
Preliminary TIF Assessment

North Yarmouth Village Study

Prepared for:
Town of North Yarmouth



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Introduction

In the last report, Planning Decisions outlined three scenarios for North Yarmouth village and presented an initial estimate of costs associated with development in each scenario, as well as projected revenues. The previous report was static: it did not factor in the timing of development, and the associated impacts on the present value of those developments. Present value is an important consideration – it reflects the fact that money earned tomorrow is less valuable than money earned today (we could make use of money today to our benefit instead of waiting for a future payout). Likewise, costs accrued tomorrow are more manageable if valued in today's dollars (we have time to save and prepare for those expenses, for example).

In this report, Planning Decisions has:

1. Updated our descriptions and assumptions for each of the scenarios based on feedback from a community consultation held October 28, 2014. These changes include: reducing the space requirements for additional municipal offices, removing Historical Society costs from the municipal calculations, locating public works office space on the public works parcel, and updates to cost estimates (not least, the estimate for sewer costing).
2. Spread estimated development across a 20-year time frame based on the most likely development pattern and reasonable rates of absorption in the housing and commercial real estate markets per year.
3. Included costs for village improvements, such as landscaping, cycling and pedestrian routes, gateways, and safety measures to (a) attract development to the village, (b) increase connections to and from the village, and (c) incorporate the community feedback gathered through the Economic and Sustainability Committee as well as interviews with business owners and residents.
4. Prepared a preliminary TIF assessment, calculating the potential revenue that may accrue in a TIF fund
5. Performed a sensitivity analysis to compare potential revenues under alternative assumptions for development in the village, using more conservative estimates and altering the geography of a potential TIF district.

An Introduction to Tax Increment Financing (TIF)

Tax Increment Financing is a tool offered by the State of Maine. It is designed to support economic and community development. By designating a TIF district (a clearly defined geographic area) a municipality agrees to commit new property tax revenues gained on development within the district to a TIF fund.

Normally, when a new business is built in town, new property tax revenues are generated and collected in the general fund. The general fund is then used to cover municipal expenses (namely, education, county, and local costs). If a new business is built in a TIF district, the new tax revenues are collected in a TIF fund, and are available for use only on expenses that support economic development and help the TIF district attract more development.

TIF funds can be used only on an approved list of community and economic development improvements. Residents in the community decide what improvements can be made and the Department of Economic and Community Development approves the proposed list. Potential improvements include infrastructure upgrades (e.g. building sidewalks and sewer extensions), upgrading buildings (e.g. to improve the appearance of retail areas), capital support for businesses (e.g. providing capital to upgrade equipment that will lead to job creation), and many others. While the improvements must support economic development in the TIF district, they do not necessarily need to occur solely in the district. For example, sidewalks can be built with TIF funds to extend from a TIF district into nearby neighborhoods because this would increase traffic to retail stores in the district.

TIF funds are collected only on the increase in property value after a TIF district is created. Tax revenue on property value that existed before a TIF district is formed is collected in the general fund. For this reason, the boundaries of a TIF district must be carefully chosen. Successful TIF districts are those in which new development occurs and new property tax revenue is created for the TIF fund.

An important advantage of TIF districts is new property tax revenues are “sheltered” from municipal obligations to pay education and county expenses. In other words, because the Town commits to using new tax revenue earned in a TIF district on economic development, the State agrees not to count the new property tax revenue in state valuations. As a result, the state valuation calculation results in lower education and county tax assessments.

Expense	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average
School Expenses	64%	62%	63%	63%	59%	62%	65%	63%	65%	67%	63.3%
County Expenses	3%	3%	2%	3%	4%	4%	3%	3%	3%	3%	3.2%
Local Expenses	33%	35%	35%	34%	37%	34%	31%	34%	32%	30%	33.5%
											100%

Table 1 shows the average composition of North Yarmouth’s tax commitment between 2004 and 2013. From every tax dollar paid in North Yarmouth:

- **63.3%** is spent on education expenses,
- **3.2%** is spent on county expenses, and
- **33.5%** is available for municipal expenses

In other words, 34 cents of every property tax dollar paid in North Yarmouth collects in the general fund to pay for snowplowing, administration, fire and rescue services, community improvements, and economic development initiatives. In contrast, through TIF it is possible to allocate up to 100% of new property taxes generated in a specified area (the TIF district) for use on approved economic development and community improvements in the district.

The drawback of money in a TIF fund versus money in the Town’s general fund is that it must be spent only on the TIF-eligible improvements that support further development in the district. Where general fund money can be used for just about any local expenses, including redistributing money to property owners to reduce their household tax burden, TIF funds must be spent on the approved expenses or held in reserve.

To add flexibility with regard to TIF district tax revenue, the State has made it possible to alter the amount of new tax revenue that is captured in the TIF district for district-only use. The proportion of new tax revenue that is not allocated to the TIF fund is collected in the general fund (and factored into state valuations for county and education assessments). For example, say \$1,000,000 of new tax revenue is created in North Yarmouth after a commercial office building is built in the “golden triangle.” Table 2 shows how much money would be available for local use (TIF and general fund use) assuming (a) 100% of the new tax revenue is allocated to the TIF fund, and (b) 50% of the new tax revenue is allocated to the TIF fund. When all of the revenue is added to the TIF fund (and sheltered from education and county assessments) \$332,500 more for is available for local spending, albeit on TIF-eligible improvements only. By allocating only half of the new tax revenue for the TIF fund, the

Town has \$167,500 available for general fund use (i.e. any local spending), but \$332,500 is lost to cover county and education assessments.

New tax revenue in TIF:	\$1,000,000	
Percent to TIF Fund:	100%	50%
TIF Fund	\$1,000,000	\$500,000
General Fund	\$ -	\$500,000
TIF Expenses	\$1,000,000	\$500,000
Local Expenses	\$ -	\$167,500
County Expenses	\$ -	\$16,000
School Expenses	\$ -	\$316,500
Total Local Investment	\$1,000,000	\$667,500
Historic Budget: local share (Table 1)	33.5%	
Historic Budget: county share (Table 1)	3.2%	
Historic Budget: school share (Table 1)	63.3%	

In summary, when deciding to designate a TIF district, North Yarmouth must carefully consider:

1. The geographic area that will be within the TIF district – any new tax revenue in this area will collect in the TIF fund.
2. The proportion of new revenue captured in the TIF fund – the Town may decide to only allocate a certain portion of new revenues for TIF-eligible expenses to make funds available for the general fund
3. Eligible improvements and spending for TIF funds – what kind of economic development activities and investments does the Town agree to spend TIF money on, and what investments or activities does the town not want to support with TIF funds?
4. A body or group to administer the TIF fund – every year a designated group must report on the level of new tax revenue collected, update the balance of the TIF fund, and make decisions on which TIF-eligible economic development spending will occur in the fiscal year. This body may be the Board of Selectmen, an existing committee, or a new village development committee designated by the Town.

The following section describes the methodology used to calculate revenues and expenses in the report.

Methodology

There are several components to calculating revenues and costs associated with the three development scenarios in this report. As an overview, a preliminary TIF assessment was completed on the following three scenarios:

Scenario 1

- Create a municipal and community campus on existing Town Hall site
- Reserve a portion of former Memorial School site for a village sewer system and recreational field
- Sell the remaining land on the Memorial School parcel for village amenity-oriented housing

Key Elements:

1. Renovate/expand existing Town Hall to meet current and anticipated needs for
 - ✓ office space
 - ✓ storage space
 - ✓ small meeting space
2. Add office and meeting space for the public works department at the public works facility
3. Add a large meeting space with an attached kitchen to:
 - ✓ provide an election space (adequate accessibility features and administrative space)
 - ✓ meet the Town's Wescustogo obligations (for a community gathering and function space)
4. Reserve space on the existing Town Hall parcel for the Historic Society to move Old Town House and add a storage/archive room. When the Historical Society is relocated, the fire station can be renovated to improve conditions for department use.
5. Rebuild parking at the municipal and community campus as required to meet function requirements
6. Maintain the bulk of Sharpe's Field for recreational space; and designate it as the new Town Green
7. Enhance walking/biking/trail connections within the village and connecting to nearby neighborhoods
8. Improve gateway elements at the intersections of Routes 9 and 115 (the "golden triangle")
9. Build a bridge over Toddy brook to connect commercial activities with the municipal campus
10. Connect all community buildings and commercial parcels in the Golden Triangle to the sewer system

Scenario 2

- Create a municipal and community campus on the Memorial School parcel
 - Renovating and reusing a portion of the school (Scenario 2A)
 - demolishing the school and building new facilities (Scenario 2B)
- Reserve a portion of former Memorial School site for a village sewer system and recreational field
- Sell existing Town Hall parcel for village amenity-oriented housing

Key Elements:

1. (A) Renovate/expand the school or (B) demolish and build new at the school site to meet current and anticipated municipal needs for:
 - ✓ office space
 - ✓ storage space
 - ✓ small meeting space
 - ✓ add a large meeting space with attached kitchen to meet election and Wescustogo obligations
2. Add office and meeting space for the public works department at the public works facility

3. Reserve space on the Memorial School parcel for the Historic Society to move Old Town House and add a storage/archive room. When the Historical Society is relocated, the fire station can be renovated to improve conditions for department use.
4. Rebuild parking at the municipal and community campus as required to meet function requirements
5. Maintain the bulk of Sharpe's Field for recreational space
6. Maintain the Memorial School recreational field and designate it as the new Town Green
7. Enhance walking/biking/trail connections within the village and connecting to nearby neighborhoods
8. Improve gateway elements at the intersections of Routes 9 and 115 (the "golden triangle")
9. Offer the Wescustogo parcel and Town Hall parcel for private development with the stipulation that the developer builds a public-access bridge over Toddy Brook
10. Connect all community buildings and commercial parcels in the Golden Triangle to the sewer system

Figure 1 highlights the key geographies included in the scenarios described above.

