Final Report

North Yarmouth Village Development Study

Prepared for:
Town of North Yarmouth

Planning Decisions Inc.
477 Congress St., Suite 1005
Portland, ME 04101-3406

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Introduction

Ten years ago, the Town of North Yarmouth adopted a Comprehensive Plan that envisioned "a thriving village center" characterized by civic and commercial activity connected to surrounding neighborhoods. Development in the village would be denser than that found in the Village Residential and Farm and Forest districts. Over the past decade, that vision has not been realized. While the town has grown substantially, commercial activity in the village center remains minimal, and more development has occurred in the "farm & forest" district than in either the Village Center or Village Residential districts. In addition, the type of residential development has not been substantially different across all zones.

A variety of citizen-led proposals have been presented to stimulate development in the village and shape it in ways more consistent with the Comprehensive Plan. These proposals include plans to rebuild Wescustogo Hall, bring more businesses into the village and diversify the tax base, improve the image and appeal of the village, turn Memorial School into (one of) senior housing, a mixed-use building, a new civic and municipal campus; build on the septic capacity at the Memorial School site to provide a sewer system in the village, and expand the town's trail and cycling networks while marketing the town's unique story.

These village development ideas have presented residents and policy makers with an array of choices—some are complementary, while others are incompatible and cannot be pursued together. In addition, the ideas have been brought forward by a variety of groups, including town-sanctioned committees, private citizens, and independent civic organizations. As a result, each idea has developed its own constituencies.

Planning Decisions was tasked with helping the Town of North Yarmouth and its residents understand the feasibility and implications of development ideas for the village area. This includes articulating the available options, placing those options in the context of market forces, narrowing the options into viable development scenarios, and evaluating the financial implications of those scenarios.

The purpose of this report is not to prepare a development plan. Rather, it is to provide the citizens of North Yarmouth with the necessary information to compare development options, and then work together toward a plan for the village.

Figure 1 depicts the planning area with town-owned parcels highlighted. The planning area covers 75 parcels and approximately 330 acres. The assessed value of property within the boundary on April 1, 2014 totals approximately $21 million (both taxable and non-taxable). Appendix A provides a summary of assessment data for each parcel in the village planning area.

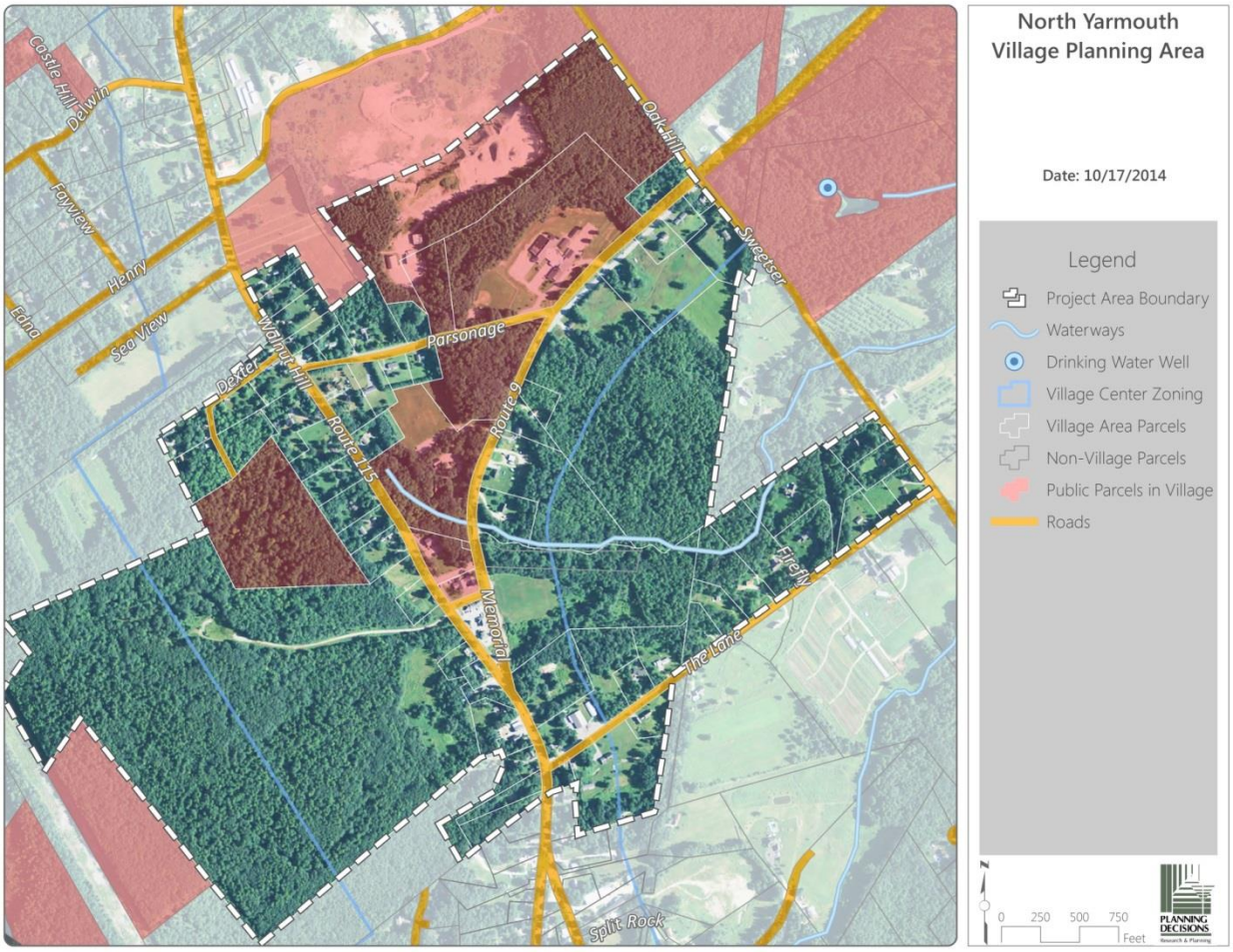


Figure 1: North Yarmouth Village Project Area with Municipal Parcels Identified

Review of Community Visions for North Yarmouth Village

The Town of North Yarmouth adopted a vision for the village in 2004 when it prepared and adopted a Comprehensive Plan. This vision led to several policies and regulations that set the environment for development in town. The first step in assessing development opportunities for the village is to understand the goals of the Comprehensive Plan and current regulatory conditions.

In the Comprehensive Plan the Village Center (VC) and Village Residential (VR) districts are outlined as the town's Growth Area, where diverse and dense development is expected in the long term. The vision for the area is to create

> *"a thriving village center, with community facilities… all interconnected to adjacent village neighborhoods by sidewalks. Small village businesses should provide shopping convenience for residents"*
> — North Yarmouth Comprehensive Plan, 2004

Land Use Regulations Governing Development in the Village

The Comprehensive Plan also emphasized that the village lies on top of the source aquifer for the Yarmouth Water District. To protect groundwater resources, the Town created a Groundwater Protection Overlay District (GPOD) with development restrictions. Thus, the town's vision of a bustling village center must be reconciled with the need to protect the groundwater resource. To achieve density and diversity in the village a public sewer system that can effectively manage the waste generated by new houses and businesses is needed. Building housing or commercial units in the village today requires at least a one-acre lot with on-site septic treatment. In contrast, a public sewer system combined with the existing water system requires lots of 10,000 ft^2 (one quarter of an acre)[1].

