

Town of Hollis, Maine

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POLAND SPRING WATER  
MUNICIPAL DEVELOPMENT  
TAX INCREMENT FINANCING  
DISTRICT

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*Presented to:*  
Town of Hollis



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# **I. Introduction**

Poland Spring Water Company (Poland Spring or the Company), a respected member of the Maine business community, is a division of Great Spring Waters of America, Inc., a subsidiary of Perrier Group of America. The Company proposes to construct a 500,000 square foot facility in the Town of Hollis for a bottled water manufacturing operation that includes: water processing, bottle blow-molding, bottling, warehousing, and office space.

The Poland Spring project will create a modern facility to accommodate the increasing consumer demand for bottled water. The creation of jobs and near doubling of the municipal tax base will provide benefits to the local economy that exceed the limited demand for municipal services.

The Company bottles the Poland Spring brand, which was reported by IRI (Information Resources Inc.) as having attained 25% of the market share in New England and New York. The Poland Spring brand enjoys 85% brand recognition in these same markets. This 500,000 square foot facility to be located on a portion of a 1,200 acre parcel in the Town of Hollis will allow Poland Spring to maintain its leadership position in the growing bottled water industry. The demand for bottled water is growing nearly 10% annually, compared with fruit beverages with 2.5% annual growth, and soft drinks with 3.3% annual growth.

To create a successful project, Poland Spring seeks a partnership with the Town of Hollis through the creation of a tax increment financing (TIF) district encompassing the Company's proposed development on a portion of the 1,200 acre site (See map, Exhibit B-2). Projected TIF revenues from the District will fund facility construction, processing equipment and infrastructure improvements. The infrastructure improvements made outside of the District will support both this project and future development in the Town.

The Town of Hollis can create the proposed TIF District, authorize a Credit Enhancement Agreement, and accomplish the following goals:

- create public infrastructure essential to this and future development projects;
- maintain the existing tax revenues generated by the property;
- reduce and stabilize the Town's tax rate while increasing revenue for the Town;
- create long-term, stable employment opportunities for area residents; and
- promote diversification of the municipal tax base.

In addition, by creating a TIF District the Town of Hollis can "shelter" the increased valuation. This will prevent the project from adversely affecting the Town's distribution of General Purpose Aid to Education and Municipal Revenue Sharing, and its county tax assessments. Currently, Maine communities have created over 100 active TIF Districts as tools for improving their local economies.



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## **II. Development Program Narrative**

### **A. The Project**

Poland Spring plans to construct a 500,000 square foot water bottling facility within the Town of Hollis.

The proposed bottling facility is projected to include a building of approximately 500,000 square feet to house water processing, bottle blow-molding, bottling, warehousing, and office space. A separate structure will be constructed to house a fire pumping station and a utility water treatment facility. Poland Spring will also construct other ancillary improvements, such as driveways, parking lots and other vehicular maneuvering areas to support the project.

When the project is completed, Poland Spring expects that 150 new, well-paying jobs will be created. An additional 100 jobs are expected to be created over time. Job opportunities will be created in production, warehouse operations, transportation and other areas.

### **B. Strategic Growth and Development**

The Poland Spring proposal to develop a 500,000 square foot water processing and bottling facility will broaden the Town's tax base, create minimal demand for additional Town services, and provide a significant number of high quality jobs for area residents.

The project and associated infrastructure improvements advance the State of Maine's goals to provide new employment opportunities, broaden the tax base, and improve the state and local economy.

In addition, while TIF revenues from this project will assist in moving the development of this facility forward, they will also create a means for the Town to improve its infrastructure. Adoption of the development program for the TIF will enable the Town to undertake improvements to existing infrastructure and to invest in the continued economic health of the community.

The development of the Poland Spring project will:

- create quality long and short term jobs for area residents,
- strengthen and diversify the tax base of the community,
- increase property tax revenues,
- have minimal demand for local services,
- shelter the Town from a reduction in State Aid to Education and Revenue Sharing and from an increase in County taxes,
- create increased capacity for controlled future development,

- create infrastructure improvements within the Town, and
- require no municipal bonding; it will not create a potential unfunded liability for Hollis.

Not only does the project offer an opportunity to bring infrastructure improvements to the area; the facility and related infrastructure improvements will fit well with the rural character of the area.

The Poland Spring site consists of about 1200 acres. The proposed TIF District includes approximately 250 acres of the 1,200 acre site. Much of the site is currently cultivated (potatoes), although wooded areas exist. Consistent with Poland Spring's objectives for aquifer protection, certain "open" areas of the site are proposed for reforestation under the applicant's long-term land management program. An existing fish hatchery on the site is proposed to continue in operation.

This project is more than just a development proposal. The Poland Spring Municipal Development and Tax Increment Financing District will serve the interests of both the Town and the Company by expanding the economic base of the Town of Hollis and by facilitating the long-term stability and growth of Poland Spring. It offers the Town an opportunity to grow a diversified economy, create jobs and develop infrastructure that supports the growth and diversification of the local economy. At the same time, the project allows the Company to construct a Maine-based manufacturing facility to meet the increasing national demand for bottled water. By producing a product that is sold to markets outside of the State of Maine, this project brings new wealth into the State, improving both the state and the local economy.

## **C. The Development District**

Poland Spring proposes creating an economic partnership between the Town of Hollis and the Company for the development of this project through the adoption of a TIF District (the "District"). The proposed District will encompass an approximately 250 acre portion of the 1,200 acre site on Killick Pond Road (See map, Exhibit B-2) identified for this project.

Tax increment financing is a proven method of strengthening ties between a business, the community, and the broader regional economic base. A strong partnership with the Town of Hollis and the adoption of a TIF District is essential to the feasibility of this project. TIF revenues to offset the costs of essential building construction, equipment acquisition, and improvements to infrastructure are a critical component in assuring that this development can occur at this location.