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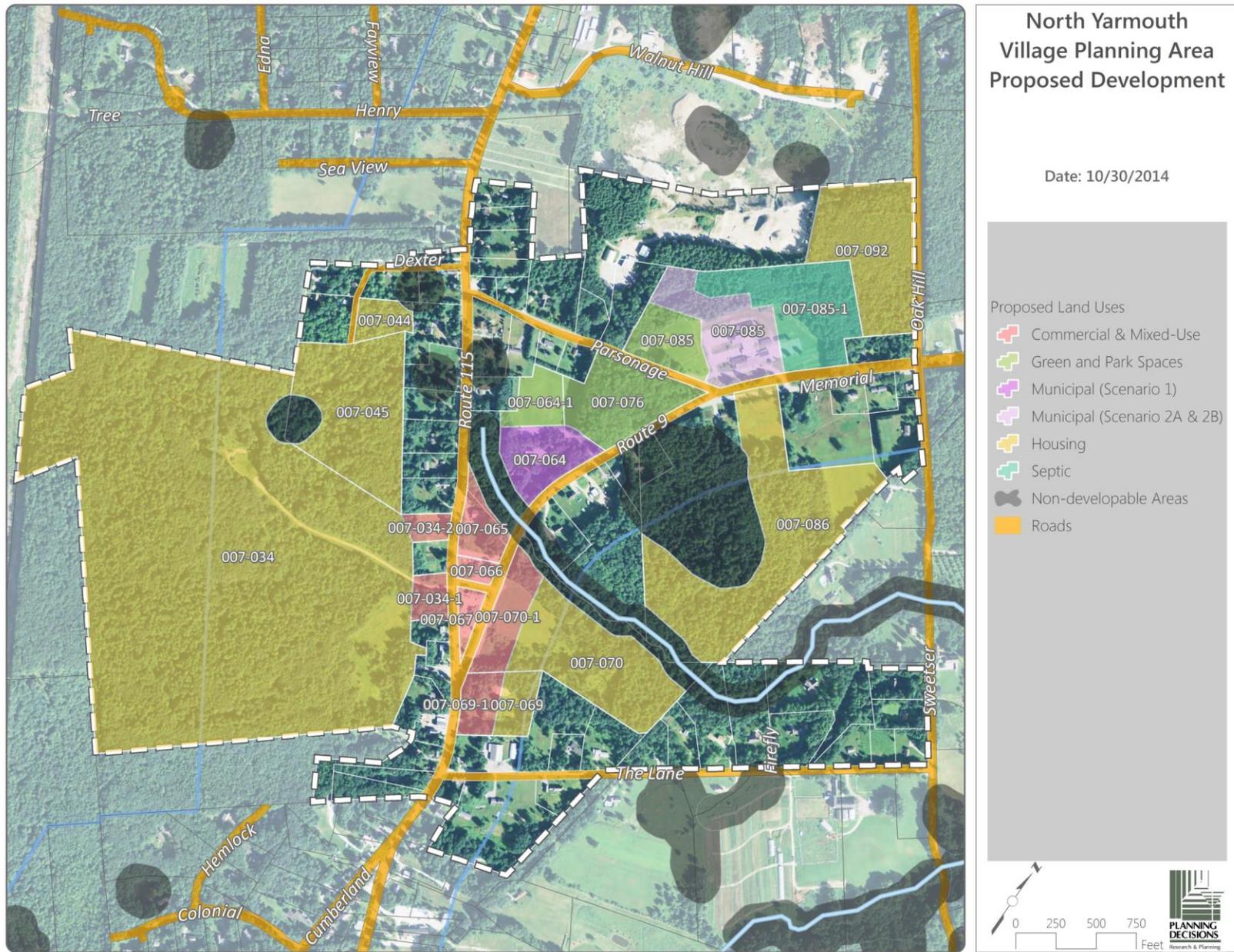


Figure 1

Assumptions

Cost and revenue calculations are made with the following assumptions:

- All spending and revenue is assumed to be in current dollars
- We assume no inflation in costs over time
- We discounted selected cash flows to compare values at one time period (year 0)

Municipal Space Needs

A primary driver of municipal costs for the village development scenarios involves constructing new or expanding existing municipal facilities to accommodate the needs of the Town's various departments. In our last report Planning Decisions presented a table with municipal space needs that was modified due to feedback from the community in a public meeting held October 28, 2014. Table 3 summarizes the changes made to the inventory of municipal space needs in North Yarmouth. Facilities allocated to the Historical Society have been removed because these costs are the responsibility of the Society. This removes 3,000 square feet of storage space and costs associated with relocating Old Town House. The assessing and public works office space was also reduced to more accurately reflect the needs of those departments.

	Space Needs (ft ²) 10/28/2014 Meeting	Modified Space Needs (ft ²)
Office/Work Space	8,264	7,364
Town Staff	3,244	3,244
Assessing	1,000	500
Fire Department	3,020	3,020
DPW	1,000	600
Storage/Vault/Archive	4,500	1,500
Hist. Society	3,000	-
Town	1,500	1,500
Small Meeting Space	2,500	-
Old Town House	2,500	-
Large Meeting/Voting Space	5,000	5,000
Town & Wescustogo	5,000	5,000
TOTAL	20,264	13,864

From this inventory of needs, construction costs were calculated using variable square foot costs depending on the type of facility being built in each of the three scenarios:

- Renovation costs for the Fire Station: \$80/square foot
- Renovation costs for Memorial School: \$100/square foot, increased to reflect the unknown quality of the school's construction and the higher quality of facilities needed in the Town Hall offices
- New construction (basic facilities): \$160/square foot
- New construction (enhanced facilities): \$200/square foot, new Town Hall and municipal office buildings are more expensive to build than public works or fire station facilities with less public access

In all cases office space for public works is built on the public works parcel, and the 3,020 square feet of office space in the existing fire station is upgraded. Space is reserved near the public works facilities in each of the development scenarios for relocating the fire station in the future, but the costs of the relocation are not factored into the equations.

There are a number of additional public expenses that will be needed to encourage development in the village and improve quality of life in North Yarmouth. These costs include:

- **Sidewalks connecting the village area to surrounding neighborhoods**
A sidewalk from Memorial School, south along Route 9 to Route 115, then north to the Wescustogo parcel will help connect the village to surrounding neighborhoods. The sidewalk (\$65 per linear foot) includes textured curb-end pads, all excavation, sub-base material, curbing, and drainage costs.
- **Bike lanes extending through the village and connecting outlying areas**
Cycling is an important and defining characteristic of the community. To connect the village area to surrounding bicycle routes, and to improve motorized and non-motorized traffic safety, project costs included thermo-plastic bike lane markings (\$1.20 per linear foot) and symbols (\$350 per symbol) to denote clearer rights of way for cyclists.
- **Intersection improvements for increased safety in the village**
With greater development in the village area there will be an increased need for clearer roadway signage and safety measures to improve pedestrian and cyclist visibility along Routes 9 and 115. Construction costs for these improvements include the installation of high-visibility crosswalks (\$3,000 each) where Parsonage Road and the access road behind the fire station intersect with Routes 9 and 115. A high-visibility crosswalk is also proposed at the intersection of Routes 9 and 115. Bicycle and pedestrian route markers (\$2,000 per mile) are also included to mark areas with higher pedestrian and bicycle traffic.
- **Gateway improvements at the intersection of Routes 9 and 115 to signal entry into North Yarmouth village**
Gateway improvements include landscaping and welcoming signage to mark entry into the village area. These improvements (\$15,000) were identified by several groups in North Yarmouth as a key component of improving the village area. Gateway improvements will help enhance the attractiveness of the area as well and help support commercial development.
- **Sign installations at entry points to the village area**
Unique signage is needed at entry points to the village to enhance the gateway effect. An added benefit of gateway signage is to aid in traffic calming by raising awareness to non-motorized traffic in the area. Construction costs in all scenarios include gateway signs (\$300 each) at the three entry points to the village (southbound and northbound on Routes 9 and 115).
- **A pedestrian bridge crossing Toddy Brook to connect developments on both sides**
Toddy Brook is an attractive feature in the village, but it is underutilized due to limited access. The Brook also impairs connectivity through the village. A bridge over the Brook would help connect the community with the waterway while also improving overall connectivity. The bridge would benefit retail activity south of the fire station by bringing pedestrian traffic to the businesses. A fixed cost (\$200,000) for the bridge construction is used; it is based on interviews with staff and committees.
- **Street lighting to improve safety and visibility**
Safety and visibility for residents as well as nearby businesses can be improved with attractive street lighting at strategic locations in the village. Construction costs include lighting installations at four locations (\$6,500 each): around commercial developments near the Routes 9 and 115 intersection, and at the municipal campus.