Other aspects of the vision for the village area indirectly support development of a public sewer system. To create an interconnected and attractive village, development regulations in the village require new streets to be connected with the existing road network. Developers are required to provide reserve streets for future roadway connections, and subdivisions must build sidewalks on new roads. The costs associated with these improvements are more difficult to justify with low-density development, as would be the case with no public sewer service in the village.

Development History

Historic development patterns in North Yarmouth illustrate the effect that development restrictions have had in the village area. Since the Comprehensive Plan was adopted in 2004, the majority of residential real estate development has occurred in the Farm And Forest zone (Figure 2). Between 2003 and 2014, there were a total of 203 housing units built, representing 14% of the Town's total of 1,411 housing units in 2014. 165 of these units (81%) were in Farm and Forest areas. Only 38 homes were built in the Town's designated Growth Area. The total value of the housing construction over this period exceeded $74.7 million, and only $13 million (18%) was located in the Village Center and Village Residential districts (Table 1).

[1] An additional 20% density bonus is also available for projects on lots served by public sewer that provide affordable housing units

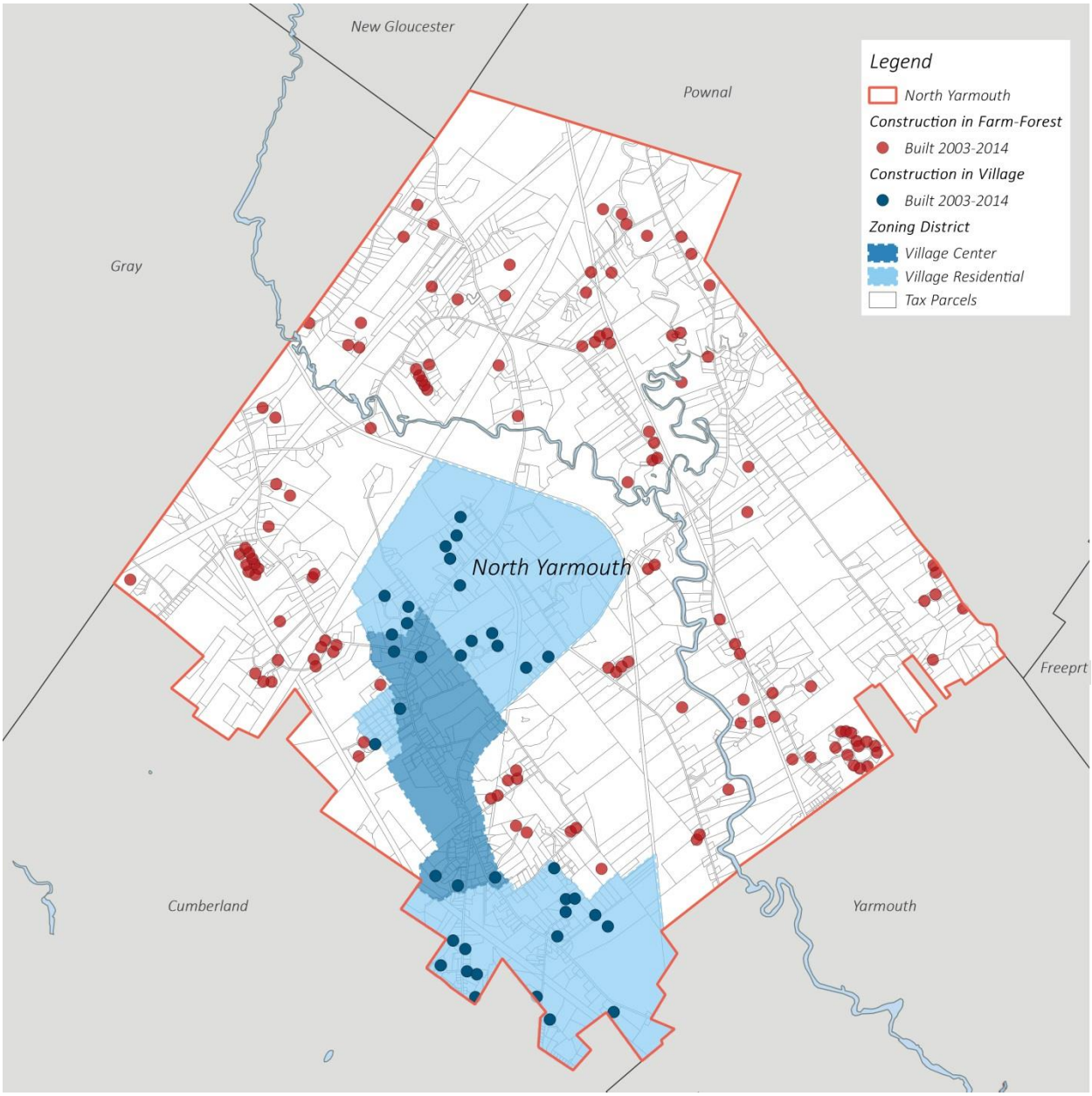


Figure 2 - Residential development in North Yarmouth (2003-2014)

What stands out is the similarity between housing units built in the Growth Area and those built in Farm and Forest area in terms of home value, building size, and lot size[2]. As far as the residential real estate market is concerned, North Yarmouth has only been able to offer a singular product type. The village has not been conducive to denser development.

Table 1 - Residential Development in the North Yarmouth ca. 2003

	Village Area	Non-Village Area	All Development
Projects Built from 2003-2014	38	165	203
Land Value	$ 2,929,700	$ 14,360,000	$ 17,289,700
Building Value	$ 10,347,500	$ 47,089,400	$ 57,436,900
Total Value	$ 13,277,200	$ 61,449,400	$ 74,726,600
Total Living Area (ft^2)	91,208	418,328	509,536
Average Living Area (ft^2)	**2,400**	**2,535**	**2,468**
Average Lot Size (acres)	**1.24**	**1.35**	
Average Lot Size (ft^2)	**54,014**	**58,806**	

Source: Town of North Yarmouth

The housing market in communities surrounding North Yarmouth has seen mainly single-family home construction, with a small number of multi-unit projects since 2006 (Figure 3). The effects of the recession are showing signs of wearing off, with housing construction permits growing over the last two years in these communities.

