

**TOWN OF ORONO  
COUNCIL WORKSHOP**

**COUNCIL CHAMBER - MUNICIPAL BUILDING  
MONDAY, JANUARY 14, 2019 at 6:00 PM**

**MINUTES**

**1. Roll Call**

Present: Council Chair Cindy Mehnert, Tom Perry, Meghan Gardner, Sam Kunz, Laurie Osher, Tom Spitz, Cheryl Robertson and Town Manager Sophie Wilson.

**2. Proposal to Create the Orono Basin Omnibus Municipal Development and Tax Increment Financing District (TIF)**

Background: As previously discussed with Council, given the potential for future development on the parcel currently occupied by Orono Brewing Company (61 Margin Street) and Ayer Island this area may be appropriate for the creation of a tax increment financing district. Also, OBC owners approached the Town for a request to consider a Credit Enhancement Agreement to return a portion of the property taxes related to the improvements to the existing building. Credit enhancement agreements are only allowed for entities that are located within tax increment financing (TIF) districts.

Within a designated TIF district, all of the property value that is taxable continues to be taxed; however, the increment (or new value) is sheltered and associated taxes are captured (restricted) to be used only for those activities included in the approved development plan. In this case, the proposed TIF seeks to shelter 100% of the new value created since April 1, 2017. In order to capture the new value (increment) added during April 1, 2017-March 31, 2018, the TIF application is due to the State of Maine Department of Economic and Community Development no later than March 1, 2019.

With the public notice and hearing requirements, this item is scheduled for consideration at the February 11, 2019 Council Meeting. To meet this timeframe, staff brings this item forward at workshop to provide an overview, review the draft development plan, and obtain feedback from Councilors with the expectation of bringing back a more formal (and finalized) draft at the January 24th Community Development Committee Meeting for review and consideration to send to the regular Council meeting.

**The Committee discussed the proposal and recommended forwarding it to the next Council Meeting for consideration.**

**3. Request for a Credit Enhancement Agreement with HUB, LLC (61 Margin Street)**

Background: As briefly discussed above, HUB, LLC (owners of 61 Margin Street) have approached the Town with a request for a credit enhancement agreement (CEA). With a CEA, owners pay all of the assessed taxes; however, as part of the approved development program, the Town returns a portion of the taxes paid on the new value (increment) to the property owner. In

this case, Council is being asked to consider returning 44% of the taxes paid on the new value created by the improvements made to the building at 61 Margin Street for a period of 20 years. Staff is awaiting the draft CEA and will distribute and review with Council at the meeting.

**The Committee discussed the request with owners Abe and Heather Furth and recommended forwarding it to the next Council Meeting for consideration.**

**4. Adjourn at 6:55 p.m.**

At 6:55 p.m., Sam Kunz moved and Tom Perry seconded to adjourn. All voted in favor, 7-0.

Minutes are summary.

Respectfully submitted,

Nancy W. Ward  
Executive Assistant