M.R.S. §§ 5221-5235 also referred to as Tax Increment Financing (TIF) Districts in the last several years which give communities greater flexibility in both the designation of these districts and the utilization of funds generated by these districts, the most notable of these enhancements is that the acreage and tax value included in a “downtown” DEVELOPMENT DISTRICT does not count against the community limit for DEVELOPMENT DISTRICTS.

The focus of the proposed Downtown Development District is to incent greater development in the downtown and to retain more of the property tax revenues generated within this area within Saco for appropriate and allowed uses within our community as well as continued utilization of Credit Enhancement Agreements when and where circumstances warrant such use.

In order for this to be implemented by July 1, 2017, municipal approval and submission to the State of Maine Department of Economic and Community Development must occur by March 1, 2017.

This matter was discussed in Workshop sessions with the Saco City Council on December 19, 2016 and January 9, 2017. The matter was also reviewed by the Saco Economic Development Commission on January 4, 2017. The City Council reviewed this document again at the City Council meeting on January 17, 2017.

Councilor Johnston moved, Councilor Doyle seconded to open the Public Hearing. The motion passed with seven (7) yeas.

Bette Brunswick, President of the Board for the Saco Main Street Organization, member of the Economic Development Commission and member of the Comprehensive Plan Update Committee. As the Council thinks about this Development District I ask that you thoroughly educate yourself on the details and about how your directives impact of effective the good works of local organizations that support economic growth in the district. Do not hesitate to contact Saco Main Street so that we can be of help to guide any process aimed to improve the downtown.

Craig Pendleton, Executive Director of the Biddeford and Saco Chamber of Commerce and also a non-voting member of the Economic Development Commission. In general we support any and all efforts to make doing business in Saco easier. We encourage language that clearly defines how this district will help existing businesses. By helping existing businesses we will help make downtown Saco a destination. We also encourage this discussion to be expanded to encourage job growth. There is considerable housing being built but we can’t assume that there are indeed enough jobs locally for these new residents. We would also encourage you and to help clarify around statements made about a separate district fee and what uses would be designated by this fund and how these funds will be managed.

George Giovanis – Mr. Giovanis owns a piece of land on Route #5 on Bradley Street. I only became aware of this recently. I would ask that the district being proposed be expanded to go all the way up to the natural buffer of the Maine Turnpike and to come down around and include Lincoln Street and come along the river because I think there is a tremendous opportunity to develop that land. I have a piece and Mr. Douville has a piece that are the last 2 big pieces that are undeveloped and on city sewer that I’m aware of other than any land that may be remaining owned by the Lucia Deering Trust. In looking at this it made sense to me and I met with staff today and I believe that my initial up take was that staff was supportive and so I’m here to ask from the Council that you consider expanding that district to include right up to the turnpike and coming along the Saco River Corridor from Lincoln Street. Mr. Giovanis displayed a map and noted that Councilor Precourt should be commended for that because it
had originally gone as far as this and I’m saying to come around right here and down along the river. I think that pretty much expresses it that we want to put our development where the city sewers are because infrastructure is expensive. I know myself that I looked at doing something on development along supporting the elderly such as maybe a nursing facility or something like that and it would put it at an economic disadvantage to other parts that were in this TIF versus ours which would not be. It would probably make good sense to put something like that there where you have your city sewer.

Tracey Collins - Lives in Ward 6 – Ms. Collins felt this was really good news that we are focusing on this. This will be my 10th year as a resident of Saco and it is the longest I have lived anywhere in my adult life. We moved onto Main Street in this town 10 years ago because of the vibrant Main Street. Two years ago I spent a great deal of time along with about 15 other volunteers on a project called Bridge 2025. Pouring in our resources and connections to people in the community to get them out to talk about what it is we really want to see in the future of our city. The downtown district was the number one priority because there is so much opportunity here and we see it sometimes going to other places across the river so I would really ask the Council to support the plan that I think is still being developed out of that Bridge 2025 project. I thought this would be a helpful reminder to focus on the feedback, investment and time that was put into getting that feedback.

Councilor Johnston moved, Councilor Minthorn seconded to close the Public Hearing and further move to set the second and final reading of the Designation of Saco Downtown Omnibus Municipal Development District Program (Development District #15) Dated February 21, 2017 for February 21, 2017. The motion passed with seven (7) yeas.
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EXHIBITS:

A. Development District Map
B. Statutory Requirements & Thresholds
C. Assessor’s Certificate of Original Assessed Value with attached Parcel List
D-1 District Revenue Projections
D-2 Tax Shift Projections
E. Public Hearing Notice
F. Public Hearing Minutes
G. Attested Council Order
I. Saco’s First West Historic Preservation Report-November 2011
J. Saco Comprehensive Plan Update-3/7/2011
L. A Revitalization Plan for Saco Island and Downtown Saco-September 1998

I. Introduction

A. Saco’s Downtown Redevelopment Plans

The City of Saco has a long history of planning for its future growth and development. Saco completed its first Comprehensive Plan in the mid-1960s, more than 20 years before the State of Maine enacted the Growth Management Act. In 1975 the City developed a new Comprehensive Plan that led directly to the implementation of its current land use regulation system. The City adopted revisions and updates to its Comprehensive Plan in 1987, 1999, 2011, and has just begun the process of a further update to portions of that plan focusing on our downtown and coastal waterfront. The City of Saco’s Downtown Plan was adopted in 2007 and amended in 2013.

As stated in the City of Saco Downtown Plan, as amended September 16, 2013

“VISION: Downtown Saco in 15 to 20 years can grow to become a busy regional commercial hub with a vibrant mix of businesses, services, retail stores, offices, and residences.”

“Revitalization” was a key concept in the “1998 A Revitalization Plan for Saco Island and Downtown Saco” and the “2007 Downtown Plan.”

The 2013 Downtown Plan also incorporates downtown revitalization information drawn from the 2006 Housing Strategy and 2011 Comprehensive Housing Update, both adopted by the City Council. Some major recommendations from 1998 plan which have been implemented include:

- Create organization to manage downtown using National Main Street approach
- Add parking near Pepperell Square
- Improve parking, parking signage, parking management
- Build passenger train station
- Rehab Main Street – Pepperell Square
- New signage, orientation signage

Since 2001, Saco Main Street, Inc. (f/k/a Saco Spirit) has coordinated downtown promotions. Parking has been added and improved. Main Street and Pepperell Square have been rebuilt beautifully. New signage and orientation signage has been installed. The Saco Transportation Center now operates in a 5,500 square foot green building serving a rapidly growing passenger train service. The building also provided community meeting space, serves as a location for the dissemination of local tourism information, and as home to a local accounting firm.

We are finally beginning to see some progress on the goal of encouraging more mixed use redevelopment on Saco Island. Mill Building #41 is currently in the process of being redeveloped by Chinburg Properties, Inc. into 150 market-rate apartments and 30,000 sq. ft. of restaurant, commercial, office, and creative/maker space.

1 Mill Building #4 is the subject of a separate Development District (#12), therefore the real estate related to that Development District has been excluded from the SACO DOWNTOWN OMNIBUS MUNICIPAL DEVELOPMENT DISTRICT PROGRAM (Development District #15).
The 1998, 2007, and 2013 plans called for traffic planning for Saco Island. Saco and Biddeford, with the assistance of PAC, conducted the innovative mill district traffic study aimed at obtaining Maine Traffic Movement Permit guidance for the mill district to advance the development. The rehabilitation of Central Fire Station for mixed use and the Boiler House Lofts on Saco Island are other promising signs in the downtown.

The 2013 update of the Downtown Plan consists of this introductory page and a new Chapter 7, which focuses on housing rehabilitation and other revitalization strategies. Its recommendations include:

- Create diverse, affordable, safe, and sanitary housing.
- Continue the Code Enforcement Office’s Neighborhood Blight Prevention Program, including the multifamily inspection program, in the downtown area.
- The Water Street Improvement Project developed by the Saco Public Works Department should be pursued in order to preserve the street from eroding, to curb speeding traffic, and to improve parking.
- The City should continue to seek state funding to provide financial assistance to property owners to maintain and improve their property.
- Continue to support private development efforts to revitalize Downtown and Saco Island, including the maintenance and improvement of older residential neighborhoods.
- Develop a Resolution Loan Fund oriented toward downtown revitalization.
- Expand opportunities for weatherization programs.

NOTE: The Water Street Improvement Project has been completed and the Revolving Loan Fund has been established. All of the other efforts, listed in the 2013 Amended Downtown Plan are ongoing.

