

**RANGELEY and OQUOSSOC VILLAGES
OMNIBUS DOWNTOWN TAX INCREMENT FINANCING DISTRICT
DEVELOPMENT PROGRAM**

Adopted by the Board of Selectmen: December 8, 2020

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**Rangeley & Oquossoc Villages Omnibus Downtown Tax Increment Financing District
Development Program**

Article I: Introduction and Summary of Benefits.

Section 1.01: Rangeley Downtown Revitalization.

In 2019, Wright-Pierce published the Rangeley, Maine Downtown Revitalization Action Plan (the “Plan”), which reported the findings and recommendations of the firm related to the Rangeley and Oquossoc Villages (the “Villages”) and was formally adopted by the Rangeley Board of Selectmen on February 25, 2019. In particular, the Plan set out to identify action items to improve the appearance and preserve the historic character of the Villages, improve access for vehicles, bicycles and pedestrians, encourage a diverse economy that was sustainable on a year-round basis and increase access to utilities such as broadband and cellular service.

Among the resources identified to implement this Plan is the creation of a Downtown Tax Increment Financing District Development Program which will support Rangeley and Oquossoc community revitalization objectives in the following ways:

- Provide long-term sustainable year-round employment opportunities for the community and region;
- Create a more pedestrian-friendly, accommodating downtown with safe vehicular traffic flow;
- Redevelop and enhance buildings and properties and improve business facades;
- Upgrade town infrastructure including sidewalks, streetscapes/streetlights, relocate overhead lines, expand parking, wayfinding signage, utilities, broadband, public transit, and green space;
- Capitalize and market the town’s proximity to major area recreation attractions; and
- Provide incentives to developers for priority commercial projects such as attainable workforce rental housing, light industrial park, mixed-use development, needed businesses, and pharmacy;
- Establish TIF Revolving Loan Fund for businesses and developers.

Several properties have been identified throughout the District for development and redevelopment investments.

Section 1.02: Development District. In an effort to carry out the goals identified in the Plan as outlined in Section 1.01 above and to generally continue revitalization efforts within the Villages, the Town desires to create a downtown tax increment financing district consisting of several properties located along the corridor of Main Street from the intersection of Dallas Hill Road to the intersection of Loon Lake Road and a block of properties located several blocks deep along Main Street in the Town of Rangeley, as depicted on Exhibit C hereto, in order to expand and diversify the Town’s tax base and improve its economy and public facilities. The Town hereby designates the Rangeley and Oquossoc Villages Omnibus Downtown Tax Increment Financing District, also referred to as the Rangeley Villages District, (hereinafter the “District”), and adopts this Development Program (hereinafter the “Development Program”). This Development Program will provide the infrastructure and financial resources necessary for development of commercial uses within the District, as well as certain public improvements within and outside the District that will enable additional development within the Town, thereby expanding and diversifying the Town’s tax base and improving its local economy.

Section 1.03: Benefits of the District.

A. **New Tax Dollars for the Town.** The Town estimates that the value of the new development within the District will represent an increase in property valuation of at least \$17,000,000 over the term of the District. This investment in new construction within the District is expected to generate an average of \$216,365

per year in new property tax revenues that will be used to encourage development within the District, pay costs of the Public Facilities, Improvements and Programs described in Section 2.03 herein and support the Town's efforts to expand and diversify its tax base.

B. Economic Development; New Jobs; Retention of Jobs. The District will facilitate the development of property in the Town, which will result in the creation of new jobs and the retention of existing jobs in the Town. The development within the District will likely result in a need for additional commercial services throughout Town, which will further enhance the Town's commercial tax base, as well as the job opportunities within the Town. The Public Facilities, Improvements and Programs described herein are also anticipated to create additional economic development and job opportunities within the Town.

C. Savings for Town from Shelter of New Tax Base Growth. Pursuant to the formulas adopted by the State of Maine in connection with Chapter 206 of Title 30-A, as amended, the Increased Assessed Value of a Development District is sheltered from the increased county taxes and loss of State aid to education and municipal revenue sharing that results when new development occurs without the creation of a Development District. Accordingly, the designation of the District and the development that occurs therein will result in more net tax revenue for the Town than would result if such development were to occur without the creation of the District. This is a significant benefit to the Town that enables the construction of the Public Facilities, Improvements and Programs, as well as the economic development initiatives described herein.

D. Public Facilities, Improvements and Programs. The District will provide the Public Facilities, Improvements and Programs described in Table #1 of Section 2.03 hereof, which will lead to further commercial development in the Town.

Article II. Development Program Narrative and Designation of the District.

Section 2.01. Statement of Means and Objectives.

The Town of Rangeley desires to create new employment opportunities and commercial development in the Town, to improve, broaden and maintain a healthy tax base, to improve the economy of the Town and the State, to provide the impetus for new commercial development and to provide the facilities described in this Development Program.

