

March 21, 2023

TO: Nate Rudy, Town Manager
FROM: Doug Webster, Planning
RE: FY 24 Budget follow-up
Various CIP & Village related projects

Introduction

I write in response to your request for the status of various projects in Gray as part of the on-going TC discussions regarding the FY 24 budget. While most projects are related to the village improvements, I have also included two projects on/near Shaker Road for the purposes of ensuring that you are apprised of the status.

Sidewalk on Shaker from Hannaford to Spruce

As you are aware, there are several challenging aspects to this undertaking that have been discussed over the past 10+ years. There was some preliminary design work done 10 or so years ago that needs to be updated. We also need to ensure that the various existing conditions are addressed including landscaping, trees, and drainage.

As I understand the present situation, a grant for this project is currently being contemplated. I do not definitively know the status of this but wanted to ensure that you were apprised of the estimated costs as detailed below:

\$275,000 opinion of estimated cost of construction (inc. 15%) contingency
\$20,000 engineering of updated plans
\$27,500 Part-time construction oversight
\$322,500 Total estimated cost

Libby Hill Road & related improvements

Based on a discussion with Will H. (G-P) earlier today, Will talked with Anne G. regarding this project several weeks ago but they did not discuss budget numbers. It is my understanding that there is a prior CIP item that was established for this undertaking. Presumably, as part of the forthcoming audit report, we will have information regarding if this (assumed) CIP item has been properly carried forward within the public works or miscellaneous CIP line.

Underground Utilities in the village

As indicated in my 2-21-23 memo to the Council for their 2-23-23 workshop regarding Yarmouth Road improvements, a preliminary map depicting an initial base scope area has been drafted. Using this map, there is an approximate total of 1,900 linear feet and 12 service entrances (estimate). Some of the existing services are single-phase and others are three-phase, which requires a different transformer. As a side note, transformers are currently very challenging to acquire. Three-phase transformers sometimes need to be ordered a year or more ahead.

G-P provided an initial cost estimate of **\$6.15M** for this undertaking at the TC 2-23-23 workshop. The next steps for this are to update the base project scope map, identify the number and type (single vs. three-phase) of services, and where on each building the electric/utilities enter each

building. Based on this information, a plan depicting optimal transformer locations can be developed.

Regarding input from CMP and other utility providers, the updated map showing the project area needs to be provided to each utility company. For CMP, they need to know the breakout of single vs. three-phase for each service in the project area to enable them to take their next steps. Regarding other utilities, such as GoNetSpeed, outreach to each of these needs to occur together with the revised map per above.

There have been various TC discussions regarding a “Plan B” in the event that the costs associated with the underground utilities is not feasible. This plan presumably focuses on retaining the overhead nature of utilities, but moving the utility connections to alleyways and accessways that would need to properly acquired and constructed. The respective utilities would need to be moved to these new locations and connected to the necessary buildings.

G-P, working with town staff, could derive conceptual numbers for a plan B. As alluded to above, this approach would likely necessitate property right acquisition from several parties and a host of other costs related to this retrofitting of existing utilities that are currently in place. It is the current consensus that the cumulative costs associated with pursuing this path, in lieu of underground, is likely to be roughly comparable with the underground estimate.

Before additional energies are expended towards updating the plans and gathering further input from utility companies, it is apparent that **policy guidance from the TC would be helpful** to be as efficient as possible for future steps. As perhaps anticipated, the cost estimates associated with this understandably desired undertaking is proving to be substantial.

Possible village sewer

Based on work completed by G-P last summer, the estimated construction cost of an 8” sewer line on Main Street (with stubs running to each property) is \$700K. This does not include an estimated additional \$70K in engineering. This work did not include extending the sewer line down the respective road nor the installation of the first phase of the disposal field. Per the stated objective, the intention was to understand the cost of placing the main line down Main Street.

The next step(s) are to perform additional soil testing to ensure viability for a wastewater disposal and continued conversations with property owners regarding their willingness for the town to acquire the necessary rights. While the cost for acquiring such property rights is not yet known, **the estimate for the next steps is \$14K** which includes; (a) \$4,000 for more extensive soils information, (b) \$10,000 for initial survey work (including elevations), and, (c) cost estimate for line from Main to disposal field.

Realignment of Main/Brown/Shaker

While the many benefits of realigning this key intersection are readily apparent, the next steps for the undertaking involves a host of implications including the following:

- Survey work and initial plan showing existing conditions overlaid with re-alignment

- Plan should show existing property lines & new ROW for McD's, Monument property, Stimson lot, Cumberland Farms
- Design/engineering work & estimated cost of construction for:
 - McD's septic field partial relocation
 - McD's site reconfiguration
 - Cumbies CZA adjustments
 - Cumbies stormwater adjustments
 - Road realignment not included in Main St plans/scope

It is noteworthy that initial outreach to the various property owners who would be affected by the realignment has been neutral at best. It is understood that there are long-term community benefits to creating some common green park area in this vicinity. The existing, and anticipated continued, commercial use of this area at Gray corner makes each square foot important and valuable.