By investing a portion of the new revenues generated by the investment in the District, the Town of Hollis will be a partner in a project that is expected to add approximately 150 new jobs in the Town and promote the growth of a respected Maine manufacturing business.

The TIF District will apply only to the increased value being generated within the District and will not affect the current tax base. In addition, by adopting a Credit Enhancement Agreement, the Town of Hollis creates a TIF District that will:

- 1) contribute to the success of the project by offsetting the project's high construction and start-up costs,
- 2) create a Town Improvement Fund for Hollis, lessening the burden on the General Fund, and,
- 3) create no local debt in support of this project.

Further, the Town of Hollis will be able to shelter a portion of the new value of the property from affecting its overall state valuation, thereby minimizing potential decreases in school funding and state revenue sharing, and potential increases in county tax assessments.

## **D. The Development Program**

The Town of Hollis' adoption of a development program creates a single municipal TIF District in order to capture improvements made within the District and permit tax increment financing for the Poland Spring project. The TIF District will apply only to the increase in assessed value created by this project. It will not affect the current tax base within the 250acre District.

Under this development program, the Town will annually capture and retain within the District a portion (see Exhibit A) of the new tax revenues generated by the increase in assessed value within the District over the original assessed value as certified in the Assessor's Certificate (Appendix B). Poland Spring will enter into a Credit Enhancement Agreement with the Town of Hollis that will allocate a portion of these TIF revenues to the Company to defray a portion of the cost of the project.

TIF revenues allocated to the Company will be used to offset the costs of financing, building construction, site improvements and the purchase and installation of equipment within the District.

Additional infrastructure improvements, to be made outside of the District, are fully described in Part II E of this TIF proposal, "Description of Town Improvements to the Public Infrastructure".

The amount of the new incremental tax revenues to be applied to offset the Company's costs will decrease incrementally over the twenty-five year term of the TIF. The remaining portion annually will be retained by the Town to make the Town Improvements described in Part II E below.

The allocation of funds is described fully in the Financial Plan (Section IV).

This development program is based upon a design created by the Maine Legislature. It enables local governments to establish development districts to encourage

commercial and industrial development. The use of Tax Increment Financing has several distinct advantages:

- no impact on the existing tax base; only an increased taxable value over the base line original value will be included in the District;
- no debt for the Town of Hollis; the Town does not make any direct expenditure and does not incur any bond indebtedness;
- benefits to Poland Spring are based completely on the Company's investment and the related increase in assessed value in the TIF District; and
- revenues generated from the District are used to improve public infrastructure in the Town, enhancing the potential for further development.

## **E. Town Improvements to the Public Infrastructure**

(See List, Exhibit C)

The Town of Hollis will be undertaking a number of projects outside of the TIF District to support the economic growth created directly or indirectly from the Poland Spring development. These projects will be funded with the Town's portion of TIF revenues generated from the development District.

Potential projects fall within the following broad categories:

### **1. Public Safety Personnel and Equipment**

The Town of Hollis currently relies on police protection provided through the York County Sheriff's Department. The 24-hour operation of the Poland Spring facility and an increase in traffic create the need for exclusive police coverage for the Town of Hollis. This coverage can be accomplished through a contract with the Sheriff's Department or with the State Police.

Until now, fire protection was needed only for residential structures. The addition of larger commercial buildings means that the fire fighting apparatus must be upgraded to ensure optimum public safety. This program institutes a scheduled fire fighting equipment replacement program.

A separate study has indicated that if traffic on Route 202 increased, or if the size of the fire-fighting fleet increased, the fire station located on Route 202 would need to be relocated. Both of these conditions will occur as a result of the planned development. A new fire station is planned to remedy the problem of vehicles entering the intersection/roadway from the current station on Route 202 and to address the need for housing the new, larger equipment the Town will purchase to service larger commercial structures.

Currently, the Town of Buxton provides rescue services to Hollis. Poland Spring has asked that the Town provide a 15-minute response time for rescue services. Creation of a municipal rescue department through the purchase of equipment and the addition of personnel will better serve the commercial community and prepare Hollis for the increase in commuter and heavy vehicular traffic.

## **2. Road Construction, Maintenance and Related Facilities**

The presence of commercial vehicles and the increase in traffic generated by the Poland Spring facility and related development will require traffic studies throughout Hollis. These studies will help identify the impact on roads and intersections directly and indirectly servicing the Poland Spring project. Increased commercial and commuter traffic will create the need, over the twenty-five years of the TIF, for road improvements such as intersection upgrades, road widening, installation of turning lanes and pedestrian and bicycle pathways on major and minor roadways.

A purchase and replacement program will give the Town of Hollis its own highway unit for plowing, sanding and road repair. This fully equipped unit will provide for the road maintenance necessitated by increases in truck and commuter traffic in and through Hollis as a result of this and future commercial development.

Poland Spring has asked the Town to refrain from using salt along Killick Pond Road. The use of sand requires the construction of a highway vehicle garage to prevent the sand from freezing in trucks that are pre-loaded for quick response to this area. To prevent the freezing of materials loaded in trucks ready to respond with sand only, these trucks must be filled and stored under cover. A new highway building will be constructed to house this sand-only program.

## **3. Economic Development Plan and TIF District Administration**

As a result of this development, the Town of Hollis will experience additional commercial development. A portion of the TIF revenues has been identified to secure professional services in the preparation of an economic development plan for the Town. The development of this plan would include a study of the feasibility and possible location of a Town owned business park.

Funds have been identified to implement the recommendations of the economic development plan. Funds are included in this item for the purchase of land within a proposed commercial district should that be a recommendation of the study. This Town-controlled business park would be developed with businesses that are compatible with the community, existing development, and environmental conditions. Such a development will help Hollis improve its tax base, provide jobs and allow the Town to influence how, when and where growth occurs. Infrastructure improvements will also need to be made to prepare this business park for development.