The Town anticipates that the development within the District will have significant impacts on the Town's infrastructure, such as roads, and create an increased demand for public services, such as public safety and public works. Accordingly, the Town expects that the new taxes generated from the increased assessed value of the development within the District will be used to fund economic development and public improvements related thereto and desires to accomplish the following goals by designating this District and adopting this Development Program:

- Maintain existing tax revenues;
- Enhance future tax revenues generated by new development throughout the Town;
- Create long-term, stable employment opportunities for area residents;
- Promote revitalization of the Rangeley and Oquossoc Villages; and
- Attract businesses and promote the economic viability and sustainability of the general economy of the Town.

A tax increment financing development district involves creation of a geographically defined district in the Town and the "capture" or reinvestment of some of the new increased or "incremental" tax revenues generated by new development and business expansion in the District to pay certain costs of development and

certain costs of new public facilities, improvements and programs. In order to fulfill the goals outlined above, a portion of the properties identified on the Town's Tax Maps 4,8, 35, 36, 37, 38, 39, 47, 5, 6, 30 as depicted on Exhibit C has been proposed as the Rangeley Villages District. This Development Program will serve the purpose of administering the District as a Municipal Development District and Tax Increment Financing District pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The Development Program provides for economic development incentives called municipal tax increment financing similar to that previously adopted by a number of municipalities in the State. Upon approval by the Board of Selectmen of the Town designating the District and adopting this Development Program, the designation of the District and adoption of the Development Program will become final immediately, subject only to approval by the Maine Department of Economic and Community Development.

The Development Program will also provide for the Public Facilities, Improvements and Programs described in Section 2.03 hereof. Costs of the Public Facilities, Improvements and Programs described in Section 2.03 hereof will be financed by the tax increment revenues from the District. Adoption of this Development Program will lead to creation of the necessary public facilities within and directly related to the Development District that will provide appropriate infrastructure for development of the District. The Development Program thus will provide significant economic benefit to the Town by providing new public infrastructure that will facilitate additional commercial development. Such infrastructure and programs will help to expand and diversify the commercial tax base of the Town and to provide new employment opportunities in the Town.

The means and objectives of the Development Program thus are to encourage the development of property within the District consistent with the Plan and to provide financing for the Public Facilities, Improvements and Programs made necessary thereby. The Town by adopting this Development Program finds that the Development Program described herein, consisting of the Public Facilities, Improvements and Programs, will provide substantial new employment opportunities, will significantly improve and broaden the Town's tax base and will improve the general economy of the Town.

Section 2.02. Brief Discussion of Financial Plan. The Financial Plan, as set forth in Article III hereof, consists of the cost estimates for the Development Program, the amount of public indebtedness to be incurred, the sources of anticipated revenues, a description of the terms and conditions of any agreements, contracts or other obligations related to the development program, estimates of increased assessed values of the District, the portion of the increased assessed value to be applied to the Development Program as captured assessed values and resulting tax increments in each year of the program and a calculation of the tax shifts resulting from designation of the tax increment financing district.

The District is expected to generate certain incremental or additional tax revenues, which will be captured or retained to pay the costs of this Development Program. The real property taxes assessed upon the Increased Assessed Value of property in the District (the "Tax Increment") will be captured or used by the Town under the Development Program to pay costs of the Public Facilities, Improvements and Programs described in Section 2.03 hereof. All tax revenues presently generated on existing property in the District will continue to be paid to the General Fund of the Town. The Development Program costs will be paid only from the Tax Increment on the increased assessed value in the District.

Adoption of this Development Program will lead to creation of the necessary public facilities within and directly related to the Development District that will provide appropriate infrastructure for development of the District.

Section 2.03. Public Facilities Descriptions. The Town finds that each of the Public Facilities, Improvements and Programs (the "Public Facilities, Improvements and Programs") described below, and the Project Costs thereof, will either directly or indirectly provide or encourage new employment opportunities

within the Town or encourage and promote economic development that will broaden the Town's tax base and improve the general economy of the Town. The Development Program thus will provide financing for certain important Public Facilities, Improvements and Programs currently under consideration by the Town that are either related to the Development Program or are otherwise qualifying projects under Chapter 206 of Title 30-A of the Maine Revised Statutes. The Town will retain 100% of the Tax Increment from the District to finance the costs of the agreements authorized under Section 3.05 hereof and some or all of the costs of the following Public Facilities, Improvements and Programs:

TABLE NO. 1: POTENTIAL PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS

<u>Project</u>	<u>Estimated Cost Over 30 Years</u>	<u>Statutory Citation</u>
(a) Construction of land, improvements, public ways, buildings, and structures for public or commercial use, and equipment for public use within the District, including streetscapes and improvements related to pedestrian and bicycle traffic within the District and other traffic management and safety measures.	\$1,500,000	30-A MRSA § 5225(1)(A)(1)(a)
(b) Capital costs of improvements made within the District for the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures to enhance and preserve the historic nature of the Downtown and promote commercial uses, as well as costs of site preparation and finishing work, and any fees and expenses related to such improvements, including, but not limited to, licensing, permitting expenses, planning, engineering, architectural, testing, legal, accounting expenses, credit enhancement agreements, and TIF Revolving Loan Fund	\$1,000,000	30-A MRSA §§ 5225(1)(A)(1)(b)-(d), (1)(A)(4)
(c) Administrative costs, including, but not limited to, reasonable charges for the time spent by municipal employees in connection with the implementation of a development program and organizational costs relating to the establishment of the district, including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public about the creation of development districts and the implementation of project plans.	\$300,000	30-A MRSA §§ 5225(1)(A)(5), (7)
(d) Costs of improvements to roads and infrastructure made outside the District, but directly related to or made necessary by the establishment or operation of the District.	\$1,000,000	30-A MRSA § 5225(1)(B)
(e) Costs related to construction, alteration or expansion of facilities not located in the District that are required due to improvements or activities within the District.	\$440,960	30-A MRSA §5225(1)(B)(1)

(f) Funding for Economic Development programs, including funding of the Town's economic development staff and consultants, Economic Development Department programming and operations, and efforts to market the Town as a business location.	\$400,000	30-A MRSA §5225(1)(C)(1)
(g) Capital costs associated with new or expanded transit service related to economic development and environmental improvements for commercial use or related to such commercial use within and outside the District, including, but not limited to, bus shelters, transit related structures, benches, signs, parking and other transit-related infrastructure.	\$100,000	30-A MRSA §§5225(1)(C)(7)(a)
(h) Costs associated with new or existing recreational trails that have significant potential to promote economic development within and outside the District.	\$150,000	30-A MRSA §5225 (1)(C)(6)
(i) Funding of environmental improvement and energy efficiency projects related to the activities of the commercial District.	\$100,000	30-A MRSA §5225(1)(C)(2)
(j) Public safety improvements to include the acquisition of additional equipment or personnel, or improvements to or operations of public safety facilities outside the District as made necessary by the establishment and operation of the District or economic development within the Town.	\$500,000	30-A M.R.S.A. §§ 5225(1) (B)(1), (2), (C)(9)
(k) Costs associated with broadband and fiber optics expansion projects, including preparation, planning, engineering and other related costs in addition to the construction costs of those projects for commercial areas within the Town and residential areas that are unserved as defined by the ConnectME Authority as provided in Title 35-A, section 9204-A, subsection 1.	\$1,000,000	30-A M.R.S.A. §§ 5225(1) (C)(9)
Total Project Costs:	\$ 6,490,960	

The projects currently under consideration to be undertaken pursuant to the Development Program are identified in Table No. 1 above. The Town recognizes that it needs to expand and diversify its tax base. In order to achieve these goals, the Town must provide new public infrastructure within the Town to facilitate new commercial development. This Development Program will provide revenues to fund only a portion of such costs. The specific Public Facilities, Improvements and Programs to be financed with the tax increment financing revenues will be approved through subsequent or separate action of the Town.

Section 2.04. Current and Proposed Uses of Private Property. The properties within the District are privately owned, with the exception of government, post office, and church properties. The District consists of parcels located in the C-Commercial District which established an area intended for commercial enterprises located to provide an area suited to such development; DTC-Downtown Commercial Overlay District provides for greater flexibility in dimensional requirements, development review, and encourages business development and expansions in the Villages of Rangeley and Oquossoc; R-Residential District includes areas developed primarily as residential and extends to areas suited for such development; S-Shoreland District covers land areas adjacent to lakes and ponds and provides for limited residential land uses; and V-Village District includes the most highly developed areas in Rangeley and Oquossoc, in which development is denser than other areas and covers a broad mixture of land uses including commercial, recreational, public, and residential.

Section 2.05. Relocation Plan. No businesses or persons will be displaced or relocated as a result of the development activities proposed in the District.

Section 2.06. Transportation Improvements. Except for the Public Improvements contemplated by this Development Program, the existing transportation facilities of the Town will be adequate to accommodate the improvements contemplated by this Development Program.

Section 2.07. Environmental Controls. All environmental controls required by law shall apply to development in the District, including any applicable requirements of the Town of Rangeley Zoning Ordinance and all applicable State and federal environmental laws and regulations.

Section 2.08. District Operation. The day-to-day operations of the District will require no substantial efforts by the Town other than staffing and programming of the economic development and planning offices and supporting staff funded by this Development Program to the extent described in Table 1 of Section 2.03 hereof.

Section 2.09. Program Duration. The duration of the District will be thirty (30) years from the beginning of the first fiscal year (July 1, 2021) following the tax year (April 1, 2020) in which the District was designated and the effective date of the approval of the District by the Commissioner of the Maine Department of Economic and Community Development, and shall terminate June 30, 2051.

Section 2.10. Approval Considerations and Characteristics of the District.

