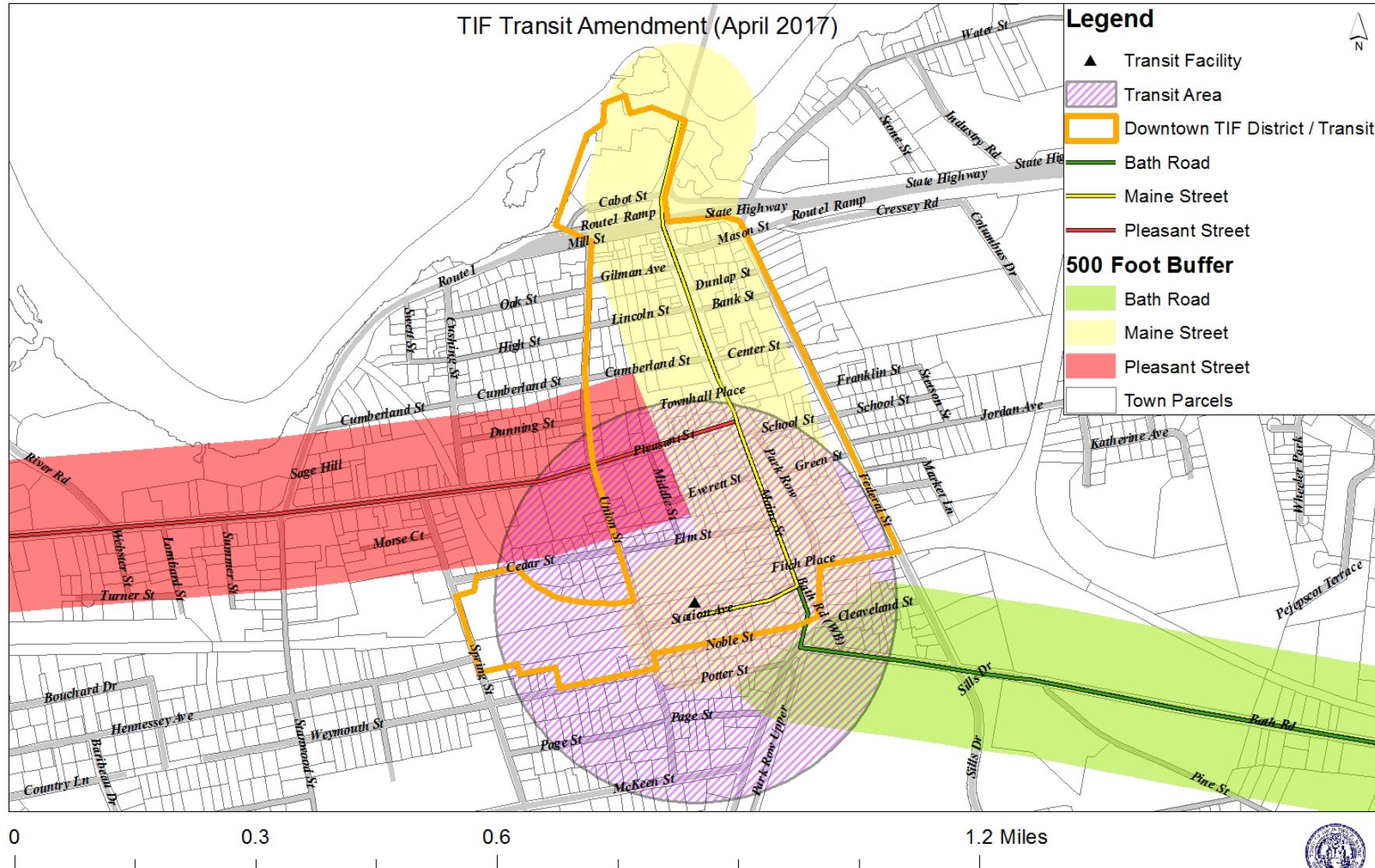


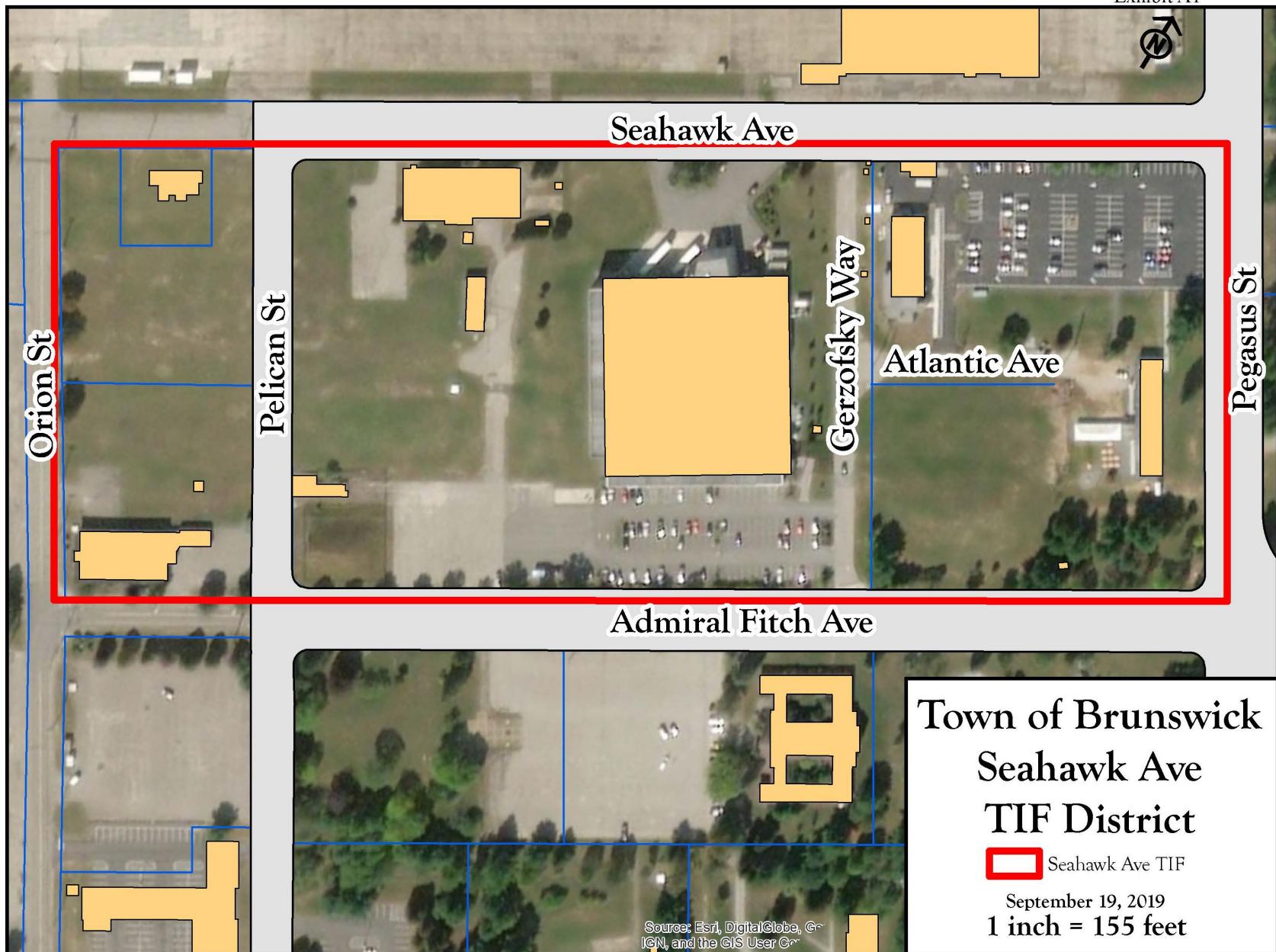
Town of Brunswick

Tax Increment Financing Districts
and 2023-24 TIF Budget