Water and sewer lines will, at some point during the TIF term, need to be extended from a neighboring town to service both the Poland Spring facility and other commercial and residential areas within the Town. The estimated expenditure amount allows for either the purchase or the creation of capacity and the engineering and installation of water and sewer lines.

Revenues are identified to provide staff assistance to the Town to promote and encourage economic development, and oversee all new development. Funds are also identified to fund Town expenses relative to administration of the TIF District.



## **F. Operational Components**

### **1. Public Facilities**

Access to the site will be by means of the existing right-of-way on Killick Pond Road. In order to accommodate the vehicular traffic associated with the development, the portion of Killick Pond Road between the facility site and the Plains Road will be upgraded.

### **2. Uses of Private Property**

The identified site consists of about 250 acres, to the south of Killick Pond. Much of the site is currently agricultural (potatoes), although there are wooded areas within the site. Because the available land is greater than what is needed for the proposed development, much of the site is intended to remain in an undeveloped state. This is consistent with Poland Spring's objectives for aquifer protection. Certain "open" areas of the site are proposed for reforestation under the applicant's long-term land management program. An existing fish hatchery on the site is proposed to continue in operation.

The proposed bottling facility will include a building of approximately 500,000 square feet to house product water processing, bottle blow molding, bottling, warehousing, and office space. A separate structure will be constructed to house a fire pumping station and a utility water treatment facility.

Poland Spring will also construct other ancillary improvements, such as driveways, parking lots and vehicular maneuvering areas to support the project. The site map (Exhibit B-2) details the Tax Increment Financing District in relation to the entire parcel to be used by the Company.

### **3. Regulations and Facilities to Improve Transportation**

The infrastructure improvements made as part of the Company's project are being made in accordance with Maine Department of Transportation standards for truck traffic. Improvements are intended to accommodate all necessary vehicular traffic related to the project and provide capacity for development and growth in the future.

### **4. Environmental Controls**

The improvements made under the proposed Development Program will meet or will exceed all federal and state environmental regulations; and will comply with all applicable land use requirements of the Town of Hollis.

## **5. Plan of Operation**

The Poland Spring project within the District will at all times be owned or leased and operated by the Company, its successors or assigns who will be responsible for payment of all maintenance expenses, insurance and taxes on said improvements.

The Town Improvements and improvements to Killick Pond Road will be owned and maintained by the Town of Hollis.

During the life of the Poland Spring Municipal Development and Tax Increment Financing District, the Town of Hollis' Board of Selectmen, or the Board's designee, will be responsible for all administrative matters concerning the implementation and administration of the District. The Company will be solely responsible for completion and operation of the Project.

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### III. Physical Description

1. Total acreage of the municipality: 21,755
2. Total acreage proposed for tax increment financing district: 250
3. Percent of line 2 of line 1 (line 2 divided by line 1; line 3 cannot exceed 2%): 1.15%
4. Total acreage of all Existing and Proposed TIF Districts in the Municipality: 250
5. Percent line 4 of line 1 (cannot exceed 5%): 1.15 %
6. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
  - a. Blighted acres N/A. Line 6a divided by line 2 = \_\_\_\_\_
  - b. Acreage in need of rehabilitation, redevelopment or conservation  
N/A Line 6b divided by line 2 = \_\_\_\_\_
  - c. Acreage suitable for commercial siting = 250  
Line 6c divided by line 2 = 100%
7. Enclosed municipal maps:
  - a. Area map showing site location of TIF District in relation to geographic location of municipality (Exhibit B-1).
  - b. Site map showing existing tax map locations and TIF District (Exhibit B-2).

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### IV. Financial Plan

#### A. Costs and Sources of Revenue

The Tax Increment Financing District will encompass approximately 250 acres of taxable real and personal property with a current base value of \$120,000. Development of the Poland Spring facility is projected to add an annual average of \$97,633,050 of new tax base to the Town over the next twenty years. Building facility construction is expected to be completed by the end of the year 2001.

The Development Program provides for a portion of the new tax revenues generated by the increase in assessed value of the District (from the project as well as all other investment made by the Company in the District) to be captured and designated as TIF revenues. The Town and the Company will use these TIF revenues to cover development costs and related Town expenditures. Under the tax increment financing district Credit Enhancement Agreement, an average of 68% of the captured TIF revenues



will be paid to the Company to offset the Company's costs of building construction, site improvements, and purchase and installation of equipment within the District. The 32% (average) balance of the captured TIF revenues will be deposited into the Development Program Fund for Town improvements made outside of the District. The remaining portion of the incremental tax revenues generated by the increase in assessed value of the Company's project not deposited into the Development Program fund, will be deposited into the Town's general fund.

**Table 1**  
**Projected Poland Spring Facility Development Costs**

Activity	Municipal TIF Proceeds	Poland Spring Private Sources	Total
1. Land Acquisition		\$3,082,000	\$3,082,000
2. Building Acquisition			
3. Relocation of Persons/Business	\$500,000		\$500,000
4. Clearance and Demolition	\$100,000		\$100,000
5. Street / Site Improvements	\$2,000,000		\$2,000,000
6. Water / Sewer Improvements			
7. Building Construction	\$5,000,000	\$22,017,000	\$27,017,000
8. Parking Facilities	\$1,000,000		\$1,000,000
9. Capital Equipment	\$6,600,000	\$172,400,000	\$179,000,000
10. Professional Fees			
11. Administrative Costs	\$100,000		\$100,000
12. Discretionary Payments			
13. Other Costs			
<b>TOTAL</b>	<b>\$15,300,000</b>	<b>197,499,000</b>	<b>\$212,799,000</b>

The attached Exhibit A details the projections based on the anticipated development program, including the projected tax shift. This exhibit has been developed using conservative assumptions. Exhibit A is a projection included for demonstration purposes only. No assurances are provided as to the results reflected therein.

