

**Appendix 1 - TIF/Credit Enhancement Agreement Application**  
**(requested by developer)**

Name of Applicant:
Applicant's Address:
Applicant's Phone:
Applicant's E-mail:
Location of Project: (map/lot)
Brief Project Description: (new building, square footage, use)
Reason for the TIF and Credit Enhancement Request:
Estimated project cost:
Current value of land and existing development:
Public benefit anticipated:
Preferred duration of credit enhancement benefit:
Preferred amount of credit enhancement benefit:
Projected project completion date:
Estimated completion percentage for next two years:
Anticipated additional development within the next 5 years:
Waivers requested if any:

**MUNICIPAL TAX INCREMENT FINANCING**

**APPLICATION COVER SHEET**

**A. General Information**

<b>1. Municipality Name:</b>		City of Caribou	
<b>2. Address:</b>		25 High Street, Caribou, ME 04736	
<b>3. Telephone:</b> 207-493-5961	<b>4. Fax:</b> 207-498-3954	<b>5. Email:</b> pthompson@cariboumaine.org	
<b>6. Municipal Contact Person:</b>		City Manager, Penny Thompson	
<b>7. Business Name:</b>			
<b>8. Address:</b>			
<b>9. Telephone:</b>	<b>10. Fax:</b>	<b>11. Email:</b>	
<b>12. Business Contact Person:</b>			
<b>13. Principal Place of Business:</b>			
<b>14. Company Structure (e.g., corporation, sub-chapter S, etc.):</b>			
<b>15. Place of Incorporation:</b>			
<b>16. Names of Officers:</b>			
<b>17. Principal Owner(s) Name:</b>			
<b>18. Address:</b>			

**B. Disclosure**

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
job creation	job retention	capital investment
training investment	tax base improvement	public facilities improvement
other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
real estate purchase	machinery & equipment purchase	training costs
debt reduction	other (list):	

**C. Employment Data**

List the company's goals for the number, type, and wage levels of jobs to be created or retained as part of this TIF development project ( <i>please use next page</i> ).
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## EMPLOYMENT GOALS

Company Goals for Job Creation and Job Retention

<i><b>A. Job Creation Goals</b></i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			\$
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation			\$
<i><b>B. Job Retention Goals</b></i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			\$
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation			\$
<i>*Please use the Occupational Cluster descriptions on the next page to complete this form.</i>			

## INSTRUCTIONS

- A. Job Creation Goals.** Please list the number, type and wage level of jobs created as a result of the economic development incentive. NOTE: For this form, “full-time” employment means 30 hours or more; “part-time” employment means less than 30 hours. “Wage level” means the average annual wage paid for jobs created within an occupational cluster, e.g., either their annual salary, or their hourly wage times their annual hours. Also, “type” means “occupational cluster” which refers to the 12 categories defined below. Please include the number of your employees (both full-time and part-time) working within the category that most closely reflects their job duties.
- B. Job Retention Goals.** Please list the number, type and wage level of jobs retained as a result of the economic development incentive. Part B should be completed using same definitions in Part A.

## OCCUPATIONAL CLUSTERS

### 1. EXECUTIVE, PROFESSIONAL & TECHNICAL

**Executive, administrative and managerial.** Workers in executive, administrative and managerial occupations establish policies, make plans, determine staffing requirements, and direct the activities of businesses and other organizations. Workers in management support occupations, such as accountant and auditor or underwriter, provide technical assistance to managers.

**Professional specialty.** This group includes engineers; architects and surveyors; computer, mathematical, and operations research occupations; life, physical, and social scientists; lawyers and judges; social, recreational, and religious workers; teachers, librarians, and counselors; health diagnosing, assessment, and treating occupations; and communications, visual arts, and performing arts occupations.

**Technicians and related support.** This group includes health technologists and technicians, engineering and science technicians, computer programmers, tool programmers, aircraft pilots, air traffic controllers, paralegals, broadcast technicians, and library technicians.

### 2. ADMINISTRATIVE SUPPORT, INCLUDING CLERICAL

**Administrative support, including clerical.** Workers in this group prepare and record memos, letters, and reports; collect accounts; gather and distribute information; operate office machines; and manage other administrative tasks.

### 3. SALES AND SERVICE

**Marketing and sales.** Workers in this group sell goods and services, purchase commodities and property for resale, and stimulate consumer interest.

**Service.** This group includes a wide range of workers in protective, food and beverage preparation, health, personal, private household, and cleaning and building services.

### 4. AGRICULTURE, FORESTRY AND FISHING

**Agriculture, forestry, and fishing.** Workers in these occupations cultivate plants, breed, and raise animals, and catch fish.

## OCCUPATIONAL CLUSTERS

(CONTINUED)

### 5. MAINTENANCE, CONSTRUCTION, PRODUCTION & TRANSPORTATION

**Mechanics, installers, and repairers.** Workers in this group adjust, maintain, and repair automobiles, industrial equipment, computers, and many other types of machinery.

**Construction trades and extractive.** Workers in this group construct, alter, and maintain buildings and other structures or operate drilling and mining equipment.

**Production.** These workers set up, adjust, operate, and tend machinery and/or use hand tools and hand-held power tools to make goods and assemble products.

**Transportation and material moving.** Workers in this group operate the equipment used to move people and materials. This group also includes handlers, equipment cleaners, helpers, and laborers who assist skilled workers and perform routine tasks.