The City of Saco has been planning the overall development of the community’s downtown area for the last several decades with a view to generate increased business activity, greater in-fill development, higher residential density, and commercial development and spur overall economic growth. Saco’s downtown redevelopment plan is a four-pronged approach, but not limited to, reconnecting Saco to the waterfront with its diverse mix of businesses and residential properties, control and sooth traffic in the area, increase pedestrian access to the downtown and surrounding areas, and recapture the vitality of the harbor by making necessary improvements and, in concert with the U.S. Army Corp of Engineers, seeing that the long overdue dredging of the Saco River occurs.

The amended Downtown Redevelopment Plan and the amended Comprehensive Plan referenced above are referred to herein, collectively, as the “Plans.” To achieve the goals contained within these Plans, the City now seeks to designate a Downtown Omnibus Tax Increment Financing district and adopt this development program for such districts.

The city further determines that the boundaries of the District contain the traditional central business district of the City that has served as the center of socioeconomic interaction in the City, characterized by a cohesive core of commercial and mixed-use buildings, interspersed with civic, religious, and residential buildings and public spaces, arranged along a main street and intersecting side streets and served by public infrastructure. The Downtown Redevelopment Plan, a copy of which is attached hereto as Exhibit H, describes the City’s plan for the physical and economic redevelopment of its Downtown District. The other reports and Plans referenced in this report are attached as additional Exhibits hereto.

B. Designation of Development District

In order to help accomplish the goals of Saco’s Downtown Redevelopment Plans, the City hereby designates the Saco Downtown Omnibus Municipal Development District (the “District”). The District is shown on Exhibit A.

II. Development Program Narrative

A. The Development Program

This development program (the “Development Program”) is structured and proposed pursuant to Chapter 20-A of Title 30-A of the Maine Revised Statutes, as amended (the “DEVELOPMENT DISTRICT Statutes”). The City’s designation of the District combined with the adoption of this Development Program create a single municipal Development District in order to capture the value of the real property improvements made within the District, and enable the use of taxes paid on increased assessed value in the District (“DEVELOPMENT DISTRICT Revenues”) for various municipal and other economic development projects. The Development Program will run for the same 30-year period as the District designation starting with fiscal year 2017-2018, July 1, 2017, ending June 30, 2047.

Under this Development Program, the City will capture one hundred percent (100%) of the taxes paid on increased assessed value related to real property in the District. The City will retain and utilize the DEVELOPMENT DISTRICT Revenues to fund various infrastructure improvements, public safety equipment, and other costs, all as further described in Table I herein.

In designating the District and adopting this Development Program, the City can accomplish the following goals:

- Maintain existing tax revenues;
- Achieve the vision and goals contained in Saco’s Downtown Redevelopment Plans;
- Create long-term, stable employment opportunities for area residents;
- Attract businesses and promote the economic viability and sustainability of the general economy of the Town.

Thus, the City’s designation of the DEVELOPMENT DISTRICT and pursuit of this Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of the
City, by providing jobs, contributing to property taxes and diversifying the region’s economic base.

In addition, by creating the DEVELOPMENT DISTRICT, the City will “shelter” the increase in municipal valuation that development in the DEVELOPMENT DISTRICT will bring about. This tax shift benefit will mitigate the adverse effect that the DEVELOPMENT DISTRICT’s increased assessed property value would have on the Town’s share of state aid to education, municipal revenue sharing, and its county tax assessment. An estimate of the tax shift benefit is shown as Exhibit D-2 attached hereto.

B. The Projects

1. Municipal Projects

Development within the DEVELOPMENT DISTRICT will provide a revenue source for the City’s economic development projects. The City plans to use its portion of the DEVELOPMENT DISTRICT Revenues for several projects that will enhance the exposure and viability of the City as a vibrant place to locate a business, to visit, and to work. The City plans to invest in its economy by improving municipal infrastructure and paying for economic development expenses generally. Please see Table 1 below for a complete list of authorized projects and their respective cost estimates. In order to demonstrate an implementation plan for these projects, the table also includes a responsible party for moving the project forward and the reference applicable for each project to provisions of Saco’s Downtown Redevelopment Plans.

**TABLE 1**

**City of Saco’s Project Costs**

*Note:* The TIF Revenues from this District are not intended to fully fund each of the projects listed below—indeed, the total project cost estimates for the projects listed below far exceed the projected TIF Revenues from this District.

*NOTE:* The cost estimates listed in the table below are for the full thirty (30) year life of the District and are not annual costs.

