

ORONO'S TRANSIT-ORIENTED DEVELOPMENT TIF DISTRICT

Year established: 2010 (amended and re-named "Downtown and TOD TIF District" in 2013)

Duration: 30 years

Geographic coverage: Coincides approximately with the Village Commercial Zoning District (excluding two low-income senior housing developments) and a portion of downtown-adjacent neighborhood, covering approx. 96 acres, within 0.25 mile of a "transit facility" (the downtown portion of the route and related stops of the Black Bear Orono Express and Community Connector's Bangor-to-Old Town line)

Original assessed base value: \$28 million

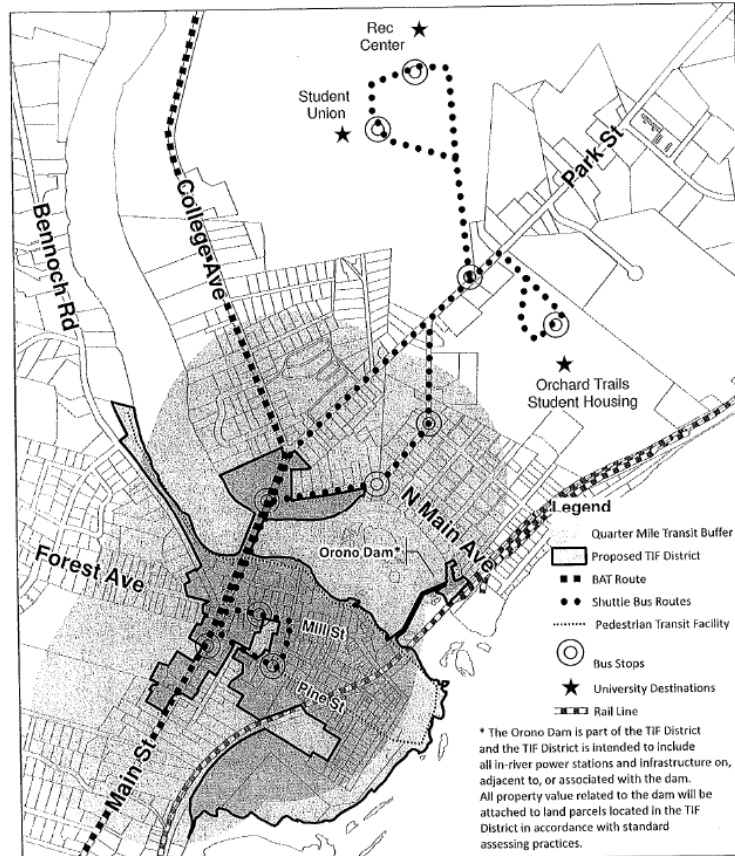
Percent of increment in assessed value captured: 100% (excluding personal property)

Annual revenue generated for the district: Approx. \$650,000

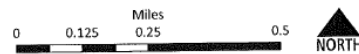
Primary forces in generating new assessed value: Refurbishment of Orono Dam powerhouse #1 and construction of new powerhouse #2; construction of headquarters office building for University Credit Union.

Uses of TIF funds, consistent with approved Development Program:

- Town's share of operating and equipment costs for the Black Bear Orono Express (cost is split 50-50 with UMaine), under contract with City of Bangor's Community Connector bus system
- Financing of Town's share of downtown University Credit Union redevelopment project (Town responsible for certain land acquisitions, site preparation and new parking facility)



Orono Transit-Oriented Development TIF District



- Mini-grants for downtown façade improvements
- Infrastructure projects, including Pine Street Municipal Parking Lot improvements, street and utilities improvement projects
- Credit enhancement agreements (part of an incentive program for small business property upgrades)
- Portion of staff salaries related to economic development



Statutory Basis:

- 30-A MRSA Ch. 206, Development Districts, amended in 2009 to authorize Transit-Oriented Development Districts:

Sec. 5221, sub-sec 2:

2. Authorization. For the reasons set out in subsection 1, municipalities and plantations may develop a program for improving a district of the municipality or plantation:

A. To provide impetus for industrial, commercial, **transit-oriented** or arts district development, or any combination; [2009, c. 314, §1 (AMD).]

