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**ECONOMIC DEVELOPMENT PROGRAM**

**TOWN OF HOLLIS, MAINE**

*An Application for a Municipal Development and Tax Increment Financing District*

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**SECOND AMENDMENT TO  
POLAND SPRING WATER MUNICIPAL DEVELOPMENT AND  
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM**

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*Presented to:*

**Town of Hollis Town Meeting**

**June 11, 2024**

TABLE OF CONTENTS

PAGE

**I. Introduction .....1**

**II. Second Amendment to Development Program .....1**

**III. Second Amendment Municipal Approvals .....3**

    A. Notice of Public Hearing.....3

    B. Minutes of Public Hearing .....3

    C. Authorizing Votes .....3

    D. Statutory Requirements and Thresholds Form.....3

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**EXHIBITS**

- A** Actual TIF Revenues
- B** Notice of Public Hearing
- C** Public Hearing Minutes
- D** City Council Order
- E** Statutory Requirements and Thresholds Form

## I. Introduction

The Poland Spring Water Municipal Development and Tax Increment Financing District (the “District”) was first approved by the Maine Department of Economic and Community Development (“DECD”) on December 23, 1999 for a term of 25 years. The Town of Hollis (the “Town”) created the district in order to capture increased assessed value from real property improvements made within the district and to utilize tax increment revenues to fund a variety of economic development expenditures by the Town.

The First Amendment to the District was approved by DECD on July 18, 2017. The Town amended the District to increase the duration of the District from the originally approved twenty-five (25) years to the maximum of thirty (30) years until June 30, 2030. The Town did not extend the term of the CEA and instead will allocate 100 percent of TIF revenues during the additional 5-year term of the District to Town TIF projects.

## II. Second Amendment to Development Program

The Town now wishes to amend the Development Program (the “Second Amendment”) in order to add an additional project cost to the project list as set forth in Table 1-A and Table 1-B to allow the Town to use TIF Revenues for costs related to the construction or renovation of its municipal central administrative office.

**TABLE 1- A**  
**Previously approved project costs**

<b>Project</b>	<b>Cost Estimate</b>	<b>Statutory Authority:</b>	<b>Status</b>
<b>Public Safety Facilities and Improvements*:</b> Fire Protection; Rescue; Police Protection; and Building.  Fund costs related to the construction or operation of municipal public safety facilities, the need for which is related to general economic development within the municipality, not to exceed 15% of the captured assessed value of the development district and costs of public safety improvements related to the establishment of the District.	<b>\$2,425,000</b>	30-A M.R.S. § 5225 (1)(B)(2); (1)(C)(9)	Ongoing
<b>Economic Development*:</b> Planning/Studies; Implementation; Land; Infrastructure.  Costs of funding economic development programs or events developed by the municipality funding the marketing of the municipality as a business or arts location.	<b>\$3,400,000</b>	30-A M.R.S. § 5225 (1)(C)(1);	ongoing

<p><b>TIF Administration*:</b> Administrative costs including, but not limited to, reasonable charges for the time spent by municipal or plantation employees in connection with the implementation of the District development program.</p>	<p><b>\$150,000</b></p>	<p>30-A M.R.S. § 5225 (1)(A)(5)</p>	<p>ongoing</p>
<p><b>Road Maintenance Plan*:</b> Road Upgrades and Repair; Highway Vehicles and Equipment; Building Capital costs made within the tax increment financing District including but not limited to (a) The acquisition or construction of land, improvements, public ways, buildings, structures, fixtures and equipment for public, arts district, new or existing recreational trail, commercial or transit-oriented development district use. (b) The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures; (c) Site preparation and finishing work; and (d) All fees and expenses that are eligible to be included in the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses; and Costs of improvements that are made outside the tax increment financing district but are directly related to or are made necessary by the establishment or operation of the district; Costs related to the construction, alteration or expansion of any facilities not located within the district that are required due to improvements or activities within the district, including, but not limited to, sewage treatment plants, water treatment plants or other environmental protection devices; storm or sanitary sewer lines; water lines; electrical lines; improvements to public safety facilities; and amenities on streets.</p>	<p><b>\$1,240,000</b></p>	<p>30-A M.R.S. § 5225 (1)(A)(1); (1)(B)(1)</p>	<p>ongoing</p>
<p style="text-align: right;"><b>TOTAL</b></p>	<p><b>\$7,215,000</b></p>		

\*These are listed as originally approved and updated to include current statutory language but do not change the project costs that were approved in the original District.