A. Statutory Considerations for Approval. Before designating the District and before establishing this Development Program, the Town held a public hearing at which interested parties were given a reasonable opportunity to present testimony concerning the District and Development Program. The Town has considered any evidence presented at such public hearing. Notice of the hearing was given as evidenced by Exhibit E to this Development Program. Before designating the District and before establishing this Development Program, the Town determined and hereby finds and determines that the District created hereunder and this Development Program will contribute to the economic growth or well-being of the Town and to the betterment of the health, welfare or safety of the inhabitants of the Town, including employment opportunities, broadened and improved tax base and economic stimulus, constituting good and valid public purposes and any adverse economic effect on or detriment to any existing business is outweighed by the contribution made by the District and the Development Program to the economic growth or well-being of the Town and the betterment of the health, welfare and safety of its inhabitants, and the Town further makes the other findings and determinations as set forth in this Development Program and the Exhibits hereto.

B. Statutory Conditions for Approval; Physical Characteristics. The Town 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, except for those criteria that expressly do not apply to approved downtown tax increment financing districts.

Section 2.11. Designation of the District. The Town hereby designates the Rangeley and Oquossoc Villages Downtown Tax Increment Financing District as a Municipal Development District and a Tax Increment Financing District. The area of the Town of Rangeley shown as the Downtown Development District on Exhibit C and as more particularly described in this Development Program is hereby designated as a downtown tax increment financing district and such designation shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the District by the Maine Department of Economic & Community Development, without the requirement of any further action by the Town, the Municipal Officers or any party. Plans depicting the District are attached hereto as Exhibit C, and the District is further described in Exhibit B.

Article III. Financial Plan.

Section 3.01. Cost Estimates for the Development Program. The estimated costs of the Public Facilities, Improvements and Programs are set forth in Section 2.03, Table No. 1.

Section 3.02. Amount of Indebtedness to be Incurred. The Town will not incur any indebtedness at this time in connection with the Development Program and is not hereby authorizing any specific future indebtedness at this time. However, the Town anticipates that it may elect at a future date to incur indebtedness to finance a portion of the Public Facilities, Improvements and Programs and is hereby authorized to do so subject to all necessary approvals for any such indebtedness or appropriations, including but not limited to the prior approval of the Board of Selectmen. The Town may also elect to enter into a Credit Enhancement Agreement pursuant to Section 3.05 hereof and the amounts to be paid thereunder shall be limited to reimbursements of taxes paid on incremental tax revenues.

Section 3.03. Sources of Anticipated Revenues. The source of the revenue to be used to pay the costs of this Development Program is the Tax Increment on the Increased Assessed Value of the District. Tax Increment means all Property Taxes assessed by the Town, in excess of any state, county or special district tax, upon the Increased Assessed Value of all real property in the District. Increased Assessed Value means the valuation amount by which the Current Assessed Value of the District exceeds the Original Assessed Value of the taxable real property in the District. Current Assessed Value means the taxable assessed value of the real property in the District certified by the municipal assessor as of April 1st of each year that the District remains in effect. Property Taxes means any and all ad valorem property taxes levied, charged or assessed against real property by the Town. Original Assessed Value means the taxable assessed value of the real property in the District as of March 31, 2020 (April 1, 2019). Attached hereto as Exhibit B is the certification of Original Assessed Value by the Assessor of the Town of Rangeley in accordance with the requirements of Title 30-A § 5227 of the Maine Revised Statutes. All Property Tax on the Original Assessed Value shall continue to be deposited in the general fund of the Town.

Section 3.04. Estimated Increased Assessed Value; Portion Applied to Development Program. The Town hereby designates, as Captured Assessed Value, 100% of the Increased Assessed Value as the portion of the Increased Assessed Value to be applied or retained each year to pay costs of the Public Facilities, Improvements and Programs and any other costs authorized by this Development Program. The amount of the total Tax Increment that may be used each year to pay or reimburse the Town's costs of the Public Facilities, Improvements and Programs is the entire Tax Increment of the entire District.

Exhibit D-1 sets forth: (i) the annual estimates of the Increased Assessed Value of the District resulting from implementation of the Development Program; and (ii) the estimated annual Tax Increment per year on the Increased Assessed Value following implementation of the Development Program, that will be used to finance the Public Facilities, Improvements and Programs.

A Development Program Fund shall be established by the Town consisting of a Project Cost Account and a Sinking Fund. The Development Program Fund Project Cost Account shall consist of the Town's Project Cost Account (the "Town's Project Cost Account"). All funds deposited into the Town's Project Cost Account will be used to pay costs of the Public Facilities, Improvements and Programs described in Section 2.02 hereof or will be deposited into the reserve fund(s) hereafter described. The Town will establish the Town Project Cost Account or a series of Town Project Cost Accounts for the Town, 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 Public Facilities, Improvements and Programs. Upon each payment of Property Tax with respect to property in the District, the Town shall deposit to the Town Project Cost Account all of the Tax Increment. As the deposit and investment of funds in the Town Project Cost Account accrue and increase to a level which permits implementation of a portion of the Public Facilities, Improvements and Programs, the Public Facilities, Improvements and Programs will be undertaken and funded from such reserve fund(s). Accordingly, all Tax Increment deposited into the Town's Project Cost Account reserve fund(s) shall be deemed to have been expended and used to satisfy the obligations of the Town'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 Town 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 Town's Project Cost Account.

