City of Biddeford

City Council - Workshop

August 27, 2019 6:00 PM Council Chambers

1. Workshop Discussion Items

1.1. Discussion/Review: Municipal Garage Financing Option w/REVISED Document

8-27-2019 Workshop-Parking Garage Private Finance Option-REVISED.pdf

City Council Workshop: Parking Garage Private Finance Option

AUGUST 27, 2019

Why a Parking Garage?

Economic Activity

Jobs

Growth In Taxable Property

TIF = funds used by city for city purpose CE (credit enhancement)= payment to developer

Increase in TIF* Revenues

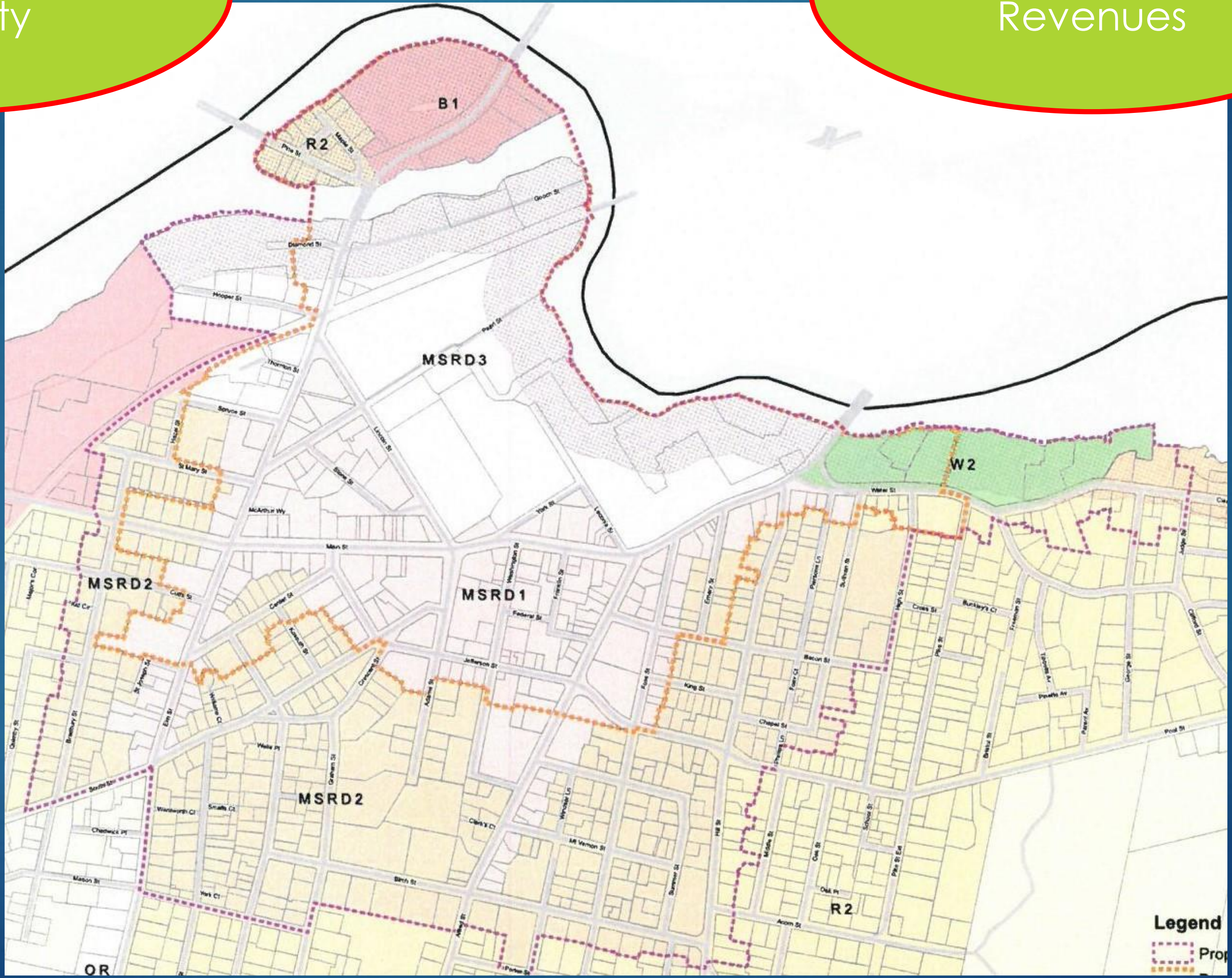
Growth In Taxable Property

Increase in TIF* Revenues

- City staff projection in taxable property in downtown
  - MSRD 1: Immediate area around mill district
  - MSRD 2: Neighborhood around MSRD 1 (mostly rentals)
  - MSRD 3: Mill district
- Two sets of projections
  - With parking garage
  - Without parking garage
- Also added in known properties directly impacted by garage
  - For example 3 Lincoln St
- Included assessment adjustment to values
- Held tax rate stable ($19.98)
- Assumed no tax sheltered property

Growth In Taxable Property

Increase in TIF* Revenues



Forecast Results (10 Years)

TFIC Private Financing/Partnership

- Establish parking revenue forecast-jointly
- Establish set payment schedule to cover shortfall in projection
- Revenue sharing provisions
- City can buy or sell garage after 10 years of operations
- City owns garage after 25 years

Joint Development Agreement (JDA)