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost Estimate</th>
<th>Statutory Cite</th>
<th>Responsible Party</th>
<th>Downtown Planning Document Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General Economic Development:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Salary and overhead costs associated with an Economic Development Director;</td>
<td>$3,000,000</td>
<td>30-A M.R.S.A. §§5225(1)(A)(4); (1)(A)(5); (1)(C)(1); (1)(C)(3); §5230</td>
<td>City Administrator</td>
<td>A Revitalization Plan for Saco Island and Downtown Saco - 1998</td>
</tr>
<tr>
<td>b. Salary and overhead costs associated with economic development support staff;</td>
<td>$750,000</td>
<td></td>
<td>Economic Development</td>
<td>Downtown Plan - 2007</td>
</tr>
<tr>
<td>c. Prorated salary and overhead costs associated with the City Administrator’s, City Administrator’s Executive Assistant, City Planner’s and Finance Director’s efforts relating to economic development activities;</td>
<td>$900,000</td>
<td></td>
<td>City Council</td>
<td>City of Saco Comprehensive Plan - 2011</td>
</tr>
<tr>
<td>d. Prorated assessing services relating to the TIF District;</td>
<td>$1,500,000</td>
<td></td>
<td>City Administrator</td>
<td>Saco Housing Strategy - 2009</td>
</tr>
<tr>
<td>e. Economic development and planning studies and plans including market analyses of various types including arts development districts, and the creation of arts districts, etc.;</td>
<td>$1,500,000</td>
<td></td>
<td>Economic Development</td>
<td>City of Saco Downtown Plan, as Amended September 16, 2013, these citations are for all categories (#1 through #26) listed in this document.</td>
</tr>
<tr>
<td>f. Capitalize, fund a revolving loan fund for businesses in Saco;</td>
<td>$900,000</td>
<td></td>
<td>Economic Development Director / Economic Development Commission</td>
<td></td>
</tr>
<tr>
<td>g. Marketing Saco for economic development, tourism;</td>
<td>$1,500,000</td>
<td></td>
<td>City Council</td>
<td></td>
</tr>
<tr>
<td>h. Fund tourism events;</td>
<td>$150,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Consultant costs, legal costs as they relate to tax increment financing and economic development;</td>
<td>$150,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j. Local grant match funding for state and federal grants relating to Economic Development projects;</td>
<td>$250,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k. Economic development grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l. Local Agriculture/Economic Development - create/support local agriculture opportunities such as a year-round Farmers’ Market and food trucks.</td>
<td>$10,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>$21,450,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Cost Estimate</td>
<td>Statutory Cite</td>
<td>Responsible Party</td>
<td>Downtown Planning Document Reference</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>---------------</td>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>2. Municipal Equipment Costs Associated with downtown development: The</td>
<td>$4,750,000</td>
<td>30-A M R S A. §§5225(1)(A)(1)(a); (1)(A)(2); (1)(B)(1); (1)(B)(2)</td>
<td>City Administrator</td>
<td>Public Works Director</td>
</tr>
<tr>
<td>DEVELOPMENT DISTRICT fund would cover prorated capital, borrowing or leasing costs to fund the purchase of equipment based on the amount each piece is to be used within the District boundaries and outside the District to the extent directly related to or made necessary by the establishment or operation of the District. Equipment purchased will enhance the ability to provide better, year-round conditions for businesses to thrive by providing consistent snow removal, safe access to businesses, cleaning municipal parking lots, and safe sidewalks for pedestrians. Equipment may include, but would not be limited to: sidewalk snowplow, vacuum street sweeper, plow truck, fire truck, emergency response (no police-related activities or equipment can be paid for with DEVELOPMENT DISTRICT revenues).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Sidewalk Rehabilitation/Extension, Parking Improvements and Connectivity:</td>
<td></td>
<td>30-A M.R.S.A. §§5225 (1)(A)(1); (1)(B)(1), (2)</td>
<td>Public Works Director</td>
<td>Planning Director</td>
</tr>
<tr>
<td>a. Design and construction, ADA adjustments, lighting, crosswalks and curb from Saco Island along Main Street to the I-195 Connector, including but not limited to all cross streets within the DEVELOPMENT DISTRICT.</td>
<td>$4,600,000</td>
<td></td>
<td></td>
<td>Economic Development Director</td>
</tr>
<tr>
<td>b. Parking improvements and a possible central parking facility to facilitate access to the District, including acquisition of land, design, construction, and other associated costs within and outside the District.</td>
<td>$4,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Municipal/private partnerships for pedestrian access and parking from Saco Island north to Thornton Academy.</td>
<td>$1,000,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td>Cost Estimate</td>
<td>Statutory Cite</td>
<td>Responsible Party</td>
<td>Downtown Planning Document Reference</td>
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<td>------------------------------------------------------------------------</td>
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<td>-----------------------------------------------------------</td>
<td>--------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>4. Bicycle and Pedestrian Residential to Business</td>
<td>$3,400,000</td>
<td>30-A M.R.S.A. §§5225(1)(A)(1); (1)(B)(1); (1)(C)(6)</td>
<td>Public Works Director</td>
<td>Planning Director</td>
</tr>
<tr>
<td>Community Connections and Improvements: rail connections including, but not limited to, the current and future locations of Eastern Trail, Saco’s portions of the Biddeford &amp; Saco RiverWalk Trail System, including but not limited to new/ upgraded energy efficient lighting, solar if available, new pedestrian bridges connecting the east and west sides of Saco Island and completing our Downtown RiverWalk loop, paving, bicycle parking facilities and maintenance stations, bike lanes, marking, pedestrian benches and way finding signage. This project encompasses both new capital and maintenance (use of TIF funds for trail maintenance being limited to trails having significant potential to promote economic development) costs of trails inside and outside of the District including, but not limited to, the current and future locations of the Eastern Trail.</td>
<td></td>
<td>Economic Development Director</td>
<td>Bike-Ped Committee (To Be Formed)</td>
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<td>5. Bus Shelters and Transportation Amenities: Including transit service capital costs, transit vehicles, buses, vans, rail conveyances, bus shelters, benches, other transit-related equipment and infrastructure.</td>
<td>$200,000</td>
<td>30-A M.R.S.A. §§5225(1)(C)(7)(a)</td>
<td>City Administrator</td>
<td>Public Works Director</td>
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<td>Economic Development Director</td>
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<td>Planning Director</td>
<td>In coordination and collaboration with the Director of Biddeford- Saco - Old Orchard Beach Transit Committee</td>
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<td>6. Underground Utilities: Design and construction of moving various utilities underground such as electric, broadband, fiber, phone, etc. within the District and outside the District to the extent directly related to or made necessary by the establishment or operation of the District.</td>
<td>$4,100,000</td>
<td>30-A M.R.S.A. §§5225(1)(A), (1)(B)(1), (3)</td>
<td>Public Works Director</td>
<td>City Engineer</td>
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<td>Water Resource Director</td>
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<td>Recovery Director</td>
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<td>In coordination and collaboration with various utility providers.</td>
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<td>7. Streetscape Improvements: Including but not limited to</td>
<td>$250,000</td>
<td>30-A M.R.S.A. §§5225(1)(A)(i)(a)(ii); (1)(C)(1)</td>
<td>Public Works Director</td>
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<td>Water Resource Recovery Director</td>
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<td>Economic Development Director</td>
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<td>8. Road and Intersection Improvements: Design and construction related to street reconstruction, signal adjustments and traffic calming improvements in various locations as needed within the district, and / or arterial roads within two miles adjacent to the district.</td>
<td>$20,000,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(B)(1)</td>
<td>Public Works Director</td>
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<td>Economic Development Director</td>
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<td>9. Stormwater and Drainage Improvements: Rehabilitate existing drainage to accommodate new business development and to meet the provisions as required in the MS4 General Stormwater Permit. Design and construction of new stormwater drainage system including but not limited to infrastructure within the District or outside as necessary to support these infrastructure systems within the District.</td>
<td>$13,200,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(B)(1); (1)(B)(3); (1)(C)(2)</td>
<td>Water Resource Recovery Director</td>
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<td>Public Works Director</td>
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<td>City Engineer</td>
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<td>10. Sewer Infrastructure: sewer lines, sewer services, and any sewer related improvements to include, but not limited to, collection systems, pumping stations, treatment facilities and CSO abatement projects within and outside the District.</td>
<td>$30,000,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(B)(1); (1)(C)(3); (1)(C)(2)</td>
<td>Water Resource Recovery Director</td>
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<td>Public Works Director</td>
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<td>City Engineer</td>
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<td>11. Natural Gas: Municipal projects associated with natural gas infrastructure installed which will provide an alternative and likely cost competitive, energy source for existing and future business development. This project includes street and right-of-way construction.</td>
<td>$2,000,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(B)(1); (1)(C)(1)</td>
<td>City Administrator</td>
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<td>12. 3-Phase Power: Design, construction, and other work associated with installation of 3-phase power, a necessity for many businesses.</td>
<td>$5,000,000</td>
<td>30-A.M.R.S.A. §§5225(1)(A); (1)(C)(1)</td>
<td>Public Works Director</td>
<td>City Engineer</td>
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<td>City Engineer</td>
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<td>Planning Director</td>
<td>In coordination and collaboration with various utility providers.</td>
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<td>13. Broadband costs/4G LTE costs/etc.: Broadband, 4G LTE (and/or upgrades thereto) and fiber expansion and facilities/construct/construction costs relating the same. In addition, the City may use TIF revenue to create free wifi for an area of City, possibly through a shared workspace.</td>
<td>$4,000,000</td>
<td>30-A.M.R.S.A. §§5225(1)(A); (1)(C)(1)</td>
<td>City Engineer</td>
<td>Public Works Director</td>
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<td>Planning Director</td>
<td>IT Director</td>
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<td>14. Energy Generation and Transmission: Electrical vehicle charging stations, Hydrogen dispensing stations. Wireless power transmission and other energy generation and transmission projects, including, but not limited to, solar power generation, that reduce environmental impacts, promote economic development, and attracts people to Saco.</td>
<td>$10,000,000</td>
<td>30-A.M.R.S.A. §§5225(1)(A); (1)(B)(1); (1)(C)(1); (1)(C)(2)</td>
<td>Energy and Sustainability Committee</td>
<td>Economic Development Director</td>
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<td>IT Director</td>
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<td>15. Harbormaster’s Office: The Harbormaster office provides the working environment for one of the busiest launch facilities and harbors in the area, a significant portion of which is located within this District. Construct new office, workshop, and storage facility within the District and enhance facilities outside of District that support the operation of the Harbormaster within the District. Recognizing that some costs of this office are general governmental expenses that do not relate to economic development, those costs shall be borne by the general fund or other revenue sources.</td>
<td>$1,000,000</td>
<td>30-A.M.R.S.A. §§5225(1)(A); (1)(B)(1); (1)(C)(1)</td>
<td>City Administrator</td>
<td>Public Works Director</td>
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<td>Public Works Director</td>
<td>Harbormaster</td>
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<td>Harbormaster</td>
<td>Economic Development Director</td>
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<td>16. Piers, Floats, and Visitor/Tourist Boater Amenities: Replace piers and floats at various water access points within the District, along the Saco River. Improve boater amenities in order to attract boaters from outside the District to Saco Island / downtown area, including all costs associated with an enhanced boat launch and enhanced navigability and access to points within the District.</td>
<td>$750,000</td>
<td>30-A.M.R.S.A. §§5225(1)(A); (1)(B)(1); (1)(C)(1)</td>
<td>City Administrator</td>
<td>Public Works Director</td>
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<td>Public Works Director</td>
<td>Harbormaster</td>
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<td>17. GIS/Mapping: Geographic Information System (GIS) mapping CIP program to support ongoing maintenance and upgrade of infrastructure, including hardware, software, licensing, maintenance training, and technical support. GIS provides critical support to existing and future development in all potential future tax increment financing districts.</td>
<td>$300,000</td>
<td>30-A M.R.S.A. §5225(1)(C)(1)</td>
<td>City Engineer</td>
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<tr>
<td>18. Credit Enhancement Agreements: Future Credit Enhancement Agreements (CEAs) can be used to attract new business, encourage business expansion, and will be subject to City Council review, a minimum of one public hearing, and City Council Approval. The City Council may approve CEAs of up to 100% reimbursement to a developer or company for up to the full term of the District in the sole discretion of the City Council after a public hearing.</td>
<td>$3,000,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(C)(3); 5224(3)(D)</td>
<td>Economic Development Director City Administrator Economic Development Commission City Council</td>
<td></td>
</tr>
<tr>
<td>19. Public Safety Building and Public Safety Equipment/Infrastructure: to the extent a new public safety building is needed to serve District development. DEVELOPMENT DISTRICT revenues may support the costs of such facility whether it is located inside the District or outside the District. If such facility will house police and fire, only the fire-related costs may be paid for with DEVELOPMENT DISTRICT revenues. In addition, fire-related safety equipment and infrastructure related to District development may be paid for with DEVELOPMENT DISTRICT revenues, including but not limited to hydrants, fire fighter gear, etc.</td>
<td>$5,000,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(D)(1); (1)(B)(2)</td>
<td>City Administrator Fire Chief</td>
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<td>20. Other Capital Costs: including but not limited to, land acquisition / redevelopment costs to develop a business and/or technology park, arts district, municipally-funded commercial buildings, and/or augment the existing urban trail /pedestrian path and Riverwalk system (use of Development District funds for urban trails / pedestrian walking paths being limited to trails / paths having significant potential to promote economic development).</td>
<td>$5,000,000</td>
<td>30-A M.R.S.A. §5225(1)(A)(1)</td>
<td>City Administrator Economic Development Director City Council</td>
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<td>Project</td>
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<tr>
<td>21. Waterway seawall construction and/or repairs that will promote commercial access and communication along the Saco River and promote economic development.</td>
<td>$1,250,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(C)(1)</td>
<td>Economic Development Director</td>
<td>City Administrator Economic Development Commission City Council</td>
</tr>
<tr>
<td>22. Waterway dredging activities that will promote commercial access and communication along the Saco River and promote economic development.</td>
<td>$1,100,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(C)(1)</td>
<td>Economic Development Director</td>
<td>City Administrator Economic Development Commission City Council</td>
</tr>
<tr>
<td>23. Marina infrastructure construction along the Saco River and promote economic development.</td>
<td>$250,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(C)(1)</td>
<td>Economic Development Director</td>
<td>City Administrator Economic Development Commission City Council</td>
</tr>
<tr>
<td>24. Marina infrastructure construction along the Saco River and promote economic development and/or acquisition and repairs for public emergency first responder access (e.g. City fire boat).</td>
<td>$50,000</td>
<td>30-A M.R.S.A. §§5225(1)(A); (1)(C)(1)</td>
<td>Economic Development Director</td>
<td>City Administrator Economic Development Commission City Council</td>
</tr>
<tr>
<td>25. Training Funds costs of services and equipment to provide skills development and training for jobs created or retained in the City.</td>
<td>$750,000</td>
<td>30-A MRSA §5225(1)(C)(4)</td>
<td>Economic Development Director</td>
<td>City Administrator Economic Development Commission City Council</td>
</tr>
<tr>
<td>26. Costs related to economic development, environmental improvements, fisheries and wildlife or marine resources projects, recreational trails, or employment training within the municipality or plantation, including, but not limited to: costs of funding economic development programs or events developed by the municipality or plantation or funding the marketing of the municipality or plantation as a business or arts location; costs of funding environmental improvement projects developed by the municipality or plantation for commercial or arts district use or related to such activities;</td>
<td>$1,000,000.00</td>
<td>30-A MRSA §§5225(1)(C)(1), (2),4),(6), (8)</td>
<td>Economic Development Director</td>
<td>City Administrator Economic Development Commission City Council</td>
</tr>
</tbody>
</table>

