



CITY OF SACO, MAINE

Administration
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SACO CITY COUNCIL MEETING MONDAY, APRIL 3, 2017 – 6:30 PM CITY HALL AUDITORIUM

- I. CALL TO ORDER
- II. RECOGNITION OF MEMBERS PRESENT
- III. PLEDGE OF ALLEGIANCE
- IV. GENERAL: 2017 Spirit of America Foundation Tribute Proclamation
- V. PUBLIC COMMENT
- VI. CONSENT AGENDA
 - A. *“Be it ordered that the City Council approve the minutes for March 20, 2017”*
“I move to approve the order”
- VII. AGENDA
 - A. (Second and Final) Addition of Chapter 171, Single Use Bags **P2**
 - B. (Second and Final) FY2017 Budget Amendment #2 **P3**
 - C. Development District and Tax Increment Financing Guidelines **P5**
- VIII. COUNCIL DISCUSSION AND COMMENT
- IX. RECESS THE MEETING AND CONVENE THE BUDGET WORKSHOP
 - A. Budget Presentations
 - a. Building Inspection
 - b. Building Maintenance
 - c. Planning
 - d. Fire
 - e. Administration
 - f. Finance and Human Resources
 - g. Debt Service
- X. ADJOURNMENT

MEETING ITEM COMMENTARY

AGENDA ITEM: (Second & Final) Addition of Chapter 171 – Single-Use Plastic Bags to Saco Municipal Code of Ordinances

STAFF RESOURCE: Meghan McInnis Doyon, Special Projects Manager

COUNCIL RESOURCE: Councilor Alan Minthorn

BACKGROUND: Single-use plastic bags have an adverse effect on the environment. Because the City is a coastal community with a river as a natural border, both aquatic and wild life are affected by the environmentally hazardous plastic bags. Research has shown that production and disposal of petroleum based products can injure or poison animals, disrupt habitats, and leach into ground water. Additionally, chemical by products can cause harm to humans, pets, and livestock.

The current proposal is to add “Chapter 171 – Single-Use Plastic Bags” to the City of Saco’s general code, which would not allow a business to provide a single use plastic bag. The City’s goal is to discourage single-use bags and to encourage the use of reusable bags. We recommend the implementation of a monetary fine system for violations of Chapter 171, should the proposal be approved and go into effect.

The Council reviewed this item at the February 21, 2017 workshop and held the first reading on March 6, 2017. The public hearing was held on March 20, 2017.

EXHIBITS: [Exhibit items below were previously provided on March 6, 2017](#)

1. Addition to the Municipal Code of Ordinances – Chapter 171 – Single-Use Plastic Bags
2. Memorandum to Mayor and Council

RECOMMENDATION: Staff recommends adoption of Chapter 171 as drafted.

SUGGESTED MOTION: *“The Saco City Council hereby ordains and approves the second and final reading of the document titled ‘City of Saco Code Amendment: Chapter 171 - Single-Use Plastic Bags’.”*

MEETING ITEM COMMENTARY

AGENDA ITEM: (Second & Final) FY2017 Budget Amendment #2

STAFF RESOURCE: Kevin L. Sutherland, City Administrator
Cheryl Fournier, Finance Director

COUNCIL RESOURCE: Councilor William Doyle

BACKGROUND: In the City March 6th [Administrative Update](#), the City Administrator provided an update for the Route 112 Bypass to Maine Turnpike Exit 36 (and all information related to this can be found [here](#)).

The city has reached out to the Maine Turnpike Authority (MTA) about the traffic issues on Industrial Park Road and Route 112, asking them to investigate options to alleviate traffic issues on these roads.

While MTA's board has not yet met, a tentative agreement has been reached where MTA and Maine Department of Transportation (MDOT) will collectively contribute 80% towards an engineering feasibility study and are asking the local government to contribute a 20% match. The engineering study is estimated to cost \$180,000 – \$200,000, putting Saco's portion at no more than \$40,000. Financial participation will give the city the opportunity to have final say in the location of a bypass.