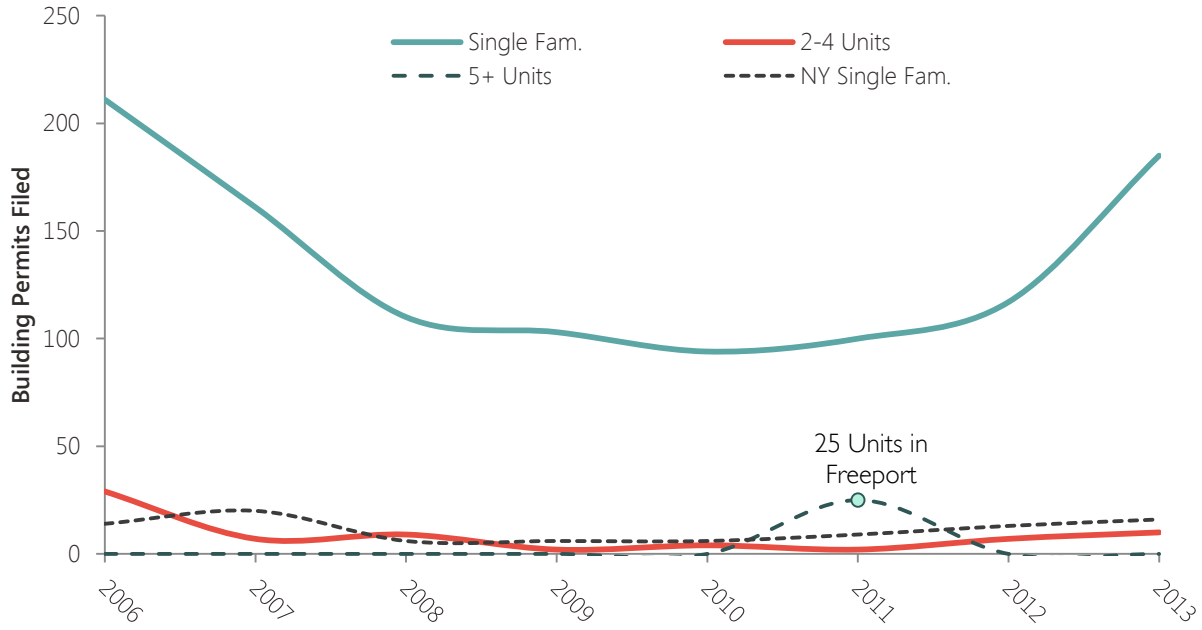


Figure 3 - Housing Unit Building Permits, North Yarmouth and Neighbors* (2006-2014). Source: SOCDS Building Permits Database, HUD, 2014. Note: "neighbors" includes: Cumberland, Gray, Freeport, New Gloucester, Pownal, Yarmouth.

[2] Many homes in outlying areas were built as clustered subdivisions, with lots of similar size to those built in the village. In the Farm and Forest districts, large open space areas are reserved to meet regulations for clustered subdivisions, but these are not counted in the lot size calculations comparing development between 2003 and 2014.

Needs, Opportunities, and Development Options

North Yarmouth village is an important economic and civic center. Virtually all municipal facilities are located in the village, as well as the Town Green, recreational and cultural areas, and several local businesses. To prepare possible development scenarios for the village, Planning Decisions completed an inventory of needs for Town departments, existing businesses, and the community. These needs were identified through a series of interviews with organizations, Town staff, elected officials, Town committees, and several interest groups.

These interviews also explored existing ideas and proposals for village development, many of which were thoughtfully prepared and involved considerable community input. Planning Decisions worked to combine the ideas or proposals to address the town's needs.

Market studies were performed through interviews with developers and real estate agents as well as data gathering and analysis to identify potential development patterns, the characteristics of those patterns, and the market demand for residential, retail, and commercial development in the village.

Municipal and Community Needs

The town is reaching space capacity in several areas, including the Town Hall (requires and assessing office and upgrades), the public works department (requires office space and staff meeting area, as well as new maintenance equipment), the fire and rescue department (currently sharing limited space with the Historical Society and struggling to accommodate a growing number of rooming students).

The most pressing need is for community gathering and meeting space. Even before the loss of Wescustogo Hall last year, the Town did not have a reliable and appropriate facility for hosting elections—the largest community gathering event. A small, public meeting space is also needed for board and committee meetings. The Town must also uphold its obligations to replace Wescustogo Hall, and with it, a community space for events, private engagements, and Town Meeting. Table 2 summarizes the space requirements needed for municipal functions over the next several years[3].

Table 2 - Inventory of Municipal Needs

	Space Needs (ft^2)
Office/Work Space	**7,364**
Town Staff	3,244
Assessing	500
Fire Department	3,020
PUBLIC WORKS	600
Storage/Vault/Archive	**1,500**
Town	1,500
Large Meeting/Voting Space	**5,000**
Town & Wescustogo	5,000
	13,864

[3] A small gathering space is not included in the list because the existing 3,244 square feet of Town Hall space includes the current Town Meeting room. If additional space for an assessing office is provided elsewhere, this space is sufficient to host small meetings. Renovations to the 3,244 square feet of municipal space would make it possible to host two overlapping meetings comfortably.

Real Estate Opportunities (Market Demand)

Real estate market research indicates that demand for residential, retail, and commercial development in North Yarmouth is strong (for more details see Appendix C). There is considerable potential for:

- Commercial retail and offices that serve local needs and make use of the approximately 7,000 vehicles that pass through the village each day.
- Village-oriented housing (single-family and multi-family) with access to amenities (such as recreational areas and shopping), services, and major transportation routes. The residential market for elderly and young-family housing is strong. North Yarmouth is attractive due to its proximity to major employment centers, recreational amenities, and quality schools.

Any significant commercial or residential development in the village requires more sophisticated sewer treatment infrastructure than standard on-site septic systems due to the sensitivity of the underlying aquifer. A public sewer system has the most potential, from a development perspective, to encourage higher density construction in the village. The Memorial School septic system can serve as an initial treatment area for a public sewer system. The Memorial School parcel is also large enough to accommodate future expansion of the sewer treatment area as more development occurs.

While the potential for real estate development exists in North Yarmouth, attracting developers will require improvements to the area. These improvements, which also serve broad community goals, include traffic and infrastructure improvements, connections to surrounding neighborhoods with sidewalks and multi-use trails, a bridge over Toddy Brook, improvements to Sharpe's Field and the Memorial School recreational fields to create amenities for families, gateway improvements and signage, lighting, crosswalks and other traffic safety measures, and bicycle infrastructure to connect the village with recreational amenities.

Village Development Scenarios

A variety of citizen-led proposals have been presented to guide development in the village. These proposals include plans to rebuild Wescustogo Hall, bring more businesses into the village and diversify the tax base, improve the image and appeal of the village, turn Memorial School into (one of) senior housing, a mixed-use building, a new civic and municipal campus; build on the septic capacity at the Memorial School site to provide a sewer system in the village center, and expand the town's trail and cycling networks while marketing the town's unique story[4].

Some of the ideas and proposals could work together and support each other. Others create decision points. Planning Decisions considered town-wide needs, opportunities for development, and possible responses and prepared three viable development scenarios. Before describing the scenarios it is helpful to introduce three geographies in the village planning area that were used in this report (Figure 4):

- ✓ Area 1 – A "core area" that includes the Town Hall, Memorial School, and several commercial lots. The "core" contains approximately 61 acres of developable land, much of it in public ownership.
- ✓ Area 2 – Occupied parcels that border the core area with a total assessed value of nearly $14 million. These parcels are privately owned and of relatively small size.
- ✓ Area 3 – Peripheral areas with significant development potential. This "growth area" includes eight lots, currently assessed at approximately $956,000 and spanning nearly 160 acres.