Total: $145,960,000
Note: The following projects from the above list are projects common to the Chincroft/Saco Mill No. 4 DEVELOPMENT DISTRICT and the proposed Downtown DEVELOPMENT DISTRICT that is the subject of this application.

C. Strategic Growth and Development

The City hereby designates Development District #15, the Downtown Omnibus Municipal Development District as a Municipal Development District and a Tax Increment Financing District. The area of the City of Saco shown as the District as more particularly described in this Development Program is hereby designated as a development district and a tax increment financing district and such designation shall automatically become final and shall take full force and effect upon receipt by the City of approval of the District by the Commissioner of the Maine Department of Economic & Community Development, without the requirement of any further action by the City, the Municipal Officers or any party.

By designating the DEVELOPMENT DISTRICT and adopting the Development Program, the City is capitalizing on the tax shift benefits so that the City will not lose new tax revenue to subsidy losses and increased obligations. The DEVELOPMENT DISTRICT’s designation and implementation of the Development Program is expected to improve and boost the City’s economy generally and enable the City to accomplish the goals of the Downtown Redevelopment Plans.

D. Improvements to the Public Infrastructure

The City will use certain DEVELOPMENT DISTRICT Revenues for improvements to public infrastructure as set forth in Table 1 above.

E. Operational Components

1. Public Facilities

See Table 1 for a description of public facilities.

2. Commercial Improvements Financed Through Development Program

The DEVELOPMENT DISTRICT is an “omnibus” district because the City will have the option to approve credit enhancement agreements for property located within the District on a case by case basis as described in Table 1.

A Credit Enhancement Agreement for any specific lot development proposal or use will not be entered by the City unless such development proposal and use is specifically approved by the City Council after the public hearing. By adoption of this Development Program, the City is not promising to provide tax increment financing to the developer of any lot in the District. No property owner is entitled to a Credit Enhancement Agreement and the above-referenced criteria are simply minimum criteria to be eligible for consideration by the City Council. Approval or disapproval of any request for any Credit Enhancement Agreement and the terms thereof will be in the sole discretion of the City Council.

3. Relocation of Displaced Persons

Not applicable.

4. Transportation Improvements

The City intends to improve various streets in order to facilitate and accommodate commercial business development including but not limited to locations as needed within the district, and/or arterial roads within two miles adjacent to the district.

5. Environmental Controls

The improvements made under this Development Program will meet or exceed all federal, state, and local environmental laws, regulations, and ordinances and will comply with all applicable land use requirements for the City.

6. Plan of Operation

During the term of the DEVELOPMENT DISTRICT, the City’s Economic Development Director or the City Administrator will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.
III. Physical Description

This Article III addresses the conditions for approval contained in 30-A M.R.S.A. § 5223(3). The proposed 757.8 acre District is shown in Exhibit A. The statutory threshold limits addressing the conditions for approval contained in 30-A M.R.S.A. § 5223(3) are presented in Exhibit B. Before designating the District and before establishing this Development Program, the City held a public hearing at which interested parties were given a reasonable opportunity to present testimony concerning the District and Development Program. The City has considered any evidence presented at such public hearing. Notice of the hearing was given as referenced in this Development Program. Before designating the District and before establishing this Development Program, the City hereby finds and determines that the District and the Development Program will contribute to the economic growth and well-being of the City, and to the betterment of the health, welfare, or safety of the inhabitants of the City, including employment opportunities, broadened and improved tax base and economic stimulus, constituted and valuable public goods and any adverse economic effect on or detriment to any existing business is outweighed by the contribution made by the District, and the City further makes the other findings and determinations as set forth in this Development Program and the Exhibits hereto.

The City hereby finds and determines that the District satisfies the conditions imposed under Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, as a prerequisite to designation of the District, including those relating to the physical description of the District and to certain financial and statistical information as more particularly described in Exhibit B hereof.

All of the land in the District is suitable for commercial uses and is in need of rehabilitation, redevelopment, or conservation work and therefore at least 25%, by area, of the real property within the District meets at least one of the following statutory criteria: (1) must be a building in need of rehabilitation, redevelopment, or conservation work; or (3) must be suitable for commercial uses;

IV. Financial Plan

The collective Original Assessed Value of the property in the District was Three Hundred Ninety Five Million Two Hundred Fifty One Hundred fifty-six and 70/100 dollars ($395,250,156.70) as of March 31, 2016 (April 1, 2015).

This Development Program makes certain assumptions and estimates regarding valuation, tax rates, estimated amounts of the Increased Assessed Value and the Tax Increment, estimated development costs, and other estimates. The assumptions, estimates, analysis, and results are based on the Development Program and the assumptions herein in an effort to make a fair and accurate assessment of the development potential of the District. The City will, at any time, if the City should be required to do so in any dispute which may arise with respect to property for purposes of ad valorem property taxation or any tax abatement proceeding, or (b) modify or change in any way the terms of this Development Program even if the actual results differ substantially from the estimates, assumptions, or analysis.

In the event of a City-wide revaluation of taxable property within the City, the Original Assessed Value shall be adjusted in proportion to the District-wide change in taxable assessed property values in the year of the revaluation resulting from such revaluation.

The City will capture one hundred percent (100%) of the increased assessed value of the taxable real property located within the District for the duration of the 30-year term of the DEVELOPMENT DISTRICT. The DEVELOPMENT DISTRICT Revenues so collected will fund and contribute to the funding of the projects, including but not limited to those described in Table 1 hereof, which collectively increase the City’s ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All assessed real property value captured in the DEVELOPMENT DISTRICT will be added to the general tax rolls at the end of the DEVELOPMENT DISTRICT term.