**TABLE 1-B**  
**Projects To Be Added in this First Amendment**

Project	Cost Estimate	Statutory Authority:
<b>Capital Costs:</b> Up to 50% of the capital costs related to the construction or renovation of a municipality's or plantation's central administrative office, the need for which is related to general economic development within the municipality or plantation, not to exceed 15% of the captured assessed value of the development district.		30-A M.R.S. § 5225 (1)(C)(12)
<b>TOTAL (Tables 1-A and 1-B)</b>		

Attached hereto as **Exhibit A**, are the actual captured assessed values for the current TIF term. The TIF Revenue Projections for years 26-30 of the District remain unchanged from the First Amendment.

### III. Municipal Approvals

#### A. Notice of Public Hearing

Attached as **Exhibit B** is a copy of the Notice of Public Hearing held on May 15, 2024, in accordance with the requirements of 30-A M.R.S. § 5226(1). The notice was published in a newspaper of general circulation in Hollis on a date at least ten (10) days prior to the public hearing.

#### B. Public Hearing Minutes

Attached as **Exhibit C** is a certified copy of the minutes of both the public hearing and Annual Town Meeting held on May 15, 2024 and June 11, 2024 respectively at which time the Town voted on and approved the amended District and Development Program.

#### C. Authorizing Votes

Attached as **Exhibit D** is a certified copy of the town meeting warrant article approved by the Town at the Annual Town meeting duly called and held on June 11, 2024 amending the District and Development Program.

#### D. Statutory Requirements and Thresholds Form

Attached as **Exhibit E** hereto is a completed Statutory Requirements and Thresholds Form demonstrating the District's Statutory Compliance.

**Exhibit A**  
Captured Assessed Value Percentages

TIF Year	Fiscal Year Ending June 30 <sup>th</sup>	Original Percentage of Retained Captured Assessed Value (CAV)	Allocation of Retained Tax Increment on Original Percentage of CAV		Additional Percentage of Retained CAV	Allocation of Retained Tax Increment on Additional Percentage of CAV		Total Percentage of Retained CAV
			% to Company	% to Town		% to Company	% to Town	
1	2000-2001	85%	90%	10%	-	-	-	85%
2	2001-2002	85%	90%	10%	-	-	-	85%
3	2002-2003	85%	90%	10%	-	-	-	85%
4	2003-2004	85%	90%	10%	-	-	-	85%
5	2004-2005	85%	90%	10%	-	-	-	85%
6	2005-2006	85%	90%	10%	-	-	-	85%
7	2006-2007	85%	90%	10%	-	-	-	85%
8	2007-2008	85%	85%	15%	-	-	-	85%
9	2008-2009	85%	85%	15%	-	-	-	85%
10	2009-2010	85%	85%	15%	-	-	-	85%
11	2010-2011	85%	85%	15%	-	-	-	85%
12	2011-2012	85%	85%	15%	-	-	-	85%
13	2012-2013	85%	75%	25%	-	-	-	85%
14	2013-2014	85%	65%	35%	-	-	-	85%
15	2014-2015	85%	55%	45%	-	-	-	85%
16	2015-2016	85%	45%	55%	-	-	-	85%
17	2016-2017	85%	35%	65%	-	-	-	85%
18	2017-2018	75%	25%	75%	10%	0%	100%	85%
19	2018-2019	65%	15%	85%	20%	0%	100%	85%
20	2019-2020	55%	10%	90%	30%	0%	100%	85%
21	2020-2021	45%	10%	90%	40%	0%	100%	85%
22	2021-2022	35%	10%	90%	50%	0%	100%	85%
23	2022-2023	25%	10%	90%	50%	0%	100%	75%
24	2023-2024	15%	10%	90%	50%	0%	100%	65%
25	2024-2025	5%	10%	90%	50%	0%	100%	55%
26	2025-2026	-	-	-	45%	0%	100%	45%
27	2026-2027	-	-	-	35%	0%	100%	35%
28	2027-2028	-	-	-	25%	0%	100%	25%
29	2028-2029	-	-	-	15%	0%	100%	15%
30	2029-2030	-	-	-	5%	0%	100%	5%