- **Demolition costs for removing all or a portion of the school**

In scenario 1, the school parcel (minus reserve acreage for recreational fields and the septic field) is sold for private development. Demolition costs for existing buildings is therefore paid by the developer and not included in the calculation of costs. In scenario 2A, part of the school is renovated and used for a municipal campus. The remainder must be demolished at Town expense. In Scenario 2B, the entire school must be demolished to prepare the site for the construction of a new municipal campus. A fixed demolition cost is assumed in scenario 2A (\$100,000) and 2B (\$140,000) based on estimates retrieved by the Town.

- **Parking at the municipal campus**

Parking will need to be replaced or built new in all development scenarios. Based on the size of the municipal campus, a parking lot with at least 73 spaces is needed to comply with parking regulations in North Yarmouth (1.25 spaces per municipal office employees and 1 space per 150ft² of office or assembly space). Parking construction costs are assumed to be \$2,000 per surface parking space.

- **Sewer**

Sewer costs include excavating and installing 2,900 linear feet of 3" forced main sewer lines from Memorial School to the Golden Triangle and across Route 115. The public sewer cost also includes a main pump station located along Route 9. The total cost of the sewer conveyance (\$736,394) is paid in year 1 of the calculations as this is integral to future development in the village. Planning Decisions assumed the future cost of sewer expansion is borne by private developers and rate payers in the sewer district.

Real Estate Absorption Rates

Unit and commercial square footage absorption rate

In Scenario 1, an estimated 340 new residential units can be built and approximately 51,000 square feet of commercial space. In Scenario 2A and 2B, 334 housing units are projected and 51,000 square feet of commercial space. Not all of these units can be built in the first year. Based on the location of the developable parcels, the time required to convey sewer to the parcels, and the logical expansion of development from the center of the village to outer areas, Planning decisions assumed the rate of housing and commercial development in the each scenario as shown in Table 4.

Year	Commercial Square Feet	Scenario 1 Housing Units	Scenario 2A and 2B Housing Units	Scenario 1 Units: Smaller TIF Area	Scenario 2A/B Units: Smaller TIF Area
0	-	-	-	-	-
1	-	-	-	-	-
2	6,364	4	4	4	4
3	6,364	10	9	5	4
4	8,092	12	7	7	2
5	8,092	7	7	2	2
6	7,743	24	24	6	6
7	7,743	16	16	4	4
8	2,246	27	27	4	4
9	2,246	27	27	4	4
10	2,246	27	27	4	4
11	-	31	31	2	2
12	-	29	29	-	-
13	-	29	29	-	-
14	-	29	29	-	-
15	-	17	17	-	-
16	-	12	12	-	-
17	-	12	12	-	-
18	-	12	12	-	-
19	-	9	9	-	-
20	-	6	6	-	-
TOTAL	51,137ft²	340 units	334 units	42 units	36 units

Table 4 also illustrates the number of housing units contained in a smaller TIF district that is more concentrated on commercial properties in the village area. As mentioned, TIF districts are economic development tools. Normally districts cannot be used to capture increased property tax value on new residential development. However, if a predominantly commercial TIF district also saw some residential development, the increased valuation from the housing units would be counted toward TIF revenue. The goal is to define a TIF area that will not be used to shelter new value gained **mainly** through residential development. There are several lots in the village study area that Planning Decisions projected would be used primarily for residential development (lots 007-034, 007-044, 007-045, and 007-086), totaling 298 units in all scenarios. The sensitivity analysis presented below assumes that the TIF district boundaries are reduced to not include these primarily residential parcels.

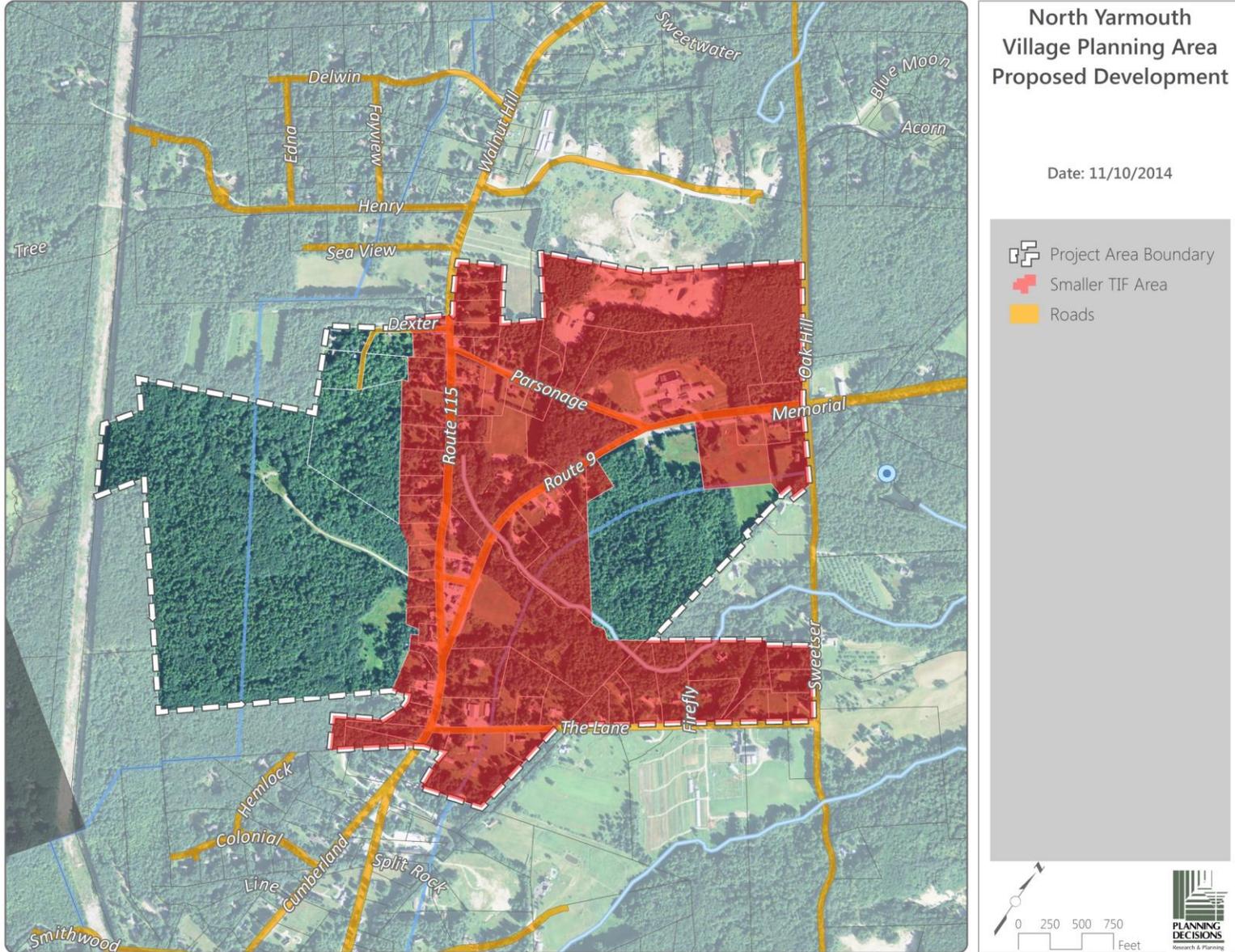


Figure 2

Preliminary TIF Assessment

An overview of preliminary TIF assessment results is provided in Table 5 and 6. In scenario 1, if all new tax revenue is captured and allocated to the TIF account, approximately \$72,000,000 would be made available for economic development activities in the TIF district over the 20 year time frame. The existing property value in the TIF district would continue to generate revenue for the general fund, amounting to nearly \$666,000 over the 20-year timeframe (discounted to today's dollars).

In scenario 2A and 2B, \$69 million would be generated in a TIF account with full build-out, reflecting the fact that a slightly larger number of units is projected in Scenario 1. As with Scenario 1, existing assessed property value continued to generate revenue for the general fund.