The City Council held the first reading on March 20, 2017.

EXHIBITS: 1. Budget Amendment Request Form

RECOMMENDATION: The City Council authorizes the Finance Director to amend the Fiscal Year 2017 Budget.

SUGGESTED MOTION: *“The Saco City Council hereby ordains and approves the second and final reading of Budget Amendment #2 FY2017.”*

CITY OF SACO
BUDGET AMENDMENT REQUEST FORM

REVENUE & APPROPRIATION
AMENDMENT #2 FY2017

Date

March 15, 2017

Department

Administration

Name of Account	Account Number	Current Budget 2016-2017	Received to Date	Adjustment Request	Amended Dept. Total
Draw On Fund Balance	10350/300800	\$(636,019)	\$0	(\$15,208)	(\$651,227)
North Street Traffic Study	10170/300721	\$0	\$0	\$24,792	\$24,792
Admin Contracted Services	10372/500428	\$0	\$0	\$15,208	\$15,208
Use of Assigned Fund Balance	10170/300721	\$0	\$0	(\$24,792)	(\$24,792)
Net change				\$0	
Notes:					
Finance Director certifies that funds are available:					
Signature: <i>Cheryl Fournier</i>			Date: 3/15/17		
Comments: The City is over on their fund balance policy.					
Approved by City Council			Date:		

MEETING ITEM COMMENTARY

AGENDA ITEM: Development District and Tax Increment Financing Guidelines

STAFF RESOURCE: William J. Mann, Economic Development Director

COUNCIL RESOURCE: Councilor Alan Minthorn

BACKGROUND: The City of Saco's existing Tax Increment Financing Guidelines were adopted by the Saco the City Council on June 19, 1997 and readopted without Amendments on August 1, 2005. Since then 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.

Attached is a revised set of Guidelines for the City of Saco's Economic Development Commission and the City Council to consider. These revised Guidelines reflect the status of current statutes and set forth a path to greater utilization of Development Districts to maximize the retention of local property tax revenues 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.

This matter was discussed in Workshop sessions with the Saco City Council on December 19, 2016, January 9, 2017, and January 17, 2017. The matter was also reviewed by the Saco Economic Development Commission on January 4, 2017. Exhibit Item 1 below has been updated to reflect the input provided at the aforementioned meetings.

EXHIBITS:

1. City of Saco, Maine Development District & Tax Increment Financing (TIF) Guidelines dated for adoption as of April 3, 2017.
2. City of Saco, Maine Tax Increment Financing Guidelines previously adopted by the City Council (6/16/97) and Readopted by the City Council without Amendments (8/1/05).

RECOMMENDATION: Staff recommends approval.

SUGGESTED MOTION: *"The Saco City Council hereby ordains and approves the document titled 'Development District and Tax Increment Financing (TIF) Guidelines' dated April 3, 2017."*



CITY OF SACO, MAINE

Development Districts & Tax Increment Financing Guidelines

Adopted by the City Council (6/16/97)

Readopted by the City Council without Amendments (8/1/05)

Amended (04/03/17)

I. Introduction

Maine state law established Development Districts - [Statute: 30-A M.R.S. §§ 5221-5235](#) also referred to as Tax Increment Financing (TIF) Districts, as an economic development program to promote economic development by cities and towns, and support municipal projects. Development Districts allow municipalities to provide financial assistance to local economic development projects and programs including public infrastructure, municipal economic development programs and staff, as well as business expansions - by using some or all of the new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value.

The City of Saco's Development District and Tax Increment Financing (TIF) Guidelines allow for the option of using the "incremental" taxes for economic development projects and activities, to retire bonds the City issues to finance an eligible TIF project, or to reimburse a developer or business for development project costs relating to a specific project using a Credit Enhancement Agreement (CEA).