In the event of a revaluation of taxable property within the Town, the Captured Assessed Value may be adjusted in proportion to the change in taxable assessed property values within the District in the year of the revaluation resulting from such revaluation pursuant to an amendment to this Development Program. To the extent such an amendment impacts the terms of a Credit Enhancement Agreement authorized and executed under this Development Program, the Credit Enhancement Agreement may be amended by mutual written consent of the parties thereto to reflect the mutually agreed upon changes to the terms of the Credit Enhancement Agreement resulting from an amendment to this Development Program related to a revaluation.

Section 3.05. Description of Terms and Conditions of Agreements. The District shall be considered an "omnibus" district whereby the Town shall have the option to approve credit enhancement agreements for properties or projects within the District to include a rebate of property taxes paid on Incremental Assessed Value up to a maximum of 100% of any such property taxes paid in any year during the term of this District. A Credit Enhancement Agreement for any specific property or development project within the District may only be executed by the Town following a public hearing and express authorization of the Board of Selectmen; provided, however, that this provision shall not be deemed a promise to execute or a guarantee that a Credit Enhancement Agreement shall be offered to any developer or owner of property within the District. The Town may also enter into construction contracts and similar agreements relating to construction of the Public Facilities and Improvements described in Section 2.03 hereof.

Section 3.06. Calculation of Tax Shifts. In accordance with Maine statutes governing the establishment of tax increment financing districts, the table set forth below identifies the estimated tax shifts, as more particularly described in Exhibit E hereto, which will result during the term of the District from the establishment of the District.

<u>Tax Shift Item</u>	<u>Estimated Average Annual Amount</u>	<u>Estimated Total Amount</u>
Educational Aid	\$ 55,185.67	\$1,655,570.00
County Tax	\$ 25,943.66	\$ 778,309.88
Revenue Sharing	\$ 2,275.00	\$ 68,269.36
Total:	\$ 83,404.97	\$2,502,149.24

Article IV: Municipal Approvals.

Section 4.01. Public Hearing. Before designating the District and adopting the Development Program, the Board of Selectmen, as the legislative body of the Town, held a public hearing. Notice of the hearing was published on November 25, 2020, a date that was at least 10 days before the hearing, in the *Mountain Messenger*, a newspaper of general circulation within the Town. A copy of the Notice of Public Hearing is attached hereto as Exhibit F. The Public Hearing was held in accordance with the requirements of 30-A M.R.S.A. § 5226 on December 8, 2020. At the public hearing, interested parties were given a reasonable opportunity to present testimony concerning the District and the Development Program.

Section 4.02. Authorizing Votes. The Orders of the Board of Selectmen, designating the District and approving this Development Program, as proposed for adoption by the Board of Selectmen of the Town at a meeting thereof duly called and held on March 9, 2021, are attached hereto as Exhibit G. The Town Manager is hereby authorized and directed, on behalf of the Town to execute and submit to the Commissioner of Economic and Community Development for approval such applications and further documentation as may be necessary or appropriate for final approval and establishment of this Development Program and financial plan pursuant to 30-A M.R.S.A. Chapter 206; and the Town Manager be, and hereby is, authorized and empowered, in his discretion, from time to time, to make such technical revisions to this Development Program for the District as he deems reasonably necessary or convenient in order to facilitate the process for review and approval by the Department of Economic and Community Development, so long as such revisions are not inconsistent with the basic structure and intent of this Development Program.

EXHIBITS:

- Exhibit A:** Rangeley, Maine Downtown Revitalization Action Plan
- Exhibit B:** Certificate of Assessor
- Exhibit C-1:** Map of District (District view)
- Exhibit C-2:** Map of District (Town view)
- Exhibit D:** Tax Shift Computations Methodology
- Exhibit D-1:** Tax Revenue Projections
- Exhibit D-2:** Tax Shift Estimates
- Exhibit E:** Notice of Public Hearing
- Exhibit F:** Board of Selectmen Orders
- Exhibit G:** Public Hearing Minutes
- Exhibit H:** Record of Town Meeting Vote

EXHIBIT A

RANGELEY, MAINE DOWNTOWN REVITALIZATION ACTION PLAN

DRAFT

EXHIBIT B

**TOWN OF RANGELEY
CERTIFICATE OF ASSESSOR**

The undersigned assessor of the Town of Rangeley, 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 the Rangeley and Oquossoc Villages Downtown Tax Increment Financing District as described in the Development Program for the District, was \$110,075,400 as of March 31, 2020. (April 1, 2019). (*See attached list of properties.*)

IN WITNESS WHEREOF this Certificate has been executed as of this ____ day of _____.

DRAFT

EXHIBIT C

PROPERTY DESCRIPTION AND CONFIGURATION OF DISTRICT

Rangeley and Oquossoc Villages Downtown Tax Increment Financing District is located in Rangeley, Maine and includes the parcel(s) shown on the maps of the District attached hereto as Exhibit C-1 (District view) and Exhibit C-2 (Town view), said parcel(s) being further described in the Certificate of the Assessor (Exhibit B to this Development Program).