Table 5: Preliminary TIF Revenues – Scenario 1

Year	Original Assessed Value (\$)	New Commercial Value (\$)	New Residential Value (\$)	Additional Assessed Value (\$)	Value to TIF (%)	Mill Rate	Revenue to TIF Account	Present Value (TIF)	Revenue to GF	Present Value (GF)	Discount Factor
0	\$2,634,400										
1	\$2,634,400	\$0	\$0	\$0	100%	17.13	\$0	\$0	\$45,127	\$43,773	0.9700
2	\$2,634,400	\$610,944	\$1,124,000	\$1,734,944	100%	17.13	\$29,720	\$27,963	\$45,127	\$42,460	0.9409
3	\$2,634,400	\$610,944	\$2,810,000	\$5,155,888	100%	17.13	\$118,040	\$107,732	\$45,127	\$41,186	0.9127
4	\$2,634,400	\$776,832	\$3,372,000	\$9,304,720	100%	17.13	\$277,430	\$245,607	\$45,127	\$39,951	0.8853
5	\$2,634,400	\$776,832	\$1,967,000	\$12,048,553	100%	17.13	\$483,822	\$415,474	\$45,127	\$38,752	0.8587
6	\$2,634,400	\$743,373	\$6,744,000	\$19,535,926	100%	17.13	\$818,472	\$681,764	\$45,127	\$37,590	0.8330
7	\$2,634,400	\$743,373	\$4,496,000	\$24,775,298	100%	17.13	\$1,242,873	\$1,004,220	\$45,127	\$36,462	0.8080
8	\$2,634,400	\$215,622	\$7,587,000	\$32,577,920	100%	17.13	\$1,800,933	\$1,411,469	\$45,127	\$35,368	0.7837
9	\$2,634,400	\$215,622	\$7,587,000	\$40,380,541	100%	17.13	\$2,492,651	\$1,894,991	\$45,127	\$34,307	0.7602
10	\$2,634,400	\$215,622	\$7,587,000	\$48,183,163	100%	17.13	\$3,318,029	\$2,446,794	\$45,127	\$33,278	0.7374
11	\$2,634,400	\$0	\$8,711,000	\$56,894,163	100%	17.13	\$4,292,626	\$3,070,521	\$45,127	\$32,280	0.7153
12	\$2,634,400	\$0	\$8,149,000	\$65,043,163	100%	17.13	\$5,406,815	\$3,751,477	\$45,127	\$31,311	0.6938
13	\$2,634,400	\$0	\$8,149,000	\$73,192,163	100%	17.13	\$6,660,597	\$4,482,762	\$45,127	\$30,372	0.6730
14	\$2,634,400	\$0	\$8,149,000	\$81,341,163	100%	17.13	\$8,053,971	\$5,257,924	\$45,127	\$29,461	0.6528
15	\$2,634,400	\$0	\$4,777,000	\$86,118,163	100%	17.13	\$9,529,175	\$6,034,362	\$45,127	\$28,577	0.6333
16	\$2,634,400	\$0	\$3,372,000	\$89,490,163	100%	17.13	\$11,062,142	\$6,794,961	\$45,127	\$27,720	0.6143
17	\$2,634,400	\$0	\$3,372,000	\$92,862,163	100%	17.13	\$12,652,871	\$7,538,910	\$45,127	\$26,888	0.5958
18	\$2,634,400	\$0	\$3,372,000	\$96,234,163	100%	17.13	\$14,301,362	\$8,265,490	\$45,127	\$26,081	0.5780
19	\$2,634,400	\$0	\$2,529,000	\$98,763,163	100%	17.13	\$15,993,175	\$8,965,977	\$45,127	\$25,299	0.5606
20	\$2,634,400	\$0	\$1,686,000	\$100,449,163	100%	17.13	\$17,713,869	\$9,632,702	\$45,127	\$24,540	0.5438
								\$72,031,101		\$665,657	

Table 6: Preliminary TIF Revenues – Scenario 2A and 2B

Year	Original Assessed Value (\$)	New Commercial Value (\$)	New Residential Value (\$)	Additional Assessed Value (\$)	Value to TIF (%)	Mill Rate	Revenue to TIF Account	Present Value (TIF)	Revenue to GF	Present Value (GF)	Discount Factor
0	\$2,634,400										
1	\$2,634,400	\$0	\$0	\$0	100%	17.13	\$0	\$0	\$45,127	\$43,773	0.9700
2	\$2,634,400	\$610,944	\$1,124,000	\$1,734,944	100%	17.13	\$29,720	\$27,963	\$45,127	\$42,460	0.9409
3	\$2,634,400	\$610,944	\$2,529,000	\$4,874,888	100%	17.13	\$113,226	\$103,339	\$45,127	\$41,186	0.9127
4	\$2,634,400	\$776,832	\$1,967,000	\$7,618,720	100%	17.13	\$243,735	\$215,777	\$45,127	\$39,951	0.8853
5	\$2,634,400	\$776,832	\$1,967,000	\$10,362,553	100%	17.13	\$421,246	\$361,738	\$45,127	\$38,752	0.8587
6	\$2,634,400	\$743,373	\$6,744,000	\$17,849,926	100%	17.13	\$727,015	\$605,583	\$45,127	\$37,590	0.8330
7	\$2,634,400	\$743,373	\$4,496,000	\$23,089,298	100%	17.13	\$1,122,535	\$906,989	\$45,127	\$36,462	0.8080
8	\$2,634,400	\$215,622	\$7,587,000	\$30,891,920	100%	17.13	\$1,651,713	\$1,294,519	\$45,127	\$35,368	0.7837
9	\$2,634,400	\$215,622	\$7,587,000	\$38,694,541	100%	17.13	\$2,314,551	\$1,759,593	\$45,127	\$34,307	0.7602
10	\$2,634,400	\$215,622	\$7,587,000	\$46,497,163	100%	17.13	\$3,111,047	\$2,294,161	\$45,127	\$33,278	0.7374
11	\$2,634,400	\$0	\$8,711,000	\$55,208,163	100%	17.13	\$4,056,763	\$2,901,808	\$45,127	\$32,280	0.7153
12	\$2,634,400	\$0	\$8,149,000	\$63,357,163	100%	17.13	\$5,142,071	\$3,567,787	\$45,127	\$31,311	0.6938
13	\$2,634,400	\$0	\$8,149,000	\$71,506,163	100%	17.13	\$6,366,972	\$4,285,144	\$45,127	\$30,372	0.6730
14	\$2,634,400	\$0	\$8,149,000	\$79,655,163	100%	17.13	\$7,731,465	\$5,047,381	\$45,127	\$29,461	0.6528
15	\$2,634,400	\$0	\$4,777,000	\$84,432,163	100%	17.13	\$9,177,788	\$5,811,845	\$45,127	\$28,577	0.6333
16	\$2,634,400	\$0	\$3,372,000	\$87,804,163	100%	17.13	\$10,681,873	\$6,561,379	\$45,127	\$27,720	0.6143
17	\$2,634,400	\$0	\$3,372,000	\$91,176,163	100%	17.13	\$12,243,720	\$7,295,128	\$45,127	\$26,888	0.5958
18	\$2,634,400	\$0	\$3,372,000	\$94,548,163	100%	17.13	\$13,863,331	\$8,012,329	\$45,127	\$26,081	0.5780
19	\$2,634,400	\$0	\$2,529,000	\$97,077,163	100%	17.13	\$15,526,262	\$8,704,220	\$45,127	\$25,299	0.5606
20	\$2,634,400	\$0	\$1,686,000	\$98,763,163	100%	17.13	\$17,218,075	\$9,363,092	\$45,127	\$24,540	0.5438
								\$69,119,775		\$665,657	

Sensitivity Analysis

A sensitivity analysis is used to compare the fiscal and economic impacts of proposed development after altering the assumptions made in each scenario. The sensitivity analysis shows the impact on TIF and general fund revenues based on the following modifications for each scenario:

1. **A lower rate of development in the village**, the total property tax revenues generated for either TIF or general fund use would be reduced. The sensitivity analysis shows what would happen to TIF and general fund revenues if 15% and 30% fewer units and commercial square footage were constructed over the 20 year timeline.
2. **A smaller TIF district**: The sensitivity analysis shows what would happen if primarily residential lots were removed from the TIF district. Housing units still captured in the TIF district are shown in Table 4. The calculations assume residential development still occurs on the lots excluded from the TIF district, but new property tax revenue from these parcels is not captured in a TIF fund. New property tax revenue from development on these parcels is collected instead in the general fund, and was therefore not sheltered from education and county assessment.
3. **Hybrid**: Assuming lower rates of development (as in alternative 1 above) and a smaller TIF district (as in alternative 2 above)

In scenario 1, with 15% fewer housing units and commercial square footage developed, the roughly \$61.5 million is available for local TIF spending with 100% of new tax revenue allocated to the TIF account. With 30% less development, the available funds for TIF spending drops to \$50.6 million. A reduced TIF district has the greatest impact on the available revenue for local spending (from a TIF fund or the general fund). A smaller TIF district means a large share of the new property tax revenue is spent on education and county expenses. The difference in available local spending funds between the base case in scenario 1 (a large TIF and maximum development) and a case with 30% less development and a smaller TIF area is approximately \$50 million.