**Exhibit B-1 - Future Years Estimated Captured Assessed Values - 2017 Amendment**  
*First Amended & Restated Hollis Poland Spring Water TIF*

Year	TIF Year	Projected Increased Assessed Value	Percent of Value Captured	TIF District Captured Assessed Value	Projected Mill Rate	TIF Revenue	% to Company	Company TIF Revenue	Town TIF Revenue	Additional Percent of Value Captured	Additional TIF District Captured Assessed Value	Projected Mill Rate	Additional TIF Revenue (100% to the Town)
2000-2001	1	\$22,504,000											
2001-2002	2	\$78,962,000				234,318	90%	210,886	23,432				
2002-2003	3	\$96,324,000				939,642	90%	845,678	93,964				
2003-2004	4	\$106,197,000				1,154,440	90%	1,037,703	116,737				
2004-2005	5	\$125,094,000				1,038,076	90%	934,286	103,790				
2005-2006	6	\$135,324,000				1,232,956	90%	1,109,660	123,296				
2006-2007	7	\$170,790,000				1,265,282	90%	1,138,734	126,528				
2007-2008	8	\$182,014,000				1,596,882	90%	1,437,194	159,688				
2008-2009	9	\$179,287,000				1,701,835	85%	1,446,560	255,275				
2009-2010	10	\$180,361,000				1,219,833	85%	1,036,908	182,925				
2010-2011	11	\$162,705,000				1,264,785	85%	1,075,067	189,718				
2011-2012	12	\$151,986,000				1,380,228	85%	1,173,194	207,034				
2012-2013	13	\$147,381,000				1,315,134	85%	1,117,864	197,270				
2013-2014	14	\$141,808,000				1,296,881	75%	972,436	324,145				
2014-2015	15	\$133,689,000				1,325,901	65%	861,836	464,065				
2015-2016	16	\$128,542,000				1,306,806	55%	718,743	588,063				
2016-2017	17	\$127,655,038	85%	\$108,506,782	11.95	1,296,656	35%	453,830	842,826	0%	\$ -	11.95	\$0
2017-2018	18	\$127,655,038	75%	\$95,741,279	11.95	1,144,108	25%	286,027	858,081	10%	\$ 12,765,504	11.95	\$152,548
2018-2019	19	\$127,655,038	65%	\$82,975,775	11.95	991,561	15%	148,754	842,826	20%	\$ 25,531,008	11.95	\$305,096
2019-2020	20	\$127,655,038	55%	\$70,210,271	11.95	839,013	10%	83,901	755,111	30%	\$ 38,296,511	11.95	\$457,643
2020-2021	21	\$127,655,038	45%	\$57,444,767	11.95	686,465	10%	68,646	617,818	40%	\$ 51,062,015	11.95	\$610,191
2021-2022	22	\$127,655,038	35%	\$44,679,263	11.95	533,917	10%	53,392	480,525	50%	\$ 63,827,519	11.95	\$762,739
2022-2023	23	\$127,655,038	25%	\$31,913,760	11.95	381,369	10%	38,137	343,232	50%	\$ 63,827,519	11.95	\$762,739
2023-2024	24	\$127,655,038	15%	\$19,148,256	11.95	228,822	10%	22,882	205,939	50%	\$ 63,827,519	11.95	\$762,739
2024-2025	25	\$127,655,038	5%	\$6,382,732	11.95	76,274	10%	7,627	68,646	50%	\$ 63,827,519	11.95	\$762,739
2025-2026	26	\$127,655,038	0%	\$0	11.95	0	0%	0	0	45%	\$ 57,444,767	11.95	\$686,465
2026-2027	27	\$127,655,038	0%	\$0	11.95	0	0%	0	0	35%	\$ 44,679,263	11.95	\$533,917
2027-2028	28	\$127,655,038	0%	\$0	11.95	0	0%	0	0	25%	\$ 31,913,760	11.95	\$381,369
2028-2029	29	\$127,655,038	0%	\$0	11.95	0	0%	0	0	15%	\$ 19,148,256	11.95	\$228,822
2029-2030	30	\$127,655,038	0%	\$0	11.95	0	0%	0	0	5%	\$ 6,382,732	11.95	\$76,274
<b>TIF Years 17-30 total</b>						<b>\$6,178,185</b>		<b>\$1,163,177</b>	<b>\$5,015,008</b>				<b>\$6,483,280</b>
<b>TIF Years 17-30 avg.</b>						<b>\$686,465</b>		<b>\$129,242</b>	<b>\$557,223</b>				<b>\$498,714</b>