Given the relatively extensive implications outlined above, it is apparent the policy guidance from the TC is warranted before additional energies are to be expended. If the Council intends to continue pursuit of this, a detailed survey of existing conditions is the first step. The most efficient method to realize this would be to use the (assumed) MeDOT survey information that may have been already completed as a base and add the necessary information such as further up Shaker and/or Brown. If Gray were unable to obtain this from MeDOT, the **cost estimate for this undertaking is \$20K to \$25K**. The cost estimate for using MeDOT survey information would be contingent upon the scope and detail completed to date.

Village Stormwater

MeDOT designs stormwater (SW) systems such as Main Street to the 10-year storm. It is clear that storm events are becoming both more frequent and increasingly severe. Prior TC discussions have indicated an understandable request to explore designing the to-be-rebuilt SW system to accommodate larger storms. The TC has also indicated they would like to explore options to possibly allow other property owners to utilize the SW system to allow for possible increased density in the village, particularly Main Street.

While the present/future SW system may belong to MeDOT, it is probable that the State will be looking to Gray to fund the incremental cost of any increased capacity; including both storm events and possible additional system tie-ins. Assuming that Gray supports at least some level of increased capacity, it will likely be incumbent for *the town* to ensure that there is the ability of downstream infrastructure to adequately handle the increased SW volume. This translates to, at least initially, undertaking a study of how SW travels from where it daylights at the cemetery, along West Gray Road, and eventually into Thayer Brook and the Pleasant River.

With this information as background, it is increasingly clear that there are three inter-related SW components. The first is the modeling for the possible increased density in the village area. Once there is policy closure to the desired village density at build-out, *the town* will need to provide maps and information to G-P regarding this anticipated area for the modeling. The second SW component is to ensure that the underground SW system on Main Street to the cemetery can handle the appropriate storm events, and the possible additional tie-ins as determined by the TC.

The third SW component is addressing any legal matters as well as likely SW bottlenecks between the cemetery and, ultimately, the Pleasant River. In order to make informed future decisions regarding the practical ability to increase SW flow at the cemetery, a thorough mapping of existing field conditions from the cemetery to the river is necessary. This study will involve input from MTA, MeDOT, and private property owners such as Howell's where the SW flows towards/into Thayer Brook.

The cost estimate for modeling the village SW for increased storms events and/or increased density is **\$25K to \$30K**. The cost estimate for the initial survey and gathering of information regarding the necessary steps practically needed for increased SW volumes to adequately flow from the cemetery to the river is **another \$25K to \$30K**. Based on already known information, it should be clear that there appear to be corrective measures necessary to allow for this increased SW flow from the cemetery to the river. Such actions will likely include increasing the capacity of the West Gray Road culverts near Howell's as well as excavation (at least portions) of the apparent sediment buildup between West Gray Road and Thayer Brook behind Howell's.

Tax Increment Financing (TIF) components

Based on reviewing the attached town's Northbrook TIF (State DECD 1-5-12 letter) and the Village Area Improvement TIF (State DECD 5-22-18 letter), I offer the following comments regarding TIF eligibility for the projects outlined above:

- Both TIF's are clear that funding utilized must comply with the municipal appropriation process (included in the appropriate FY budget)
- The most relevant sections of the Northbrook TIF appear to be "h" and "j"
- The most relevant sections of the Village Area Improvement TIF appear to be "k" and "l"
- Both of these sections "k" and "l" of the Village TIF cap eligible expenditures at \$70K
- It is noteworthy that sections "j" and "n" of the Village Area Improvement TIF appears to be more oriented towards construction and less on planning, surveying, and engineering
- As an FYI, one possible property to be used for a disposal field(s) for village sewer is located in the Village TIF area
- The table below is my understanding of TIF eligible projects; this should be verified by legal counsel

<u>Project</u>	<u>Cost est.</u>	<u>N.Brook TIF eligible</u>	<u>Village TIF eligible</u>
Village sewer	\$14K	Y	Y*
Re-aligned intersection	\$25K	Y	Y*
Village area SW modeling	\$30K	Y	Y*
SW cemetery to river	\$30K	Y	Y*

* \$70K cap limit



Paul R. LePage
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



George C. Gervais
COMMISSIONER

January 5, 2012

Deborah Cabana
Town Manager
TOWN OF GRAY
24 Main Street
Gray, ME 04039

**RE: Northbrook Business and Industrial Campus Tax Increment Financing (TIF)
District/Program, First Amendment**

Dear Ms. Cabana,

The Maine Department of Economic and Community Development (Department) has reviewed and effective today approved your application for a First Amendment (AMD-1) to the above referenced March 31, 1997 TIF Original District (OD). This letter certifies District/Program to be in compliance and full effect. The Department notes/restates the following:

- a. District term* is 30 years through March 30, 2027;
- b. Captured Assessed Value (CAV) is 100% of real and personal property improvements;
- c. TIF revenues must be deposited/held in dedicated Project Cost Accounts (company reimbursement; municipal projects) and applied only toward approved project costs. Town does not have approval to incur any public indebtedness at this time;
- d. Even if closed before full term, Town must notify Department when TIF District ends;
- e. Unsheltered incremental property values that generate General Fund (GF) revenues, if any, to be included with City equalized assessed value (EAV);
- f. Future amendments must comply with TIF statute and Department rules governing TIF districts;
- g. District Original Assessed Value (OAV) is \$164,076 as of October 31, 2011 due to revaluation after March 31, 1996 OD OAV of \$96,800.

Department notes/restates use of TIF revenues previously approved* toward municipal activities/costs in March 15, 1997 OD Program, projected at a combined \$975,000:

- h. IN DISTRICT and OUTSIDE DISTRICT infrastructure including water pipes, septic/sewer systems, paved roadways, electrical power, street lighting; acquisition of land and construction of pedestrian/vehicular public safety/roadway improvements; sidewalk/street improvements; land/other property acquisition; construction of traffic flow and pedestrian public safety improvements projected at \$682,500;
- i. Planning limited to IN DISTRICT per Title 30A, Chapter 206, §5225 (1)(A)(4). Town does not have permission to pursue any other allowable project/activity under this Section without future formal amendment. Planning costs are part of preceding paragraph estimate;
- j. OUTSIDE DISTRICT projects/activities specifically related to Gray Village are limited to those enumerated in paragraph H; projected at \$292,500.

* Funding for projects must comply with municipal appropriation process

PLEASE NOTE: (1) As part of next amendment, Department will require up-to-date, complete municipal project/activity list with Statutory citations/costs be included in Program in advance of Public Hearing; (2) Funding for projects must comply with municipal appropriation process.

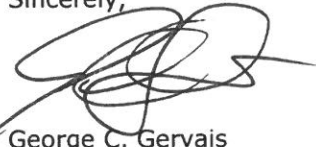
Based on September 26, 2011 AMD-1 application, Department now notes/approves:

- k. *TIF term extended by 10 years;
- l. Credit Enhancement Agreement (CEA) terms include reassignment to M-36 Associates, Inc.; via collateral assignment stipulates if Developer fails to make Water District payments Utility can seek direct payment from Town; lifts repealed 5-year Developer project execution window [P.L. 2003, c. 426, §1]; limits Developer reimbursement to common-use infrastructure/utilities until "NorthBrook Infrastructure Completion Date" [Exhibit A]; stipulates Town to retain 10% BETE State payments on all Company property in newly developed lots following CEA execution;
- m. Council is granted right to execute future CEAs with inducements up to 100% of Town share of revenues from District (min. \$2MM investment per company).

PLEASE NOTE: Upon full execution by all parties concerned, CEA copy is due Department.

Future amendments must comply with TIF statutes and Department rules governing municipal TIF districts (Part III, Rules 19-100, Chapter 1). Please contact Tax Increment Program Director Laura Santini-Smith with questions regarding approval [207-624-7487 or laura.santini-smith@maine.gov]. With this certification Department also extends an open-ended offer of assistance and best wishes for the ongoing success of your District.

Sincerely,



George C. Gervais
Commissioner

cc: Jerome Gerard, MRS Acting Executive Director
David Ledew, MRS Director Property Tax Division



PAUL R. LEPAGE
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



GEORGE C. GERVAIS
COMMISSIONER

May 22, 2018

Deborah Cabana,
Town Manager
TOWN OF GRAY
24 Main Street
Gray, Maine 04039

RE: #3 Village Area Improvement Omnibus Municipal *Tax Increment Financing* (TIF) District and
Development Program (Program)

A P P R O V E D

Dear Ms. Cabana,

The Maine Department of Economic and Community Development (DECD) reviewed and EFFECTIVE TODAY APPROVED the above referenced Municipal TIF District and Program. Based on the application, DECD notes/approves:

- a. District term of 30 years starting July 1, 2018 and ending June 30, 2048;
- b. District taxable Original Assessed Value of \$22,181,400 as of March 31, 2017 (April 1, 2016)—acreage 543.02;
- c. Real property Increased Assessed Value (IAV) capture of up to 100%;
- d. District revenues deposited/held in DEDICATED accounts and applied ONLY toward approved activities/projects,
 - i) Project Cost account to reimburse Company/Developer for costs authorized by 30-A M.R.S.A. § 5225(1)(A) and DECD rules as amended from time to time AND/OR fund public activities/projects,
 - ii) Sinking Fund Account to retire associated public debt, if any;
- e. Company/Developer payments within sole Town Council discretion are limited to incremental taxes from NEW actual value and may include up to 100% reimbursement during District term following a public hearing as reference in the Program, page 9, Section 3.05;
- f. AFTER EXECUTION, TOWN MUST FORWARD COPY of any associated credit enhancement agreement and its amendment(s) or assignment(s) to DECD—enclosing a completed matching **Application Cover Sheet** with detailed private project description and (if Company and not Developer) **Employment Goals Form**;
- g. Any non-captured incremental property values resulting in General Fund revenue/deposits MUST be included/reported with Town equalized assessed value;
- h. Any future amendment MUST comply with 30-A M.R.S.A. §§ 5221-5235 and DECD rules;
- i. When District expires, or is terminated, GRAY MUST NOTIFY DECD IN WRITING.

As further described in the Program, Town revenue allocation projected at \$5,457,347 may facilitate funding for an estimated \$5,454,000 in public costs and associated debt, if any. This funding MUST



PAUL R. LEPAGE
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GEORGE C. GERVAIS
COMMISSIONER

comply with Town appropriation process—with activities/projects due completion BEFORE/BY JUNE 30, 2048. Approved public activities/projects costs are as follows:

WITHIN DISTRICT

- j. Acquisition of land or buildings and construction of improvements, buildings or structures for public use, e.g., a community center \$270,000; *
- k. Expenses related to planning, permitting, licensing, surveying, design and engineering of the acquisition or construction of land or buildings and improvements to public ways, sidewalks and trails \$70,000;
- l. Professional services costs, including engineering, planning, licensing, permitting, surveying, design, legal and accounting, and administrative expenses of staff time related to establishing and implementing the District and Development Program \$70,000;
- m. Financing costs \$92,000;

WITHIN/OUTSIDE DISTRICT ◊

- n. Acquisition, construction, repair, widening and improvement of and to public ways, including, pavement and reconstruction of roads, sidewalks and intersections, bicycle lanes, and pedestrian safety measures including grant matching related to 30-A M.R.S.A. §§ 5221-5235 economic development activities \$1,230,000; × ≈

OUTSIDE DISTRICT ◊

- o. Construction, alteration or expansion of infrastructure, including water, sewer, storm water, electrical, telephone, cable, broadband, and natural gas \$2,950,000; ψ ≈
- p. Public safety improvements including grant matching related to 30-A M.R.S.A. §§ 5221-5235 economic development activities \$250,000;

WITHIN DISTRICT/MUNICIPALITY

- q. Acquisition of land and construction or improvements for new or existing recreational trails and open space, including but not limited to trails, bridges, signage and crosswalks \$92,000; Φ

WITHIN MUNICIPALITY

- r. Economic development activities costs directed at business retention and attraction, including prorated municipal staff salaries and/or consultant fees \$200,000;
- s. Funding of environmental improvement projects related to activities of the commercial District, including improvements to the Town's recycling center and stream/river crossings \$230,000.

DECD notes while the Program may list multiple statutory citations with the public project costs in the application not all citations apply to all activities/projects described within each cost description. Gray is obligated to verify proper authorization for each project cost to be undertaken. DECD advises Town to plan for debt retirement to coincide with the District term end of June 30, 2048.

MAINE IS OPEN FOR BUSINESS. Please contact Development Program Officer Tina Mullins with questions about this certification. With this approval, the Department extends best wishes for the success of the District.

Sincerely,

George C. Gervais
Commissioner



PAUL R. LePAGE
GOVERNOR



GEORGE C. GERVAIS
COMMISSIONER

cc: Senator Catherine E. Breen (SD-25)—128th Legislature
Representative Dale J. Denno (HD-45)—128th Legislature
Representative Susan M. W. Austin (HD-67)—128th Legislature
Justin Poirier, MRS Director Property Tax Division
Brian Doyle, Governor's Account Executive
Alyssa C. Tibbetts, Esq. Jensen · Baird · Gardner · Henry

◊ To extent a project is outside the District, Gray must prorate/allocate costs not directly related to or made necessary by establishment/operation of this District to other funding sources.

≈ Project in common to development program of #1 Northbrook Business and Industrial Campus district.

Δ Project in common to development program of #2 Route 100 district.

EXCLUDING FOLLOWING COSTS/FUNDING:

Φ Public park(s)

Ψ Private residential distribution line(s)

× § 5225(1)(A)(1)(a)(i), (8) and (C)(7)(b) Transit-Oriented Development projects

* § 5225 (2) Unauthorized project costs of facilities, buildings or portions of buildings used predominantly for general conduct of government or for public recreational purposes.