[4] For a complete list of development options see Appendix B

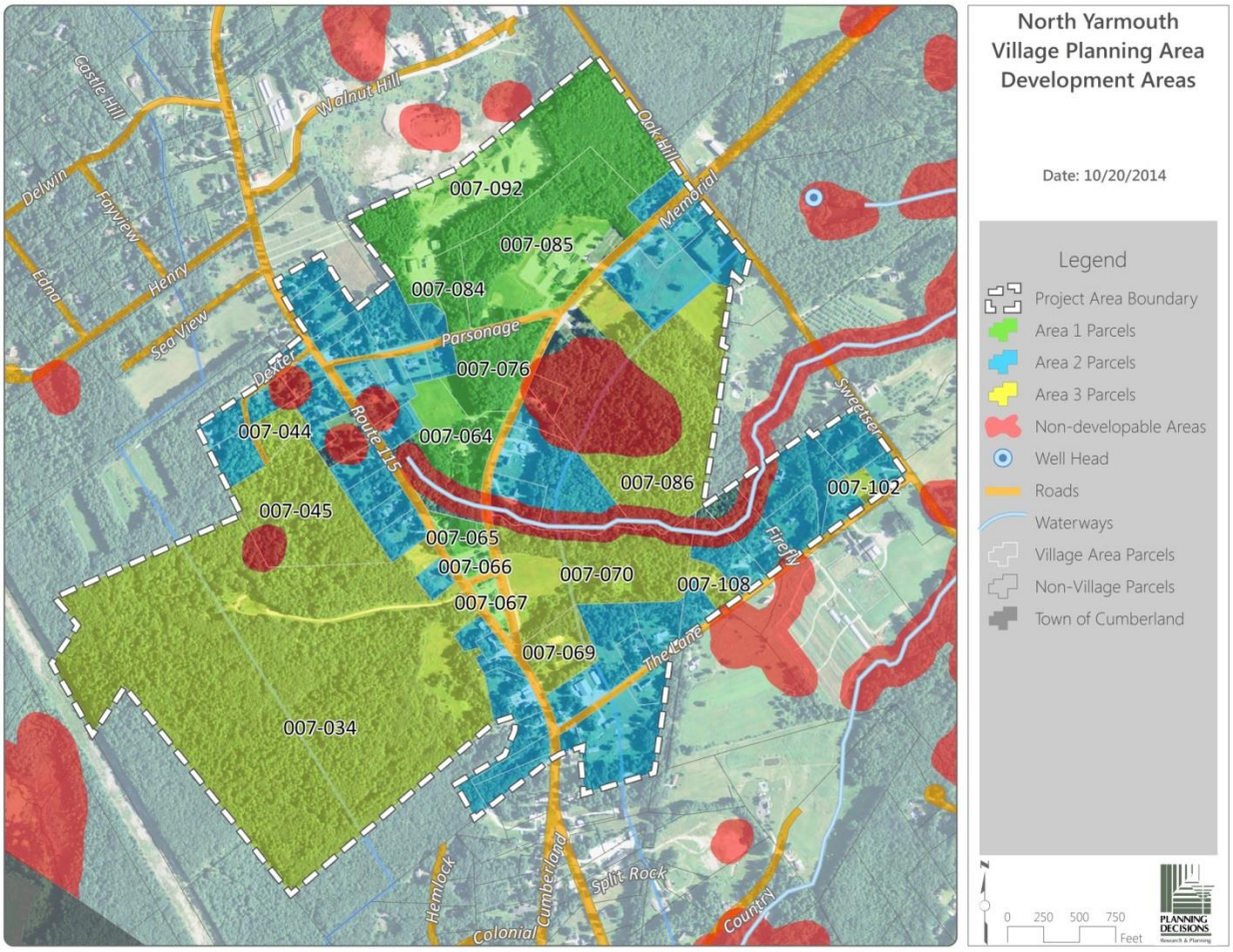


Figure 4: Three Geographies of Potential Development in the North Yarmouth Village Planning Area

Each of the development scenarios involve construction of a public sewer system because the infrastructure was deemed to be required for denser development in the village. Without a sewer, rural residential development will continue to define the real estate market in North Yarmouth, and with a very limited number of lots large enough to meet development requirements without a sewer system, village development is highly unlikely. Figure 5 shows a sewer conveyance route based on a preliminary sewer design prepared for the Town. The conveyance would provide sewer service to the core area through a forced main line and a central pump station.

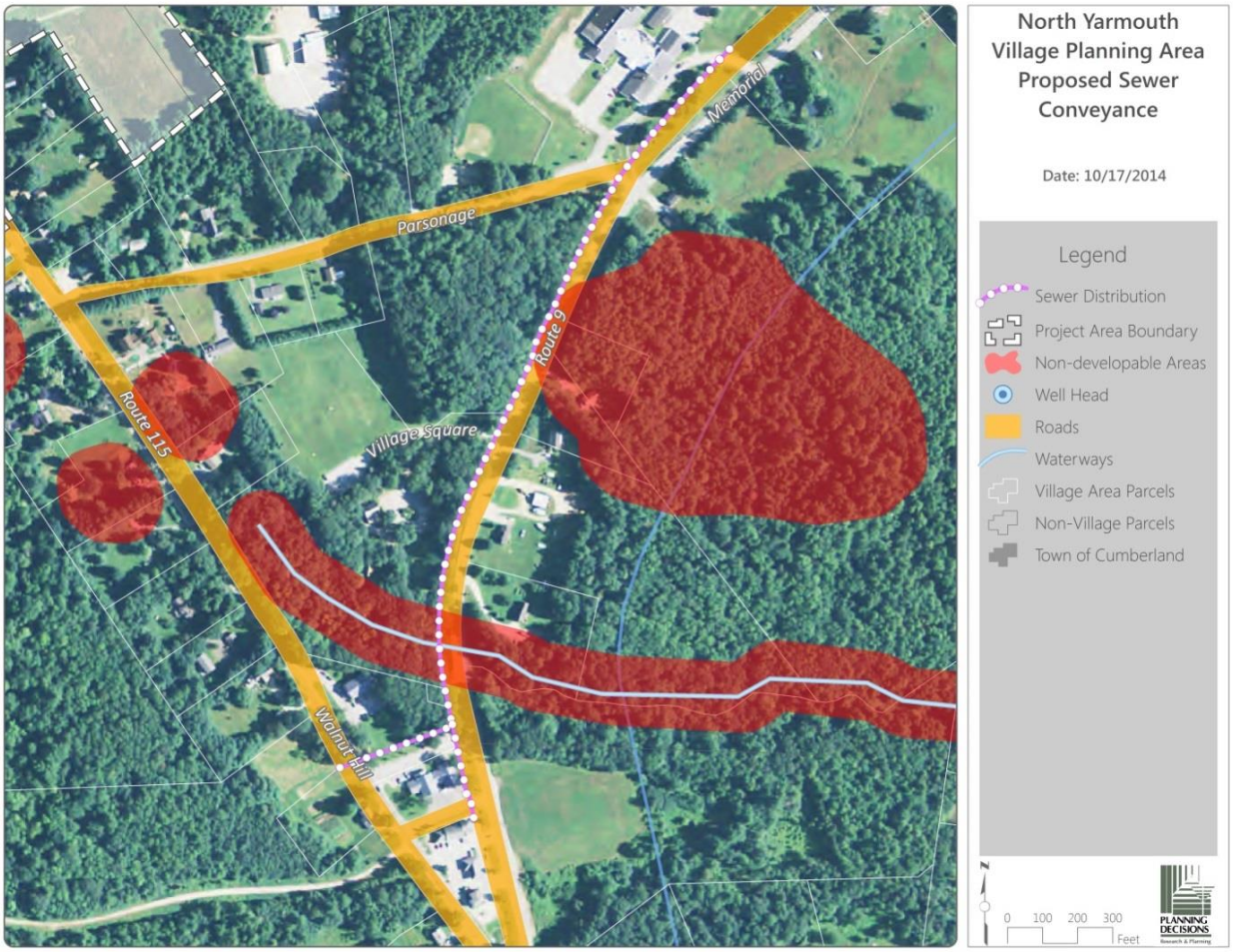


Figure 5: Proposed Sewer Conveyance Lines in North Yarmouth Village

The future development of the village depends on the total available land, the land that will be consumed for public use to accommodate the needs of the Town, and the amenities and infrastructure that are available to attract development.