Downtown Development and Transit Oriented TIF District

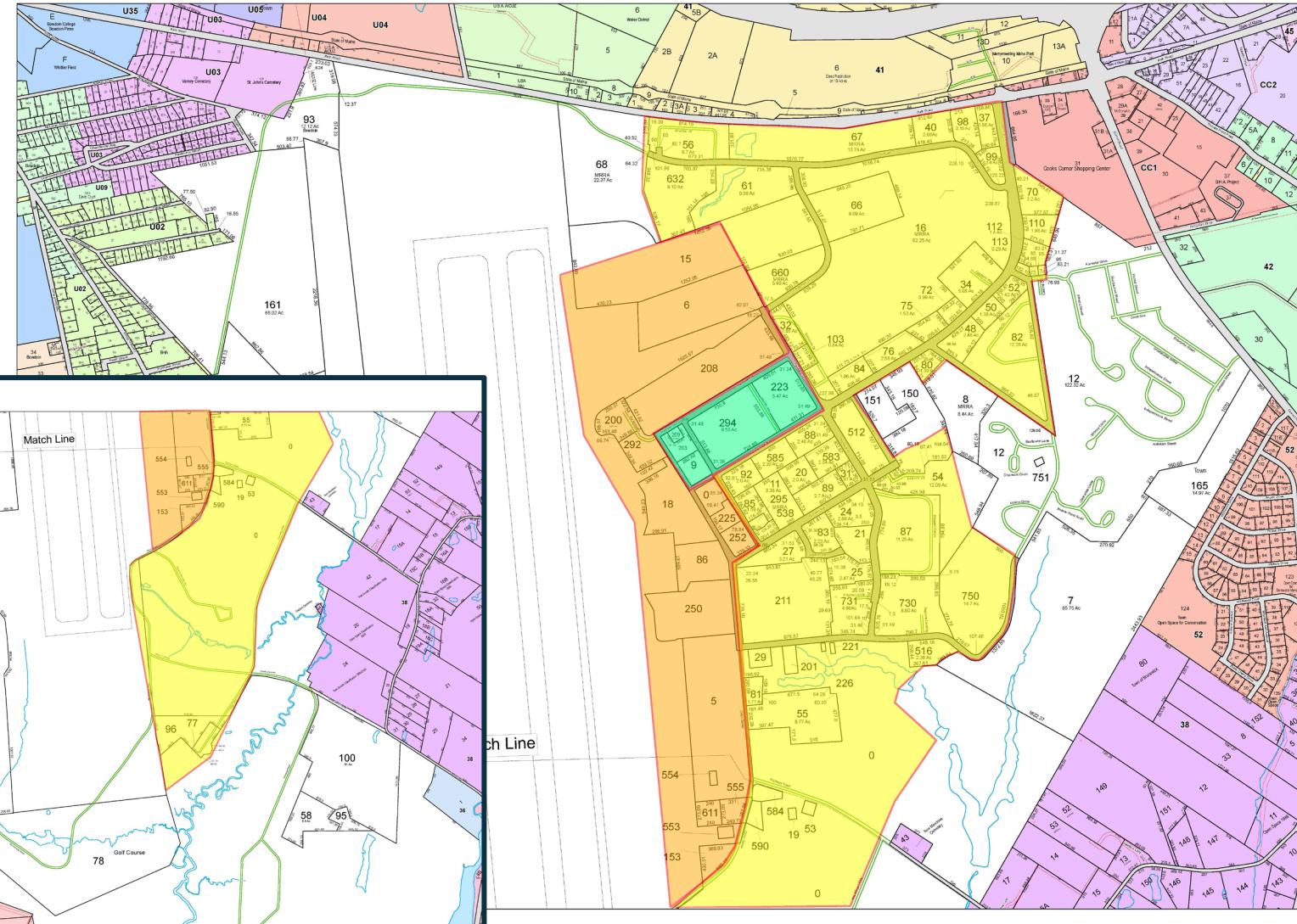


Seahawk TIF District (formerly Molnlycke)

