

Frequently Asked Questions on Route One Referendum Question One

On Tuesday, June 11, 2013, Falmouth voters will decide whether or not to approve Question One, a proposal to fund major infrastructure improvements along Route 1.

This proposal concludes 10 years of study and is designed to:

- encourage economic development along the Route 1 business district,
- make traveling safer for all forms of transportation, and
- create a more dynamic place to shop, live, and be entertained.

Below are answers to some of the more common questions that have been asked of Town Councilors, Town staff, and engineering and traffic specialists during meetings with residents and business owners that were part of the planning process.

What improvements are proposed for Route 1?

The proposed improvements include underground utility lines, landscaped medians, sidewalks, street lights, trees, and storm water retrofits along Route 1 between Bucknam Road and Route 88. They are timed to begin in 2014 in conjunction with a state-financed repaving of Route 1.

Why did the Council recommend putting utility lines underground?

In meetings with business owners and residents during the past year, the vast majority have said it would be shortsighted for the Town to dig up the street and make major functional and aesthetic improvements without also moving utility lines underground. The request from businesses to have their property taxes be used to bury the utility lines dates back to 2000.

How will these improvements be paid for?

If approved, the improvements will be paid for through the Route One South Tax Increment Financing District (TIF). This TIF was created in 2000 and each year Route One property owners in the business district contribute a portion of their property taxes to the TIF to be used specifically for improvements in the Route One South business district.

The total cost of the infrastructure improvements will be \$11.7M. Since 2000, \$2.3M has accrued in the TIF account. The balance of the project cost, \$9.4M, will be funded by a general obligation bond with repayment funded through the TIF. No property taxes outside the TIF are expected to be used for these improvements.

What is a Tax Increment Financing (TIF) District?

A TIF District acts as a tax shelter to encourage development. The TIF reduces the taxable value of the properties in the district when calculating the formula that determines how much money the Town receives from the State for schools, general revenue sharing for municipal services, and the amount of taxes the Town pays to Cumberland County.

How likely is it that the TIF will not cover the cost of the improvements?

The strength of the TIF is based on the valuation of the land and buildings in the TIF district. Since 2000, the valuation of the Route One South TIF District has increased from \$27M to \$88M. The Town Treasurer has concluded that, based upon current and projected cash flow in the TIF, there will be sufficient funds to cover borrowing costs through 2030, when the TIF expires.

Because the Town will be issuing a general obligation bond, the Town will ultimately be responsible for repayment. The property taxes paid by property owners in the TIF District, however, have been calculated to be more than adequate to meet the obligation.

Can TIF funds be used for something else or to reduce the overall property tax rate?

No. TIF revenues cannot be used to support education, community services such as a community center or library, or general services such as public safety. TIF revenues are only allowed to be used for specific purposes authorized by the State law.

Would Falmouth save money if the TIF were dismantled and the funds were used to pay for general expenses?

No. If the TIF District were dismantled and all property taxes in the district went into the Town's general fund, the Town actually would lose \$2 of every \$3 collected in the TIF fund. This translates into a loss in actual revenue by approximately \$12.5 million over the lifetime of the Route One South TIF District (through 2030).

Have residents and the business community had an opportunity to review this proposal?

The Town has held small meetings at the library, individual meetings with interested parties and three public forums at Town Hall. The proposal is on the town's website and on Cable Television Channel 2. Town staff and Councilors met with property and business owners, residents, members of Town citizen committees and Town departments, including Public Safety.

The community was notified about the meetings in brochures sent to business and property owners, ads in the newspaper, emails and notices on the town website. The community input resulted in several changes from the original plan, including the decision to bury utility lines and reduce the width and the number of medians.

Why are medians being recommended?

Constructive feedback resulted in a refined design for the median islands that reduces the number of them and their overall size. The medians are intended to make it safer for vehicles to turn left and for pedestrians to cross Route 1. Some of the medians will be flush with the pavement and a few raised medians will be used as pedestrian refuges for designated crosswalks. Landscaping may include low-maintenance ornamental grasses. The median design also ensures that emergency vehicles can proceed through traffic and town plows can remove snow.

If the referendum is approved, the design of the medians will continue to be refined with input from businesses along Route One.

How much money is going to be needed to maintain the proposed improvements?

About \$17,500 will be needed per year for mowing, snow removal, landscaping and general upkeep.

Route 1 Improvements Would Complement Proposed Zoning Changes

The proposed improvements to the Route 1 public right of way will be complemented by zoning changes within the business district. The new zoning, recently approved by the Town Council, will allow increased density and mixed use, add a residential component, and allow for flexibility for property owners to upgrade and invest in their property.

Additional development will broaden the tax base and create more activity and consumer options.