A Development Program Fund shall be established by the City consisting of a Project Cost Account and a Sinking Fund. Upon each payment of property taxes for property located inside the DEVELOPMENT DISTRICT, the City will deposit into a development program fund (the “Downtown Omnibus Development Program Fund” or “Development Program Fund”) the entirety of the property tax payments constituting DEVELOPMENT DISTRICT Revenues. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Development Program Fund Project Cost Account shall consist of and be separated into separate subaccounts or funds consisting of a separate Developer’s Project Cost Account for each Credit Enhancement Agreement entered by the City (each, a “Developer’s Project Cost Account”) and the City’s Project Cost Account (the “City’s Project Cost Account”). Each Developer’s Project Cost Account will be pledged and charged with the payment of amounts due to the applicable Developer under the Credit Enhancement Agreement entered with that Developer. Upon receipt of each payment of property tax from the Developer on its property, the City shall deposit into such Developer’s Project Cost Account that portion of each payment constituting the Tax Increment (Developer’s Share). The amounts in each Developer’s Project Cost Account shall be used and applied solely to fund the payments to the applicable Developer under its Credit Enhancement Agreement. The City shall deposit the balance of the property taxes paid by each Developer and all other property taxes with respect to other property in the District in the City’s Project Cost Account (the “Tax Increment (City Share)”).

All funds deposited into the City’s Project Cost Account will be used to pay or reimbursement costs of the public facilities, improvements, and programs described in Table 1 hereof or will be deposited into the reserve fund(s) hereafter described. The City will establish

Any future credit enhancement agreements must contain language that acknowledges the potential change in the Original Assessed Value due to revaluations.
the City Project Cost Account or a series of City Project Cost Accounts for the City, as one or more permanent municipal reserve funds created and administered pursuant to the provisions of Title 30-A Section 5801 of the Maine Revised Statutes, as amended, which funds shall be dedicated to the financing and payment of costs of the projects described in Table 1. Upon each payment of real property tax with respect to property in the District, the City shall deposit to the City Project Cost Account all of the tax increment except for the portion thereof consisting of the Tax Increment (Developer’s Share) attributable to the Credit Enhancement Agreement, which shall be deposited into the applicable Developer’s Project Cost Account. As the deposit and investment of funds in the City Project Cost Account accrue and increase to a level which permits implementation of a portion of the public facilities, improvements and programs described in Table 1, such projects will be undertaken and funded from such reserve fund(s). Accordingly, all Tax Increment deposited into the City’s Project Cost Account reserve fund(s) shall be deemed to have been expended and used to satisfy the obligations of the City’s Project Cost Account with respect to the public facilities, improvements and programs described in the Development Program when deposited into such reserve fund(s). If the City determines to issue any bonds or indebtedness to pay for costs of the public facilities, improvements and programs, a development sinking fund account shall be created and amounts sufficient to satisfy all annual debt service on such bonds and indebtedness shall be transferred to such Sinking Fund from the City’s Project Cost Account but no amounts shall be transferred to the Sinking Fund from the Developer’s Project Cost Accounts. All DEVELOPMENT DISTRICT Revenues will be deposited in the Project Cost Account except to the extent that the City undertakes municipal bonded indebtedness to fund any project costs, in which case the percentage of DEVELOPMENT DISTRICT Revenues required to meet debt service obligation must be deposited into a sinking fund account (the “Sinking Fund Account”).

The amount of the total Tax Increment that is to be paid each year to any developer under a Credit Enhancement Agreement to pay or reimburse costs of the Capital Program, however, shall be the percentage determined appropriate by the City Council and shall be limited to the percentage determined by the City Council for each project (hereafter called “the Developer’s Share”) and any other real estate in the District and on any personal property now or hereafter located in the District. Thus the Tax Increment (Developer’s Share) for each year of the term of each Credit Enhancement Agreement shall be calculated as follows: First, the amount of the Tax Increment solely on the assessed value of the real property of the Developer (such lot being hereafter called the “Developer’s Property”) shall be determined (the result being hereafter called the “the Developer’s Property Tax Increment”); Second, the applicable percentage designated by the City Council for the project in question shall be multiplied by the Developer’s Property Tax Increment, and the product thereof shall constitute the Tax Increment (Developer’s Share) for such year. Notwithstanding the foregoing, the total Credit Enhancement Agreement payments by the City to the Developer of each lot, determined on a cumulative basis separately for each developer or project, shall not exceed the maximum amount, if any, for such lot as may hereafter be designated by the City Council, and thus as soon as the cumulative amounts of Tax Increment (Developer’s Share) paid to the Developer pursuant to a Credit Enhancement Agreement equals any such maximum amount, thereafter the Tax Increment (Developer’s Share) shall equal zero (0). The obligations of the City to make such payments shall be a limited obligation payable solely from that portion of the Tax Increment constituting the Tax Increment (Developer’s Share) actually paid by the applicable Developer as property tax, and shall not constitute a general debt or obligation on the part of the City or a general obligation or charge against or pledge of the faith and credit or taxing power of the City.

Estimates of the increased assessed property values of the DEVELOPMENT DISTRICT, the anticipated DEVELOPMENT DISTRICT Revenues generated by the District, and the estimated tax shift benefits are shown in Exhibits D-1 and D-2, respectively.

A. Costs and Sources of Revenues

The current and future developers owning or leasing properties located within the DEVELOPMENT DISTRICT will pay for and/or finance all private improvements located in the District through private sources.

B. Indebtedness

The City reserves the right to finance some of its projects through public indebtedness.

V. Financial Data

The statutory requirements and thresholds for approval required by Section 5223(3) of Title 30-A in the DEVELOPMENT DISTRICT Statute are set forth in Exhibit B. Financial projections related to the District are contained in Exhibits D-1 and D-2.

VI. Tax Shifts

In accordance with the DEVELOPMENT DISTRICT Statute, the table set forth in Exhibit D-2 identifies the tax shifts that the City estimates will result during the term of the District.
VII. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit F hereto is a copy of the Notice of Public Hearing regarding the designation of the DEVELOPMENT DISTRICT and the adoption of the Development Program for the DEVELOPMENT DISTRICT, published in the Journal Tribune, a newspaper of general circulation in the City, on a date at least ten (10) days prior to the public hearing. The public hearing on the Development Program was held on February 6, 2017, in accordance with the requirements of 30-A M.R.S.A. § 5226(1).

B. Minutes of Public Hearing

The Saco City Clerk has provided an attested copy of the minutes of the February 6th, 2017 public hearing before the City Council, a copy of which is contained in Exhibit F.

C. Order and Authorizing Vote

A copy of the City Council Order posted for the Public Hearing and approved by the City Council is provided in Exhibit G, attested by the City Clerk.

EXHIBITS

Exhibits:
A  Development District Map
B  Statutory Requirements & Thresholds
C  Assessor’s Certificate of Original Assessed Value with attached Parcel List
D-1 District Revenue Projections
D-2 Tax Shift Projections
E  Public Hearing Notice
F  Public Hearing Minutes
G  Council Order
H  City of Saco Downtown Plan
   Adopted November 26, 2007 & Amended September 16, 2013
I  Saco Downtown West Historic Preservation Report – November, 2011
J  City of Saco Comprehensive Plan -2011 Update
   Adopted by Saco City Council March 7, 2011
K  Saco Housing Strategy – November 16, 2009
L  A Revitalization Plan for Saco Island and Downtown Saco – September, 1998
EXHIBIT B

STATUTORY REQUIREMENTS & THRESHOLDS
Saco Downtown Omnibus DEVELOPMENT DISTRICT

SECTION A. | Acreage Caps

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total municipal acreage;</td>
<td>24,640</td>
</tr>
<tr>
<td>2. Acreage of proposed Municipal TIF District;</td>
<td>757.8</td>
</tr>
<tr>
<td>3. Downtown-designation² acres in proposed Municipal TIF District;</td>
<td>757.8</td>
</tr>
<tr>
<td>4. Transit-Oriented Development³ acres in proposed Municipal TIF District;</td>
<td>0</td>
</tr>
<tr>
<td>5. Total acreage [=A2-A3-A4] of proposed Municipal TIF District counted toward 2% limit;</td>
<td>0</td>
</tr>
<tr>
<td>6. Percentage [=A5/A1] of total acreage in proposed Municipal TIF District (CANNOT</td>
<td>00.00%</td>
</tr>
<tr>
<td>7. Total acreage of all existing/proposed Municipal TIF districts in municipality including Municipal Affordable Housing Development districts;³</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Existing</td>
</tr>
<tr>
<td></td>
<td>Proposed</td>
</tr>
<tr>
<td></td>
<td>Total:</td>
</tr>
</tbody>
</table>

Industrial Park Road: 33.07 acres, First Light District: 10.00 acres, Spring Hill: 13.50 acres; Franklin Fuels/Intelligent Controls: 6.86 acres; Park North: 323.48 acres; General Dynamics: 0.11 acres; Saco Island Mill Building 4 District: 5.04 acres; Maine Molecular District: 65.45 acres; this District: 757.8 acres.
### SECTION B. | Valuation Cap