## **B. Development Program Fund**

This Development Program requires establishment of a Development Program Fund pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. §5254 (3)(A)(2).

As stated above, a portion of the incremental tax revenues resulting from the increase in the District's assessed value will be captured by the Town under this Development Program to the extent that the then current assessed value exceeds the Original Assessed Value.

The Poland Spring TIF District Development Fund is established consisting of (1) a project cost account ("Project Cost Account") pledged to and charged with payment of project costs and (2) a sinking fund account (the "Sinking Fund Account") pledged to and charged with the payment of debt service on any municipal debt issued to finance the Town improvements. The Project Cost Account shall consist of a Company cost subaccount (the "Company Cost Subaccount") pledged to and charged with the payment to the Company under the Credit Enhancement Agreement for reimbursement of costs of the Company's Project and a Town cost subaccount (the "Town Cost Subaccount") pledged to and charged with payment of the costs of the Town Improvements.

All TIF revenues allocated to the Company shall be deposited into the Company Cost Subaccount, which will fund the payments required under the Credit Enhancement Agreement between the Town and the Company. TIF revenues allocated to the Town will be deposited into the Sinking Fund Account to finance the costs for the infrastructure improvements undertaken by the Town, in the event the Town issues any municipal debt, and otherwise to the Town Cost Subaccount to finance such costs directly. The Town does not currently anticipate issuing any debt under the Development Program.

The Credit Enhancement Agreement established between the Town and the Company will provide for the payment to the Company from the Company Cost Subaccount. The proceeds of the Credit Enhancement Agreement will be utilized by the Company to defray a portion of the costs of the Company's project as described in the Development Program. The Town's obligation under the Credit Enhancement Agreement will commence and constitute an unconditional and irrevocable commitment to the Company. In each fiscal year, payments under the Credit Enhancement Agreement will be made periodically within thirty (30) days following payment of the associated property taxes on the Company's Project.

## **C. Financing Plan**

The TIF District will encompass approximately 250 acres of taxable real and personal property. The value of the real and personal property within the District is established at the base value equal to the original assessed value certified in the Assessor's Certificate (Appendix B).

The development of the Poland Spring project will add approximately \$209 million of new investment in the Town of Hollis, which will be financed by the Company. The Town of Hollis will not assume any financial liability within the development District. The estimated cost of this Development Program is approximately \$15.3 million to fund a portion of the Company's cost of the project; approximately \$7.2 million to fund the Town Improvements; and approximately \$8.5 million to be deposited into the Town's general fund. Approximately \$31 million in new taxes is anticipated over the life of the District.

A portion of the development costs of the project will be funded from TIF revenues paid to the Company under the Credit Enhancement Agreement. An estimate of annual TIF revenues paid to the Company under the Credit Enhancement Agreement is shown in Exhibit A. Actual payments made to the Company pursuant to the Credit

Enhancement Agreement will be adjusted based on the applicable annual percentage to be allocated to the Company and the actual annual assessment of the project. These payments are designed to assist the Company with development costs of the Project.

The balance of the retained tax increment revenues attributable to real estate and personal property taxes will be used by the Town to fund the costs of the Town Improvements (Exhibit C). The Town does not anticipate incurring any general or limited obligation debt (other than temporary borrowing in anticipation of the receipt of its portion of the tax increment where appropriate and needed) to fund the cost of the Town Improvements. Instead, the Town will establish the Town Project Cost Account, or a series of Town Project Cost Accounts, as one or more permanent municipal reserve funds created and administered pursuant to the provisions of Title 30-A, Section 5801 of the Maine Revised Statutes, as amended. As the deposit and investment of funds in the Town Project Cost Account increase to a level which permits the accomplishment of the eligible Town Improvements, the Town Improvement will be undertaken and funded from this reserve fund. Accordingly, all tax increment revenues deposited into the Town's Project Cost Account reserve fund shall be deemed to have been expended and used to satisfy the obligations of the Development Program Fund when deposited.

Pursuant to the provisions of 30-A M.R.S.A. §5254(1), the Town hereby adopts the following statement of the percentage of captured assessed value to be retained for purposes of funding the development fund:

The annual percentage of captured assessed value to be retained in the District and the annual percentage of TIF revenues to be allocated between the Town and the Company are detailed in Exhibit A. Exhibit A reflects the calculation of the captured assessed value, retained captured assessed value, tax increment revenues and retained tax increment revenues. Exhibit A also reflects the Tax Shift Projections based on the projected investment. The calculations presented are based on assumptions concerning the annual growth of the mil rate, local valuation, and the assessed value of the project.

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## V. Financial Data

1. Total 1999 value of equalized property in the municipality: \$ 137,050,000
2. Original assessed value of all properties in all existing and proposed tax increment financing districts:

Existing = \$ - 0 -  
Proposed District = \$ 120,000  
Total = \$ 120,000

2a. Line 2 divided by line 1 = .093%

3. Estimate of increased assessed value by year after implementation of the development program: See Exhibit A
4. Percentage of increased assessed value to be applied to the development program fund: See Exhibit A
5. Estimated annual tax increment

5a. The average annual tax increment retained in the District to be applied to finance a portion of the costs of the Company's project over the life of the District is projected to be: \$612,009 (See Exhibit A)

5b. The average annual tax increment to be applied to finance Town Improvements is expected to be: \$288,454 (See Exhibit A)

6. Total average annual value of development program fund: \$900,463

Estimated annual average payment of \$612,009 on Credit Enhancement Agreement with Poland Spring according to current projections. (See Exhibit A)

7. Annual principal and interest payment of bonded indebtedness: Not Anticipated.
8. Financial assumptions and safeguards:

Since the Town of Hollis will be issuing no bonds, but rather is providing an annual payment under a Credit Enhancement Agreement, it has exposure only insofar as new tax revenues are generated from new development within the district. The Town will pay an amount to Poland Spring only insofar as new tax revenues from the increase in valuation are generated within the District over the base valuation of the District.