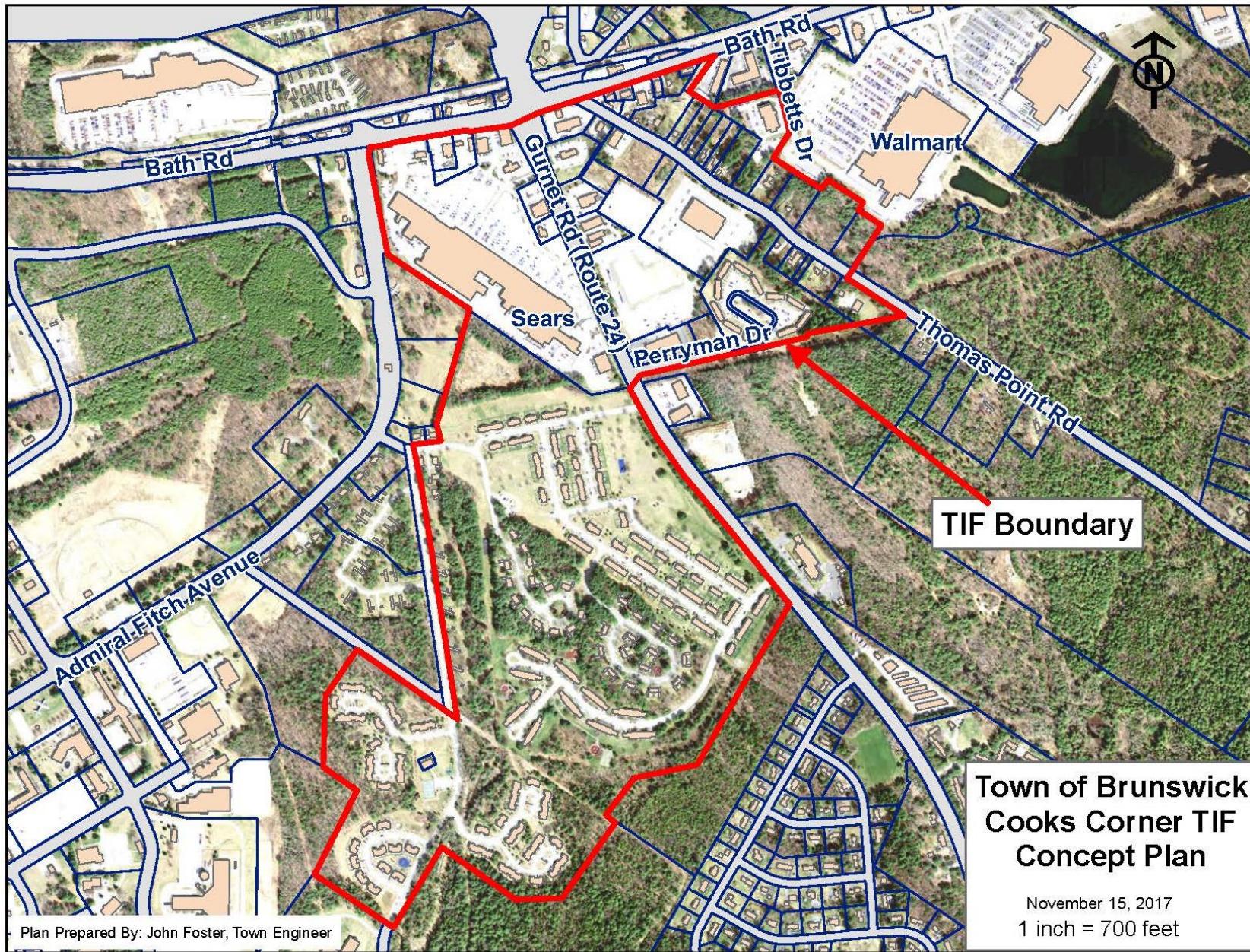


Brunswick Landing and Brunswick Executive Airport TIF Districts

Legend: = Brunswick Landing TIF District = Brunswick Executive Airport TIF District = Molnlycke TIF District



Cook's Corner TIF District



Development Programs

Original development program estimates of amounts required – not necessarily to be funded through TIF revenues.

| TIF District | Date Created | Year Ending | Acres | Revenues in FY 23-24 | Development Program Elements | Estimated Cost of Projects Over 30 Years |
|----------------------------------|---------------------------|-------------|-------|----------------------|---|--|
| Downtown Development TIF | March 2010 30 years | 2039-40 | 89.97 | \$846,591 | <ol style="list-style-type: none"> 1. Debt Service & Capital Contribution 2. Credit Enhancement Agreement 3. Downtown Master Plan 4. Train Station/Visitors Ctr Operation 5. Other Economic Development 6. Public Transit 7. Road Improvements | \$2,400,000 \$900,000 \$5,000,000 \$3,000,000 \$2,500,000 \$5,000,000 \$2,000,000 |
| Seahawk TIF (formerly Molnlycke) | January 2013 30 years | 2042-43 | 19.4 | \$333,875 | <p>Credit Enhancements / Molnlycke and Wild Oats</p> <ol style="list-style-type: none"> 1. Road Improvements 2. Public Safety Improvements 3. Downtown TIF Projects 4. Brunswick Downtown Association 5. Professional & Admin Costs | Up to 55% of annual revenues; not to exceed \$3M total Totals combined with Brunswick Landing and Bruns Exec Airport TIFs Omnibus Development Program |
| Brunswick Executive Airport TIF | October 2013 30 years | 2042-43 | 146 | \$467,073 | <p>Credit Enhancement / MRRA</p> <ol style="list-style-type: none"> 1. Road Improvements 2. Public Safety Improvements 3. Downtown TIF Projects 4. Brunswick Downtown Association 5. Professional & Admin Costs 6. School Construction / Renovation 7. General Economic Development 8. Recreational Trails 9. Road/Infrastructure Improvements | Up to 50% of annual revenues; (MRRA cap at \$15M total) |
| Brunswick Landing Municipal TIF | | | 542 | \$2,333,789 | | \$19,200,000 \$3,900,000 \$3,000,000 \$3,000,000 \$600,000 \$40,000,000 \$15,000,000 \$1,500,000 \$18,000,000 |
| Cook's Corner TIF | February 2018 30 years | 2047-48 | 205 | \$1305,468 | <ol style="list-style-type: none"> 1. Road Improvements 2. Downtown TIF Projects 3. General Economic Development 4. Recreational Trails | \$27,000,000 \$3,000,000 \$15,000,000 \$1,500,000 |
| Total | | | | \$5,681,069 | | |

How a TIF works

Basic TIF Model

Annual taxes generated

\$
Revenues diverted for
TIF-eligible purposes:

- Pledges to support bond debt services
- Pledges to developer note
- Fund Infrastructure

Seahawk = \$10M
taxable value added
= approx \$212K tax
revenue

Incremental Taxes

Existing Tax Base

Revenues continue to flow to
normal taxing bodies

Seahawk =
\$0 Existing value
= \$0 Tax revenue
to operating budget

Beginning FY 2044

**New
Tax
Base
Revenues
flow
to normal
taxing
bodies**

Statutory life of TIF district (30 Years)