Contract between the parties

Protecting the Property Taxpayers

- Establish parking revenue forecast-jointly
- Establish set payment schedule to cover shortfall in projection
- Revenue sharing provisions
- City can buy or sell garage after 10 years of operations
- City owns garage after 25 years

Establish set payment schedule to cover shortfall in projection

Years 1- 10

100% TIF Account (Funds Available Now)

$0 from property taxes

Estimate of Net New Tax Revenue Years 11 to 25

Years 11 - 25

$16,356,000 payments

$39,721,140 New Revenues (Based on static $2,648,076 generated in FY30)

$23,365,140 Net new revenues for City

Protecting the Property Taxpayers

- Establish parking revenue forecast-jointly
- Establish set payment schedule to cover shortfall in projection
- Revenue sharing provisions
- City can buy or sell garage after 10 years of operations
- City owns garage after 25 years

Establish parking revenue forecast- jointly

Based on conservative forecast from consultants

Below forecast by 90%

TFIC made whole by mill properties

Protecting the Property Taxpayers

- Establish parking revenue forecast-jointly
- Establish set payment schedule to cover shortfall in projection
- Revenue sharing provisions
- City can buy or sell garage after 10 years of operations
- City owns garage after 25 years

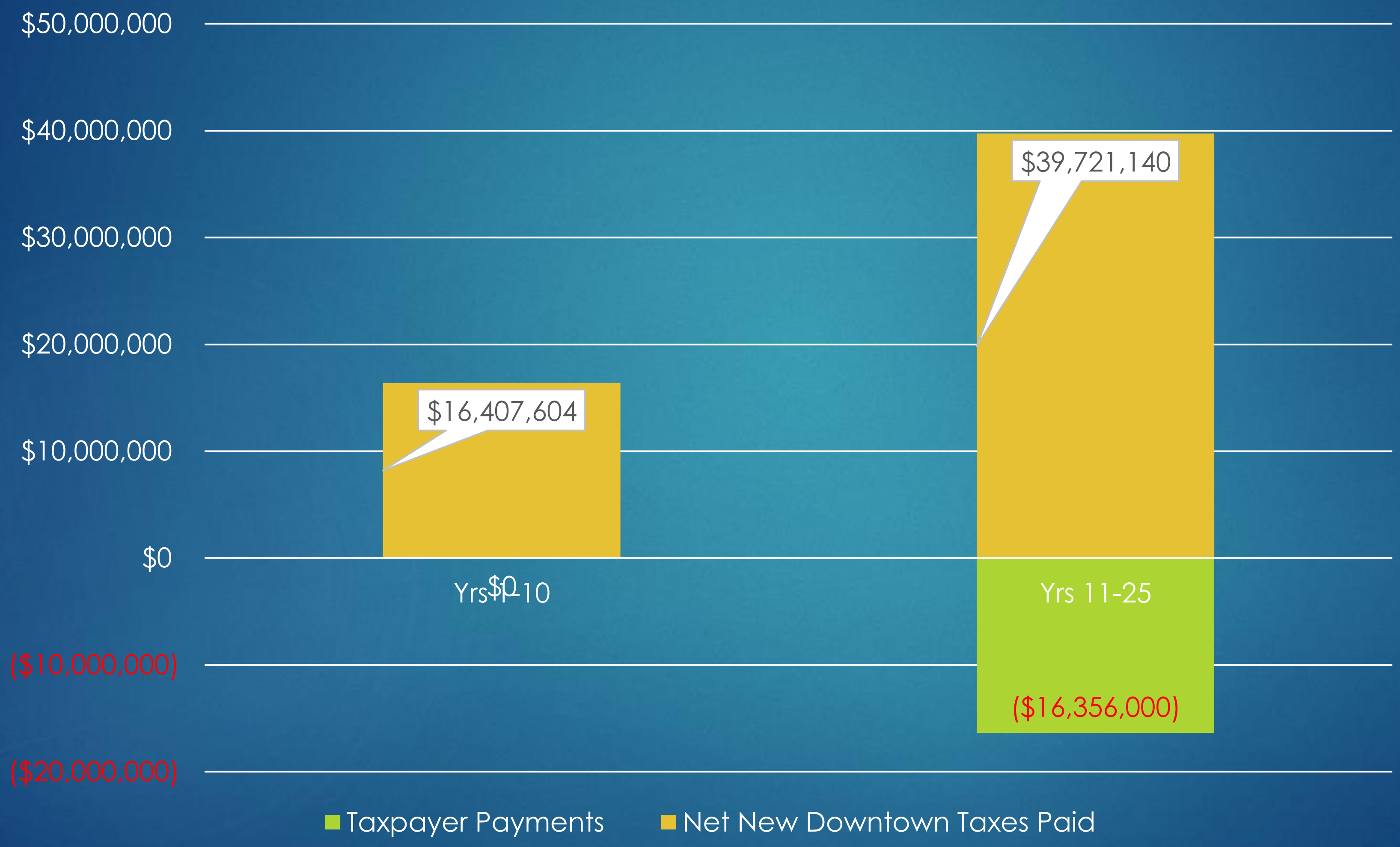
Revenue sharing provisions

Based on conservative forecast from consultants

Exceeds forecast by 110%

City (taxpayers) gets all over 100%
until $750,000 is reached
Then City awards TFIC $0.10 for
every $1.00 over 100%

Summary: From Taxpayer's Perspective



Net benefit to taxpayer: **$39,772,744**