The City of Saco's Development District and Tax Increment Financing (TIF) Guidelines support investment in municipal economic development programs and activities, infrastructure investment (which is generally through the establishment of area wide or neighborhood Development Districts) and individual project site specific Development Districts to support either infrastructure or individual private project financing needs.

Infrastructure for the purposes of these Guidelines shall be meant to include, but not limited to: improvements within the TIF District and/or improvements outside the TIF district that are directly related to or are made necessary by the establishment or operation of the district, or other costs relating to economic development or environmental improvement to the full extent permitted by State law, including the design/redesign, engineering and or technical study or assessment, development, enhancement, and/or improvement, the construction and/or installation of :

- traffic engineering and/or improvements promoting safer and more efficient multi-modal transportation, in order to enhance traffic flow/movement, including signalization/signage;
- existing or new parking facilities and/or Transportation Demand Management Solutions;
- roadway construction and/or improvements;
- public lighting;
- sidewalks, trails, bicycle facilities, and all other infrastructure that may provide or enhance the mobility and safety of pedestrians and bicyclists;
- water, sewer, gas, electric, data, Broadband, and other utility or essential services which are municipally owned, operated, or administered through a public-private partnership;
- sewer lines, services, and any sewer related improvements to include but not limited to collection systems, pumping stations, treatment facilities, and Combined Sewer Overflow (CSO) abatement projects;
- storm water management improvements;
- placement of above ground utility lines or underground utility, piping, conduit, or lines.

The use of Development District incremental tax revenues to invest in infrastructure recognizes the savings which occurs through the tax sheltering benefits of approved Development Districts.

Under Maine law, TIF District incremental revenues cannot be used to finance cost of facilities, buildings, or portions of buildings used predominantly for the general conduct of government or for public recreational purposes, including, but not limited to, city halls and other headquarters of government where the governing body meets regularly, courthouses, jails, police stations, and other state and local government office buildings, recreation centers, athletic fields, and swimming pools.

The incremental tax revenues from any TIF District can be expended only for purposes described in the Development Program for the District approved by the City Council and the Maine Department of Economic and Community Development and in accordance with annual budgets adopted by the City.

II. Purpose

The purpose of these Guidelines is to outline standards and processes that will be used by Saco City Staff, the Saco Economic Development Commission, and the Saco City Council, in initiating or considering applications for Development/Tax Increment Financing (TIF) Districts.

Notwithstanding these Guidelines, the creation of a Development/TIF District is a policy decision of the Saco City Council, made on a case-by-case basis. The City Council may override these Guidelines if it determines that a project merits such treatment. The approval of a Development/TIF District Application is not a right under Maine law and these Guidelines do not create a right or entitlement for any Application, nor should they be interpreted to encourage any Application.

Notes: All municipally approved Development Districts must also be approved by the State of Maine Department of Economic and Community Development (DECD). In the case of Transit-Oriented Development District the approval of the State of Maine Department of Transportation (MDOT) is also required. In the case of Affordable Housing Development Districts approval is required to be obtained from the Maine State Housing Authority (MSHA).

The primary purposes for the establishment of Development/TIF District include:

- A. To support Saco's Economic Development, Comprehensive, Asset Management(Capital), and Housing Plans, and other related City Plans and Policies;
- B. To stimulate the expansion of the City of Saco's commercial and industrial tax base;
- C. To create and retain quality employment opportunities for the citizens of Saco and the greater Saco Bay region;
- D. To stimulate new affordable and market rate housing investment in Saco;
- E. To establish standards upon which the:
 1. Saco Economic Development Department may negotiate,
 2. Saco Economic Development Commission may recommend, and
 3. Saco City Council may authorize and approve DEVELOPMENT DISTRICTS within the City of Saco.

III. Approach and Policy Requirements

Must meet or exceed the requirements identified below.