The town currently owns large parcels of land in the village. Selecting the best location for municipal needs will make other public parcels available for private development. The core decision to be made is where to establish a municipal campus that will serve current and foreseeable needs over the next 20 years. The most appropriate location for such a campus is either on the existing site where much of the infrastructure already exists, or building on the Memorial School parcel by either renovating the school or building a new facility.

From interviews with developers and realtors, it is clear that the primary attraction for commercial development in the village is the volume of traffic along Route 9 (Memorial Highway) and Route 115 (Walnut Hill Road). Approximately 7,000 vehicles drive these roads every day and the roads serve as recreational routes for regional cycling. The most appropriate lots for commercial development are those immediately surrounding the "golden triangle"—the intersection of Routes 9 and 115. Market research also revealed that demand for residential development in North Yarmouth is strong for both rural and village-oriented development, if adequate amenities (such as trails, recreational areas, safe pedestrian routes, and attractive shops) and infrastructure (sewer) are available.

Based on these findings, three scenarios for village development emerge with the following characteristics:

Scenario 1: Private Development of the Memorial School Parcel:

- Create a municipal and community campus on the existing Town Hall site
- Sell the remaining land on the Memorial School parcel for village amenity-oriented housing
- Build a large meeting space with an attached kitchen to replace Wescustogo Hall
- Reserve space on the Town Hall parcel for the Historic Society to relocate Old Town House
- Designate Sharpe's Field as the new Town Green
- Build a bridge over Toddy brook to connect commercial activities to the municipal campus

Scenario 2: Private Development of the Town Hall Parcel (includes two options):

- Create a municipal and community campus on the Memorial School parcel by either:
  - ✓ Renovating and reusing a portion of the school (Scenario 2A)
  - ✓ demolishing the school and building new facilities (Scenario 2B)
- Sell the existing Town Hall parcel for village amenity-oriented development
- Reserve space on the Memorial School parcel for the Historic Society to relocate Old Town House
- Designate the Memorial School recreational field as the new Town Green
- Issue a request for proposals for development of the Wescustogo and Town Hall parcels by a private developer with the stipulation that the project includes construction of a publicly-accessible bridge over Toddy Brook

All of the scenarios involve the following actions:

- Connect community buildings and commercial parcels in the golden triangle to a sewer system
- Reserve a portion of former Memorial School site for a village sewer system
- When the Historical Society vacates the fire station, renovate it to provide a more suitable space
- Maintain the bulk of Sharpe's Field as recreational space
- Maintain the sports fields on the Memorial School parcel for recreational space
- Add office and meeting space for the public works department at the public works facility
- Build a parking lot at the municipal campus as needed to meet functional requirements
- Enhance walking, biking, and multi-use trails between the village and nearby neighborhoods
- Improve gateway elements at the intersections of Routes 9 and 115 (the "golden triangle")

Development Models

Residential and commercial development will be the primary drivers of land use and municipal revenue in the village. Existing residential and commercial units in North Yarmouth and in neighboring communities were used to model development in the village. Table 3 summarizes the characteristics of the models used.[5]

Table 3: Development models used for cost and revenue calculations

Residential Development Model		Commercial Development Model	
Characteristic	**Pinewood Dr. Cumberland**	**Characteristic**	**Average of 15 commercial Properties**
Average Acres per unit	0.44	Average Acres per unit	1.32
Land Value per unit	$125,491	Land Value per acre	$99,332
Building Value per unit	$150,435	Building Value per ft^2	$96.17
Total Value per unit	$280,582	Commercial ft^2 per acre	2,717
Road Distance (Feet)	82		

The average new home built in the village in each scenario is assumed to have a taxable value of $281,000, is built on 0.44 acres of land (slightly above 19,000ft^2), and creates 82 linear feet of new road[6]. The average commercial development has a taxable value of $92 per square foot and consumes 1.32 acres of land.

Table 4 summarizes the development possible on parcels in area 1 (the "core area") and area 3 (the "growth area") in the village based on these characteristics. For each parcel the usable acreage represents land available for development after deductions for wetlands and reserved land to be used for other purposes (such as recreational fields and future sewer expansion on the Memorial School parcel).

The difference between modelled development in scenario 1 and either version of scenario 2 is that more housing units can be developed on the Memorial School parcel than on the Town Hall parcel. 340 residential units are built in scenario 1 versus 334 units in either version of scenario 2 as a result. Commercial development is the same in all scenarios, and totals approximately 50,500ft^2 between new commercial space (27,959ft^2) and existing commercial space that is upgraded to the level of valuation of new commercial units (22,548ft^2) as the village is developed.

[5] Other models of development are summarized in Appendix D.

[6] It reality, the value of properties built in the village will vary based on location and type of development. Likewise, some parcels may be much smaller (approaching the 10,000ft^2 allowance) while others may be larger than 0.44 acres. For the purposes of fiscal analysis, all new roads built in the village are assumed to be public roads that must be maintained at public expense.

Table 4: Modelled residential and Commercial Development on North Yarmouth Village Parcels

MAP-LOT	Description	Taxable Value ($)	Usable Acres	New Homes Scenario 1	20yr Timing (Year)	New Homes Scenario 2	20yr Timing (Year)	New Commercial Space	Renovated Commercial Space	20yr Timing (Year)
007-064	Town Hall	$ 601,000	4.40	0	-	**8**	2-3	-	-	
007-076	Veterans Memorial Park	$ 82,500	-	0	-	0	-	-	-	
007-084	Public Works	$ 74,000	3.05	0	-	0	-	-	-	
007-085	Memorial School	$ 3,701,600	7.03	**14**	2-4	0	-	-	-	
007-092	Town Pit	$ 469,100	10.65	21	3-6	21	3-6	-	-	
Multiple*	Golden Triangle	$ 1,122,100	5.07	0	-	0	-	6,364	6,364	2 to 3
007-086	Single Family & Land	$ 329,400	20.04	40	8-15	40	8-15	-	-	
007-070	Land (across from fire station)	$ 113,800	14.69	22	6-11	22	6-11	9,781	-	6 to 7
007-069	Land (right of gateway)	$ 76,200	3.72	4	4-5	4	4-5	5,076	-	6 to 7
007-068	Retail w/ land (Ames store)	$ 392,600	4.43	2	Year 6	2	Year 6	-	6,850	4 to 5
007-029	Restaurant	$ 327,200	1.00	0	-	0	-	-	2,717	4 to 5
007-031	Commercial Use	$ 323,300	1.00	0	-	0	-	-	2,717	4 to 5
007-032	Commercial Use	$ 310,500	0.50	0	-	0	-	-	3,900	4 to 5
007-034	Developable Land	$ 118,500	107.40	209	6-20	209	6-20	6,738	-	8 to 10
007-044	Developable Land	$ 67,700	1.74	3	6-20	3	6-20	-	-	
007-045	Developable Land	$ 117,300	12.53	25	6-20	25	6-20	-	-	
	Subtotal							27,959	22,548	
	Total	**$ 8,226,800**	**197.25**	**340**		**334**			**50,507**	

* Wescustogo, fire station, and commercial triangle parcels

Financial Implications and Tax Increment Financing

There are several factors that drive the potential cost and revenue impacts of development at the scale of a village area. Some are straight-forward, such as the direct spending involved with building new office space. Others are more complex, such as the increase to municipal expenses resulting from development. Planning Decisions compared the cost and revenue implications of the development scenarios using a variety of cost and revenue drivers developed for each development model. The fiscal impacts of a new Tax Increment Financing (TIF) district were also studied to highlight the potential benefits that emerge from sheltering future tax revenue in the village from state valuations.