**Assumptions:**

- Shows first 16 years of actual increased assessed values and TIF Revenue. Shows original district term of 25 years, and then an extended term of the district to 30 years. Assumes current \$127,655,038 increased assessed value in the District continues for the duration of the District.
- Assumes mill rate of 11.95 (mill rate for 2016-2017) remains constant for the duration of the District.
- Assumes the Town will capture 85% of the increased assessed value as captured assessed value until Year 23 (2022-2023), decreasing 10% each subsequent year.
- Assumes that the assessment ratio in the Town is 100% or higher when new property value arrives, such that the market value of new property is used for assessment purposes.
- Projections are much less likely to be accurate further into the future.



# **Exhibit A**

**(Actual TIF Revenue)**

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# **Exhibit B**

**(Notice of Public Hearing)**

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**TOWN OF HOLLIS  
NOTICE OF PUBLIC HEARING**

**Regarding**

**An amendment to the Municipal Development and Tax Increment Financing (“TIF”)  
District Development Program known as:**

**“Poland Spring Water Municipal Development And Tax Increment Financing District ”  
(Second Amendment)**

Notice is hereby given that the Town of Hollis will hold a public hearing on

**Wednesday, May 15, 2024  
at the Hollis Community Building  
35 Town Farm Road  
Hollis, ME 04042  
The Public Hearing will be at 6:00PM**

The purpose of the public hearing is to receive public comment on the items identified above, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed Amendment seeks to add an additional project cost to the Development Program to allow the Town the ability to use TIF funds for costs related to the construction or renovation of the municipality’s central administrative office.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time. A copy of the materials relating to the Amendment will be on file at the Town Clerk’s office prior to the public hearing and can also be obtained by calling the Town Clerk at 207-929-8552 ext. 18, during normal business hours and requesting that a copy be mailed to you.

Please see the Town of Hollis website at [hollismaine.org](http://hollismaine.org) in advance of the meeting to find out if there will be a remote participation option.

Public comments will be taken at the meeting and written comments should be submitted to Martha E. Huff at [mhuff@hollismaine.org](mailto:mhuff@hollismaine.org), no later than 4:00 p.m. May 15, 2024.

**Exhibit C**  
**(Public Hearing Minutes)**

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# **Exhibit D**

**(Town Meeting Warrant and Vote Results)**

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# **Exhibit E**

**(Statutory Requirements and Thresholds Form)**

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**STATUTORY REQUIREMENTS AND THRESHOLDS**  
**Poland Spring Water TIF AMD-2**

