



GARDINER CITY COUNCIL AGENDA ITEM INFORMATION SHEET



Meeting Date		Department	
Agenda Item			
Est. Cost			

Background Information

Requested Action	
City Manager and/or Finance Review	
Council Vote/ Action Taken	
Departmental Follow-Up	

<i>City Clerk Use Only</i>	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____

Name of Applicant: P&M Realty, LLC

Date: 2/18/25

Name of Business: PEP Classic Cars

Description of Business: (to include job creation projections, economic impacts benefiting the City, Etc)

P&M Realty, LLC is a Real Estate Holding Company for Everett J. Prescott, Inc. (EJP). Recently, P&M Realty's lessee PEP Classic Car Company constructed a 52,229 sq ft Industrial Building located at 24 Griffin Street. On what was previously vacant land within the same parcel, adjacent to two smaller industrial structures, the property now consists of three structures, with the subject property built out specifically to retain the location and employees of PEP Classic Car Company.

From basic fabrication to complete frame off restorations, PEP Classic Car Company offers a full suite of services for the antique automobile industry. In addition, PEP Classic Car Company is home to a one-of-a-kind, 200+ piece automobile collection. This collection has/had historically been partially housed in leased property located at 1 Commonwealth Ave Gardiner Maine.

After multiple years of architectural and geographical due diligence, it was decided that a new facility was required. It was also decided by EJP/PEP Classic Cars, that although alternative sites offered various advantages, ~~constructing~~ this new facility the City of Gardiner TIF district was most advantageous. This would allow PEP Classic Cars to retain their employee base and keep infrastructure development for EJP focused within the City of Gardiner.

In addition to continued development of a 70-year-old business in Gardiner, the construction of the subject building impacts the economic development of the City of Gardiner in multiple avenues. The immediate impact is the opening of 20,000+ sq ft of additional lease space in the subject TIF zone for further development and increase in employment opportunities. In conjunction with the approval of the subject CEA, the signal to the development community, is that Gardiner is eager for future development and has available space.

Another additional benefit to the City is the increase in tax revenue. The city assessor states that \$84K in new tax dollars will arise from the building. Net of the \$300K CEA Reimbursement for the proposed 10 years, the total value added and sheltered for the 30-year term of the district is \$2.2M (See attached)

*The approval of the CEA allows for the P&M Realty/PEP Classic Cars to not seek a Non-Profit Status, which would potentially result in a \$0 tax increase to the City. This is also beneficial to the City of Gardiner in the fact that this increase in tax value is sheltered from State Subsidy Calculations. \$3M is **not** included in funding calculations thus resulting in more subsidy for schools than if it were in a non TIF zone.*

Location of site (Tax Map/Lot): Tax Map 028 / Lot 064 (24 Griffin St)

Estimated project investment: \$8,000,000

Duration and terms of TIF Credit Enhancement Agreement Requested (Please consider that the assessment increment may not be equal to the project investment):

10 years – \$30,000.00 annual flat reimbursement (No Increase)

In all instances, applicants for CEA must demonstrate that the City of Gardiner's participation is economically necessary, and that participation is needed to undertake the project. Please respond with justification for all that apply. You may provide additional sheets as needed.

1. 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 Gardiner; or a lack of sufficient private or other public funding sources to meet the full capital investment needs to undertake a project.

RESPONSE:

The CEA will offset the economic advantages of having made the legal entity a non-profit. With the project increasing net new tax dollars by \$84K – over the 30-year life of the TIF District, the total value added is over \$2.2M. This amount could possibly be \$0; if filed as a Non-Profit, thus the granting of the CEA makes keeping the entity a corporation advantageous vs costs and approvals required for the 501c3 filing.

2. In order to enter into an agreement, the City must find that the developer is financially capable to undertake the project and operate throughout the life of the agreement. Provide justification showing financial ability and history of business success or a suitable business plan showing financial projections and balance sheet.