9. Statement of impact of TIF on taxing jurisdictions within the county. See Exhibit A

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## **VI. Tax Shifts**

In accordance with the Maine statutes governing the establishment of Tax Increment Financing Districts, the following tax shifts which result from the establishment of the District have been identified, using a formula supplied by the Department of Economic and Community Development: See Exhibit A

### **Average Annual Amount**

General Purpose Aid to Education Tax Shift	\$512,423
Municipal Revenue Sharing Tax Shift	\$47,492
County Tax Shift	\$60,602
Total Annual Savings	<u>\$620,517</u>

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## **VII. Municipal Approvals**

### **A. Town Meeting Warrant**

Attached as Appendix C is a copy of the minutes of a meeting of the Board of Selectmen held (DATE) scheduling the special Town Meeting and a public hearing with respect to the TIF proposal and approving the Town Meeting Warrant. Attached as Appendix D is a copy of a Town Meeting Warrant and return of service, calling a special Town Meeting of the Town of Hollis on (DATE).

### **B. Public Hearing**

Attached as Appendix E is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. § 5253. The notice was published (DATE), 1999 in the \_\_\_\_\_, a newspaper of general circulation. Attached as Appendix F is a copy of the minutes of the public hearing held (DATE), 1999

### **C. Authorizing Votes**

Attached as Appendix G is a copy of the minutes of a special Town Meeting duly called on (DATE), preliminarily designating the District and adopting this Development Program.