DRAFT

EXHIBIT D

TAX SHIFT COMPUTATIONS

A tax increment financing district will result in certain tax shifts which result because the retained captured assessed value of the District will be excluded from the State Valuation of the property in the Town. These tax shifts are noted in three basis formulae which use local property tax valuation as a basis for calculation. These three formulas are:

- State Aid to Education
- Municipal Share of County Taxes
- Revenue Sharing

The computations are set forth in Exhibit D-1 and D-2. The following is the process used to derive each of these tax shifts.

EDUCATION TAX SHIFT: Computed by comparing State Department of Education Form ED 279 for the Town with and without retained CAV.

COUNTY TAX SHIFT: In order to compute this shift, we first obtained the most recent County State Valuation from the State Bureau of Taxation. We then determined the average Captured Assessed Value for the District over the life of the District. We then determined the Town's current share of the County Tax by dividing the current Town Valuation by the Current County Valuation. We then determined what the Town's Share of the County Tax would be if the new value from the District were added by the Town's Valuation without the creation of the District by dividing the sum of the current Town Valuation plus the average new value by the sum of the current County Valuation plus the average new value. The difference is the factor representing the percentage of the County Tax Shift. Next, we determined the estimated average annual county tax over the life of the district. To arrive at this number, the average change in County Tax for the last five years was determined and the percentage increase projected to the middle of the district's life. This projected tax was then multiplied by the factor developed above to determine the County Tax Shift.

REVENUE SHARING SHIFTS: The first step in determining the Revenue Sharing Tax Shifts was to obtain the total Municipal Revenue Sharing Amount from the State Treasurer. The five steps outlined in the following formula were then applied:

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

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

STEP THREE: $\text{Current Factor} = 1.X$
 Adjusted Factor

STEP FOUR: $1.X - 1.0 = .X$

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

EXHIBIT D-1

TAX REVENUE PROJECTIONS

TIF Year	Tax Year (4/1-3/31)	Original Assessed Value (3/31/2020)	TOTAL New Assessed Value	Increased Assessed Value ¹	Percent of Value Captured in TIF	Captured Assessed Value	Mil Rate ²	Total TIF Revenue
1	2021-2022	\$ 110,075,400.00	\$112,075,400	\$2,000,000	100.00%	\$2,000,000	13.84	\$27,680
2	2022-2023	\$ 110,075,400.00	\$115,075,400	\$5,000,000	100.00%	\$5,000,000	13.84	\$69,200
3	2023-2024	\$ 110,075,400.00	\$118,075,400	\$8,000,000	100.00%	\$8,000,000	13.84	\$110,720
4	2024-2025	\$ 110,075,400.00	\$122,075,400	\$12,000,000	100.00%	\$12,000,000	13.84	\$166,080
5	2025-2026	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
6	2026-2027	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
7	2027-2028	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
8	2028-2029	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
9	2029-2030	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
10	2030-2031	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
11	2031-2032	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
12	2032-2033	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
13	2033-2034	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
14	2034-2035	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
15	2035-2036	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
16	2036-2037	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
17	2037-2038	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
18	2038-2039	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
19	2039-2040	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
20	2040-2041	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
21	2041-2042	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
22	2042-2043	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
23	2043-2044	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
24	2044-2045	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
25	2045-2046	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
26	2046-2047	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
27	2047-2048	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
28	2048-2049	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
29	2049-2050	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
30	2050-2051	\$ 110,075,400.00	\$127,075,400	\$17,000,000	100.00%	\$17,000,000	13.84	\$235,280
							30 Yr. Totals:	\$6,490,960
							30 Yr. Averages:	\$216,365

Assumptions:

- 1.) Projected assessed value from April 1, 2020 based on anticipated new development value and historical average annual assessed property increases. Actual new value may vary, especially in later years.
- 2.) Projected mil rate based on 2019 actual mil rate, held constant for remainder of District term.
- 3.) The preceding table contains projections and forward-looking statements that are subject to a number of risks and uncertainties that could cause the actual results to differ materially from any future results expressed or implied by the projections reported in this table.