## TAX SHIFT FORMULAS

It is required during any application for designation as a tax increment financing district to calculate tax shifts that result from the creation of the District. These tax shifts are noted in the following basic formulae that use local property tax valuation as a basis for calculations. These formulae provided by DECD are:

- Municipal Share of County Taxes
- Revenue Sharing
- Education Costs

The following is the process used to derive these tax shifts.

### County Tax Shift

To produce this result, information must be obtained from the Maine Revenue Services and the County government of which the District will reside in. First, the most recent County State Valuation should be obtained. The averaged Captured Assessed Value for the District for the life of the project will then be determined. The averaged Captured Assessed Value is then divided by the Current County State Valuation. To find the estimated average county tax over the life of the District, you must obtain the County Tax for the City for the last five years. The average change is then determined and projected to the middle of the district's life. This projected tax was multiplied by the factor developed above to arrive at the County Tax Shift.

$$\frac{\text{(Captured Assessed Value)}}{\text{(Captured Assessed Value + Current County State Valuation)}} \times \text{Estimated Average Annual County Tax}$$

### Revenue Sharing Shift

The total Municipal Revenue Sharing amount was obtained from the State Treasurer to complete the following formula:

#### Step 1:

$$\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation}} = \text{Current Factor}$$

#### Step 2:

$$\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation} + \text{Captured Assessed Value}} = \text{Adjusted Factor}$$

#### Step 3:

$$\frac{\text{Current Factor}}{\text{Adjusted Factor}} = 1.X$$

#### Step 4:

$$1.X - 1.0 = .X$$

#### Step 5:

$$.X (\text{Total Municipal Revenue Sharing Amount}) = \text{Revenue Sharing Shift}$$

## **Education Tax Shift**

State law requires that an estimate be made of how much of a loss in State aid to education a community would experience had the TIF District not been created. The premise for this requirement is that if the TIF did not exist and the development still occurred, other taxing jurisdictions would benefit by the (TIF) City paying more *and receiving less*.

Historically, the methodology used to determine the fiscal impact from the establishment of a TIF District was to multiply the Captured Assessed Value by the constant .009. The result would be an annual and cumulative “Education Tax Shift” for the proposed district. Changes in the distribution of State funding for education have required TIF applicants to develop other methodologies that more accurately reflect the “Education Shift.”

## **Resources**

County State Valuation & County Tax (5 years needed):

<https://aroostook.me.us/information/county-tax.html>

(Current year county tax can be is on the city website, “Tax Assessment” page, look for the current year MVR: Page 10 of form which would be the Tax Rate Calculation Form, Line # 7)

Municipal Revenue Sharing:

<https://www.maine.gov/treasurer/revenue-sharing/monthly-distributions>

Municipal Population:

<https://www.census.gov/quickfacts/fact/table/cariboucitymaine/POP010220>

Local Property Tax Levied:

<http://www.cariboumaine.org/index.php/departments/66-2/>

(Look for the current year MVR: Page 1 of form, Line # 13)

State Local Valuation:

<https://www.maine.gov/revenue/taxes/property-tax/state-valuation>

## Appendix 3 – TIF/CEA Evaluation Checklist (For City Use)

Name of Applicant:
Name of Project:
Date:

**Applicants requesting TIF funding with a Credit Enhancement Agreement must meet one or more of the following objectives:** *Refer to TIF Policies for further explanation*

- \_\_\_\_\_ The project requesting TIF funding assistance contains public infrastructure
- \_\_\_\_\_ The TIF funding would complete a public infrastructure project identified as needed by the City
- \_\_\_\_\_ The project cannot move forward without the infrastructure support
- \_\_\_\_\_ The project itself will create or retain quality jobs

**Applicants for a CEA will demonstrate that the City’s financial participation is needed by the following:**

TIF Application Requirements Evaluation of Current Application	TIF Application Requirements Evaluation of Current Application
There is a financial need to offset public infrastructure costs unique to the project or site	
The developer demonstrates the financial capacity to undertake the project and provides evidence in support of this capacity. Evidence will include but is not limited to: <ul style="list-style-type: none"> <li>• Development budget and pro-form</li> <li>• Financial commitments of project lenders</li> <li>• Project implantation plan and schedule</li> </ul>	
The project creates incremental tax value equal to or greater than \$1 million, excluding personal property	
The number, type, and wage level of jobs that will be created	
The developer is compliant with all statutory and regulatory guidelines of the City of Caribou and the State of Maine	



**The following will guide the level of potential City participation**

<b>TIF Policies to be Met Evaluation of Current Application</b>	<b>TIF Policies to be Met Evaluation of Current Application</b>
The value of the proposed public infrastructure	
The public infrastructure has value beyond the current project	
The project is consistent with the City's Comprehensive Plan	
The project brings a new business to City in a targeted sector – light manufacturing, creative economy, medical, lodging, eco-tourism, and eligible PTDZ sectors. Tax base diversification is important.	
The project creates long-term, permanent, quality jobs either by an existing business expansion or new business development – specific targeted numbers are important here	
The project's impact on existing Businesses	
The project contributes to the unique quality of the City, especially commercial areas in need of redevelopment	
The project improves a blighted building Site	
The project supports (or will support) community projects, provides job training, provides student internships, supports local contractors and suppliers	

**Application Components**

- \_\_\_\_\_ Completed TIF/CEA Application
- \_\_\_\_\_ Inclusion of accompanying financial documents
- \_\_\_\_\_ Request for policy waivers or modifications, if any
- \_\_\_\_\_ Deposit of \$1,000.00 toward reimbursement for city staff time and direct expenses