<table>
<thead>
<tr>
<th></th>
<th>Total TAXABLE municipal valuation—use most recent April 1;</th>
<th>$2,091,446,719.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;</td>
<td>$395,250,156.70</td>
</tr>
<tr>
<td>3.</td>
<td>Taxable OAV of all existing/proposed Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Industrial Park Road: $5,169,200; First Light: $62,500; Spring Hill: $5,746,000; Franklin Fuels / Intelligent Controls: $167,500; Park North: $5,516,400; General Dynamics: $5,900; Saco Island Building 4: $280,000; Maine Molecular District: $2,646,000; this District $404,759,116.</td>
<td>Existing: $19,594,500.00, Proposed: $395,250,156.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total: $414,844,656.70</td>
</tr>
</tbody>
</table>

### 30-A § 5223(3) EXEMPTIONS

<table>
<thead>
<tr>
<th></th>
<th>Taxable OAV of an existing/proposed Downtown Municipal TIF district;</th>
<th>$395,250,156.70</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Taxable OAV of all existing/proposed Transit-Oriented Development Municipal TIF districts:</td>
<td>$0.00</td>
</tr>
<tr>
<td>6.</td>
<td>Taxable OAV of all existing/proposed Community Wind Power Municipal TIF districts:</td>
<td>$0.00</td>
</tr>
<tr>
<td>7.</td>
<td>Taxable OAV of all existing/proposed Single Taxpayer/High Valuation Municipal TIF districts:</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

|   | Taxable OAV in all existing/proposed Municipal TIF districts common to Pine Tree Development Zones per 30-A § 5250(14)(A) excluding any such OAV also factored in Exemptions 4-7 above: | $0.00 |

|   | Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all existing/proposed Municipal TIF districts counted toward 5% limit; | $19,594,500.00 |

|   | Percentage of total taxable OAV [=B9+B1] of all existing/proposed Municipal TIF districts (CANNOT EXCEED 5%); | 0.06% |

---

### COMPLETED BY

| NAME: | William J. Mann |
| DATE: | February 1, 2017 |

---

**EXHIBIT C**

**ASSESSOR’S CERTIFICATE**

**CITY OF SACO**

**CERTIFICATE OF ASSessor**

The undersigned assessor of the City of Saco, Maine, does hereby certify pursuant to the provisions of Title 30-A M.R.S.A. Section 5227 that the Original Assessed Value of the taxable real property within the boundaries of SACO DOWNTOWN OMNIBUS MUNICIPAL DEVELOPMENT DISTRICT PROGRAM (Development District #15), as described in the Development Program for the District, was $395,250,156.70 as of March 31, 2016 (April 1, 2015), such value being determined or allocated as follows:

- **Lot Number**
- **Building**
- **Land**
- **Total**
- **Size**
- **Lot**

See list attached

**IN WITNESS WHEREOF** this Certificate has been executed as of this 20th day of January, 2017.

---

Frank Yattaw, Municipal Assessor
# TIF REVENUE PROJECTIONS

![Table of TIF Revenue Projections]

**Assumptions:**
1. The CAP of the District is $335,359,517 (as assessed 4/1/15) and assessed value of District as of 4/1/16 was $344,750,118. The remaining increased assessed values were estimated by the City based on a City-Wide economic growth factor of 3.5%, which represents a historical average.
2. The mill rate is based on the 2016-17 actual rate of 18.42, followed and held constant for the life of the TIF.
### EXHIBIT D-2

**DRAFT TAX SHIFT PROJECTIONS**

<table>
<thead>
<tr>
<th>TIF Year</th>
<th>Fiscal Year</th>
<th>Education Shift</th>
<th>Revenue Sharing Shift</th>
<th>County Tax Shift</th>
<th>Total</th>
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<tbody>
<tr>
<td>1</td>
<td>2017-2018</td>
<td>$78,259</td>
<td>$3,197.94</td>
<td>$4,874</td>
<td>$86,331</td>
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<tr>
<td>2</td>
<td>2018-2019</td>
<td>$27,872</td>
<td>$1,142.19</td>
<td>$1,739</td>
<td>$30,753</td>
</tr>
<tr>
<td>3</td>
<td>2019-2020</td>
<td>$28,105</td>
<td>$1,151.73</td>
<td>$1,755</td>
<td>$31,012</td>
</tr>
<tr>
<td>4</td>
<td>2020-2021</td>
<td>$28,340</td>
<td>$1,161.35</td>
<td>$1,772</td>
<td>$31,274</td>
</tr>
<tr>
<td>5</td>
<td>2021-2022</td>
<td>$28,577</td>
<td>$1,171.06</td>
<td>$1,789</td>
<td>$31,538</td>
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<td>6</td>
<td>2022-2023</td>
<td>$28,816</td>
<td>$1,180.84</td>
<td>$1,807</td>
<td>$31,804</td>
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<tr>
<td>7</td>
<td>2023-2024</td>
<td>$29,058</td>
<td>$1,190.70</td>
<td>$1,824</td>
<td>$32,072</td>
</tr>
<tr>
<td>8</td>
<td>2024-2025</td>
<td>$29,301</td>
<td>$1,200.65</td>
<td>$1,842</td>
<td>$32,343</td>
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<tr>
<td>9</td>
<td>2025-2026</td>
<td>$29,546</td>
<td>$1,210.68</td>
<td>$1,860</td>
<td>$32,616</td>
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<tr>
<td>10</td>
<td>2026-2027</td>
<td>$29,793</td>
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<td>$1,878</td>
<td>$32,981</td>
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<tr>
<td>11</td>
<td>2027-2028</td>
<td>$30,042</td>
<td>$1,230.99</td>
<td>$1,896</td>
<td>$33,169</td>
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<tr>
<td>12</td>
<td>2028-2029</td>
<td>$30,294</td>
<td>$1,241.27</td>
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<td>$33,449</td>
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<tr>
<td>13</td>
<td>2029-2030</td>
<td>$30,547</td>
<td>$1,251.63</td>
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<td>$33,731</td>
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<tr>
<td>14</td>
<td>2030-2031</td>
<td>$30,803</td>
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<td>15</td>
<td>2031-2032</td>
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<td>$1,272.63</td>
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<tr>
<td>16</td>
<td>2032-2033</td>
<td>$31,320</td>
<td>$1,283.26</td>
<td>$1,989</td>
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<tr>
<td>17</td>
<td>2033-2034</td>
<td>$31,582</td>
<td>$1,293.98</td>
<td>$2,008</td>
<td>$34,885</td>
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<tr>
<td>18</td>
<td>2034-2035</td>
<td>$31,847</td>
<td>$1,304.78</td>
<td>$2,028</td>
<td>$35,175</td>
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<tr>
<td>19</td>
<td>2035-2036</td>
<td>$32,113</td>
<td>$1,315.68</td>
<td>$2,047</td>
<td>$35,470</td>
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<tr>
<td>20</td>
<td>2036-2037</td>
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<td>$2,067</td>
<td>$35,776</td>
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<tr>
<td>21</td>
<td>2037-2038</td>
<td>$32,653</td>
<td>$1,337.75</td>
<td>$2,087</td>
<td>$36,081</td>
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<tr>
<td>22</td>
<td>2038-2039</td>
<td>$32,926</td>
<td>$1,348.92</td>
<td>$2,107</td>
<td>$36,368</td>
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<tr>
<td>23</td>
<td>2039-2040</td>
<td>$33,201</td>
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<td>$36,689</td>
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<tr>
<td>24</td>
<td>2040-2041</td>
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<td>$36,999</td>
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<tr>
<td>25</td>
<td>2041-2042</td>
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<td>$1,383.00</td>
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<td>$37,318</td>
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<tr>
<td>26</td>
<td>2042-2043</td>
<td>$34,042</td>
<td>$1,394.55</td>
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<td>27</td>
<td>2043-2044</td>
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<td>30</td>
<td>2046-2047</td>
<td>$35,196</td>
<td>$1,441.72</td>
<td>$2,276</td>
<td>$38,913</td>
</tr>
</tbody>
</table>

**30 Year TIF Total** $988,758 $40,502 $62,747 $1,092,008

### EXHIBIT E

**CITY OF SACO NOTICE OF PUBLIC HEARING**

The Saco City Council will hold a public hearing at 7 p.m. on February 6th, 2017 at 6:30 p.m., at the City Council Chambers, 300 Main Street. The Council will receive public comments on the designation of the proposed City of Saco Downtown Omnibus Municipal Development District and the adoption of a development program for the said District, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes.

