

REDEVELOPMENT IN BIDDEFORD

Tax break needed to finish North Dam Mill project

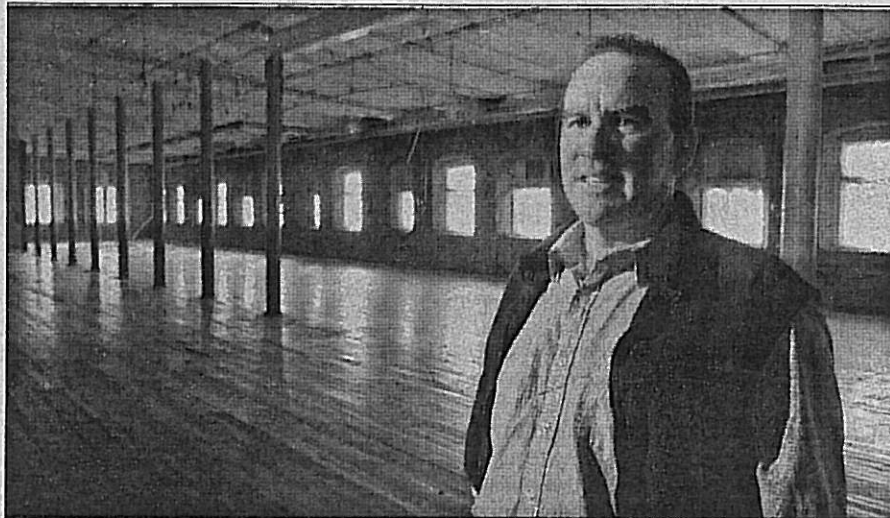
Doug Sanford hopes to use the city's new incentive to put housing in the old blanket factory.

By **SETH HARKNESS**
Staff Writer

BIDDEFORD — The first developer to begin converting old textile factories into residential and commercial space in Biddeford will appear before the City Council tonight to seek tax incentives to help finance his project.

With the recent creation of a new tax district in the downtown mill district, the city now can allow developers to invest in their buildings without increased property taxes for a fixed period of time.

Developer Doug Sanford, whose plans call for building close to 70 residential units in a former electric blanket factory known as the North Dam Mill, is the first to try to use the new tool. He is asking the city to



Doug Sanford has developed commercial and retail space at the old North Dam Mill in Biddeford. He will ask the City Council for a tax break to complete the renewal project — about 70 residential units.

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refund \$2.1 million in property taxes over 10 years.

The council opened the door to the request two weeks ago when councilors unanimously voted to expand a tax-increment financing district, or TIF, into the 32-acre mill area at the city's center. A TIF agreement

allows a municipality to use a certain portion of tax revenue for specific public projects or to provide a property owner with a tax break if it can be justified. In coming months, several other developers are likely to seek similar deals with the city.

Biddeford's new incentive also

will allow the city to direct \$12 million in tax revenue over the next 20 years from a retail center on the city's outskirts toward construction of public amenities such as a parking garage and walking paths in the downtown

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mill district.

Biddeford Economic Development Director Bob Dodge said the move was meant to put public support behind a redevelopment effort taking place amid the vast collection of old textile mills at the city's center. Successful mill redevelopment efforts in other former textile cities, such as Lowell, Mass., and Manchester, N.H., have always been a cooperative effort between public and private interests, Dodge said.

"If we do nothing, the economics of mill revitalization are very fragile," Dodge said.

Sanford said the deal he seeks with the city is crucial to carrying out the residential portion of his project.

"If I don't get a TIF, the num-

bers don't work," he said.

A Portland developer who holds an option to buy another Biddeford mill said he expects to approach the city about entering into a TIF agreement later this summer. Sam Spencer and partner Robert Monks are considering a large residential project in the River Dam mill.

Spencer said other crucial steps toward this goal were the city's support for a mill district master plan this year and the recent passage of a statewide initiative to fund redevelopment of historic buildings. A third step is an ongoing effort to have the mills along the Saco River named a federally designated historic district, which would allow developers to qualify for federal tax credits.

The council's decision allowing developers to request tax incentives in the mill district was an expansion of an existing

TIF at the large retail complex on Route 111 west of the Maine Turnpike. The agreement allows the city to use \$700,000 per year in property taxes from Biddeford Crossing for improvements in the mill district.

Dodge said the mill buildings are greatly underused. With 1.65 million square feet of space within the dozen or so mill buildings, the downtown mill district is more than three times the size of the 520,000-square-foot retail center at Biddeford Crossing. Yet the mills are assessed at \$9 million, whereas Biddeford Crossing is assessed at \$40 million.

"Clearly, on a square-foot basis, the economic return to the city is a fraction of what it used to be ... and a fraction of what it potentially could be," Dodge said.

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