A. Approach:

There are three approaches to consider when establishing Development/TIF Districts. They include:

1. **Municipal Economic Development Programs Funded Directly Through a Pay-As-You-Go Approach:** Examples of municipal economic development programs include paying for economic development staff, annual funding to Saco Main Street, Inc., the Biddeford Saco Area Economic Development Corporation, the Biddeford Saco Area Chamber of Commerce and Industry, city and collaborative regional marketing/branding, and other activities allowed under the Maine Development District Statute. [Statute: 30-A M.R.S. §§ 5221-5235](#)
2. **Area Wide Development Districts financed by City Bond/Debt Issuance:** Issuance of municipal general obligation bonds or limited obligation bonds is a mechanism that may be used to fund a Development District program. Allowable uses are spelled out in the Maine Development District Statute. Generally, municipalities will issue debt to cover the cost of infrastructure investment.
3. **Individual Site Specific Development Districts Utilizing Credit Enhancement Agreements:** A CEA is a contract between a municipality and developer to assist an individual development project by using a percentage or all of the tax revenue generated by the investment to pay or reimburse a developer for certain authorized project costs which could include site specific infrastructure or private individual project financing needs. Allowable project costs are spelled out in the Maine Development District Statute.

B. Policy:

1. **Policy for Municipal Economic Development Programs:** Requires annual review and City Council financial appropriations.
2. **Policy for Area Wide Development District Locations (for City Bond and Debt Issuance)**
 - a. Area Wide Development Districts will be established for infrastructure investment which has applications beyond one individual project.
 - b. City Development District emphasis will be placed upon the following general "Priority Revitalization Areas" to support commercial development, housing development, redevelopment, or to support buildings in need of redevelopment, address blight, or historic preservation:
 - i. Designated Priority Revitalization Areas for the Purpose of these Guidelines shall include:
 - The City's Downtown area as described in the City's Comprehensive Plan and / or as set forth in any approved Downtown Development District.
 - The Saco Industrial Park and the Millbrook Business Park.
 - c. The above list of general priority revitalization areas serve as guides to establish specific boundaries for Development Districts at time of district establishment.

- d. In the City's Priority Revitalization Areas, the costs of project specific local impact fees, and locally required infrastructure costs (hereinafter referred to as "local expenses") may be funded from incremental tax revenues generated in these areas. Any such funding will be in the form of a Conditional Economic Development Grant (hereinafter also referred to as "Grant"). Such Grants will be reviewed by the City's Economic Development Director and City Administrator.

Commercial /Industrial Development Projects

- i. Provided the amount of the Grant request is equal to the lesser of the local expenses or seven and one-half percent (7.5%), up to a cap of fifteen thousand dollars (\$15,000) of the total proposed project budget as presented to the City; then a requested Grant may be approved by the City's Economic Development Director and City Administrator acting in concert, without the need for further approval.
- ii. Should the request for a Grant of the nature described in this paragraph be greater than either the total sum of the local expenses, seven and one-half percent (7.5%) of the total proposed project budget, or fifteen thousand dollars (\$15,000) as presented to the City, then the Grant request will require positive recommendations from the City's Economic Development Director and City Administrator and approval from the Economic Development Commission of the City of Saco.
- iii. Grant requests in excess of either the total sum of local expenses or ten percent (10.0%) of the total proposed project budget as presented to the City, or twenty five thousand dollars (\$25,000) will require positive recommendations from the City's Economic Development Director and City Administrator, a recommendation for approval from the Economic Development Commission of the City of Saco communicated to the Saco City Council, and approval from the Saco City Council.

