

## CODE OF ORDINANCES

## Chapter 28

## DEVELOPMENT DISTRICTS

**Sec. 28-1. Purpose.**

There is a need to improve the economic well-being of the city and its residents, by providing new employment opportunities and by improving and broadening the tax base. The city is authorized under the statutes of the State of Maine to establish one (1) or more development districts as one means of meeting this need. The purpose of a development district is to target a specific area of the city for industrial or commercial development, or both, and to provide facilities, all in accordance with a development program adopted by the city council.

(Ord. No. 16-86/87, 3-16-87)

**Sec. 28-2. Definitions.**

The following terms, wherever used or referred to in this chapter, shall have the following meanings unless a different meaning is clearly indicated by the context:

- (1) *Amenities*: Those items of street furniture, signage and landscaping, including, but not limited to, plantings, benches, trash receptacles, street signs, sidewalks and pedestrian malls.
- (2) *Captured assessed value*: The valuation amount by which the current assessed value of a tax increment financing district exceeds the original assessed value of the district. If the current assessed value is equal to or less than the original, there is no captured assessed value.
- (3) *Development district*: A specified area within the corporate limits of the city which has been designated and separately identified as provided under section 28-3, and which is to be developed by the city under a development program.
- (4) *Development program*: A statement of means and objectives designed to improve the quality of life, the physical facilities and structures, and the quality of pedestrian and vehicular traffic control and transportation within the development district. The statement shall include a financial plan, a complete list of public facilities to be constructed, the uses of private property within the district, plans for the relocation of persons displaced by the development activities, the proposed regulations and facilities to improve transportation, the environmental controls to be applied, and the proposed operation of the district after the completion of the planned capital improvements.
- (5) *Financial plan*: A statement of the costs and sources of revenue required to accomplish the development program. The statement shall contain cost estimates for the development program, the amount of bonded indebtedness to be incurred, sources of anticipated revenues and the duration of the program.
- (6) *Maintenance and operation*: All activities necessary to maintain facilities after they have been developed and all activities necessary to operate the facilities, including, but not limited to, informational, promotional and educational programs, and safety and surveillance activities.
- (7) *Original assessed value*: The assessed value of the district as of March 31 of the preceding tax year.
- (8) *Project costs*: Any expenditure made or estimated to be made or monetary obligations incurred or estimated to be incurred by the city which are listed in a project plan as costs of improvements, including public works, acquisition, construction or rehabilitation of land or improvements for sale or lease to commercial or industrial users, excluding the buildings, or portions of the buildings, used predominantly for the general conduct of government, courthouses,

jails, police stations and other state government and local government office buildings, within a development district plus any costs incidental thereto, diminished by any income, special assessments, or other revenues, other than tax increments, received or reasonably expected to be received by the city in connection with the implementation of this plan. These project costs include but are not limited to:

- a. Capital costs, including, but not limited to, the actual costs of the construction of public works or improvements, new buildings, structures and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures; the acquisition of equipment; and the clearing and grading of land;
  - b. Financing costs, including, but not limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount thereof because of the redemption of the obligations prior to maturity;
  - c. Real property assembly costs, meaning any deficit incurred resulting from the sale or lease as lessor by the city of real or personal property with a development district for consideration which is less than its cost to the city;
  - d. Professional service costs, including, but not limited to, those costs incurred for architectural, planning, engineering and legal advice and services;
  - e. Administrative costs, including, but not limited to, reasonable charges for the time spent by city employees in connection with the implementation of a project plan;
  - f. Relocation costs, including, but not limited to, those relocation payments made following condemnation;
  - g. Organizational costs, including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public with respect to the creation of development districts and the implementation of project plans;
  - h. Payments made, in the discretion of the city council, which are found to be necessary or convenient to the creation of development districts or the implementation of project plans;
  - i. That portion of the costs related to the construction or alteration of sewerage treatment plants, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, water lines or amenities on streets or the rebuilding or expansion of which is necessitated by the project plan for a development district, whether or not the construction, alteration, rebuilding or expansion is within the development district; and
  - j. Training costs, including but not limited to, those costs associated with providing skills development and training for employees of businesses within the development district, the costs not to exceed twenty (20) per cent of the total project costs and must be designated as training funds within three (3) years of the designation of the district.
- (9) *Tax increment*: That portion of all real and personal property taxes assessed by a municipality, in excess of any state, county or special district tax, upon the captured assessed value of property in the development district.
- (10) *Tax increment financing district*: A type of development district, or portion of such a district, which utilizes tax increment financing under 30 M.R.S.A. section 4864, as may be amended from time to time.

(Ord. No. 16-86/87, 3-16-87)

**Sec. 28-3. Establishment of development districts and development programs.**

- (a) The city council by order may designate a development district within the boundaries of the city if it first finds each of the following:
- (1) Not less than twenty-five (25) per cent by area, of the real property within the proposed development district meets at least one (1) of the following criteria:
    - a. Is a blighted area;
    - b. Is in need of rehabilitation, redevelopment or conservation work; or
    - c. Is suitable for industrial sites.
  - (2) The total area of the proposed development district does not exceed two (2) per cent of the city's total acreage, and when added to the total area of all previously established and currently existing development districts, does not exceed five (5) per cent of the city's total acreage.
  - (3) If the proposed development district, or portion of such district, is intended to be a tax increment financing district, the following additional criteria must be met:
    - a. The aggregate value of equalized taxable property of the proposed tax increment financing district, plus all existing tax increment financing districts, shall not exceed five (5) per cent of the total value of equalized taxable property within the city;
    - b. The aggregate value of indebtedness financed by the proceeds from all tax increment financing districts, including the proposed district, within Cumberland County shall not exceed fifty million dollars (\$50,000,000.00), and
    - c. The increase in captured assessed value of property within all tax increment financing districts, including the proposed district, within Cumberland County may not exceed the lesser of one (1) per cent of the total annual value of equalized taxable property within Cumberland County annually or twenty million dollars (\$20,000,000.00) within a twenty-four-month period.
- (b) Prior to designating a district, the city council shall consult with the planning board or planning director, and shall also hold at least one (1) public hearing, notice of which shall be published at least ten (10) days prior to the hearing in a newspaper of general circulation within the city.
- (c) The city council shall adopt by order a development program for each development district. The program may be adopted at the same time as the district, as part of the district adoption proceedings, or it may be adopted at a different time but in the same manner as adoption of the district, with the same notice, hearing and consultation requirements of subsection (b).
- (d) The boundaries of a development district may be altered only after meeting the requirements for adoption under this section. Once approved, the development program may be altered or amended only after meeting the requirements for adoption under this section.
- (e) Within developments districts, and consistent with the development program, the city may exercise all powers which it is authorized to exercise under law, including the express powers granted to it under the statutes of the State of Maine.

(Ord. No. 16-86/87, 3-16-87)