How a TIF works – Seahawk example



- ▶ As of April 1, 2013, Molnlycke Mfg facility added \$10M value = \$200K tax revenue
- ▶ As of April 1, 2017, Flight Deck Brewing added \$620K value = \$12K tax revenue
- ▶ As of April 1, 2021, Wild Oats Bakery and Café added \$2.6M value = \$55K tax revenue



Seahawk TIF District 2022-23

Taxable Value = \$14,124,300

TIF Revenue = \$306,356

Credit Enhancement Agreements = \$149,650

Town Development Program = \$156,706

Estimated Tax Shift Benefits:

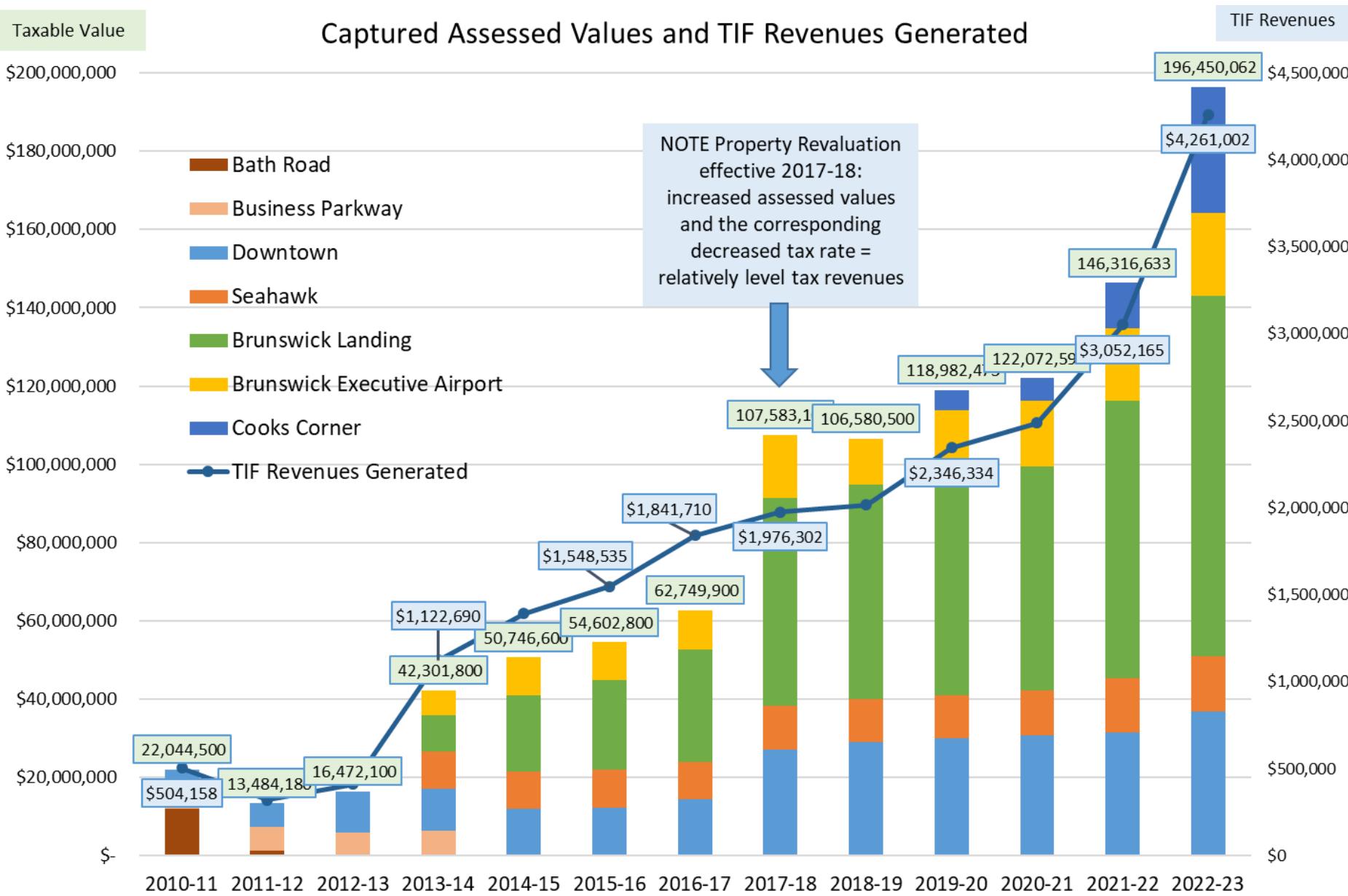
Education \$104,238

Revenue Sharing \$30,336

County Tax \$9,651

Total \$144,225

Brunswick TIF Districts

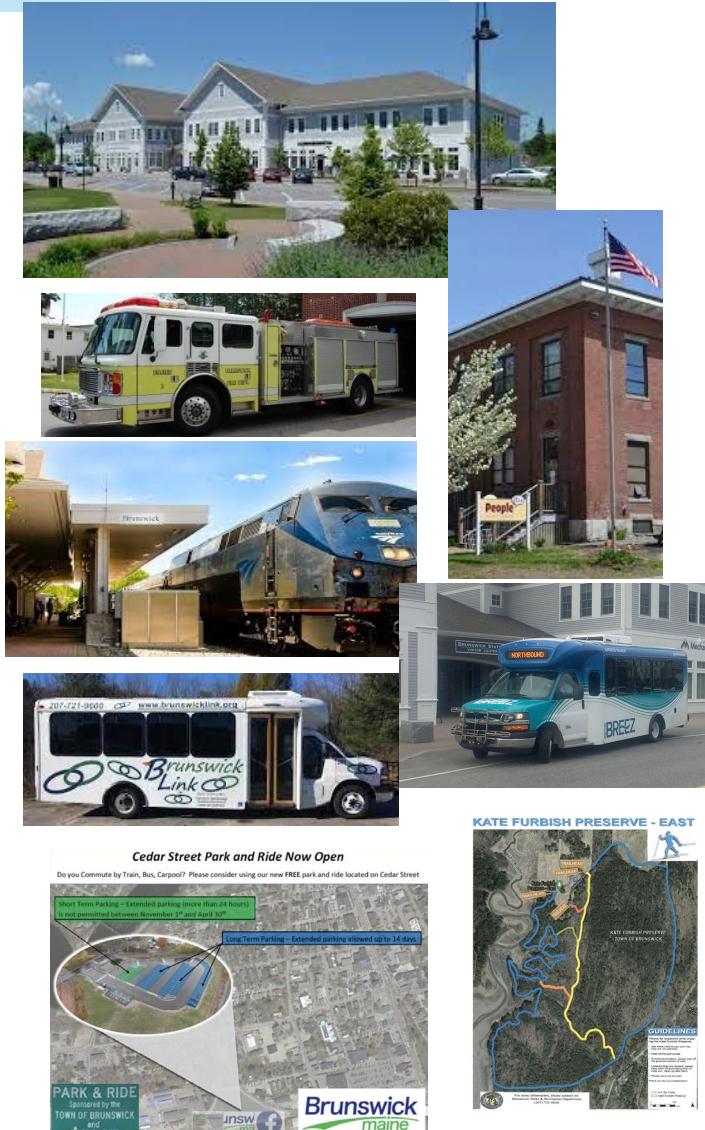


TIF Revenues put to work for Economic Development in Brunswick:

Current TIF Districts only!

From 2010-11 to 2022-23 (13 years), Total TIF Revenues - \$21,185,873

| | |
|--|-------------|
| • Credit Enhancement Agreements | \$8,430,332 |
| • Station Avenue construction | 1,578,646 |
| • Union/Mill St Storm Drain | 1,242,005 |
| • Paving qualified roads | 1,085,000 |
| • Landing Drive | 1,034,644 |
| • Public Safety Vehicles | 1,000,000 |
| • 35 Union St (People Plus) debt service | 798,283 |
| • Transit-Oriented (bus services) | 726,839 |
| • MDOT MPI match | 725,000 |
| • Downtown Improvement project | 700,000 |
| • Brunswick Downtown Association | 685,000 |
| • Economic Development/Administration | 677,022 |
| • Fire Engine 2 | 636,962 |
| • Train Station rent & maintenance | 544,000 |
| • Cook's Corner Revitalization | 520,000 |
| • Parking projects (incl Cedar St) | 385,000 |
| • Pleasant St Corridor | 286,922 |
| • BDC Economic Recovery Loan Program | 50,000 |
| • Katahdin Drive extension (EDA local share) | 50,000 |
| • Recreational Trails (Kate Furbish Preserve) | 40,500 |
| • Maine St Banner Poles | 34,719 |
| • Heads Up! grants - Federal/Mason & Jordan/Bath | 30,000 |