The proposed District will be located in the City of Saco downtown. A copy of the proposed development program for the district is on file with the City Clerk and may be reviewed during normal business hours. Interested residents are invited to attend the hearing and to be heard at that time.
PUBLIC HEARING MINUTES

EXHIBIT G

COUNCIL ORDER

WHEREAS, the City of Saco (the "City") is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the City as the City of Saco Downtown Omnibus Municipal Development District (the "District") and to adopt a development program for the District (the "Development Program"); and

WHEREAS, there is a need for development in the City of Saco and for the creation of good new jobs in the City; and

WHEREAS, there is a need to improve and broaden the tax base of the City of Saco; and to improve the general economy of the City of Saco, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to improve and broaden the tax base in the City of Saco and improve the economy of the City of Saco and the State of Maine; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial development in the City through the establishment of the District in accordance with the provisions of Chapter 206 of Title 30-A; and

WHEREAS, the City has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. §5226, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the District as a Municipal Development and Tax Increment Financing District, and to adopt a Development Program for the District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development (the "Department"), approving the designation of the District and the adoption of the Development Program for the District;

NOW, THEREFORE, BE IT HEREBY VOTED BY THE SACO CITY COUNCIL:

Section 1. The City hereby finds and determines that:

(a) At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is a blighted area; and

(b) The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, construction of new development in the City and the creation of good, new jobs, and therefore the Project constitutes a good and valid public purpose and will contribute to the economic growth or well-being of the inhabitants of the City or to the betterment of the health, welfare or safety of the inhabitants of the City.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates a Municipal Development and Tax Increment Financing District and to promote completion of the Project, designated and described as more particularly set forth in the Development Program presented to the City Council and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. §5227, the percentage of the increased assessed value to be retained as captured assessed value in the District is 100% as set forth in the Development Program.

Section 4. The City Administrator be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to DECD for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226(2).
Section 5. The foregoing designation of the District and the adoption of the Development Program for the District shall become final and shall take full force and effect upon receipt by the City of approval of the designation of the District and adoption of the Development Program by DECD.

Section 6. The City Administrator be and hereby is authorized and empowered, at his discretion, from time to time, to make such revisions to the Development Program for the District as the City Administrator deems reasonably necessary or convenient, including revisions to the scope or description of the public improvements, facilities and programs to be financed with a portion of tax increment revenues generated by the District, in order to facilitate the process for review and approval of the District by DECD, or for any other reason so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

Section 7. This Order shall take effect immediately upon adoption.

Approved February 21, 2017, by the City Council of the City of Saco, at a meeting duly convened and conducted at Saco, Maine.

EXHIBIT H

City of Saco Downtown Plan
Adopted
November 26, 2007
&
Amended
September 16, 2013

EXHIBIT I

Saco Downtown West
Historic Preservation Report
November, 2011

EXHIBIT J

City of Saco
Comprehensive Plan
2011 Update
Adopted by
Saco City Council
March 7, 2011

EXHIBIT K

Saco Housing Strategy
November 16, 2009

EXHIBIT L

A Revitalization Plan for Saco Island and Downtown Saco
September 1998
B. ZONING ORDINANCE AMENDMENT I-1 ZONE – (SECOND & FINAL READING)

This proposed Zoning Ordinance amendment would:

1.) Remove the highlighted and hash-marked area (known as the Spring Hill Section of the Saco Industrial Park) shown on the map labeled Exhibit A.

2.) Create an I-1a Zone consisting of the parcels/area highlighted and hash-marked (known as the Spring Hill Section of the Saco Industrial Park) shown on the map labeled Exhibit A.

3.) Prohibit Medical Marijuana caregiver businesses from locating in the I-1a zone, otherwise all Permitted and Conditional uses that are allowed in the I1 Zone will be Permitted or Conditionally allowed in the I1a Zone.

On September 19, 2016 the Saco City Council approved the allowance of medical marijuana caregiver businesses in the I-1 and I-2 zones.

On June 14, 1999 the City of Saco recorded the following: Declaration of Covenants, Conditions, and Restrictions for the Saco Industrial Park – Springhill Section in Book 9521 Page 145 of the York County Registry of Deeds. On page 9 of those Covenants it states: “5.2 Prohibited Uses. The following operations and uses shall not be permitted on any property subject to this Declaration: . . . G. Uses prohibited by federal, state, or local law, including applicable City of Saco Zoning ordinance provisions and other uses deemed objectionable by the Economic Development Commission or City Council.”

In addition to the aforementioned conflict, federal funds were used in the development of the Spring Hill Section of the Saco Industrial Park. Marijuana is considered an illegal substance under federal law, and the City’s Code Department will need clarity in regards to where Medical Marijuana Caregivers may locate and not violate either the Saco City Council’s Action of September 19, 2016 or the Declaration of Covenants, Conditions, and Restrictions for the Saco Industrial Park – Springhill. In order to address these concerns, it is recommended that the Saco Zoning Map and Ordinance be amended as first stated above.

On December 20, 2016 the City of Saco Planning Board voted unanimously to forward a positive recommendation to the City Council for Action.

Councilor Doyle moved, Councilor Minthorn seconded “The City of Saco hereby ordains and approves the Second and Final Reading of the document titled, ‘Amendment to Section 410-11 of the Zoning Ordinance, the addition of new Section 410-11a, and an amendment to the Zoning Map, Amended January 3, 2017’”. The motion failed with three (3) yeas and four (4) nays – Councilors Gay, Roche, Cote and Johnston.

“Amendment to 410-11. I-1 Industrial Park District,
Amended September 19, 2016”

410-11. I-1 INDUSTRIAL PARK DISTRICT (Amended 8/1/88, 11/17/88, 3/2/92, 7/6/93, 11/7/94, 2/19/02; 9/19/16)

PERMITTED USES
1. Hotels and motels
2. Supply Yards
3. Parking Lots as an accessory use to abutting lots in the B-6 zone
4. Off-site parking for uses located within the district (Amended 11-7-94)
5. Health Club
6. Financial Institutions
7. Business offices
8. Business services
9. Hospitals and Clinics for humans
10. Research and testing labs
11. Wholesale trade and warehousing
12. Distribution
13. Truck Terminal
14. Light Industry
15. Any use permitted in the Resource Protection District
16. Essential services
17. Accessory uses
18. Municipal Uses
19. Public Utility Buildings
20. Public and private schools
21. Commercial schools
22. Nursery School
23. High Voltage Transmission Lines (Amended 12/15/08)
24. Medical Marijuana Caregivers, growing (Amended 9/19/16)
25. Medical Marijuana Caregivers, growing facility (Amended 9/19/16)

CONDITIONAL USES
1. Heavy Industry
2. Recycling Center
3. Waste Composting Facility
4. Day Care Center
5. Wireless Telecommunication Facilities (Amended 10/21/02)
7. Registered dispensary, grow-only (Amended 7/19/10)
8. Addiction Treatment Facility (Amended 12/6/10)

“Amendment to 410-11a. I-1a Industrial Park District, Amended January 3, 2017”

Note: This is a new district. All permitted and conditional uses will remain the same as the I1; however, Medical Marijuana caregivers are not an allowed use in this district.

410-11a. I-1a INDUSTRIAL PARK DISTRICT (Established 12 06 16)
PERMITTED USES
1. Hotels and motels
2. Supply Yards
3. Parking Lots as an accessory use to abutting lots in the B-6 zone
4. Off-site parking for uses located within the district (Amended 11-7-94)
5. Health Club
6. Financial Institutions
7. Business offices
8. Business services
9. Hospitals and Clinics for humans
10. Research and testing labs
11. Wholesale trade and warehousing
12. Distribution
13. Truck Terminal
14. Light Industry
15. Any use permitted in the Resource Protection District
16. Essential services
17. Accessory uses
18. Municipal Uses
19. Public Utility Buildings
20. Public and private schools
21. Commercial schools
22. Nursery School
23. High Voltage Transmission Lines (Amended 12/15/08)
CONDITIONAL USES
1. Heavy Industry
2. Recycling Center
3. Waste Composting Facility
4. Day Care Center
5. Wireless Telecommunication Facilities (Amended 10/21/02)
6. Registered dispensary, grow-only (Amended 7/19/10)
7. Addiction Treatment Facility (Amended 12/6/10)

C. ZONING ORDINANCE AMENDMENT B-7 ZONE – (SECOND & FINAL READING)

This proposed Zoning Ordinance amendment would add “Eating Establishments” to the B-7 zone as a Conditional Use. The B-7 zone encompasses about 40 parcels along Main and Beach Streets, from School Street north to Beach Street, then as far east as James Street. Sixty-five percent of the district is residential, twenty two percent commercial, and the remainder a mix of the two. Among the uses that are currently allowed: Public and Private Schools, Offices, Artist and Craftsperson Studios, Funeral Homes, Financial Institutions, and Retail Businesses Except Alcohol Sales (limited to 1,500 s.f.).

Saco Main Street Executive Director Rob Biggs notes that the building at 9-11 Beach Street is owned by the couple that operates the CIA (Coffee, Ice cream, Art) café in the Knightville section of South Portland. They are interested in establishing a second location in the Beach Street building, but are not allowed by zoning. Saco Main Street views this as an opportunity to create a new downtown destination.