In scenario 2A and 2B, overall revenue is slightly lower in all cases due to fewer housing units being built in the base scenario. In scenario 2A, the base case with a larger TIF area and full buildout would yield nearly \$69.5 million in local spending (between TIF funds and general fund money not spent on education and county expenses). With 15% and 30% less development, local spending drops to \$59 million and \$48.6 million, respectively. The difference in available local spending funds between the base case in scenario 2A (a large TIF and maximum development) and a case with 30% less development and a smaller TIF area is approximately \$48.3 million. In scenario 2B, the difference is also \$48.3 million.

Fig. 3: Sensitivity Analysis: Potential Property Tax Revenues to the TIF Fund and General Fund (GF) in North Yarmouth Village Development Scenario 1

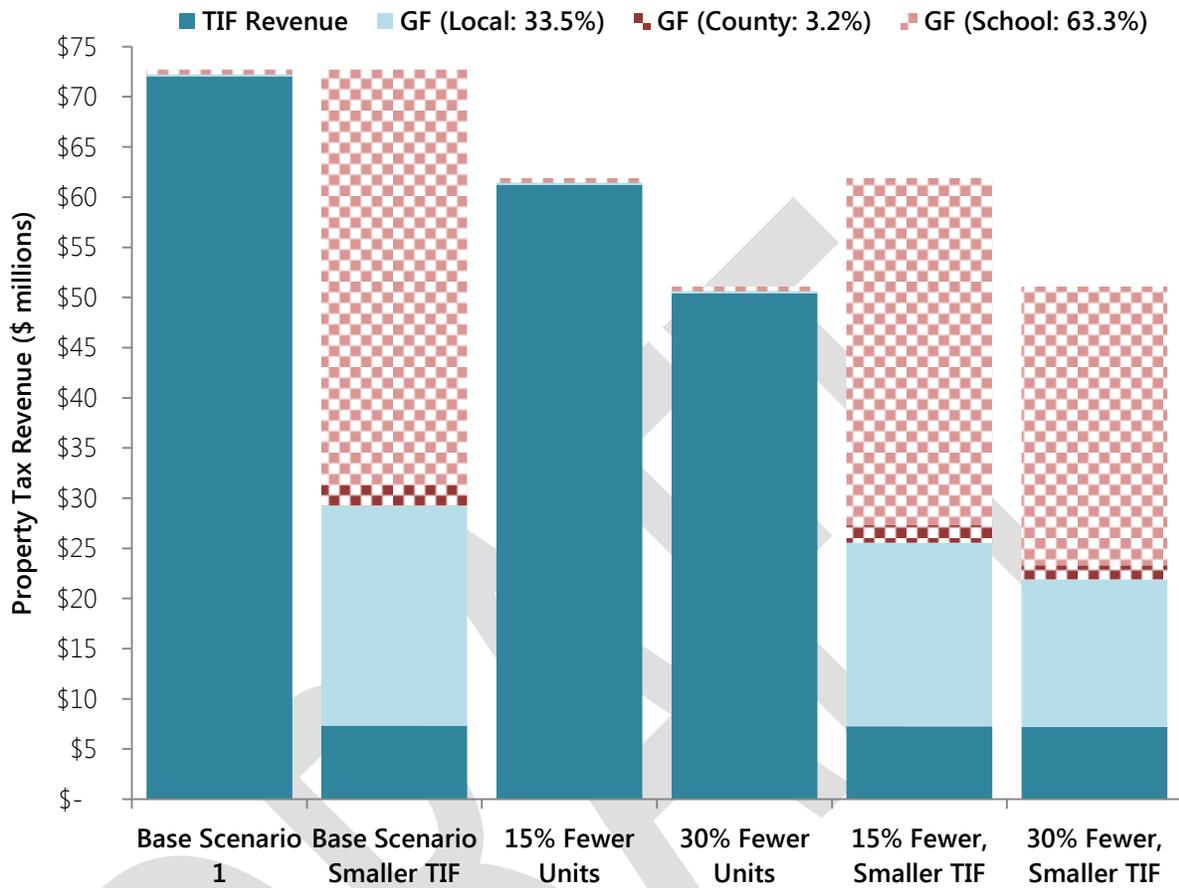


Table 7: Sensitivity Analysis for Development Scenario 1

Revenue Stream:	Base Scenario 1	Base with a Smaller TIF	Fewer Units (85%)	Fewer Units (70%)	85% Units & Smaller TIF	70% Units & Smaller TIF
TIF Fund	\$72,031,101	\$7,331,265	\$61,226,436	\$50,421,771	\$7,269,832	\$7,208,398
General Fund (Local: 33.5%)	\$222,995	\$21,897,439.91	\$222,995	\$222,995	\$18,298,457	\$14,699,475
General Fund (County: 3.2%)	\$21,301	\$2,091,695.75	\$21,301	\$21,301	\$1,747,912	\$1,404,129
General Fund (School: 63.3%)	\$421,361	\$41,376,356.61	\$421,361	\$421,361	\$34,575,891	\$27,775,425
GF Total	\$665,657	\$65,365,492	\$665,657	\$665,657	\$54,622,260	\$43,879,029
For Local Use	\$72,254,096	\$29,228,705	\$61,449,431	\$50,644,765	\$25,568,289	\$21,907,873

Fig. 4: Sensitivity Analysis: Potential Property Tax Revenues to the TIF Fund and General Fund (GF) in North Yarmouth Village Development Scenario 2A

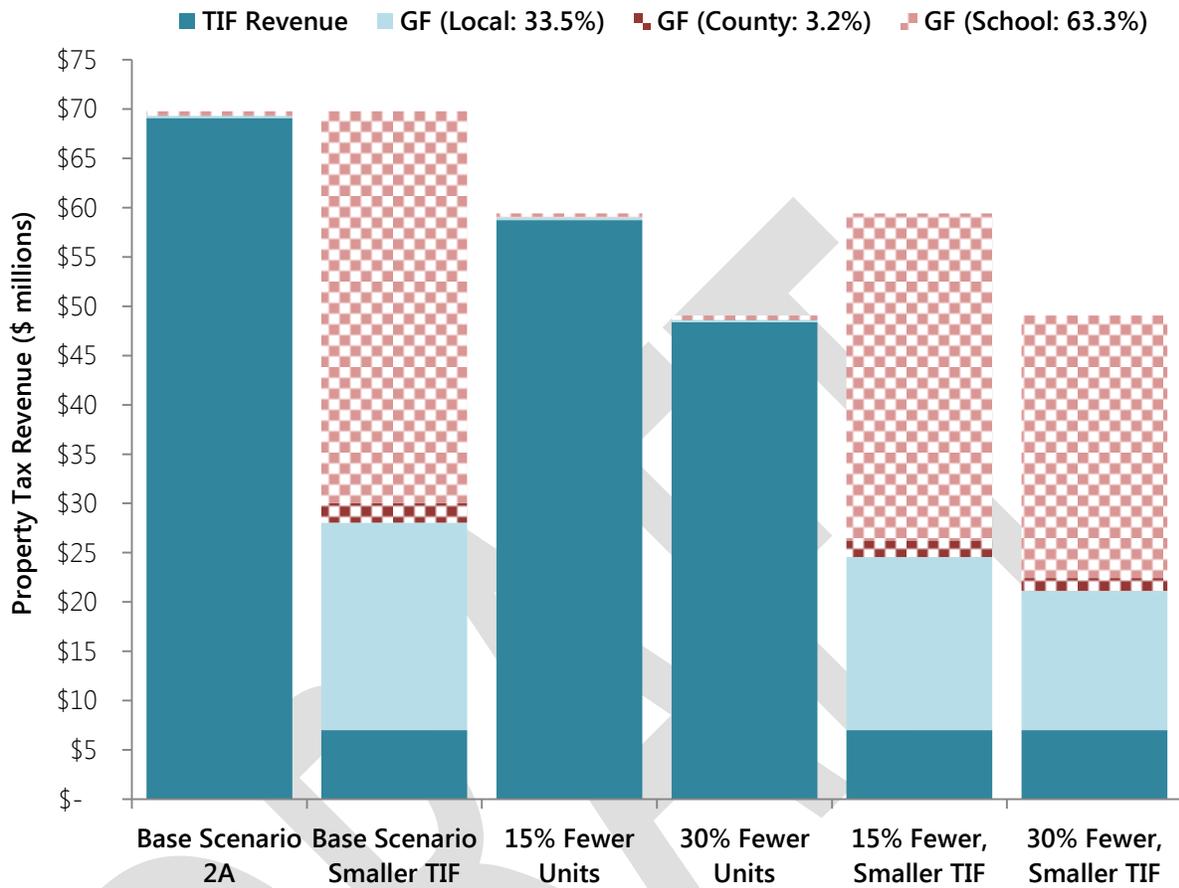


Table 8: Sensitivity Analysis for Development Scenario 2A

Revenue Stream:	Base Scenario 2A	Base with a Smaller TIF	Fewer Units (85%)	Fewer Units (70%)	85% Units & Smaller TIF	70% Units & Smaller TIF
TIF Fund	\$69,119,775	\$7,008,647	\$58,751,809	\$48,383,843	\$7,008,647	\$7,008,647
General Fund (Local: 33.5%)	\$222,995	\$21,030,222.73	\$222,995	\$222,995	\$17,556,954	\$14,083,685
General Fund (County: 3.2%)	\$21,301	\$2,008,857.10	\$21,301	\$21,301	\$1,677,082	\$1,345,307
General Fund (School: 63.3%)	\$421,361	\$39,737,704.44	\$421,361	\$421,361	\$33,174,782	\$26,611,859
GF Total	\$665,657	\$62,776,784	\$665,657	\$665,657	\$52,408,818	\$42,040,852
For Local Use	\$69,342,770	\$28,038,870	\$58,974,804	\$48,606,838	\$24,565,602	\$21,092,333