- Definitions added, at Sec. 5222:

19. Transit. "Transit" means transportation systems in which people are conveyed by means other than their own vehicles, including, but not limited to, bus systems, street cars, light rail and other rail systems.

20. Transit facility. "Transit facility" means a place providing access to transit services, including, but not limited to, bus stops, bus stations, interchanges on a highway used by one or more transit providers, ferry landings, train stations, shuttle terminals and bus rapid transit stops.

21. Transit-oriented development. "Transit-oriented development" means a type of development that links land use with transit facilities to support and be supported by a transit system. It combines housing with complementary public uses such as jobs, retail or services establishments that are located in transit-served nodes or corridors. Transit-oriented development is intended through location and design to rely on transit as one of the means of meeting the transportation needs of residents, customers and occupants as demonstrated through such factors as transit facility proximity, mixed uses, off-street parking space ratio less than industry standards, architectural accommodation for transit and marketing that highlights transit.

22. Transit-oriented development area. "Transit-oriented development area" means an area of any shape such that no part of the perimeter is more than 1/4 mile from an existing or planned transit facility.

23. Transit-oriented development corridor. "Transit-oriented development corridor" means a strip of land of any length and up to 500 feet on either side of a roadway serving as a principal transit route.

24. Transit-oriented development district. "Transit-oriented development district" means a tax increment financing district consisting of a transit-oriented development area or a transit-oriented development corridor.

- Sec. 5223: TOD Development Districts (along with Downtown Development and Community Wind Power districts) are exempt from conditions of other TIF Districts (25% of area blighted or suitable for commercial use; 2% and 5% caps on municipal acreage; 5% cap on municipal value)

Sec. 5223, sub-sec. 3, para D:

The conditions in paragraphs A to C do not apply to approved downtown tax increment financing districts, tax increment financing districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, section 3403, subsection 3 or **transit-oriented development districts**.

- Sec. 5225, sub-sec 1, Eligible project costs: All the normal costs eligible in a TIF District apply to TOD Districts as well. Certain items are specified; and, unique to TOD Districts, certain operating costs are allowed:

1. Authorized project costs. The commissioner shall review proposed project costs to ensure compliance with this subsection. Authorized project costs are:

A. Costs of improvements made within the tax increment financing district, including, but not limited to:

(1) Capital costs, including, but not limited to:

(a) The acquisition or construction of land, improvements, public ways, buildings, structures, fixtures and equipment for public, arts district, new or existing recreational trail, commercial or transit-oriented development district use.

(i) **Eligible transit-oriented development district capital costs** include but are not limited to: transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; benches, signs and other transit-related infrastructure; bicycle lane construction and other bicycle-related improvements; pedestrian improvements such as crosswalks, crosswalk signals and warning systems and crosswalk curb treatments; and the nonresidential commercial portions of transit-oriented development projects.

(8) **In the case of transit-oriented development districts**, ongoing costs of adding to an existing transit system or creating a new transit service and limited strictly to transit operator salaries, transit vehicle fuel and transit vehicle parts replacements

- In addition, certain transit-related costs in the municipality but outside of the district are eligible (Sec. 5225, sub-sec 1, para C). Transit service capital costs outside of a TIF district are eligible for use under any type of district, but operating costs only if associated with a TOD TIF District:

C. Costs related to economic development, environmental improvements, fisheries and wildlife or marine resources projects, recreational trails or employment training within the municipality or plantation, including, but not limited to:

(7) Costs associated with a new or expanded transit service, limited to:

(a) Transit service capital costs, including but not limited to: transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; and benches, signs and other transit-related infrastructure; and

(b) **In the case of transit-oriented development districts**, ongoing costs of adding to an existing transit system or creating a new transit service and limited strictly to transit operator salaries, transit vehicle fuel and transit vehicle parts replacements