The Planning Board reviewed this item and held a public hearing on Dec. 20, 2016. The Board recommends that the amendment be adopted as amended, so that Eating Establishments would be limited to existing structures in the B-7 zone.

Amendment – Councilor Cote moved, Councilor Doyle seconded to strike out under “conditional use” the language “limited to existing structures”. The motion passed with six (6) yeas and one (1) nay – Councilor Johnston.

Mayor Michaud called for a vote on the main motion. The motion passed 7-0.

"Amendment to Sec. 410-9-B, B-7 Limited Business Residential District, Amended Jan. 3, 2017”

(Proposed language is underlined)

410-9-B, B-7 LIMITED BUSINESS/RESIDENTIAL DISTRICT

PERMITTED USES

1. Single family dwellings
2. Two family dwellings
3. Multi-family dwellings
4. Elder/Disability Housing Facility
5. Elder/Disability Housing Facility – Limited Service (Amended 5/21/12)
6. Adult day care center, Types 1 and 2
7. Bed and breakfast establishments
8. Home babysitting service, day care center, day care home
9. Home occupations
10. Personal services, except laundromats and dry cleaners
11. Nursery schools
12. Public and private schools
13. Accessory uses
14. Municipal uses
15. Offices
16. Quasi-public uses
17. Artist and craftsperson Studios (Amended 1/17/85)
18. One accessory apartment in a single family dwelling (Amended 10/20/08)

CONDITIONAL USES

1. Funeral homes
2. Boarding houses
3. Community living uses
4. Elder/Disability Care Facility – Full Service (Amended 5/21/12)
5. Financial institutions
6. Retail businesses except alcohol sales (limited to 1,500 square feet.)
7. High Voltage Transmission Lines (Amended 12/15/08)
8. Eating establishments, limited to existing structures¹

¹ In order to maintain the essential residential character of existing neighborhoods

D. APPROVAL OF BUDGET AMENDMENT #1 – FY 2017

At the City Council meeting on January 17, 2017, the City Administrator provided a memo to the Council regarding the Unassigned Fund Balance Policy. According to the policy, the City should plan for use of fund balance above 10%. Fiscal Year 2016 closed with 11.15% unassigned fund balance, or $573,529 above the 10% threshold. Also noted in that memorandum is an explanation of the school funding gap. The City is requesting a transfer of $573,000 of the unassigned fund balance to the School Department to help alleviate some of that funding gap.

Councilor Roche moved, Councilor Precourt seconded “Be it ordered that the City Council approves the first reading of Budget Amendment #1FY2017 and further moves to schedule the second and final reading for February 21, 2017.” Further move to approve the order.

Mayor Michaud called for a vote on the motion. The motion passed with seven (7) yeas.
VIII. COUNCIL DISCUSSION AND COMMENT

- Councilor Minthorn – As a community we need to closely examine all of our spending and realize in areas of our budget that we can no longer afford the city that we love. In some areas we may need to have cutbacks just because we can no longer afford to do business the same way we have been doing it for a long time. I think if we position ourselves in a leaner and meaner way we will actually do all of ourselves a big favor and hopefully reduce our taxes which is therefore going to be more attractive to people wanting to bring business in which will generate more taxes and take more burden off the taxpayers. But if we are running into a position especially with this budget with some of the shortfalls projected and we are not actively looking at how we can reduce our spending we are doing ourselves a great dissatisfaction. Not only are we going to be taxing our citizens more we are going to be making ourselves look less attractive for the development district we are trying to pass.

- Councilor Roche – To further Al’s point, we have had people here from the Sensible Taxes Group mention that they are not trying to go on witch hunts or tiggy tack everything and I will agree that processes are important. We have been down this road before about some sorta boogieman causing our higher taxes and that was back in the day the RSU. In the same circle of complaints now I hear now the boogieman is Thornton Academy. I’m not giving them a pass at all. We are supposed to improve the communication and the same withdrawal push for the tax increases is now being blamed on Thornton’s numbers and we have to be looking at that closer. We are all part of the same community and they are supposed to be partners with us and not a simple vendor. I want to make sure that is clear especially to folks in the Sensible Government Group that it is not all about my property taxes are too high. Well what are the reasons for it? Put us to task and it starts right now in this budget season.

- Mayor Michaud – I spent some time going back and looking at some State data for our educational costs and what we contribute in proportion to other communities in our area. I did a quick review of Biddeford, Gorham, RSU 21 Kenebunk, RSU23 Old Orchard, Saco, SAD 57 Waterboro and some other communities, SAD 6 which is Hollis and neighboring communities, Scarborough, Wells and Ogunquit. We look at as the elementary and secondary expenditures by student and by community. On the elementary level Saco out of the 9 communities comes in 7th of 9 in expenditure. Gorham is a bit below us which I thought was interesting and SAD 57 is quite a bit lower. So we are 7th out of 9 in elementary spending. At the secondary level Saco came in 8th out of 9. With Waterboro being less than us. From the secondary level RSU 23 is $17,795 per student and we are $11,286. I say this because I have had 19-20 years of budgeting and time and again the issue always comes up, what is the biggest cost factor in our budgeting process? The schools are our main contributor, no question about it. But when you look at the real hard data you are going to say as a community we are an efficient community. As a community we are pretty reasonable in our expenditures. We have the value of size and size should reduce our cost somewhat because we have more students which is less per student costs. Those numbers may change year to year as the student population goes up and down. We need to keep this in mind as we look at the budgeting process because years ago I sat as a Councilor in ward 4 and said let me look at the municipal cost per capita. As a community we are spending a little bit more than neighboring communities but not
outrageously more. We provide a tremendous amount of services to our citizens. Some people take for granted the services that we provide, but they are there but they are tremendous services. We as a community tried getting rid of the rescue system because we didn’t have a 911 in those days and we did and it worked great didn’t it Councilor Cote. We have gone through tax caps. We have some knowledge and history as to what budgeting is about. The goal of every Councilor has been to minimize expenditures for the community. But the expenditure demand doesn’t come from the council it comes from the public who want the services. So it is a balance. What is the most important service and what can we afford to do? I’m not advocating a tax increase, I’m just saying a rational process is demand on one side and capability on the other and how we balance that year to year is the critical process we are about to begin. I think we should make our decisions on factual data. It is our responsibility to make the best decision we can. Others will not agree with them but that is a part of the process.

➢ Councilor Precourt – Through our audit program they say we have very little financial debt for the city and we don’t have allot on the books. If we are in that situation, why is the mil rate and taxes so high? I do comparisons almost every Friday with the communities listed in the paper for the real estate section and they always show the tax amount based on the property. There are communities all over this area that are paying allot less taxes for properties that are in the same realm of what we are looking at for values around here. Why is a $220,000-$230,000 house paying $3,300 of taxes in Cumberland are we are paying $4,500-$5,000 here? We have no debt to lay down on that. So why is it so much more? Mayor Michaud noted that it is the level of service that we provide compared to other communities. Smaller communities have volunteer firefighters and some will hire Sheriffs. The only fair comparison is to look at services and then you can say why is this unbalanced? Part of it is that we are not an industrial community like some others are. Councilor Precourt replied so should we be looking at our services and deciding if we are over extending our services. What is viable and what is not. We just had an aging program shown and their biggest fear was to be taxed out of their properties.

➢ Councilor Doyle – Mayor Michaud hit the nail on the head. We are not as industrialized as other places. We need to fill the economic development in the City of Saco because it is the only way we are going to balance the taxes. People are moving into the city because it is a great city and we love it. It is shown by the age friendly update we had today. People move here because the schools are top notch. But if we are going to have this influx of growth and all these developments then we have to have economic development and industrialize the industrial parks and also our Main Street and also Route 1 heading towards Scarborough. Look across the river to Biddeford Crossing there is a development going in right across the street from that with more land behind that. We need to start doing those kind of developments and giving people here in Saco options such as on a Friday and Saturday night going downtown and not having to think South Portland or Biddeford, but right here in this community.

➢ Councilor Roche – Twenty five years ago 2/3 of tax base was paid by the residents and today 3/4 that is paid by the residents. We talk about not wanting to be a bedroom community and that we want commercial activity but we are becoming a bedroom community and that is where the tax burden is hitting. It is not necessarily about the expenditures, the expenditures were low but where is that money coming from to pay those expenditures? That is a fact. In 25 years it hasn’t stopped and it goes more and more to the resident. I don’t have a fact to say that we have the 100% best services in the State of Maine. I think we do a pretty good job but I don’t have that as a fact. What I do have as a fact is that 3/4 of the tax base is paid by the home owner here in Saco.

IX. ADJOURNMENT

Councilor Minthorn moved, Councilor Doyle seconded to adjourn the meeting at 8:00 p.m. The motion passed with seven (7) yeas.

Attest: _____________________________
Michele L. Hughes, City Clerk