Food, Drink, and Retail Sale Establishments - Downtown

- iv. Grant requests for: businesses defined as:
 - (a) Eating Establishments,
 - (b) Drinking Establishments,
 - (c) Eating and Drinking Establishments, and
 - (d) retail use establishments (sale of new goods only) in any designated and approved Downtown Development District, may be funded up to an amount equaling eighty percent (80%) of any local impact fees, and shall be subject to approval depending upon the amount at the **level set forth in items i, ii, or iii, as set forth immediately above.**
- v. All grant applicants must meet the qualification standards as they may be promulgated, and / or subsequently amended, by the City of Saco for such grants which include, but are not limited to the following:
 - a. Written certification from the applicant, that the applicant and all individuals/owners that are a part of the applicant, if the applicant is an entity: Have a five year financial history free of
 - i. Tax liens,
 - ii. Foreclosures, or
 - iii. Federal bankruptcies (personal or corporate)

- iv. And any and all previously approved development projects have been completed, as approved, within the City of Saco.
- vi. And other such requirements as may be set forth by the city and approved by the city council, and/or recommended by the city's legal counsel for inclusion in any underwriting criteria.

NOTE: These Grants are not a right or entitlement and shall be granted at the sole discretion of the City of Saco in accordance with the terms set forth in these Guidelines and City Code.

e. Further, such Grants as described in paragraph (d) above, will be funded from the generation of incremental Development District Tax Revenues generated by the project development for which the Grant has been approved. It is contemplated that in many cases it will take multiple years for the incremental Development District Tax Revenue generated by the project to cover all of these costs covered by and included in the Grant. Exact funding terms will be set forth in each Grant document and all Grants will contain performance conditions requiring the Grant Applicant to repay any previously paid amounts and any other approved but as yet unfunded Grant award dollars in the event that the related project is not completed as set forth in an approved Development Plan.

- 3. **Policy for Market Rate Housing** : Development Districts for market rate rental housing projects must be located in the City's Downtown to stimulate housing investment for the purpose of attracting 24/7 pedestrian activity. Pursuant to State Law, Development Districts for condominium projects are not allowed. Notwithstanding the foregoing, approved housing projects in a designated and approved Downtown Development District may be awarded Conditional Economic Development Grants to cover the costs of project specific local permit, local impact, and locally required infrastructure costs, as set forth in III.B.2d above.
- 4. **Policy for Affordable Housing**: Affordable Housing Development / TIF Districts (AHTIF) may be designated on an area wide or site specific basis in the City's Downtown area as described in the City's Comprehensive Plan and / or as set forth in any approved Downtown Development District.

The Housing Committee of the Saco City Council will complete an annual assessment of housing needs and priorities. This assessment will include a determination regarding designation of an area wide AHTIF. Site specific AHTIF requests submitted by developers will be considered on a case-by-case basis. Area wide or site specific AHTIF designations must address an identified community need. State law requires that at least 25% of the district area must be suitable for residential use, development must be primarily residential, and at least 1/3 of the units must be for households at or below 120% of area median income which allows for individual mixed income projects or area wide affordable housing Development Districts.

IV. Development Districts

There are acreage and value caps limitations¹ for municipalities to establish Development Districts along with term limits. Term limits include bonds which may be issued for a maximum of thirty (30) years (anticipation notes for three years). Development Districts may be designated for a maximum of thirty (30) years. The designation of a Development District requires proper notice, a local public hearing, a majority of Council approval, and State of Maine approval as detailed earlier in these Guidelines.

Notes: No Development District within a Maine municipality may exceed more than two percent (2%) of the acreage within that municipality, and

All Development Districts within a Maine municipality may not exceed more than five percent (5%) of the acreage within that municipality, and

The original assessed value of a proposed TIF district plus the original assessed value of all existing TIF districts within the municipality may not exceed more than five percent (5%) of the total value of taxable property within the municipality as of April 1st preceding the date of the DECD Commissioner's approval of the designation of the proposed district.

