

REPORT to the KITTERY TOWN COUNCIL

RESPONSIBLE INDIVIDUALS: Economic Development Committee

Date: March 02, 2011

Subject: Economic Development Administration

Background:

- The Council charge to the Economic Development Committee addresses:
 2. *The Council wishes the **Committee to establish and coordinate an economic development program** for the Town as laid out at Attachment 1. The **Committee may from time to time make recommendation** to Council for revisions or amendments to its scope, authority, or **other program requirements it deems necessary.***
 3. *The Council allocates meeting space and some level of administrative support (e.g. copying) until the **Committee submits a request and receives approval for necessary funding.***
- Council approved TIFs, provide for raised revenues to be used for municipal improvements and programs including economic development planning and administration:

5.3 Description of Public Facilities, Improvements, or Programs

The Town will retain the Tax Increment from the District to finance some or all of the costs of the following public facilities, improvements or programs:

TIF NO. 1: POTENTIAL PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS

- (a) Improvements to roads in the District to facilitate commercial development;
- (b) Improvements to roads outside of the District that are directly related to or made necessary by the establishment or operation of the District, consisting of improvements related to connection of sewer and water facilities to existing infrastructure;
- (c) Trolleys, trolleys stops and related facilities and improvements;
- (d) Sewer and water system improvements including installation of lines and related facilities.
- (e) Economic Development Planning; and**
- (f) Administrative expenses associated with this development effort.**

TIF NO. 2: POTENTIAL PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS

- (a) Improvements to roads in the District to facilitate commercial development;
- (b) Improvements to roads outside of the District that are directly related to or made necessary by the establishment or operation of the District, consisting of improvements along Route 1;
- (c) Trolleys, trolleys stops and related facilities and improvements;
- (d) Construction of new Town square or center;
- (e) Sewer and water system improvements including installation of lines and related facilities.
- (f) Upgrade of Pepperrell Cove piers, docking and related local lobstering/fishing and support facilities;
- (g) Economic Development Planning; and**
- (h) Administrative expenses associated with this development effort.**

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TIF NO. 3: POTENTIAL PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS

- (a) Improvements to roads in the District to facilitate commercial development;
- (b) Improvements to roads outside of the District that are directly related to or made necessary by the establishment or operation of the District, consisting of improvements along Route 1;
- (c) Trolleys, trolleys stops and related facilities and improvements;
- (d) Sewer and water system improvements including installation of lines and related facilities.
- (e) Economic Development Planning; and**
- (f) Administrative expenses associated with this development effort.**

- Kittery Town Code, Title 3 Revenue and Finance, Chapter 3.4, Municipal Development and Tax Increment Financing District(S) does not permit use of any TIF funds for any reason unless development is approved:

“3.4.9 No Use without Development.

With establishment of the District(s) and implementation of the Development Program, no tax revenues generated for the Development Program may be used for municipal improvements, or other reason, until and unless private development within the District(s) is approved, warranting the need for such improvements.”

- Kittery Town Code, Title 2, Administration and Personnel, Chapter 2.4, Personnel Positions Established, authorizes the Planning Department and Planner position with no specification for dedicated economic development:

“Article II. Planning Department, 2.4.2.1 Planner.

The purpose of this position is to perform all municipal planning functions and provide staff services to the planning board for the Town. This position reports to the Town Manager. Duties include, but are not limited to: maintaining, updating, and implementing a comprehensive plan; reviewing development proposals for compliance with Town ordinances; guiding programs; developing amendments to the zoning and subdivision ordinances; interpreting ordinances; preparing budgets; supervising employees reporting to the Town Planner, and performing additional related tasks as assigned by the Town Manager.”

Current Situation:

- It is anticipated that the Capital Improvement Program Committee will include the TIF-related programs/projects in its 2011 Five-year Program recommendation, with provision for some budgetary funding using raised TIF revenues on a contingency basis for FY12 and beyond in order to establish a program implementation mechanism. *(See that Report/documentation under separate cover – March 7th)*
- In order achieve the TIF and EDC purposes by formalizing departmental function and according a funding opportunity as allowed, the Committee requests Council to consider:
 - amending Title 3 section 3.4.9 to allow the use of a portion of the three TIF District revenues for economic development planning and administration in an amount from each District approved by Council as part of the annual Capital Improvement Program process (encl 1)

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- Amending Title 2 Article II to incorporate language addressing the function of economic development (encl 2).

Recommendation:

1. Approve the EDC administration concept;
2. Schedule two public hearings for revision to Town Code Titles 2 and 3, as presented (March 28th);
3. Refer the ordinance proposal to ORC for review; and,
4. Upon conclusion of the Public hearings, enact the ordinance revisions.