<b>SECTION A.   Acreage Caps</b>		
1. Total municipal acreage;		21,775
2. Acreage of <b>proposed</b> Municipal TIF District;		250
3. <b>Downtown-designation</b> <sup>1</sup> acres in proposed Municipal TIF District;		0
4. <b>Transit-Oriented Development</b> <sup>2</sup> acres in proposed Municipal TIF District;		0
5. <b>Total acreage [=A2-A3-A4]</b> of proposed Municipal TIF District counted toward 2% limit;		250
6. <b>Percentage [=A5÷A1]</b> of total acreage in proposed Municipal TIF District (CANNOT EXCEED 2%).		1.15%
7. <b>Total acreage</b> of all <u>existing/proposed</u> Municipal TIF districts in municipality <b>including</b> Municipal Affordable Housing Development districts: <sup>3</sup> Poland Spring Water TIF/ 250 acres	Existing	0
	Proposed	250
	Total:	250
<b>30-A § 5223(3) EXEMPTIONS<sup>4</sup></b>		
8. Acreage of an <u>existing/proposed</u> <b>Downtown</b> Municipal TIF district;		0
9. Acreage of all <u>existing/proposed</u> <b>Transit-Oriented Development</b> Municipal TIF districts:		0
10. Acreage of all <u>existing/proposed</u> <b>Community Wind Power</b> Municipal TIF districts:		0
11. Acreage in all <u>existing/proposed</u> Municipal TIF districts <b>common to</b> <sup>5</sup> Pine Tree Development Zones per 30-A § 5250-I (14)(A) <b>excluding</b> any such acreage also factored in Exemptions 8-10 above:		0
12. <b>Total acreage [=A7-A8-A9-A10-A11]</b> of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;		250
13. <b>Percentage of total acreage [=A12÷A1]</b> of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).		1.15%
14. <b>Real property</b> in proposed Municipal TIF District that is:	<b>ACRES</b>	<b>% [=Acres÷A2]</b>
a. A blighted area;		
b. In need of rehabilitation, redevelopment or conservation;	250	100%
c. Suitable for commercial or arts district uses.		
<b>TOTAL (except for § 5223 (3) exemptions a., b. <u>OR</u> c. must be at least 25%)</b>		100%

<sup>1</sup> Before final designation, the Commissioner will seek advice from MDOACF and MDOT per 30-A § 5226(2).

<sup>2</sup> For Transit-Oriented Development (TOD) definitions see 30-A § 5222 sub-§§ 19-24.

<sup>3</sup> For AH-TIF acreage requirement see 30-A § 5247(3)(B). Alternatively, Section B. must exclude AH-TIF valuation.

<sup>4</sup> Downtown/TOD overlap nets single acreage/valuation caps exemption.

<sup>5</sup> PTZ districts approved through December 31, 2008.

**STATUTORY REQUIREMENTS AND THRESHOLDS**  
**Poland Spring Water TIF AMD-2**

<b>SECTION B.   Valuation Cap</b>		
1. Total TAXABLE municipal valuation—use most recent April 1;	\$583,034,933	
2. Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;	\$120,000	
3. Taxable OAV of all existing/proposed Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts: Poland Spring Water TIF/\$120,000	Existing	\$0
	Proposed	\$120,000
	Total:	\$120,000
<b>30-A § 5223(3) EXEMPTIONS</b>		
4. Taxable OAV of an existing/proposed Downtown Municipal TIF district;	0	
5. Taxable OAV of all existing/proposed Transit-Oriented Development Municipal TIF districts:	\$0	
6. Taxable OAV of all existing/proposed Community Wind Power Municipal TIF districts:	0	
7. Taxable OAV of all existing/proposed Single Taxpayer/High Valuation <sup>6</sup> Municipal TIF districts:	0	
8. Taxable OAV in all existing/proposed Municipal TIF districts common to Pine Tree Development Zones per 30-A § 5250-l (14)(A) excluding any such OAV also factored in Exemptions 4-7 above:	0	
9. Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all existing/proposed Municipal TIF districts counted toward 5% limit;	\$120,000	
10. Percentage of total taxable OAV [=B9÷B1] of all existing/proposed Municipal TIF districts (CANNOT EXCEED 5%).	.021%	

COMPLETED BY			
PRINT NAME	Philip Saucier, Esq.		
SIGNATURE		DATE	
<p>If this form has <b>not be completed by the municipal or plantation assessor</b>, the assessor must sign and date below, acknowledging he/she agrees with the information reported on this form, and understands the OAV stated in Section B, line 2, will be used to determine the IAV for this District.</p>			
PRINT NAME	Mary Hoffman		
SIGNATURE		DATE	

<sup>6</sup> For this exemption see 30-A §5223(3)(C) sub-§§ 1-4.