¹ *The acreage and value limitations **do not** apply to Downtown Development Districts or Transit-Oriented Development Districts.*

- A. Eligible Expenses:** Eligible Development District expenses include design, permitting, and construction of necessary infrastructure to support a development project in an approved Development District. Other uses include the previously mentioned support of: municipal economic development programs and staff, business expansions - by using some or all of the new property taxes that result from new commercial or residential investment associated with the corresponding increase in property value. A complete and current list of other eligible expenses may be found in [Maine Statute: 30-A M.R.S. §§ 5221-5235](#) (which is subject to periodic amendment(s)). The City Council will only consider Development District proposals that further economic development goals endorsed by the community.
- B. Documentation:** Applicants requesting the establishment of a Development District and/or requesting that the City of Saco enter into a Credit Enhancement Agreement with the Applicant shall provide all documentation associated with the Application. This documentation provides the basis for reviewing the applicant's request.
- C. Geographic Boundaries:** The City of Saco reserves the right, during the application process, to establish and/or modify, the geographic size of the Development District necessary to meet the needs of the Applicant or to meet the needs of infrastructure improvements deemed necessary by the City of Saco in accordance with State statutes.
- D. Personal Property:** Personal property value shall not be included in the calculations for Development Districts.
- E. Excess Funds:** All Credit Enhancement Agreement (CEA) shall include a provision that directs any excess funds after the CEA is satisfied to be directed to the City of Saco for Economic Development and other uses as allowed under Maine statute.

V. Development District Application and Administration Process

Development District Applications (whether initiated by the City or requested by a developer or business) will be considered by the Economic Development Director and Economic Development Commission, with all final approvals by City Council and the Maine Department of Economic and Community Development. The Economic Development Director will coordinate all activities regarding applications and will guide applicants to insure that the approval process is as clear, efficient and "business friendly" as possible. The terms and specific details of each Development District and any related CEA(s) will be developed on a case-by-case basis. The Economic Development Director will negotiate for the City of Saco, on the merits of the project and this policy, following the process identified within these guidelines.

- A. **Application Information and Contact:** An applicant must submit a letter with their completed application and all supporting documents to the Economic and Community Development Department outlining the proposed project, including project financial information, along with a plan outlining the number of projected jobs that will be created with the identified project.
- B. **City Approval Process:** There is a two step approval process for the designation and approval of any Development District and any related CEA within the City of Saco. This two step process includes obtaining a recommendation from the Saco Economic Development Commission and subsequent approval by the Saco City Council following a three meeting process (Workshop/First Reading; Public Hearing; and Second and Final Reading).

Note: Approvals from the appropriate Department of the State of Maine are also required.

- C. **Guidelines for Determining Level of City Participation:** In all instances, Applicants requesting the establishment of a Development District and/or requesting that the City of Saco enter into a CEA with the Applicant, must demonstrate:
 - 1. That the City’s participation is economically necessary and involvement by the City is needed in order for the project to be undertaken. Justification for economic need and City involvement must be demonstrated by:
 - a. The cost of public infrastructure improvements unique to the project or site;
 - b. 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:
 - i. Development budget and pro-forma,
 - ii. Full financial disclosure in compliance with City of Saco Financial Disclosure Protocol;
 - c. A need to offset economic advantages available to the corporate entity if it should build (or expand) outside of Saco;
 - d. The unavailability of sufficient private or other public funding sources to meet the full capital investment needs of the corporate entity seeking assistance;
 - e. The project creates significant new taxable property value equal to or greater than Seven Hundred and Fifty Thousand Dollars (\$750,000) and creates or retains at least 15 new full time or full time equivalent jobs meeting the standards of these Guidelines;
 - 2. Although an Applicant need not meet each of the following criteria, they will be used to determine the level of participation by the City of Saco, the Applicant’s project:
 - a. assists an established business in the City of Saco, thus assisting in expanding and retaining existing employment;
 - b. creates or retains significant long-term, permanent employment;
 - c. improves the local economy;
 - d. broadens the City of Saco’s tax base;
 - e. improves a blighted area or building in need of redevelopment or rehabilitated, or an area identified as a priority by the City of Saco;
 - f. supports community projects;
 - g. creates public benefits for other workers and/or businesses;
 - h. creates public infrastructure facilities which have application beyond the particular development such as traffic upgrades, sewer upgrades, public parking facilities, etc.; and/or

- i. must be suitable for commercial or arts district uses.