Fig. 5: Sensitivity Analysis: Potential Property Tax Revenues to the TIF Fund and General Fund (GF) in North Yarmouth Village Development Scenario 2B

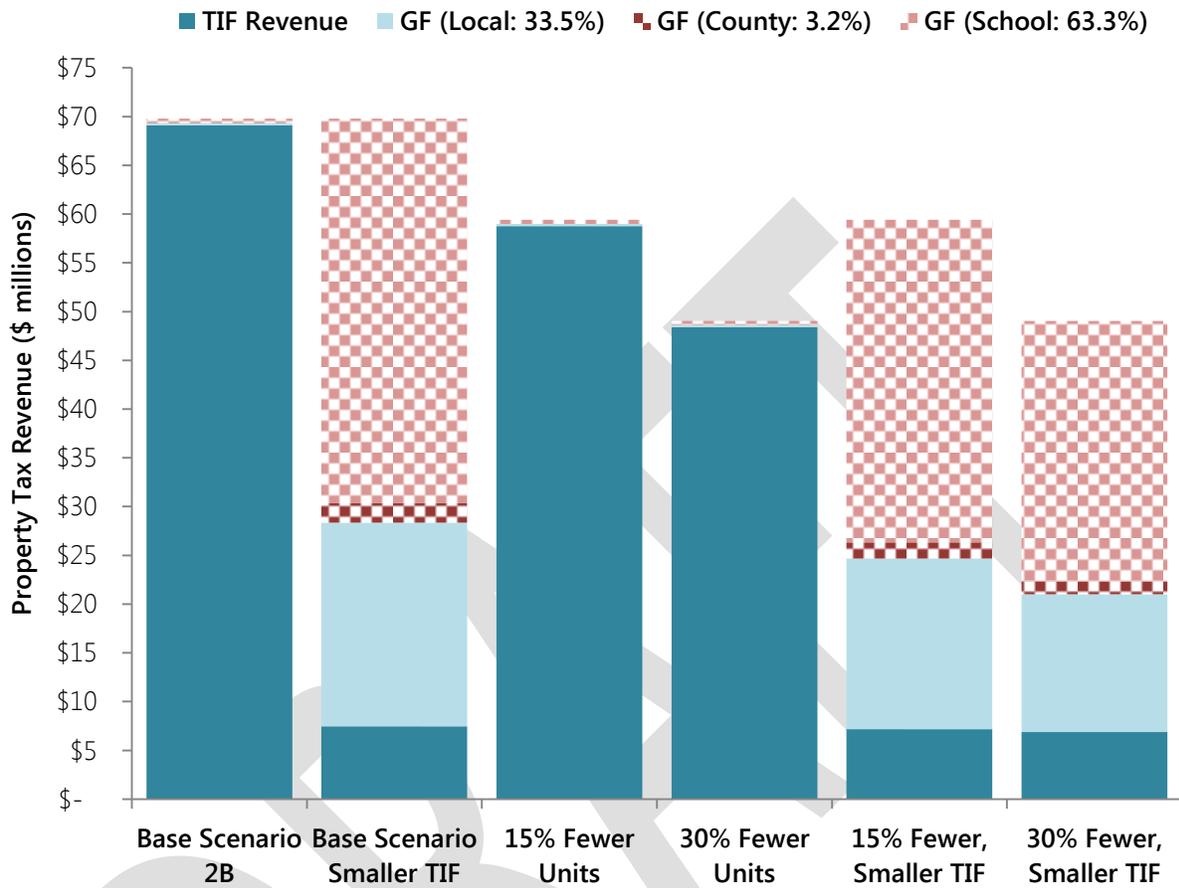


Table 9: Sensitivity Analysis for Development Scenario 2B

Revenue Stream:	Base Scenario 2B	Base with a Smaller TIF	Fewer Units (85%)	Fewer Units (70%)	85% Units & Smaller TIF	70% Units & Smaller TIF
TIF Fund	\$69,119,775	\$7,464,066	\$58,751,809	\$48,383,843	\$7,169,145	\$6,874,223
General Fund (Local: 33.5%)	\$222,995	\$20,877,657.55	\$222,995	\$222,995	\$17,503,187	\$14,128,717
General Fund (County: 3.2%)	\$21,301	\$1,994,283.71	\$21,301	\$21,301	\$1,671,946	\$1,349,609
General Fund (School: 63.3%)	\$421,361	\$39,449,424.56	\$421,361	\$421,361	\$33,073,187	\$26,696,950
GF Total	\$665,657	\$62,321,366	\$665,657	\$665,657	\$52,248,321	\$42,175,276
For Local Use	\$69,342,770	\$28,341,723	\$58,974,804	\$48,606,838	\$24,672,332	\$21,002,941

Appendix A: Parcel Data in North Yarmouth Village

Appendix 1 - Summary of Parcel Information for Area 1 in the Village

Map-Lot	Description	Building (\$)	Land (\$)	Other (\$)	Total Value (\$)	Usable Acres	Land Value (\$/acre)	Gross Area (ft ²)	Building (\$/ft ²)
007-064	Municipal, Town Hall	\$474,500	\$126,500	-	\$601,000	6.69	\$18,909	3,244	\$89
007-065	Municipal, Wescustogo*	-	\$88,900	\$16,300	\$105,200	2.07	\$42,947	-	-
007-066	Municipal, Fire Station	\$473,000	\$84,900	\$1,100	\$559,000	1.00	\$84,900	3,020	\$61
007-067	Commercial, Office	\$324,600	\$118,300	\$15,000	\$457,900	2.00	\$59,150	3,142	\$53
007-076	Veterans Memorial Park**	-	\$82,500	-	\$82,500	0.00	-	-	-
007-084	Municipal, Public Works	-	\$73,500	\$500	\$74,000	3.05	\$24,098	-	-
007-085	Municipal, Mem. School***	\$3,537,800	\$160,900	\$2,900	\$3,701,600	18.00	\$8,939	44,243	\$79
007-092	Municipal, Town Pit	-	\$182,400	\$286,700	\$469,100	27.86	\$6,547	-	-
TOTAL		\$4,809,900	\$917,900	\$322,500	\$6,050,300	60.67			

* Map-Lot 007-065, the former Wescustogo Hall parcel has been merged with Map-Lot 007-071
 ** Veterans Memorial Park has been removed from the usable acreage for development. It is assumed the area will remain a public park.
 *** The former Memorial School parcel spans 20.0 acres. For this study 2 acres have been removed from the usable acreage to preserve sewer capacity and future expansion of sewer capacity on the site.