Tax Increment Financing

The effect of creating a TIF district in the village is included in the models of village revenue and cost because an important advantage of this economic development mechanism is that new property tax revenues can be "sheltered" from state property valuations and therefore reduce municipal obligations toward education and county expenses that would exist in the absence of a TIF. Essentially, in return for a Town's commitment to invest in economic development within designated TIF districts, the State agrees not to count new property tax revenue created within the district in state valuation. For a more complete discussion of TIF consult Appendix E.

It is possible to modify the amount of new tax revenue that is "sheltered" in a TIF and there are a variety of reasons for doing so (see Appendix E). Planning Decisions assumed full, then declining "capture" of new property tax revenue generated in the village into a TIF account. The rationale being that TIF-eligible expenses occur early in the project timeline. Over time, as the village develops and is successful, residents in other parts of North Yarmouth would increasingly benefit from the success of the village as TIF district property tax revenues are increasingly diverted to the general fund for town-wide use (albeit, after state assessment for county and education expenses are paid).

Revenue from Development

The potential tax revenue created by the modelled development in the village planning area is summarized in Table 5 and Table 6. In each year starting after year 1, new commercial and housing units are developed in the village. The rate of development for those units is based on geography (which lots are most attractive and would therefore more reasonably attract development earlier in the timeline), space limitations (how many units can be developed on those lots), and a reasonable rate of market "uptake" for units. In year 2, for example, this produces roughly 6,300ft^2 of commercial space in the village and four housing units in each of the three scenarios.

Applying a fixed value for new commercial space ($92/ft^2) and each new home ($281,000) yields a total increase in the assessed value of property in the village (not including the existing value of homes and businesses already in the village). The potential new municipal revenue derived from this new property value is calculated by applying a mill rate of 17.13 to the new valuation for each year. In year 2, the Town would receive extra property tax revenue worth $29,720 from development in the village in all scenarios. In year 3, more units are built on the Memorial School parcel, yielding larger revenue in scenario 1 than either scenario 2A or 2B. Each subsequent year of development adds additional property tax value. The total revenue accruing to the Town is the cumulative total of each years' revenues.

Table 5: Development Revenue in Scenario 1

Year	Tax Year beginning April 1	Commercial Development (ft^2)	Housing Units Developed	New Assessed Value	New Tax Revenue (mill rate: 17.13)
0	2014				
1	2015	0	0	$0	**$0**
2	2016	6,364	4	$1,734,944	**$29,720**
3	2017	6,364	10	$5,155,888	**$88,320**
4	2018	8,092	12	$9,304,720	**$159,390**
5	2019	8,092	7	$12,048,553	**$206,392**
6	2020	7,743	24	$19,535,926	**$334,650**
7	2021	7,743	16	$24,775,298	**$424,401**
8	2022	2,246	27	$32,577,920	**$558,060**
9	2023	2,246	27	$40,380,541	**$691,719**
10	2024	2,246	27	$48,183,163	**$825,378**
11	2025	0	31	$56,894,163	**$974,597**
12	2026	0	29	$65,043,163	**$1,114,189**
13	2027	0	29	$73,192,163	**$1,253,782**
14	2028	0	29	$81,341,163	**$1,393,374**
15	2029	0	17	$86,118,163	**$1,475,204**
16	2030	0	12	$89,490,163	**$1,532,966**
17	2031	0	12	$92,862,163	**$1,590,729**
18	2032	0	12	$96,234,163	**$1,648,491**
19	2033	0	9	$98,763,163	**$1,691,813**
20	2034	0	6	$100,449,163	**$1,720,694**

Table 6: Development Revenue in Scenario 2A or 2B

Year	Tax Year beginning April 1	Commercial Development (ft^2)	Housing Units Developed	New Assessed Value	New Tax Revenue (mill rate: 17.13)
0	2014				
1	2015	0	0	$0	**$0**
2	2016	6,364	4	$1,734,944	**$29,720**
3	2017	6,364	9	$4,874,888	**$83,507**
4	2018	8,092	7	$7,618,720	**$130,509**
5	2019	8,092	7	$10,362,553	**$177,511**
6	2020	7,743	24	$17,849,926	**$305,769**
7	2021	7,743	16	$23,089,298	**$395,520**
8	2022	2,246	27	$30,891,920	**$529,179**
9	2023	2,246	27	$38,694,541	**$662,837**
10	2024	2,246	27	$46,497,163	**$796,496**
11	2025	0	31	$55,208,163	**$945,716**
12	2026	0	29	$63,357,163	**$1,085,308**
13	2027	0	29	$71,506,163	**$1,224,901**
14	2028	0	29	$79,655,163	**$1,364,493**
15	2029	0	17	$84,432,163	**$1,446,323**
16	2030	0	12	$87,804,163	**$1,504,085**
17	2031	0	12	$91,176,163	**$1,561,848**
18	2032	0	12	$94,548,163	**$1,619,610**
19	2033	0	9	$97,077,163	**$1,662,932**
20	2034	0	6	$98,763,163	**$1,691,813**

Cost of Development

For FY 2015, the Town of North Yarmouth had a total budget of nearly $8.6 million. This was comprised of just over $2.1 million for general operating expenses, over $256,000 for capital expenses, nearly $5.9 million for education, and slightly less than $280,000 to cover its share of the Cumberland County budget. To evaluate the costs that each village development scenario would generate, Planning Decisions created cost drivers for key factors influencing the municipal budget. For a full discussion of the calculations and assumptions made, consult Appendix F. To summarize these cost drivers:

- Any debt incurred to initiate the development modeled above will be calculated directly with the cost of the relevant development scenario chosen
- Existing debt obligations remain at the current relationship to municipal operating expenses (12%)
- The county tax obligation remains at 0.6% of taxable state valuation as it is currently
- Public safety, fire and general administration expenses are based on the number of taxable units (homes and businesses) in town. Each unit generates an annual administration cost of $670
- Public works expenses are driven by the total length of public roads in Town. Each new linear foot of road increases public works expenses by $5.56
- All new roads in the village are public roads
- In FY 2015, North Yarmouth had an average of 0.41 students per housing unit with a local cost per student of $10,221. Each student represents $753,943 of municipal property tax valuation

Table 7: Municipal Budget, North Yarmouth, by Category, FY15

Category	Amount	Driving Force	Cost/Unit
Total Expenses	**$8,585,686**		
Operating	**$2,151,820**		
Public Safety, Fire & General Administration	$963,956	Taxable units (homes and businesses: 1,438)	**$670**
Public Works*	$1,187,864	Feet of public roads in town: 213,528	**$5.56**
Capital	**$256,514**	Percent of operating expenses	**12%**
Capital Spending	$86,275		
Debt Service	$101,446		
Reserve Accounts	$68,793		
Education	**$5,897,620**	Number of subsidizable students	**$10,221**
County	**$279,732**	Percent of state valuation	**0.6%**

Source: Town of North Yarmouth.
Public Works includes public works, public facilities, public lands and recreation, and waste and recycling.