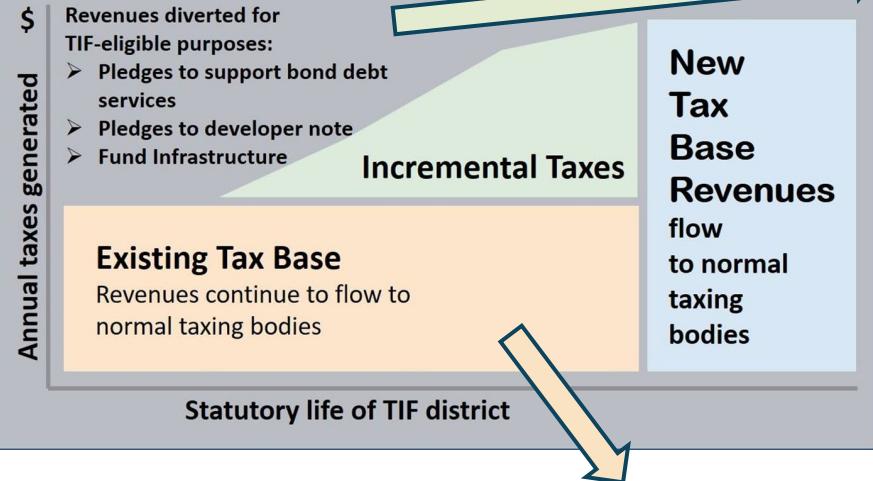


Proposed usage of TIF Revenues for Economic Development in 2023-24

| | |
|--|--------------------|
| • Credit Enhancement Agreements | \$1,483,241 |
| • Landing Drive construction (repay advance) | \$280,000 |
| • Public Safety vehicles | \$190,000 |
| • Paving qualified roads | \$250,000 |
| • MDOT MPI grant match – McKeen Street | \$490,000 |
| • MDOT grant match – Pleasant St intersections | \$175,000 |
| • Heads Up grant match – Federal/Mason/Mill | \$10,000 |
| • Heads Up grant match – Jordan Ave/Bath Rd | \$97,000 |
| • Brunswick Downtown Association | \$140,000 |
| • Economic Development/Administration | \$120,000 |
| • Train Station operation | \$125,000 |
| • Transit-Oriented – MetroBreez | \$89,055 |
| • Transit-Oriented – Brunswick Link | \$108,000 |
| • Cedar Street Parking | \$98,000 |
| • Cook's Corner Revitalization & Pedestrian Access | <u>\$240,000</u> |
| Total | <u>\$3,895,296</u> |

Tax Shifts resulting from TIFs - the ‘invisible benefit’

Basic TIF Model