Appendix 2 - Summary of Parcel Information for Area 2 in the Village

Map-Lot	Description	Building (\$)	Land (\$)	Other (\$)	Total Value (\$)	Usable Acres	Land Value (\$/acre)	Gross Area (ft ²)	Building (\$/ft ²)
004-114	Single Family	\$186,200	\$66,100	\$5,800	\$259,900	0.50	\$118,000	4,297	\$38
004-172	Single Family	\$172,400	\$69,300	\$17,200	\$258,900	1.44	\$46,597	6,732	-
004-173	Single Family	\$109,000	\$60,700	\$1,100	\$170,800	5.90	\$14,390	3,758	\$49
007-025	Commercial, Retail	\$194,900	\$60,700	-	\$255,600	1.40	\$61,786	1,848	-
007-026	Single Family	\$142,400	\$70,100	\$1,300	\$213,800	1.00	\$65,300	2,505	\$54
007-027	Single Family	\$156,000	\$84,900	-	\$240,900	1.90	\$36,263	4,673	\$41
007-029	Commercial, Restaurant	\$299,300	\$85,600	\$6,500	\$392,600	1.00	\$84,900	3,860	\$63
007-030	Single Family	\$153,700	\$70,600	\$19,200	\$245,300	1.60	\$42,313	4,770	\$32
007-031	Commercial, Office	\$150,700	\$88,000	\$11,300	\$250,000	1.00	\$84,900	1,800	\$132
007-032	Commercial, Office	\$218,300	\$65,300	\$2,200	\$289,400	0.50	\$153,200	3,900	-
007-033	Single Family	\$134,800	\$65,300	\$2,800	\$204,600	1.00	\$65,300	2,772	\$41
007-035	Single Family	\$76,700	\$43,600	\$8,700	\$131,600	1.00	\$65,300	2,808	\$39
007-036	Single Family	\$223,000	\$67,700	-	\$294,600	1.01	\$64,653	5,222	\$34
007-037	Single Family	\$112,700	\$60,700	-	\$173,400	1.40	\$47,786	3,702	\$80
007-038	Single Family	\$136,400	\$73,300	\$16,100	\$230,000	1.40	\$47,786	5,339	\$37
007-039	Single Family, Mobile	\$127,000	\$65,300	\$1,600	\$195,500	1.26	\$51,154	1,730	\$14
007-040	Single Family	\$197,100	\$81,300	\$62,300	\$347,900	-	\$29,873	5,202	\$41
007-041	Single Family	\$181,500	\$65,300	-	\$246,800	2.08	\$59,727	6,028	\$34
007-042	Single Family	\$134,400	\$65,300	-	\$199,700	1.10	\$47,786	3,878	-
007-043	Single Family	\$178,100	\$59,000	\$2,800	\$242,700	0.79	\$47,786	4,116	\$34
007-046	Single Family with In-law	\$109,100	\$67,300	\$7,300	\$183,700	1.40	\$34,650	5,760	\$42
007-047	Single Family	\$206,700	\$73,300	\$900	\$286,500	2.00	\$118,000	3,456	\$35
007-049	Single Family	\$230,100	\$67,800	-	\$297,900	0.50	\$59,727	2,304	\$56
007-057	Single Family	\$168,100	\$65,300	\$900	\$234,300	1.10	\$55,083	3,996	\$48
007-058	Single Family	\$125,100	\$65,300	\$1,800	\$192,200	1.20	\$34,650	4,465	\$42
007-059	Single Family	\$86,500	\$66,500	\$900	\$153,900	2.00	\$80,933	4,310	\$26
007-060	Commercial, Auto Repair	\$428,600	\$91,200	\$1,800	\$536,300	0.75	\$80,933	3,168	-
007-061	Single Family	\$190,700	\$78,500	\$1,300	\$279,500	0.75	\$31,864	5,798	\$25
007-062	Commercial, Day Care	\$333,100	\$81,900	-	\$415,000	1.26	\$84,900	1,550	-
007-063	Commercial, Retail	\$109,900	\$73,800	\$5,200	\$188,900	1.11	\$19,323	6,850	\$45
007-068	Single Family	\$132,700	\$65,700	\$46,500	\$248,200	4.43	\$30,300	4,428	\$39

007-072	Single Family	\$142,800	\$68,200	-	\$211,000	1.31	\$13,193	3,689	\$44
007-073	Single Family	\$132,900	\$65,300	-	\$198,200	6.35	\$64,653	4,804	\$46
007-074	Single Family	\$186,200	\$66,100	\$5,800	\$259,900	0.30	\$65,300	3,562	\$39
007-075	Single Family, Mobile	\$172,400	\$69,300	\$17,200	\$258,900	-	\$43,600	3,648	\$23
007-077	Single Family	\$109,000	\$60,700	\$1,100	\$170,800	1.00	\$42,313	6,220	-
007-078	Single Family	\$194,900	\$60,700	-	\$255,600	1.00	\$80,933	4,020	-
007-079	Single Family	\$142,400	\$70,100	\$1,300	\$213,800	1.35	\$24,433	4,813	\$32
007-080	Single Family	\$156,000	\$84,900	-	\$240,900	0.75	\$65,300	2,598	\$49
007-081	Single Family	\$299,300	\$85,600	\$6,500	\$392,600	3.00	\$16,260	5,072	\$51
007-083	Single Family	\$153,700	\$70,600	\$19,200	\$245,300	1.00	\$65,300	5,416	-
007-087	Single Family	\$150,700	\$88,000	\$11,300	\$250,000	5.00	\$65,300	4,117	-
007-088	Single Family	\$218,300	\$65,300	\$2,200	\$289,400	1.00	\$118,000	5,572	\$32
007-089	Single Family	\$134,800	\$65,300	\$2,800	\$204,600	1.00	\$44,867	3,008	\$39
007-090	Single Family	\$76,700	\$43,600	\$8,700	\$131,600	0.50	\$24,433	4,634	\$45
007-091	Single Family	\$223,000	\$67,700	-	\$294,600	1.50	\$41,852	4,346	-
007-094	Single Family	\$112,700	\$60,700	-	\$173,400	3.00	\$65,300	4,010	\$42
007-099	Single Family	\$136,400	\$73,300	\$16,100	\$230,000	1.62	\$65,300	3,516	\$36
007-100	Single Family	\$127,000	\$65,300	\$1,600	\$195,500	1.00	\$51,154	2,068	\$42
007-101	Single Family with In-law	\$197,100	\$81,300	\$62,300	\$347,900	1.00	\$16,952	8,518	\$51
007-103	Single Family	\$181,500	\$65,300	-	\$246,800	1.30	\$31,400	3,684	\$52
007-104	Single Family	\$134,400	\$65,300	-	\$199,700	5.38	\$25,046	7,706	-
007-105	Single Family	\$178,100	\$59,000	\$2,800	\$242,700	4.08	\$23,578	2,512	\$46
007-106	Single Family	\$109,100	\$67,300	\$7,300	\$183,700	1.62	\$60,275	2,180	\$82
007-107	Single Family	\$206,700	\$73,300	\$900	\$286,500	2.15	\$39,422	3,468	-
007-109	Single Family	\$230,100	\$67,800	-	\$297,900	1.09	\$65,300	3,842	-
007-110	Single Family	\$168,100	\$65,300	\$900	\$234,300	0.50	\$118,000	4,297	\$38
007-111	Single Family	\$125,100	\$65,300	\$1,800	\$192,200	1.44	\$46,597	6,732	-
TOTAL		\$9,565,300	\$3,904,500	\$414,600	\$13,994,300	91.08			

Appendix 3 - Summary of Parcel Information for Area 3 in the Village

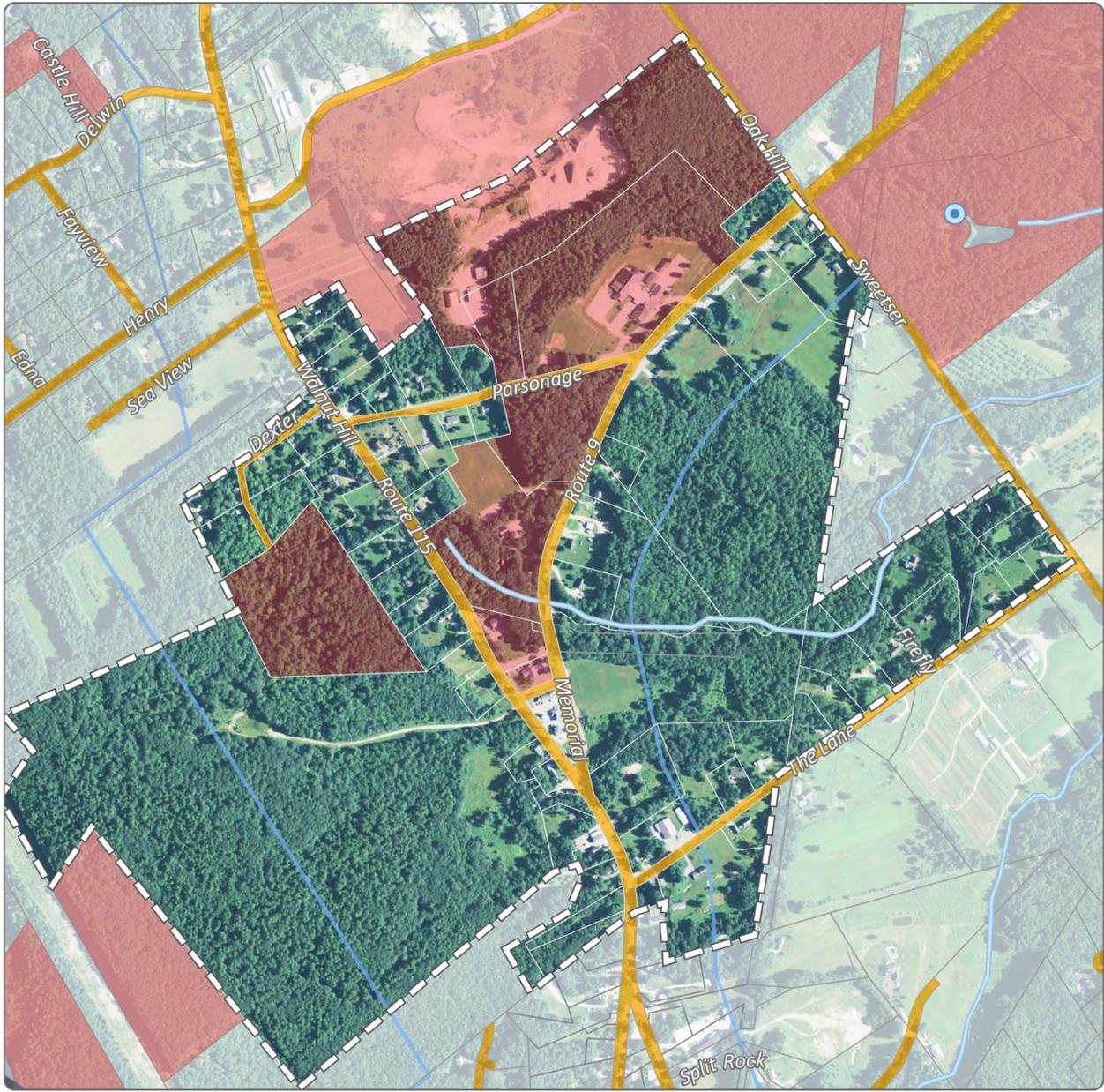
Map-Lot	Description	Buildings (\$)	Land (\$)	Other (\$)	Total Value	Usable Acres	Land Value (\$/acre)	Gross Area (ft ²)	Building (\$/ft ²)
007-034	Developable Land	-	\$118,500	-	\$118,500	104.40	\$1,103	-	-
007-044	Developable Land	-	\$67,700	-	\$67,700	1.60	\$42,313	-	-
007-045	Municipal, Land	-	\$117,300	-	\$117,300	12.52	\$8,379	-	-
007-069	Developable Land	-	\$76,200	-	\$76,200	3.72	\$20,484	-	-
007-070	Developable Land	-	\$113,800	-	\$113,800	14.69	\$6,322	-	-
007-086	Single Family	\$137,300	\$177,500	\$11,100	\$329,400	20.04	\$5,221	2,544	\$58
007-102	Developable Land	-	\$65,500	-	\$65,500	1.05	\$62,381	-	-
007-108	Developable Land	-	\$67,600	-	\$67,600	1.49	\$42,785	-	-
TOTAL		\$137,300	\$804,100	\$11,100	\$956,000	159.51			