In addition to the indirect costs noted above (costs resulting from development that increases demand for services, brings new children to local schools, etc.), several direct capital costs are assumed to be paid by the Town to encourage development in the village. Table 8 summarizes these costs, which correspond to:

1. developing the municipal and civic campus (town hall and Wescustogo Hall),
2. improving and enhancing the village to promote development, and
3. building a sewer system in the village

Planning Decisions assumed that these costs are paid for in the first five years of the development timeline as necessary steps that encourage private investment in the village. The sum total of these costs is assumed to be bonded over 20 years at a rate of 2.5%. The Town is therefore responsible for fixed payments over a 20 year period, some of which would be eligible as TIF expenses and therefore paid for through the TIF account once revenues begin collecting in the account. For a full discussion on the distribution of these costs over time, consult Table 23 in Appendix F.

Table 8: Calculation of Capital Expenses for Village Development in all Scenarios

SCENARIO 1 Town Hall in Current Location			
Space	**Units (sf)**	**Cost ($/unit)**	**Cost**
Office/Work Space			
Town Staff[1]	3,244	$ 80	$ 259,520
Assessing	500	$ 200	$ 100,000
Fire Department	3,020	$ 80	$ 241,600
Public Works	600	$ 160	$ 96,000
Storage/Vault/Archive			
Town	1,500	$ 160	$ 240,000
Large Meeting/Voting Space			
Town and Wescustogo[2]	5,000	$ 160	$ 800,000
Town Offices subtotal	**13,864**		**$ 1,737,120**
Offsetting Revenues			
Sale of School Land	7.03	$50,000	$ (351,500)
Sale of Wescustogo Land	2.07	$75,000	$ (155,250)
Sale of Town Pit Land	10.65	$50,000	$ (532,500)
Wescustogo Proceeds			$ (515,000)
Net Town Offices Cost			**$ 182,870**
Other Expenses			
Demolition			$ -
Parking			$ 146,587
Bridge			$ 200,000
Sidewalks, trails, signs, gateways			$ 295,669
Sewer[3]			**$ 736,394**
Other Expenses subtotal	-		**$ 1,378,649**
TOTAL Expenses			**$ 1,561,519**

SCENARIO 2A Town Hall at School – Renovate Memorial School			
Space	**Sq. Ft.**	**Cost ($/ft^2)**	**Cost**
Office/Work Space			
Town Staff[1]	3,244	$ 100	$ 324,400
Assessing	500	$ 100	$ 50,000
Fire Department	3,020	$ 80	$ 241,600
Public Works	600	$ 160	$ 96,000
Storage/Vault/Archive			
Town	1,500	$ 100	$ 150,000
Large Meeting/Voting Space			
Town and Wescustogo[2]	5,000	$ 100	$ 500,000
Town Offices subtotal	**13,864**		**$ 1,362,000**
Offsetting Revenues			
Sale of Town Hall Land	4.40	$75,000	$ (330,000)
Sale of Wescustogo Land	2.07	$75,000	$ (155,250)
Sale of Town Pit Land	10.65	$50,000	$ (532,500)
Wescustogo Proceeds			$ (515,000)
Net Town Offices Cost			**$ (170,750)**
Other Expenses			
Demolition			$ 100,000
Parking			$ 146,587
Bridge[4]			$ -
Sidewalks, trails, signs, gateways			$ 295,669
Sewer			**$ 736,394**
Other Expenses subtotal	-		**$ 1,278,649**
TOTAL Expenses			**$ 1,107,899**

1 - Includes space for small meetings in the current Town Meeting space
2 - Includes internal design improvements to allow for additional small meeting space
3 - Initial sewer costs paid by Town, expansion costs paid by developers
4 - Bridge costs included in land sale agreement: borne by developer

Table 8 continues on the next page

SCENARIO 2B Town Hall at School – New Construction			
Space	**Sq. Ft.**	**Cost ($/ft^2)**	**Cost**
Office/Work Space			
Town Staff[1]	3,244	$ 200	$ 648,800
Assessing	500	$ 200	$ 100,000
Fire Department	3,020	$ 80	$ 241,600
Public Works	600	$ 160	$ 96,000
Storage/Vault/Archive			
Town	1,500	$ 160	$ 240,000
Large Meeting/Voting Space			
Town and Wescustogo[3]	5,000	$ 160	$ 800,000
Town Offices subtotal	**13,864**		**$ 2,126,400**
Offsetting Revenues			
Sale of Town Hall Land	4.40	$75,000	$ (330,000)
Sale of Wescustogo Land	2.07	$75,000	$ (155,250)
Sale of Town Pit Land	10.65	$50,000	$ (532,500)
Wescustogo Proceeds			$ (515,000)
Net Town Offices Cost			**$ 593,650**
Other Expenses			
Demolition			$ 140,000
Parking			$ 146,587
Bridge[3]			$ -
Sidewalks, trails, signs, gateways			$ 295,669
Sewer			**$ 736,394**
Other Expenses subtotal	**-**		**$ 1,318,649**
TOTAL Expenses			**$ 1,912,299**

1 - Includes space for small meetings in the current Town Meeting space
2 - Includes internal design improvements to allow for additional small meeting space
3 - Initial sewer costs paid by Town, expansion costs paid by developers
4 - Bridge costs included in land sale agreement: borne by developer

Tables 9 and 10 summarize the incremental revenue and expense flows for each of the scenarios and add a cumulative net balance column indicating the accumulated balance resulting from the outcome of each scenario as modeled through the assumptions noted above.

Table 9: Incremental Town Revenues & Expenses, Scenario 1

Year	Tax Year Beginning April 1	Total Incremental Expense	Incremental Revenue Less Expenses	Net Balance
1	2015	$99,294	-$54,167	-$54,167
2	2016	$85,063	-$10,216	-$64,383
3	2017	$60,515	$72,933	$8,550
4	2018	$32,689	$171,828	$180,378
5	2019	$61,719	$189,800	$370,178
6	2020	$94,127	$285,651	$655,829
7	2021	$187,800	$281,728	$937,557
8	2022	$322,491	$280,696	$1,218,254
9	2023	$400,774	$336,072	$1,554,326
10	2024	$492,854	$377,651	$1,931,977
11	2025	$722,960	$296,764	$2,228,741
12	2026	$923,134	$236,183	$2,464,923
13	2027	$1,565,335	-$266,426	$2,198,498
14	2028	$1,801,037	-$362,535	$1,835,962
15	2029	$2,005,408	-$485,077	$1,350,885
16	2030	$2,199,238	-$621,144	$729,741
17	2031	$2,427,058	-$791,202	-$61,461
18	2032	$2,634,164	-$940,545	-$1,002,006
19	2033	$2,835,611	-$1,098,670	-$2,100,676
20	2034	$3,029,867	-$1,264,045	-$3,364,722