EXHIBIT D-2

TAX SHIFT ESTIMATES

TIF Year	Tax Year (4/1-3/31)	Estimated New Tax Revenue on Increased Valuation ¹	Education Shift (Avoided Loss) ²	Revenue Sharing Shift (Avoided Loss) ³	County Tax Shift (Avoided Increase) ⁴	Total Tax Shifts ⁶	Net New Tax Revenue to Town w/out TIF (CAV)
1	2021-2022	\$ 27,680.00	\$ 7,060.00	\$ 303.54	\$ 2,377.23	\$ 9,740.77	\$ 17,939.23
2	2022-2023	\$ 69,200.00	\$ 17,650.00	\$ 754.55	\$ 6,063.71	\$ 24,468.26	\$ 44,731.74
3	2023-2024	\$ 110,720.00	\$ 28,240.00	\$ 1,200.46	\$ 9,898.87	\$ 39,339.33	\$ 71,380.67
4	2024-2025	\$ 166,080.00	\$ 42,360.00	\$ 1,787.25	\$ 15,146.26	\$ 59,293.51	\$ 106,786.49
5	2025-2026	\$ 235,280.00	\$ 60,010.00	\$ 1,898.79	\$ 21,882.86	\$ 83,791.64	\$ 151,488.36
6	2026-2027	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 22,341.95	\$ 84,860.45	\$ 150,419.55
7	2027-2028	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 22,810.62	\$ 85,329.13	\$ 149,950.87
8	2028-2029	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 23,289.08	\$ 85,807.59	\$ 149,472.41
9	2029-2030	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 23,777.54	\$ 86,296.04	\$ 148,983.96
10	2030-2031	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 24,276.18	\$ 86,794.69	\$ 148,485.31
11	2031-2032	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 24,785.24	\$ 87,303.75	\$ 147,976.25
12	2032-2033	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 25,304.93	\$ 87,823.43	\$ 147,456.57
13	2033-2034	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 25,835.46	\$ 88,353.96	\$ 146,926.04
14	2034-2035	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 26,377.05	\$ 88,895.56	\$ 146,384.44
15	2035-2036	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 26,929.95	\$ 89,448.46	\$ 145,831.54
16	2036-2037	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 27,494.39	\$ 90,012.90	\$ 145,267.10
17	2037-2038	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 28,070.60	\$ 90,589.11	\$ 144,690.89
18	2038-2039	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 28,658.82	\$ 91,177.33	\$ 144,102.67
19	2039-2040	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 29,259.32	\$ 91,777.82	\$ 143,502.18
20	2040-2041	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 29,872.33	\$ 92,390.84	\$ 142,889.16
21	2041-2042	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 30,498.13	\$ 93,016.64	\$ 142,263.36
22	2042-2043	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 31,136.97	\$ 93,655.48	\$ 141,624.52
23	2043-2044	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 31,789.13	\$ 94,307.63	\$ 140,972.37
24	2044-2045	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 32,454.88	\$ 94,973.38	\$ 140,306.62
25	2045-2046	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 33,134.50	\$ 95,653.01	\$ 139,626.99
26	2046-2047	\$ 235,280.00	\$ 60,010.00	\$ 2,120.58	\$ 33,828.28	\$ 95,958.86	\$ 139,321.14
27	2047-2048	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 34,536.52	\$ 97,055.03	\$ 138,224.97
28	2048-2049	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 35,259.52	\$ 97,778.02	\$ 137,501.98
29	2049-2050	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 35,240.99	\$ 97,759.50	\$ 137,520.50
30	2050-2051	\$ 235,280.00	\$ 60,010.00	\$ 2,508.51	\$ 35,978.58	\$ 98,497.09	\$ 136,782.91
30 Year TIF Total		\$ 6,490,960.00	\$ 1,655,570.00	\$ 68,269.36	\$ 778,309.88	\$ 2,502,149.24	\$ 3,988,810.76
30 Year Average		\$ 216,365.33	\$ 55,185.67	\$ 2,275.65	\$ 25,943.66	\$ 83,404.97	\$ 132,960.36

Assumptions:

- 1.) Based on data and assumptions as set forth in Exhibit D-1
- 2.) The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which an adjusted mil rate of 8.18 mills in FY 2020-21 is applied to the Town's state valuation to determine the amount of local property taxes to be raised for education. In the RSU #78 School District, Rangeley's municipal allocation distribution based on subsidizable pupils is lower than its allocation based on municipal valuation * mill expectation, and the lower amount applies. With State adjustments, the adjusted mill rate for Rangeley is 3.53. By sheltering valuation through a TIF, the Town avoids having to raise an amount equal to the valuation sheltered x 3.53 mills. The education rate used to calculate the education tax shift is based on the adjusted mill rate in the RSU #78 School District based on the preliminary ED 279 for FY 2021 published 07/22/20. The RSU #78 Rangeley Lakes Regional School Unit includes Dallas Plantation, Magalloway Plantation, Rangeley, Rangeley Plantation and Sandy River Plantation.
- 3.) The State Revenue Sharing shift was calculated based on the FY 2020 (7/1/19 - 6/30/20) Projected Municipal Revenue Sharing published 08/03/20 by the Office of the Maine State Treasurer and assumes that the formula and general inputs for the same does not change substantially throughout the term of the District.
- 4.) The County tax shift was calculated using data from the current and most recent five years' tax commitments of Franklin County, including the Town valuation, the State valuation and the actual Town and County taxes, and assumes an increase in the total County tax consistent with the average increase in the total County tax for the past five years.
- 5.) The total tax shifts are the result net impact to the Town of the avoided loss of State Revenue Sharing, the avoided loss of State aid to education and the avoided increase to County taxes. These projections assume that all other values in other communities to the extent they relate to the calculation of education subsidies, revenue sharing or county taxes are static relative to one another except for the new value assessed. The projections are less likely to be accurate farther into the future.

