



## **Job Enhancement Credit Policy**

### *Introduction*

Tax Increment Financing ("TIF") is one of the few techniques authorized under state law to promote economic development projects by cities and towns. The Town of Oakland has an existing 20 year TIF district with the Kennebec Regional Development Authority ("KRDA" - legislative approved quasi-municipality), which encompasses all of FirstPark. This TIF district captures 100% of new real and personal property value generated from development within the Park. 75% of the new taxes generated as TIF revenues goes back to the 24 communities that comprise the KRDA. The remaining 25% of new tax revenues are earmarked for the Town of Oakland to hold the Town harmless from the negative effects of increased municipal valuation (county taxes, state education subsidy and state revenue sharing). While the TIF is in place at FirstPark, Oakland is sheltered from the negative effects of valuation increases, therefore, the KRDA may use this 25% of new revenues for economic development purposes.

FirstPark is a long-term, job creation economic development project. During the life of the TIF district, the KRDA will use up to 25% of TIF revenues to offer Job Enhancement Credits ("JEC") to qualifying businesses at FirstPark. JECs will be available to qualifying business for periods not to exceed 10 years. JEC availability runs concurrently with the life of the FirstPark TIF District.

Job Enhancement Credits are eligible for consideration when they meet the following standards:

- Create (minimum 5 net new jobs) or retain employment opportunities;
- Employee wages must exceed the average per capita income for Kennebec County for the year in which the employee was hired (under state ETIF program in effect at the time of application);
- Employer must have access to group health insurance;
- Employer must have a qualified employment retirement program;
- Project expand significantly FirstPark's tax base; and
- Conform to the quality and types of development sought by the KRDA as outlined in FirstPark's Covenants, mission statement, and other policies enacted by the KRDA General Assembly.

The purpose of these guidelines is to outline standards that the KRDA will use in considering applications for Job Enhancement Credits. Notwithstanding these

guidelines, the creation of a JEC agreement is a policy decision made on a case-by-case basis by the KRDA General Assembly, with Executive Committee and Legal & Finance Committee recommendation. Job Enhancement Credit is not a right under Maine law and meeting these guidelines should not be interpreted as creating any rights or entitlements in any application.

### *Mandatory Guidelines*

In all instances, applicants for Job Enhancement Credits must demonstrate that the KRDA's participation is necessary to undertake the project. Such justification is demonstrated by:

A need to offset infrastructure costs unique to the site; or

A need to offset economic advantages available to a corporate entity if it should develop a project (or expand operations) outside of FirstPark; or

A lack of sufficient private or other public funding sources to meet the full capital investments needed to undertake a project.

The project creates significant new tax value equal to or greater than \$1 million.

The developer passes through all JEC benefits to the employing company leasing space.

The developer is compliant with all statutory and regulatory guidelines of FirstPark and the State of Maine.

Other relevant factors as determined by the KRDA General Assembly.

### *Guidelines That Determine Level of KRDA Participation*

Although an applicant need not meet each of the following criteria, the following will be used to determine the level of participation by the KRDA:

- The project assists an established business in the Central Maine Region, thus retaining existing employment opportunities;
- The project creates long-term, permanent and quality employment opportunities;

- The project supports or will support community projects, provides job training, provides student internships, supports local contractors and suppliers;
- The project supports or will support local efforts and programs that assist those who are under-employed;
- The project's eligibility for other governmental incentives; or
- Other factors as determined by the KRDA General Assembly.

### Standard Operating Procedures

The KRDA's Legal and Finance Committee will coordinate all activities regarding applications for Job Enhancement Credits. Working with applicants, the Committee will undertake the following preliminary steps:

- Provide information on Job Enhancement Credits;
- Discuss project proposals and accept preliminary applications; and
- Review preliminary applications based on policy guidelines with the Legal & Finance and Executive Committees.

Following this preliminary review process, the Legal & Finance and Executive Committees will bring completed applications and their recommendations to the General Assembly for review and the final vote.

Upon receiving final approval for job enhancement credit benefits, applicants will be required to submit annual accounting forms to the KRDA for verification of job and wage level data.

Preliminary applications for Job Enhancement Credits will be provided by the Kennebec Regional Development Authority. The physical location is 46C FirstPark Drive, Lower Level, Oakland, ME 04963. The mailing address is P.O. Box 246, Oakland, ME 04963-0246.