

## Frequently Asked TIF Questions

**Q: “What is a TIF?”**

**A:** Tax Increment Financing (TIF) is a flexible tool used by municipalities to leverage new property taxes generated by a specific project or projects within a defined geographic district. Any portion of the new taxes may be used to finance public or private projects for a defined period up to 30 years.

**Q: “How does a TIF work?”**

**A:** A TIF captures any new value added to a property in a TIF District into a separate fund meant for economic development while the last value of the property before the TIF continues to contribute to the general fund. The money in the TIF fund is then used for a public infrastructure project with the goal of economic growth in Waldoboro, which must be approved by the Select Board and residents.

**Q: “Will a TIF take money away from the budget?”**

**A:** Not at all, in fact, this tax balance strategy will allow Waldoboro to keep more of its money in town. For instance, Unity calculated that for every new [non-TIF] tax dollar they generated, 34 cents were lost to state revenue sharing reductions and increase in County taxes; in Yarmouth, it was an estimated 47 cents on every dollar. A TIF captures the new valuations on specific properties so that the revenue sharing is not negatively impacted, and 100% of new invested dollars in those spots go towards economic projects in Waldoboro.

**Q: “Are only properties in TIF Districts going to benefit from the projects funded by the TIF?”**

**A:** No. There are three categories for where projects can be funded: 1. Within a TIF District, such as improvements to the public landings; 2. Leading towards a TIF District that can indirectly benefit residents, such as a sewer extension; and 3. Community-wide projects that would boost economic growth in town, such as expanding broadband or improving public transportation infrastructure.

**Q: “What type of ‘projects’ will Waldoboro have from the TIF?”**

**A:** Waldoboro will only undertake public projects that promote economic development, such as infrastructure. No funds will be allocated directly to individual, private businesses.

**Q: “When can we start seeing the projects being worked on?”**

**A:** It is unlikely that we will have enough money for 5-10 years for a major project. The number of projects will depend on the commercial investments made at a TIF property and whether the town approves of spending money on the project. However, funds can also be used as a town match for economic grants.

**Q: “Who controls the TIF fund?”**

**A:** As noted above, the TIF is a guiding document which requires the Select Board and a town vote for implementation, approval, and any future changes. It will be reviewed periodically at public hearing so that Waldoboro citizens continuously can have their opinion heard on record. Additionally, citizens always have the right to review the status of the TIF with the Town Manager and the Town Planning Director.

**Q: “Can changes be made to the TIF?”**

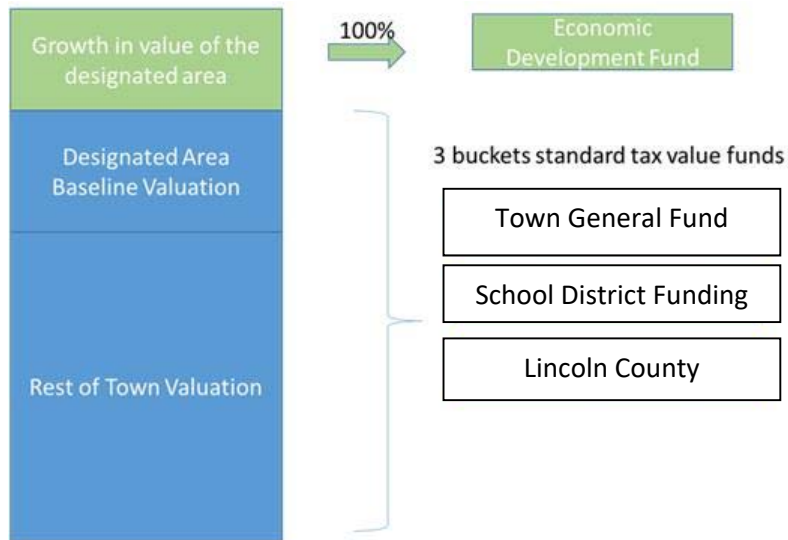
**A:** Any changes made to the workplan require approval from the Select Board, Waldoboro town vote, and the Maine Department of Economic and Community Development.

**Q: “How come so few properties were chosen? Why was mine chosen/ not chosen?”**

**A:** One of the restrictions for this program is that we cannot have over 2% of Waldoboro’s total land area be in a single TIF District. The properties that were chosen were commercial or industrial properties that were estimated to have the greatest amount of commercial investment going towards it. Some properties that were selected were the Waldoboro Business Park, the former Sylvania plant, the CMP corridor along Route 1, and the former Benny’s food processing plant.

## Summary of Waldoboro Benefits and Planned Projects:

Benefits to Town are expected to include: economic development; attract new investment, business expansion; business retention; accomplish significant infrastructure projects; tax shift benefit.



Proposed projects include:

- 1) Sidewalk rehabilitation / extension, parking improvements, and connectivity in the downtown area;
- 2) Waterfront improvements at publicly-owned landings;
- 3) Tourism-related improvements, trails, and pocket parks;
- 4) Town match for competitive economic grants;
- 5) Public Utility (sewer, water, high-speed fiber) expansions

Note: More projects can be proposed in the future if they provide a path towards economic growth. The project will require approval from the Waldoboro Select Board and residents. We are also not obligated to fulfill every proposed project in the workplan.

Want to know more?

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