EXHIBIT E

**TOWN OF RANGELEY
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the Town of Rangeley will hold a public hearing on December 8, 2020 at 5:00 p.m. at the Town Office, Rangeley, Maine, for the purpose of receiving public comments on the designation of its proposed Downtown Tax Increment Financing 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, as amended.

The proposed District would include various parcels consisting of 677.97 acres within and surrounding the Rangeley and Oquossoc Villages located in the C-Commercial District, DTC-Downtown Commercial Overlay District, R-Residential District, S-Shoreland District, and V-Village District. The proposed District would capture 100% of the increased assessed value of the property within the District for a period of 30 years. The tax revenue from the incremental value within the District will be retained by the Town to be used for various public improvements to be designated by the Town within the Development Program, such as roads and utilities within the District, land and facilities for public use, economic development programs, professional services related to development of the District, public safety improvements, capital costs associated with transit service, environmental services, and recreational trails that promote economic development.

A copy of the proposed Development Program for the District is on file with the Town Clerk and may be obtained from and reviewed at the offices of the Town Clerk during normal business hours. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at the hearing.

[SEE ATTACHED PROOF OF PUBLICATION]

EXHIBIT F

**ORDERS OF THE BOARD OF SELECTMEN DESIGNATING THE
RANGELEY AND OQUOSSOC VILLAGES DOWNTOWN TAX INCREMENT FINANCING
DISTRICT AND ADOPTING THE DEVELOPMENT PROGRAM FOR SAID DISTRICT**

WHEREAS, the Town is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to adopt a Tax Increment Financing District and Development Program; and

WHEREAS, the Town has identified certain property within its C-Commercial, DTC-Downtown Commercial Overlay, R-Residential, S-Shoreland, and V-Village Zoning Districts that are centrally located, underutilized and in need of redevelopment; and

WHEREAS, the Town has held a public hearing on the proposed Rangeley and Oquosoc Villages Downtown Tax Increment Financing District (the "District") in accordance with the requirements of 30-A MRSA §5226(1) upon at least ten (10) days' prior notice published in a newspaper of general circulation within the Town; and,

WHEREAS, the Town desires to designate the proposed District and adopt the proposed Development Program as presented to the Board of Selectmen this day and as has been on file in the Town Clerk's Office at Town Hall; and

WHEREAS, adopting and implementing the proposed District and Development Program will provide opportunities for significant new commercial development within the Town and new employment opportunities for residents of the Town and surrounding communities, and will improve and broaden the tax base of the Town and improve the general economy of the Town, the region and the State of Maine; and

WHEREAS, it is anticipated that the Commissioner of the Maine Department of Economic and Community Development ("DECD") will approve the designation of the District and adoption of the Development Program;

NOW THEREFORE, the Board of Selectmen hereby Orders as follows:

Section 1. The Board of Selectmen hereby finds and determines that:

(a) Adoption and implementation of the District and the Development Program will generate substantial economic benefits for the Town and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitute a good and valid public purpose and will contribute to the economic growth or well-being of the inhabitants of the Town or to the betterment of the health, welfare or safety of the inhabitants of the Town; and

(b) The Board of Selectmen has considered all evidence presented to it with regard to any adverse economic effect on or detriment to any existing business and has found and determined that adoption and implementation of the District and the Development Program will not result in a substantial detriment to any existing business in the Town, and any adverse economic effect of the District and the Development Program on any existing business in the Town is outweighed by the contributions expected to be made by the projects and improvements

described in the District and the Development Program to the economic growth or well-being of the Town or to the betterment of the health, welfare or safety of the inhabitants of the Town.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Board of Selectmen hereby designates the proposed Rangeley and Oquossoc Villages Downtown Tax Increment Financing District, as presented to the Board of Selectmen.

Section 3. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Board of Selectmen hereby adopts the Development Program for the District in the form presented to the same.

Section 4. The foregoing designation of the District and adoption of the Development Program shall automatically become final and shall take full force and effect upon approval of the District and Development Program by the Commissioner of the State of Maine Department of Economic and Community Development (DECD), without requirement of any further action by the Town, the Board of Selectmen, or any other party.

Section 5. 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 and the term of said District is confirmed as set forth in the Development Program.

Section 6. The Town Manager be and hereby is authorized and directed, on behalf of the Town of Rangeley, Maine, to submit to the Commissioner of DECD for review and approval, pursuant to the requirements of 30-A M.R.S.A. §5226(2), the application and such other documentation as may be necessary or appropriate for the final approval of this District and the Development Program. The Town Manager is further authorized and empowered, at his or her discretion from time to time, to make such technical revisions to the District or the Development Program for the District, or to the scope, cost or description of the public improvements to be financed with the portion of tax increment revenues generated by the District and retained by the Town as described in the Development Program, as the Town Manager deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District and Development Program 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 District and the Development Program.

This Order shall take effect immediately upon adoption.

EXHIBIT G

Attested Minutes of Public Hearing
Board of Selectmen December 8, 2020 Meeting
(See attached)

DRAFT

EXHIBIT H

Record of Town Meeting Referendum Vote

(See attached)

DRAFT