VI. Use of Credit Enhancement Agreements (CEA)

A. Eligibility: A Credit Enhancement Agreement (CEA) will be created if tax revenues from an approved Development District are to be used, in whole or in part, to reimburse a developer or business for development project costs. The CEA is essentially a contract between the municipality and developer or business. It is a mechanism to assist the development project by using some percentage ranging from one percent (1%) to one hundred percent (100%) of the incremental tax revenues generated by the new investment to pay certain authorized project costs with payments made directly to the developer or business.

1. **Uses:** Applicants are limited to manufacturing, assembly operations, warehousing and distribution, research and development, major office, major tourism facilities such as hotels, amusement parks, and urban redevelopment projects. Retail uses are generally ineligible except within any designated Downtown Development District, major mixed use redevelopment projects, and in extraordinary circumstances approved by the Saco City Council.
2. **Jobs:** Applicant shall create, relocate, or retain at least fifteen (15) full time or full time equivalent jobs meeting the guidelines herein within three years of Development District/TIF approval. Specific job creation, relocation, and retention requirements for each Credit Enhancement Agreement shall be negotiated by the City of Saco's Economic Development Department, reviewed and recommended by the City of Saco's Economic Development Commission, and sent to City Council to determine if it is approved.
3. **Investment:** Proposed investment (new taxable value) must achieve a minimum of Seven Hundred and Fifty Thousand Dollars (\$750,000) within three years of the approval of the Development District and/or Credit Enhancement Agreement. Requests for amendments, modifications, and/or Assignments of existing CEAs shall be made through City of Saco's Economic Development Department, reviewed and recommended or not by the City of Saco's Economic Development Commission, and sent to City Council to determine if it is approved.
4. **Quality of Employment**
 - a. **Wages:** The average hourly wage for new jobs to be created, relocated, or retained must be at a rate at least 50 percent greater than the federal minimum wage anticipated during the term of any CEA.
 - b. **Benefits:** A competitive benefits package, including as many as possible of the following: paid holidays, vacation, sick leave time, and employee health benefits with a substantial employer contribution.
5. **Environmental Standards:** The applicant shall ensure that high environmental standards are met and that all state, federal, and local environmental standards are met.
6. **Compliance:** All applicants must comply with all City of Saco Codes and Ordinances, as well as all local, state, and federal laws.

B. Basic Provisions: of all Credit Enhancement Agreements (CEA)

1. **Application Fee:** All Applicants requesting the designation of a site specific Development District or a CEA shall pay a non-refundable Application Fee of \$500.00 at the time of application.
2. **Documentation:** The Applicant is required to submit:
 - a. a completed Development District and Tax Increment Financing (TIF) application
 - b. an executed Administrative and Professional Fee Agreement;
 - c. a completed Employment Goals Sheet;
 - d. all financial disclosures, reporting, and other documentation as the City of Saco, the State of Maine, and/or what their legal counsel may require.
3. **Terms:** The specific terms of each CEA are negotiated, on a case-by-case basis, between the City and the applicant.
 - A. As a general guideline the tax recapture for any CEA should be the lesser of:
 1. any stated financing gap as set forth in an Applicant's Development Plan, or
 2. thirty percent (30%)¹ of the annual tax on the incremental value captured in the Development District that is paid for by the Applicant.
 - B. all CEAs shall have explicitly set:
 1. Maximum tax recapture amounts², and
 2. Maximum time limits/terms, State of Maine Statute allow for terms of between one (1) and thirty (30) years; however, as a general guideline the term of a CEA should not exceed ten (10) years.
 - C. These terms shall, at a minimum, be consistent with State of Maine statute.

