**TOWN OF MANCHESTER**
**TAX INCREMENT FINANCING (TIF) OVERVIEW**

**HIGHLIGHTS –**

- Flexible tool used to leverage new property taxes generated by a specific project within a defined district. Any Portion of the new taxes may be used to finance public or private projects for up to 30 years.
- The municipality defines the district and chooses how much of the new taxes will go to what public and private projects over what period of time.
- TIF Revenues can only be spent on approved economic development activities.
- The new increased assessed value of the project also gets "sheltered" and not added into the calculation for the County taxes, aid to education and revenue sharing.
- The entire package requires local political approval – Approved at Town Meeting on June 9, 2011.
- Review and Approval by Maine's Department of Economic & Community Development – the Department approved the TIF on August 30, 2011.

**CURRENT PROFESSIONAL PARK TIF – MANCHESTER PLACE**

- Includes 30.3 acres – 100% captured for 15 years.
- Current TIF balance = $25,325 with an additional $15,000 +/- being added in 2014.
- $0 has been expended to date from the Town's portion of TIF revenues.
- Goals of the TIF District.
    - Enhanced future tax revenue from the District.
    - Assist with financing the cost of infrastructure improvements for the construction of the professional park.
    - Create long-term stable employment opportunities.
    - Enhance the visibility and competitiveness and improve the general economy of the Town and Central Maine region.
    - Fund eligible municipal economic development activities.

**PROJECTS –**

- **WITHIN THE DISTRICT -** Credit enhancement agreement with potential developers – 1 currently in place with Peary Group LLC. 60% 40% split for 15 years with last 5 having a cap of $25,000. Uses – to pay directly or reimburse the company for payment of qualified "project costs" (construction of 500' entrance road). Professional cost for establishing, implementing and administering the development program.
- **TOWN WIDE IMPROVEMENTS** – Costs of fund events (e.g. Apple Festival). Costs to fund Economic Development Plan. Child Care, Revolving Loan Fund and Training Funds to provide skill development and training.

**BENEFITS –**

- 14 new jobs created
- $450,000 in additional payroll