# Poland Spring TIF and Tax Shift Projections

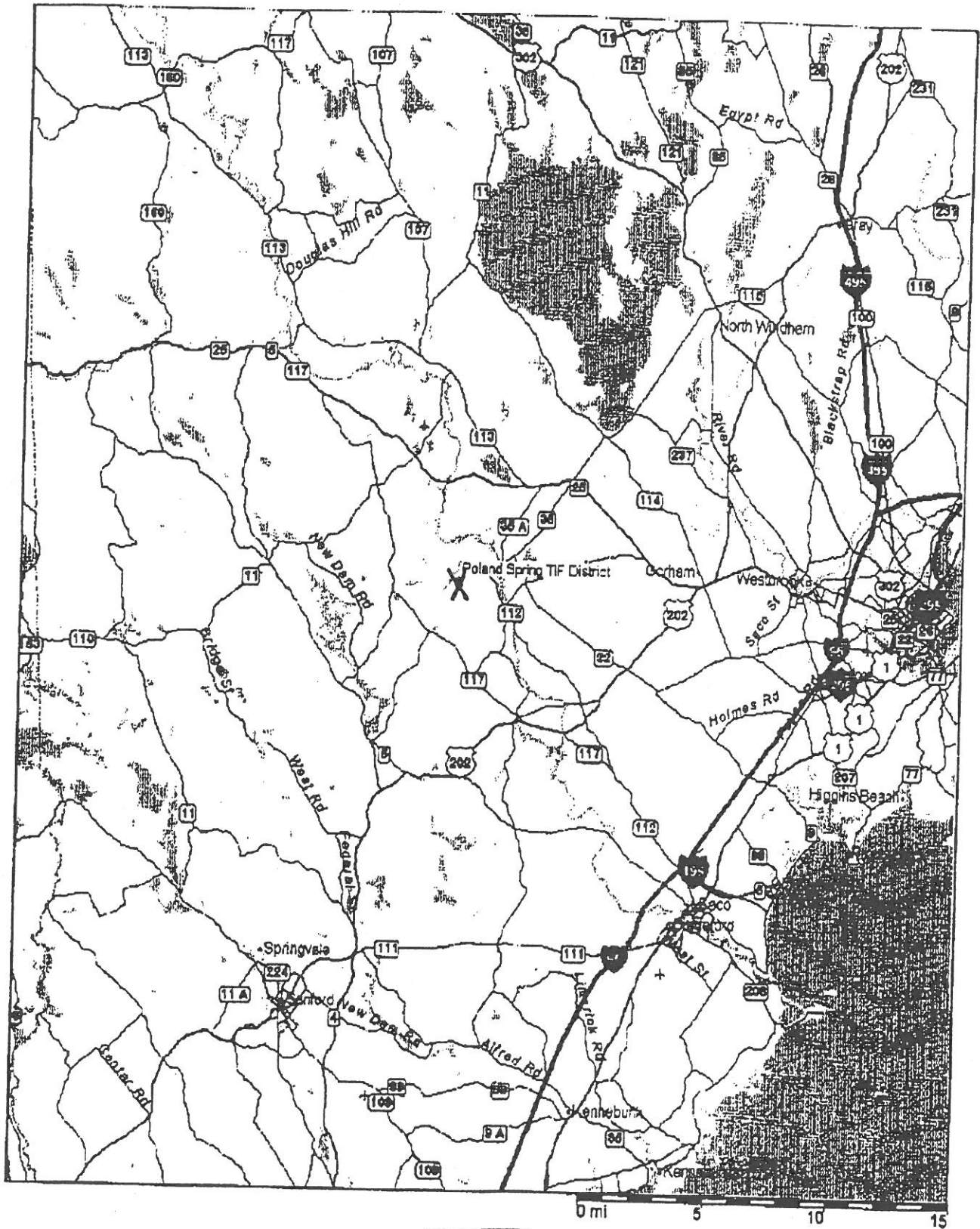
## Exhibit A

Tax Shift Benefit (Avoidance of Lost Revenue) Based on

TIF Year	Tax Year	Projected Cumulative Investment	Projected Increase In Assessed Value	Gross Company Taxes	Percent Retained Inside TIF	Retained Captured Assessed Value	Total TIF Revenues	Town Money			Company Money		Sheltered Value of Project				County	
								General Fund Revenues	Town TIF Revenues	Total Town Revenues	Company TIF %	Company TIF Revenues	Total Tax Shift	Loss of SAD 6 Education Subsidy	Rev. Sharing Shift	Tax Shift		
Base	1999-2000	\$14,782,000	—	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
1	2000-2001	\$65,099,000	—	\$14,782,000	85%	\$12,564,700	\$192,491	\$33,969	\$19,249	\$53,218	90.00%	\$173,242	\$0	\$0	\$0	\$0	\$0	
2	2001-2002	\$93,099,000	—	\$65,099,000	85%	\$55,334,150	\$804,005	\$141,883	\$80,400	\$222,284	90.00%	\$723,604	\$0	\$0	\$0	\$0	\$0	
3	2002-2003	\$107,099,000	—	\$89,599,000	85%	\$76,159,150	\$1,086,791	\$191,787	\$108,679	\$300,466	90.00%	\$978,112	\$67,130	\$44,413	\$16,011	\$6,706	\$6,706	
4	2003-2004	\$121,099,000	—	\$97,299,000	85%	\$82,704,150	\$1,185,978	\$209,290	\$118,598	\$327,888	90.00%	\$1,067,380	\$321,149	\$239,872	\$50,269	\$31,009	\$31,009	
5	2004-2005	\$138,599,000	—	\$103,599,000	85%	\$88,059,150	\$1,264,530	\$223,152	\$126,453	\$349,603	90.00%	\$1,138,077	\$567,707	\$462,559	\$60,214	\$44,934	\$44,934	
6	2005-2006	\$152,599,000	—	\$111,999,000	85%	\$95,199,150	\$1,361,348	\$240,238	\$136,135	\$376,373	90.00%	\$1,225,213	\$674,275	\$560,050	\$62,763	\$51,463	\$51,463	
7	2006-2007	\$166,599,000	—	\$115,149,000	85%	\$97,876,650	\$1,400,615	\$247,167	\$140,061	\$387,229	90.00%	\$1,260,553	\$724,688	\$602,213	\$64,677	\$57,799	\$57,799	
8	2007-2008	\$169,099,000	—	\$116,899,000	85%	\$99,364,150	\$1,423,889	\$251,274	\$213,583	\$464,858	85.00%	\$1,210,305	\$777,765	\$644,855	\$67,013	\$65,896	\$65,896	
9	2008-2009	\$171,599,000	—	\$105,749,000	85%	\$89,886,650	\$1,303,357	\$230,004	\$195,504	\$425,508	85.00%	\$1,107,853	\$819,515	\$680,197	\$67,831	\$71,487	\$71,487	
10	2009-2010	\$174,099,000	—	\$97,849,000	85%	\$83,171,650	\$1,215,969	\$214,583	\$182,395	\$396,978	85.00%	\$1,033,574	\$840,415	\$695,555	\$68,272	\$76,588	\$76,588	
11	2010-2011	\$176,599,000	—	\$92,499,000	85%	\$78,624,150	\$1,154,202	\$203,683	\$173,130	\$376,813	85.00%	\$981,072	\$779,615	\$641,104	\$65,297	\$73,213	\$73,213	
12	2011-2012	\$179,099,000	—	\$88,299,000	85%	\$75,054,150	\$1,105,547	\$195,097	\$165,832	\$360,929	85.00%	\$939,715	\$726,554	\$592,056	\$62,936	\$71,563	\$71,563	
13	2012-2013	\$181,599,000	—	\$85,249,000	85%	\$72,461,650	\$1,070,259	\$188,869	\$267,565	\$456,434	75.00%	\$802,694	\$689,913	\$557,265	\$61,202	\$71,445	\$71,445	
14	2013-2014	\$184,099,000	—	\$83,699,000	85%	\$71,144,150	\$1,052,933	\$185,812	\$368,527	\$554,338	65.00%	\$684,407	\$663,644	\$531,866	\$59,760	\$72,018	\$72,018	
15	2014-2015	\$186,599,000	—	\$83,299,000	85%	\$70,804,150	\$1,048,609	\$185,049	\$471,874	\$656,923	55.00%	\$576,735	\$645,264	\$513,186	\$58,664	\$73,413	\$73,413	
16	2015-2016	\$189,099,000	—	\$84,049,000	85%	\$71,441,650	\$1,058,765	\$186,841	\$582,321	\$769,162	45.00%	\$476,444	\$637,362	\$503,179	\$58,091	\$76,092	\$76,092	
17	2016-2017	\$191,599,000	—	\$84,799,000	85%	\$72,079,150	\$1,068,934	\$188,635	\$694,807	\$883,442	35.00%	\$374,127	\$636,291	\$498,415	\$57,942	\$79,935	\$79,935	
18	2017-2018	\$194,099,000	—	\$85,549,000	75%	\$64,161,750	\$914,947	\$304,982	\$686,210	\$991,192	25.00%	\$228,737	\$643,716	\$500,369	\$58,222	\$85,125	\$85,125	
19	2018-2019	\$196,599,000	—	\$86,299,000	65%	\$56,094,350	\$770,736	\$415,012	\$655,126	\$1,070,138	15.00%	\$115,610	\$653,970	\$504,825	\$58,499	\$90,645	\$90,645	
20	2019-2020	\$199,099,000	—	\$87,049,000	55%	\$47,876,950	\$639,157	\$522,947	\$755,241	\$1,098,188	10.00%	\$63,916	\$638,985	\$504,825	\$49,064	\$85,095	\$85,095	
21	2020-2021	\$201,599,000	—	\$87,799,000	45%	\$39,509,550	\$513,624	\$627,763	\$462,262	\$1,090,025	10.00%	\$51,362	\$623,784	\$504,825	\$40,502	\$78,457	\$78,457	
22	2021-2022	\$204,099,000	—	\$88,549,000	35%	\$30,992,150	\$393,290	\$730,397	\$353,961	\$1,084,358	10.00%	\$39,329	\$608,147	\$504,825	\$32,703	\$70,619	\$70,619	
23	2022-2023	\$206,599,000	—	\$92,916,000	25%	\$23,229,000	\$285,252	\$855,756	\$256,727	\$1,112,483	10.00%	\$28,525	\$591,859	\$504,825	\$25,577	\$61,457	\$61,457	
24	2023-2024	\$209,099,000	—	\$78,349,000	15%	\$11,752,350	\$147,492	\$835,788	\$132,743	\$968,531	10.00%	\$14,749	\$574,709	\$504,825	\$19,045	\$50,838	\$50,838	
25	2024-2025	\$209,099,000	—	\$79,099,000	5%	\$3,954,950	\$48,844	\$928,029	\$43,959	\$971,989	10.00%	\$4,884	\$558,168	\$504,825	\$13,184	\$40,159	\$40,159	
26	2025-2026	Years 26 and 27 included for Tax Shift Purposes Only																
27	2026-2027																	
Total				\$31,049,571		\$78,474,983	\$22,511,564	\$8,538,007	\$7,211,343	\$15,749,350	67.97%	\$15,300,221	\$15,512,934	\$12,810,583	\$1,187,291	\$1,515,059	\$1,515,059	
Annual Average				\$1,241,983			\$900,463	\$341,520	\$288,454	\$629,974			\$620,517	\$512,423	\$47,492	\$60,602	\$60,602	