¹ *In any Designated and Approved Priority Revitalization Area - this amount may be increased to fifty percent (50%) of the annual tax on the incremental value captured in the Development District that is paid by the Applicant. Should an Applicant seek a Credit Enhancement of more than fifty percent (50%) of the annual tax on the incremental value captured in the Development District that is paid by the Applicant such a request will require a positive recommendation from the City's Economic Development Commission and a Super Majority vote of the City Council for approval at the local level.*

² *This amount may be increased by an amount equal to the amount of a discount established by calculating the net present value of the stream of anticipated tax revenues due to the Applicant under the terms of a proposed CEA, by a discount rate equal to the lesser of the current Prime Rate of Interest as published in the Wall Street Journal or www.bloomberg.com, discounted for the number of years of the CEA. In no event shall the Maximum Tax Recapture exceed one hundred and ten percent (110%) of the initially established Maximum Tax Recapture amount. All CEAs will be structured so that additional recaptured tax amounts above the Maximum Tax Recapture payable to an Applicant and/or amounts recaptured for longer periods shall be used by the City for purposes permitted by Maine law.*
4. **Costs and Fees:** All Applicants shall pay for the City of Saco's legal fees and any other out-of-pocket costs associated with the development and approval of a project specific Development District and any related CEA, regardless of whether it is approved or not.
 1. All CEAs shall provide for an annual administrative fee due to the City of Saco, equal to one percent (1%) of the annual tax recapture due to the Applicant, provided that they are in compliance with all the terms and conditions of the CEA.

2. The fee shall be deducted from the tax recapture due to the Applicant, prior to the remittance of any amounts to the Applicant during the life of the CEA.
 3. Regardless of the amount derived using the one percent (1%) calculation, the minimum annual administrative fee shall be two hundred and fifty Dollars (\$250.00).
5. **Performance Reporting:** All CEA's shall provide for the Applicant to submit reports and documentation in a form satisfactory to the City supporting any amounts to be paid to the Applicant per the terms of a CEA between the Applicant and the City of Saco and in order to assess an Applicant's performance/compliance with the terms set forth in any CEA.
 6. **Suspension and Recapture of Benefits:** All CEA's shall contain provisions for the suspension, recalculation, termination, and/or recapture of benefits paid to or due to the Applicant; if the Applicant does not meet compliance standards outlined in Eligibility above, and as set forth in the CEA between the Applicant and the City of Saco including: investment, jobs, wages, benefits, and environmental standards. All CEA's shall also provide for the termination and/or recapture of benefits from the Applicant, if the applicant relocates all or a substantial³ portion of the jobs, they state they will be creating or retaining at the time of they submit an Application for a CEA, outside the City of Saco during the term of any Credit Enhancement Agreement or within five years after its end.
³ For the purposes of the above paragraph, substantial shall mean fifty percent (50%) or greater.
 7. **Level of Funding Adjustments:** During the application process and during the life of the TIF (and CEA), the applicant shall demonstrate the funds are being used at appropriate levels for the purpose intended. If the level of funds the applicant receives exceeds the projected need, the City may adjust the amount to the applicant.

VII. Waiver of Provisions

The City Council reserves the right under certain conditions to waive the provisions of this policy. Criteria to be considered when granting the waiver are:

- A. Consistency with the Saco Economic Development and Comprehensive Plans and Vision Statements;
- B. Consistency with other local, state, and federal rules and laws;
- C. Evidence of need;
- D. Capacity to carry out the project.

VIII. Transfer of Ownership

If the Applicant transfers ownership of property in the Development District, the Applicant must notify the City of Saco, in writing prior to finalizing the transfer. Such communications are to be directed to the Economic Development Director. The new owner must agree, in writing, to accept the provisions of the Agreement as presented to and approved by the Saco Economic Development Commission, the Saco City Council, and as necessary by the Maine Department of Economic and Community Development; before the City Treasurer will release any further Captured Tax reimbursements.