

**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**

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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></p> <p>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</p> <p>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><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**

<b>Project</b>	<b>Cost Estimate</b>	<b>Statutory Authority:</b>
<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.