Years 26 and 27 included for  
Tax Shift Purposes Only

**ASSUMPTIONS**  
 Years in projection 25  
 Original Assessed Value of District \$120,000  
 Real and Personal Property Assessed at 100% of Value  
 Personal Property Assumed to Depreciate 10%/year to 30% of Original Value  
 Land and Building Assumed to Maintain 100% of Assessed Value



Microsoft  
**Streets Plus**

Map Title 1  
Map Title 2

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Page 1

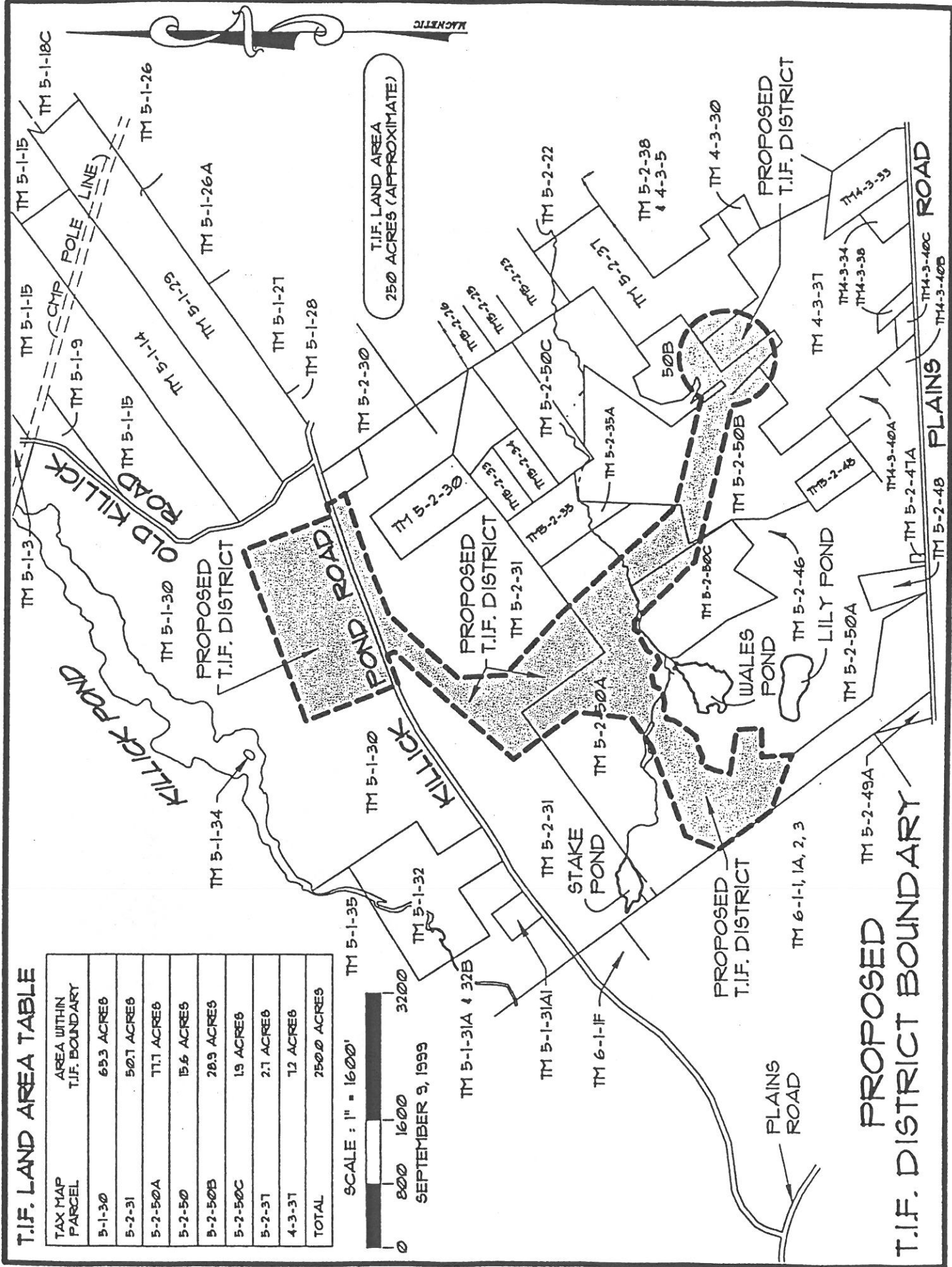
# T.I.F. LAND AREA TABLE

TAX MAP PARCEL	AREA WITHIN T.I.F. BOUNDARY
5-1-30	65.3 ACRES
5-2-31	50.7 ACRES
5-2-50A	71.7 ACRES
5-2-50	15.6 ACRES
5-2-50B	28.9 ACRES
5-2-50C	1.9 ACRES
5-2-37	2.7 ACRES
4-3-37	12 ACRES
TOTAL	250.0 ACRES

