

**Town of Unity**  
**Tax Increment Financing (TIF) Policy**  
Adopted 1/17/96

*Explanatory Note: Tax Increment Financing (TIF) is a State sanctioned mechanism by which some or all of the additional tax value generated by new development is sheltered from a community's tax valuation, and thus not included in the formula used to calculate school assessments and County taxes. The tax amount associated with this "captured value" can either be passed back to the company undertaking the development (in effect, providing a tax rebate) and/or used to finance various public improvements.*

A. Purpose

The purpose of this Policy is to articulate to the business community Unity's intention with regard to Tax Increment Financing (TIF), so that desirable businesses are encouraged to locate or expand in Unity.

The Policy makes it clear that in Unity, TIFs are designed to support the community as a whole. Only where the proposed activities of a new or expanding company are "compatible and desirable" will some of the financial benefits of a TIF be provided directly to a company.

B. Authority of this Policy

Only TIF applications that comply with the provisions of this Policy may be considered for approval at Town Meeting. However, meeting the provisions of this Policy does not create a right or entitlement for any applicant. Approval of a TIF application is a decision to be made by Unity voters on a case-by-case basis. Unity voters may reject any application.

C. Modifications to this Policy

This Policy may be modified at any Town Meeting, provided that an article declaring this intent has been placed on the Warrant for that meeting. Modification requires a majority vote.

D. Approval by Town Meeting

1. A TIF application may only be approved at a Town Meeting. Approval requires a majority vote.
2. Wherever practical, a TIF application shall be considered at the Annual Town Meeting held in March. A TIF application may only be considered at a Special Town Meeting if the Selectmen feel that there is a clear and pressing community need to act immediately.

3. Where a TIF application will be considered at a Special Town Meeting, the Town shall advertise that meeting in at least two newspapers of general circulation in the Unity area on at least two occasions, one occasion at least two weeks prior to the meeting date, and another occasion some time between the meeting date and two weeks prior to the meeting date. The applicant will pay advertising costs.
4. An article to consider a given TIF application at a Town Meeting may be placed on the Town Warrant only after the Budget Committee has found that the application complies with this Policy.

#### E. Review of Applications by Budget Committee

1. Policy Compliance

The Budget Committee shall review an application to see if it complies with the provisions of this Policy. In this process, the Committee shall seek the input of the Planning Board concerning those parts of this Policy that relate to Unity's planning documents and land-use requirements (notably, Section J.1.b,c,d,e of this Policy).

If the Budget Committee finds that an application does not comply with this Policy, it may negotiate changes with the applicant until such time that the application is in compliance. Only applications in full compliance may go to Town Meeting.

2. Recommendations for Approval

If the Budget Committee decides that an application complies with this Policy, the Committee shall then consider whether or not to recommend approval of the application to Town Meeting. In this process, the Committee may negotiate changes with the applicant.

The Budget Committee shall recommend approval where it feels that the proposed activities and tax arrangements would be a net benefit to the community.

Wherever possible, the Budget Committee's recommendation shall be printed with the article that appears on the Town Warrant. Where this is not possible, the Town Moderator shall ensure that the Budget Committee's recommendation is clearly stated prior to discussion of the article at Town Meeting.

3. Public Hearings

The Budget Committee shall hold a Public Hearing on an application prior to the Town Meeting where the application will be considered. The Hearing shall be advertised in accordance with State law, and the applicant shall pay the cost of advertising. The applicant shall make copies of the application available to the public at least 5 days before the Hearing. The number of copies shall be determined by the Budget Committee.

The Budget Committee may hold additional Public Hearings on a given application as it sees fit.

#### 4. Conflict of Interest

Conflict of interest shall be handled as prescribed in Unity's Budget Committee Ordinance.

#### F. Development of Applications

Applicants are encouraged to develop applications in consultation with the Town. Members of the Board of Selectmen, Budget Committee, and Planning Board may be involved in these preliminary discussions, even when they will be involved in a subsequent review of the application.

#### G. Content of Applications

A TIF application shall:

- a) provide enough detail so that it is clear exactly what is proposed, who will benefit, and by how much;
- b) include a detailed description of any public improvements to be financed using captured funds, and of how those funds will be spent;
- c) compare the impact of the proposed activities on school assessments, county taxes, and any state or federal revenue sharing that is based on tax valuation, both with and without a TIF;
- d) make a clear case of how the provisions of Section J of this Policy will be met (if any company will receive direct benefits);
- e) describe the impact (if any) of the proposed activities on other Unity businesses;
- f) comply with any additional content requirements of state law;
- g) provide any additional information the Budget Committee deems necessary to review and evaluate the application.

#### H. Further Submittal Requirements

Copies of the complete application shall be either mailed or hand-delivered to each member of the Board of Selectmen, the Budget Committee, and the Planning Board no less than 30 days prior to the Town Meeting at which the applicant proposes the application be considered.

Submittal 30 days prior to Town Meeting only guarantees that the application will be considered at that meeting if the Budget Committee finds that the application complies with this Policy without modification. If the application requires modification, it may not be possible to have it considered at the intended Town Meeting. For this reason, applicants are urged to submit applications earlier than the 30 day deadline.

#### I. Limits and Uses of "Captured Value"

1. The applicant may propose that any amount up to 100% of the additional tax value

generated by the proposed activities be sheltered from Unity's tax valuation for any period up to 20 years.

2. In each application, no more than 50% of the financial benefit associated with this "captured value" may go directly to companies. The remainder will go to the community, for use in various public improvements or programs, as allowed under State law.

#### J. Company Benefits

1. Companies are only eligible to receive direct benefits if their proposed activities are considered "compatible and desirable," as defined by the following standards:
  - a) activities shall be deemed to have a net positive impact on Unity's business community after considering all factors, including affects on established businesses;
  - b) activities shall be consistent with any "Comprehensive Plan," "Community Vision," and other relevant policy adopted by the Town;
  - c) activities shall be located so as to minimize traffic impacts and in a way that does not contribute to commercial sprawl;
  - d) non-agricultural activities shall not result in a net loss of "productive farmland" (as defined in Unity's Land Use Ordinance);
  - e) all activities involving structures clearly visible from a public road shall be compatible with small-town character, in both style and setting;
  - f) all new jobs generated by the activities shall be advertised and promoted within Unity.
2. In no instance may the direct benefit provided to a company be so high that--when combined with other government benefits for which it is eligible--the company is eligible to be refunded more than 100% of it tax burden in any given year.

#### K. Community Benefits

1. Funds may be used for any of the public improvements or programs allowed under state law. This may include public roads, sidewalks, utilities, parks, buildings, job-training, and loan pools.
2. The specific use of funds shall be detailed in the TIF application. This use may not change without the approval of Unity voters at Town Meeting.
3. Such funds may come under the control of either the Town or a non-profit organization that the Town so authorizes through approval of the TIF application.
4. The Budget Committee shall consider public infrastructure improvements that are designed primarily to support applicant companies as "company benefits" rather than "community benefits."