Appendix B: Overview of Village Geography

Figure 1 depicts the village area, with the project boundaries highlighted. Publicly-owned parcels are also identified in red. The project area consists of 75 parcels comprising approximately 331 acres with a current (April 1, 2014) assessed value of \$21,072,400. For the purposes of this report, this is the area for which alternative development scenarios will be considered.

Within the defined village area, there are three key geographies through which to view the development scenarios considered in this report. These geographies are illustrated in Figure 2:

- ✓ The area highlighted in green delineates the “core area” containing both the current Town Hall (map-lot: 007-064) and the former school (map-lot: 007-085). This “core” area contains eight parcels covering 78 acres with a total value of more than \$ \$6,050,300. Appendix 1 lists the details for this area. While the total area represented by these parcels is more than 78 acres, the presence of Toddy Brook reduces the usable or developable area to 60.67 acres. Deciding how to use this area is the central choice before residents of North Yarmouth. The development of these parcels will drive the future course of development throughout the village and in surrounding land.
- ✓ The area highlighted in blue in delineates already occupied parcels (primarily single family homes) bordering the “core area.” These properties embody the existing character of the area immediately bounding the village “core” and are those most likely to benefit from and be affected by changes in the core. These parcels might be characterized as the village “impact” area. This area contains 56 parcels covering 99 acres with a total assessed value of \$13,994,300. Appendix 2 summarizes current development on these parcels. As with the developable land in the “core” area, various environmental features reduce the acreage available for development to 91.08 acres.
- ✓ The area highlighted in yellow delineates developable land surrounding the two interior areas. These parcels represent the “potential village growth” area. This “potential growth” area contains 8 parcels covering 81 acres with a total assessed value of \$956,000. These are the areas that could, depending on the outcome of development in the “core” area, see further village amenity-oriented residential development. Appendix 3 summarizes the current development on these parcels. A large marsh located on primarily on parcel 007-086 as well as Toddy Brook impact total usable acreage for development in area 3. The total land available for potential development in this area is 159.51 acres, which includes a large parcel (map-lot: 007-034) to the west of core village area.



North Yarmouth Village Planning Area

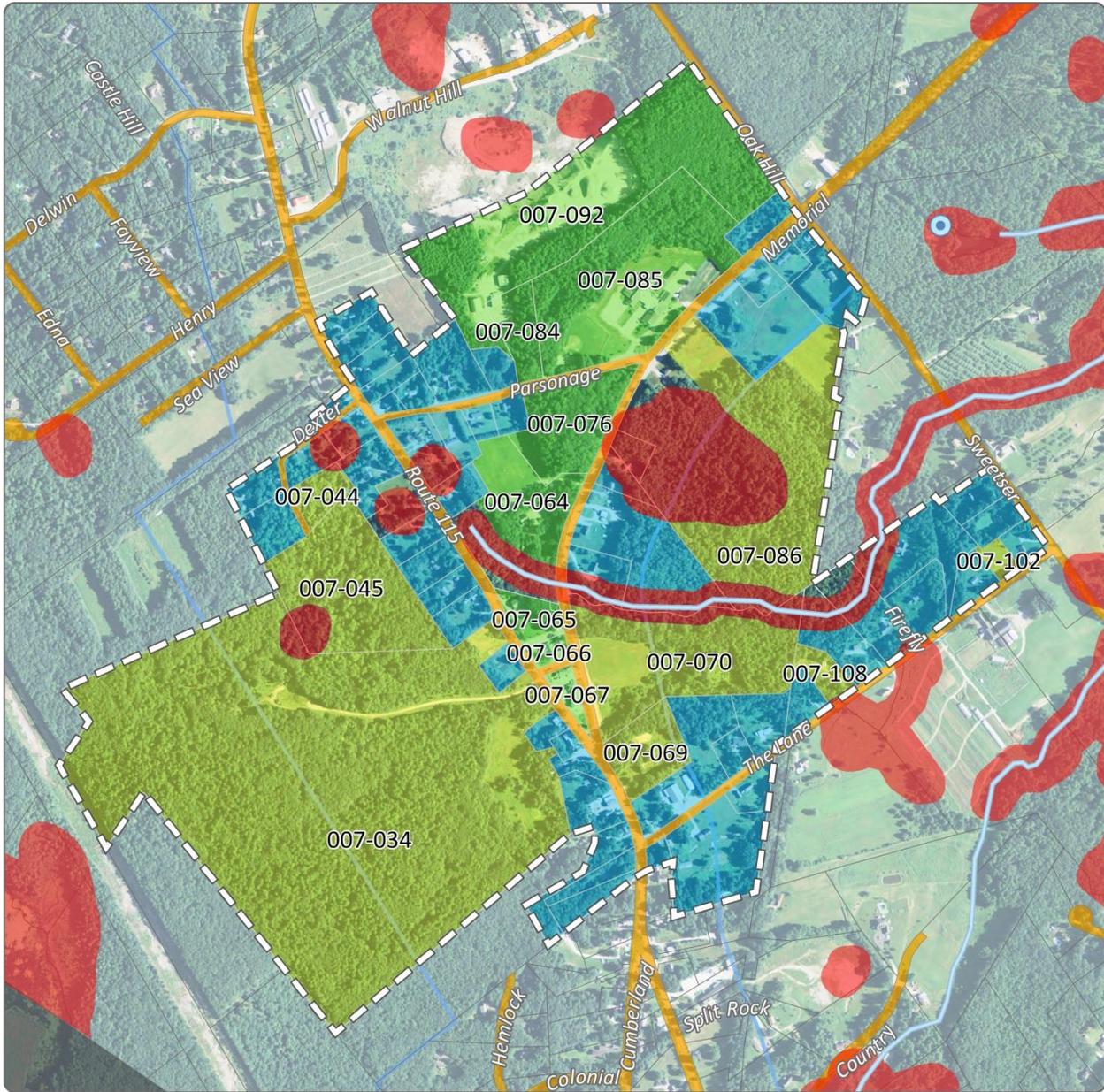
Date: 10/17/2014

Legend

- Project Area Boundary
- Waterways
- Drinking Water Well
- Village Center Zoning
- Village Area Parcels
- Non-Village Parcels
- Public Parcels in Village
- Roads

0 250 500 750 Feet

Figure 3- North Yarmouth Village Project Area with Municipal Parcels Identified



North Yarmouth Village Planning Area Development Areas

Date: 10/20/2014

Legend

- Project Area Boundary
- Area 1 Parcels
- Area 2 Parcels
- Area 3 Parcels
- Non-developable Areas
- Well Head
- Roads
- Waterways
- Village Area Parcels
- Non-Village Parcels
- Town of Cumberland

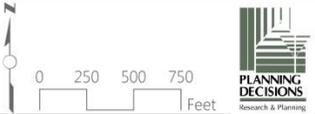


Figure 4 – Three Geographies of Potential Development in the North Yarmouth Village Study Area