RESPONSE:

P&M Realty, LLC is owned by Everett J. Prescott, Inc. and PEP Classic Car Company is owned and operated by Peter Prescott. Peter Prescott is the Chairman of the Board for Everett J. Prescott, Inc. – more commonly known as EJP. Alongside his wife Sandra (newly built Boys and Girls Clubs of Kennebec Valley - Sandra Prescott Club House) and his son Steven Prescott, President and CEO of EJP; the Prescott's have an unparalleled 70-year history of developing all aspects of the Gardiner Community. This project would continue in the long line of historically successful projects, spearheaded under the more than capable Prescott family.

3. Are you currently, and will the project be in compliance with all statutory and regulatory guidelines of the City of Gardiner and the State of Maine? If no, please explain.

RESPONSE:

The project is currently and will continue to be in compliance with all State and City regulatory requirements.

4. Although an applicant need not meet each of the following criteria, the following will be used to determine the level of participation by the City of Gardiner. Please provide justification for amount and duration of requested CEA. The criteria are:

- The project assists an established business in the City of Gardiner, thus retaining existing employment opportunities
- The project creates long-term, permanent and quality employment opportunities
- The project contributes to the revitalization of the Downtown Shopping District or other areas in need of redevelopment
- The project supports or will support community projects, provides job training, provides student internships, supports local contractors and suppliers

RESPONSE:

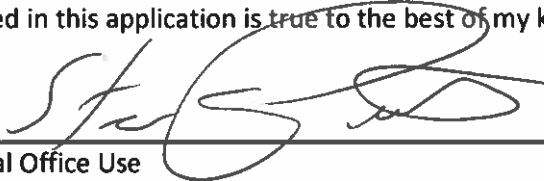
With the aid of the CEA, the construction of the Property in Gardiner maintains the current employment opportunities that would otherwise be relocated. In addition, the project freed up 20,000+ sq ft of commercial space in this same TIF district opening an opportunity for additional commercial entities to locate to the designated TIF zone expanding employment opportunities.

Although no other CEA's have been approved in this zone, Gardiner's other historical CEA's did not tie benefits to specific commercial operations or traffic counts, thus this approval would signal to the development community that Gardiner remains open for business and willing to work with each of them as it has within it's other zones (i.e. Business Park)

The CEA is an investment in the Gardiner Community, the future development of Gardiner's Business Districts and the history of Gardiner itself.

I have read this entire application and accept the terms outlined herein. I certify that all information contained in this application is true to the best of my knowledge.

Signed



Date

2/18/25

Internal Office Use

Location is in which existing TIF district: Libby Hill Business Park Downtown District

Fee paid?:

(OAV):

Terms: Fixed \$30,000 for 10 years

CEA Analysis PEP Classics Map 028 Lot 064

YR	Tax Year	Current Value (Existing + New Development)*	Captured Increased Assessment Value (TIF)	Tax Rate*	Taxes Subject to CEA	CEA Reimbursement %	CEA Reimbursement \$	Taxes to TIF Development Fund	Total Property Tax	
1	2024	\$ 2,697,700.00	\$ 2,693,600.00	0.0256	\$ 68,956.16		\$ 30,000.00	\$ 38,956.16	\$ 69,061.12	80% complete April 2024
2	2025	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
3	2026	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
4	2027	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
5	2028	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
6	2029	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
7	2030	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
8	2031	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
9	2032	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
10	2033	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
11	2034	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
12	2035	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
13	2036	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
14	2037	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
15	2038	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
16	2039	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
17	2040	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
18	2041	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
19	2042	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
20	2043	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
21	2044	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
22	2045	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
23	2046	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
24	2047	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
25	2048	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
26	2049	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
27	2050	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
28	2051	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
29	2052	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
30	2053	\$ 3,302,200.00	\$ 3,298,100.00	0.0256	\$ 84,431.36		\$ 30,000.00	\$ 54,431.36	\$ 84,536.32	*estimated
								\$ 2,217,465.60	\$ 2,520,614.40	

* Valuation and tax rate estimates are hypothetical only, for the purposes of this analysis. Actual valuations and rates will be established at the time of construction and will be subject to change annually based on budgetary and real estate market conditions.