SCALE: 1" = 1600'



SEPTEMBER 9, 1999



PROPOSED T.I.F. DISTRICT BOUNDARY



Public Safety:		\$2,425,000
Fire Protection	\$805,000	
Rescue	\$420,000	
Police Protection	\$900,000	
Building	\$300,000	
Road Maintenance Plan		\$1,240,000
Road Upgrades and Repair	\$420,000	
Highway Vehicles and Equipment	\$520,000	
Building	\$300,000	
Economic Development Program		\$3,550,000
Planning/Studies	\$225,000	
Implementation	\$250,000	
Land	\$700,000	
Infrastructure	\$2,225,000	
TIF Administration	\$150,000	
		<u>\$7,215,000</u>

**Revenue Sharing Shifts.** To determine the Revenue Sharing Tax Shifts, get the following information from the State Treasurer's office:

1. Projected Total Municipal Revenue Share Pool for the current fiscal year;
2. Town's "current factor";
3. Town's "computed number," and the three figures used to calculate the current computed number: town population, local assessment, and town's State Local Valuation;<sup>1</sup>

From there, you must go through five simple steps outlined in the following formula:

**STEP ONE**

Calculate the State Aggregate Computed Number =  $\frac{\text{Current Number}}{\text{Current Factor}}$

**STEP TWO**

Calculate Town's Adjusted Computed Number =  $\frac{\text{Town Population} \times \text{Local Assessment}}{\text{State Local Valuation} + \text{Projected Annual CAV}}$

**STEP THREE**

Calculate the State's Adjusted Aggregate Computed Number =  $\text{Aggregate Computed Number} - \text{Computed Number} + \text{Adjusted Town's Computed Number}$

**STEP FOUR**

Calculate the State's Adjusted Current Factor =  $\frac{\text{Town's Adjusted Computed Number}}{\text{State's Adjusted aggregate Computed Number}}$

**STEP FIVE**

Calculate Town's projected Adjusted Revenue Sharing amounts =  $\text{Projected Total Municipal Revenue Sharing Pool} \times \text{Town's Adjusted Current Factor}$

**STEP SIX**

The difference between Step 5 and Step 6 =  $\text{Municipal Revenue Sharing Shift for that year} - \text{Repeat for each year's Projected Annual CAV}$

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<sup>1</sup> Get these numbers from the State Treasurer's office, not from other sources, including the City. The Municipal Revenue Sharing calculation is based on some prior year numbers that may be outdated at the time the tax shift calculation is done. Note also, the State Treasurer drops the last three figures from the State Local Valuation.

**THE TOWN OF HOLLIS**  
**TAX INCREMENT FINANCING DEVELOPMENT PROGRAM**

**EXHIBIT D**

**TAX INCREMENT FINANCING  
TAX SHIFT FORMULAS**

One element which must be included in any application for designation as a tax increment financing district is the calculation of tax shifts which result from the creation of the District. These tax shifts are noted in three basic formulae which use local property tax valuation as a basis for calculation. These three formulas are:

State Aid to Education  
Municipal Share of County Taxes  
Revenue Sharing

The following is the process used to derive each of these tax shifts.

**Education Tax Shift.** In each year of the District, adjust the current state education subsidy formula to include the annual Captured Assessed Value, using agreed-upon assumptions. The difference in the actual education subsidy and the adjusted education subsidy will be Education Tax Shift for that year.

**County Tax Shift.** In order to produce this result, you will have to get information from the State Bureau of Taxation. First, obtain the most recent State County Valuation and State Local Valuation from the State Bureau of Taxation. Second, get town's annual County Tax Levy. Determine the annual Captured Assessed Value for the District. Calculate the following percentage: divide the current State Local Valuation plus the annual Captured Assessed Value by the current State County Valuation plus the average Captured Assessed Value. This percentage represents what town's County Tax Levy would be if the Captured Assessed Value were not sheltered in the District. Multiply this by that year's County budget. This number represents what **Town's** County tax levy would be if the Captured Assessed Value were not sheltered in the District.

Here it is represented as a formula:

1. 
$$\frac{(\text{Current State Local Valuation} + \text{Captured Assessed Value})}{(\text{Current State County Valuation} + \text{Captured Assessed Value})} \times \frac{\text{Estimated Average Annual County Tax}}{(\text{w/o sheltering})}$$
2. 
$$(\text{Annual County Tax (w/o sheltering)}) - \text{Annual County Tax} = \text{County Tax Shift}$$

**TOWN OF HOLLIS, MAINE  
POLAND SPRING WATER  
MUNICIPAL DEVELOPMENT AND TAX INCREMENT  
FINANCING DISTRICT DEVELOPMENT PROGRAM**

**APPENDIX B**

**ASSESSOR'S CERTIFICATE**

The undersigned Chairman of the Board of Assessors for the Town of Hollis, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. §5254 that the assessed value of the Poland Spring Water Municipal Development and Tax Increment Financing Development District, as described in this Development Program to which this Certificate is included, was \$ 120,000 as of March 31, 1999.

**IN WITNESS WHEREOF**, this Certificate has been executed as of this \_\_\_\_ day of October, 1999.

**BOARD OF ASSESSORS**

By: \_\_\_\_\_  
Chairman