New taxable value in a TIF district is ‘sheltered’ = not included in Brunswick’s State Valuation

The annual State Valuation process, which takes about 18 months to complete, begins with compiling a sales-ratio study for each municipality. The sales-ratio study measures the assessed value of recently sold properties relative to their selling price. Sales-ratio data is derived from the declaration of value that is filed with the registry of deeds when a property is sold. Maine Revenue Services staff then visit each municipality to audit municipal assessing records and to verify certain information with local assessing officials.

State Valuation is used in formulas for State Aid to Education, Revenue Sharing, and County Tax.

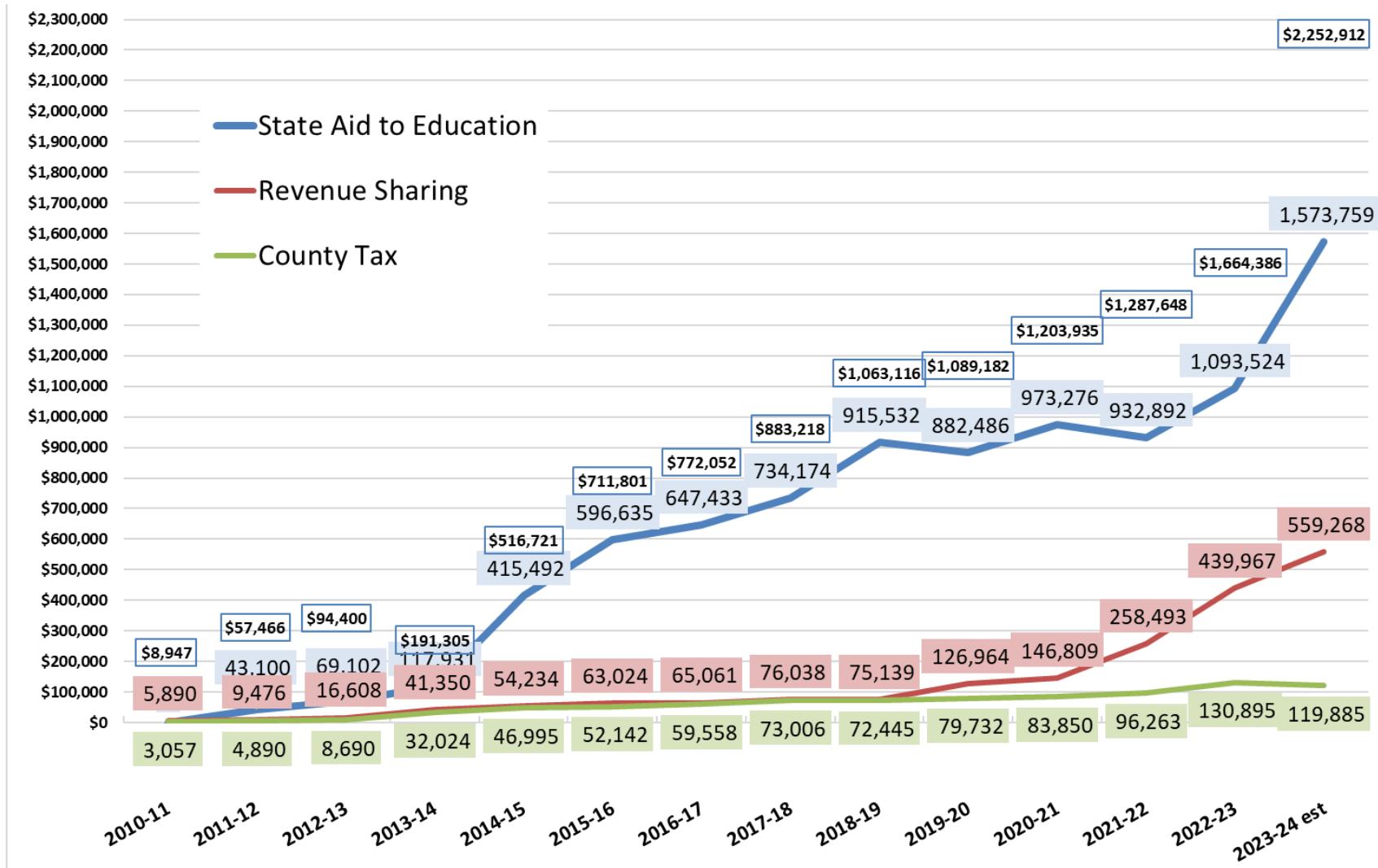
The State Valuation values are used by Maine Revenue Services and other state agencies for various purposes, including calculating municipal reimbursements for certain lost revenue, allocating money appropriated for State General Purpose Aid for Education, determining State Revenue Sharing to municipalities, and apportioning county taxes.

Higher State Valuation = Lower State Aid to Brunswick Education
Higher State Valuation = Lower State Revenue Sharing Distribution
Higher State Valuation = Higher Share of County Tax obligation

Estimated Benefits of Tax Shifts for Brunswick's Operating Budget:

Current TIF Districts only!

From 2010-11 to 2023-24 (14 years), Total Est Tax Shift Benefit - \$11,797,089



“Lost Revenue” in Every New Tax Dollar in State Valuation*



39¢ “Lost Revenue”: 61¢ Available to Town

26¢ - State Aid to Education

10¢ - Revenue Sharing

3¢ - County Tax

*Estimate based on
2022-23 budget

Credit Enhancement Agreements (CEAs)

Allowed use of
TIF Revenues
to incentivize
development
which will
benefit the
Town.

New CEA with Admiral Fitch Partners LLC for workforce housing project: \$100,000 per year for 19 years, starting in 2024-25



| TIF District | CEA | Date Created / Term | Fiscal Year | # of Empl | % of TIF Revenues | CEA \$ |
|---|---|-----------------------|--|--|--|--|
| Downtown Development TIF | JHR Development of Maine, LLC and Maine & Noble, LLC Stated % of TIF Revenues generated by new Inn - Parcel U16-102 | 3/1/2010 10 years | 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 | n/a n/a n/a n/a n/a n/a n/a n/a n/a n/a | 100% 100% 100% 100% 100% 80% 80% 70% 70% 50% | \$ 60,777.09 97,976.52 104,429.59 107,813.52 111,590.93 92,389.10 62,869.49 56,657.83 59,053.51 43,571.43 \$ 797,129.01 |
| Seahawk TIF (formerly Molnlycke) | <u>Molnlycke</u> Up to 55% of TIF Revenues on RE Parcel and Personal Property based on # of employees (35% base, plus 0.5% per empl over 45) <u>Wild Oats</u> Up to 55% of new TIF Revenues on RE Parcel based on # of employees (35% base, plus 0.5% per employee over 50) | 5/17/2013 20 years | 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 | 45 46 54 54 74 75 80 84 75 99 | 35.0% 35.5% 39.5% 39.5% 49.5% 50.0% 52.5% 54.5% 50.0% 55.0% | \$ 87,211.63 92,852.00 107,555.68 109,602.59 94,576.03 98,029.25 107,215.67 114,549.05 107,367.46 122,419.34 \$ 918,959.36 |
| Brussels Executive Airport TIF and Brussels Landing Municipal TIF | <u>MRRA</u> Up to 50% of TIF Revenues with annual request to Town Council up to total of \$15,000,000 | 9/22/2016 30 years | 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 | | | 500,000.00 1,036,259.59 559,138.06 807,450.29 692,900.00 732,800.00 877,142.12 970,900.00 \$ 6,176,590.06 |
| Cook's Corner TIF | None | | | | | |

END