Table 10: Incremental Town Revenues & Expenses, Scenario 2A and 2B

Year	Tax Year	Total Incremental Expense		Incremental Revenue Less Expenses		Net Balance	
		2A	2B	2A	2B	2A	2B
1	2015	$81,307	$121,600	$134,570	-$76,473	$134,570	-$76,473
2	2016	$67,076	$107,369	$7,771	-$32,522	$142,341	-$108,995
3	2017	$45,450	$85,743	$83,184	$42,891	$225,526	-$66,103
4	2018	$31,721	$72,014	$143,915	$103,622	$369,441	$37,519
5	2019	$51,724	$92,017	$170,914	$130,621	$540,354	$168,139
6	2020	$75,106	$115,399	$275,791	$235,498	$816,145	$403,637
7	2021	$159,752	$200,045	$280,895	$240,602	$1,097,041	$644,240
8	2022	$285,921	$326,214	$288,385	$248,092	$1,385,425	$892,331
9	2023	$361,139	$401,432	$346,826	$306,533	$1,732,252	$1,198,865
10	2024	$450,153	$490,446	$391,471	$351,178	$2,123,722	$1,550,042
11	2025	$673,255	$713,548	$317,588	$277,295	$2,441,310	$1,827,337
12	2026	$868,846	$909,139	$261,590	$221,297	$2,702,900	$2,048,634
13	2027	$1,496,168	$1,536,461	-$226,140	-$266,433	$2,476,760	$1,782,201
14	2028	$1,728,804	$1,769,097	-$319,184	-$359,477	$2,157,576	$1,422,724
15	2029	$1,930,109	$1,970,402	-$438,659	-$478,952	$1,718,917	$943,772
16	2030	$2,120,873	$2,161,166	-$571,660	-$611,953	$1,147,257	$331,819
17	2031	$2,345,121	$2,385,414	-$738,146	-$778,439	$409,111	-$446,620
18	2032	$2,549,161	$2,589,454	-$884,423	-$924,716	-$475,313	-$1,371,337
19	2033	$2,747,542	$2,787,835	-$1,039,483	-$1,079,776	-$1,514,796	-$2,451,113
20	2034	$2,938,732	$2,979,025	-$1,201,791	-$1,242,084	-$2,716,587	-$3,693,197

Each scenario shows a similar umbrella shaped pattern, with expenses exceeding revenues in the early years, followed by the reverse pattern through the middle years, then returning to net fiscal losses in later years. In each case, the fund balance grows to more than $2.0 million in year 12 before dropping to zero in year 17 or 18 and entering negative territory thereafter. Besides the inherent uncertainty in long-term projections, it is also important here to remember that this analysis is a snapshot of one area in the town, with a fixed number of development units modelled in that area. The model does not reflect changes in the rest of the town, where two important activities are occurring:

1. rural areas will continue to see residential development as has traditionally occurred in North Yarmouth, and
2. developed properties surrounding the village will gradually increase in value as the village becomes a more desirable and attractive location, with services density, and other amenities.

There are several modifications that the Town may consider to the cost drivers that are modelled here. Regulations that encourage senior-oriented housing in the village for example, would reduce the number of new students that contribute to the single largest expense driver in the model—education spending. Alternatively, the Town may decide to encourage more commercial development and reduce the number of residential units, which would help minimize education and municipal administration costs.

Any single neighborhood looked at separately from all else will experience similar patterns of rising and falling costs. The fundamental question before North Yarmouth citizens remain whether some form of development, based on the scenarios modeled here, would help the Town reach its goals as specified in 2004—to make the village "a scenic gateway to the community and an attractive village center"?

Next Steps for North Yarmouth

The next steps for the Town of North Yarmouth with regard to the future of the village area include:

1. Completing a plan for development in North Yarmouth village that includes new land use designations and guidelines for the level and type of development that would be encouraged in the district. A village master plan should include a clear set of goals and objectives for the village.
2. Defining the geographic area that may be included in a village TIF district – any new tax revenue in this area will be able to collect new tax revenue in a TIF fund.
3. Selection of the proportion of new revenue that would be allocated to a TIF account versus the general fund – the Town may decide to only allocate a larger share of future revenues to the TIF account for spending on TIF-eligible projects than has been modelled here.
4. Definition of 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?
5. 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.

Finally, it is important to note that each of the scenarios described above must be compared not just against each other, but also with a third option: doing nothing and simply allowing current trends to play out as they will. The central question then is not, "how do the costs and benefits of scenarios 1, 2a and 2b compare with one another?" It is rather, "how do the scenarios compare with doing nothing?" To answer this question, North Yarmouth residents must consider the fiscal consequences of likely development in town over the next 20 years in the absence of a village development strategy.

Appendix A: Summary of Parcels in the Village Planning Area

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, Cassidy 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.

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 Inlaw	$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 Inlaw	$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**			

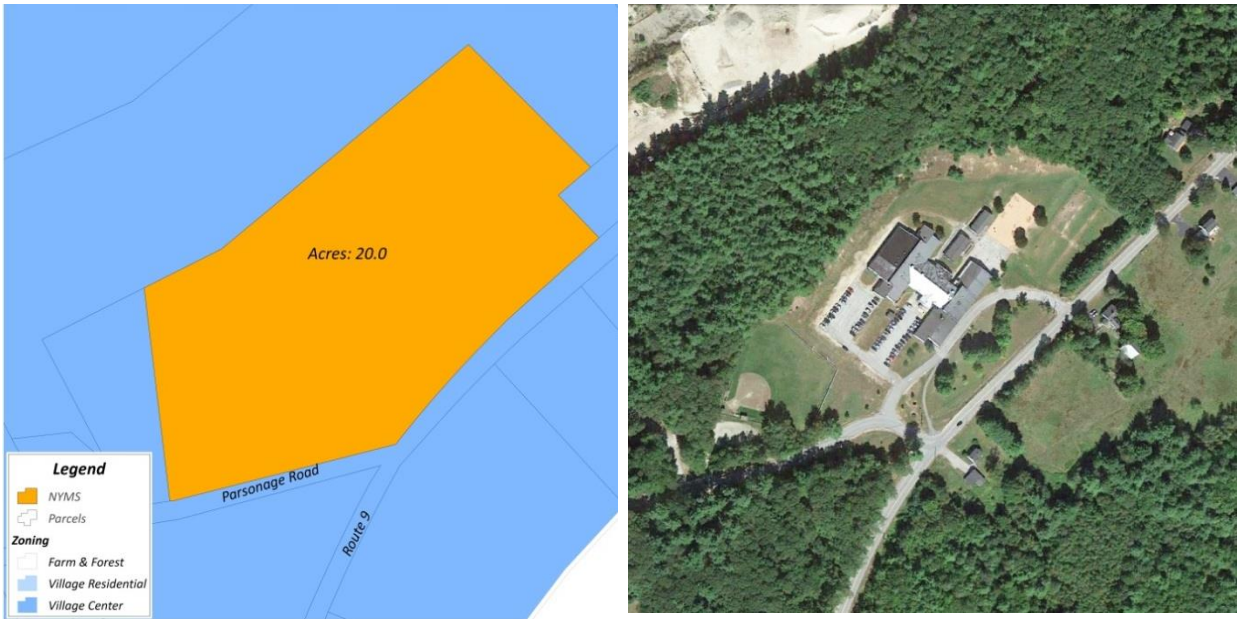
Summary of Parcel Information for Area 3 in the Village

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: Development Options in North Yarmouth Village

Memorial School

The Memorial School in North Yarmouth was built in 1976. The primary building consists of 41,000 square feet of indoor space and it sits on a 20 acre parcel along Route 9 and Parsonage Road (Error! Reference source not found.). The school was transferred to the Town in the summer, 2014 and many development ideas have emerged as a result of the acquisition. The parcel offers three development opportunities for the Town: reuse of the building as is, reuse of the site for development with modifications (including new construction and expansion) to the building, and use of the septic system to support higher density development in the village. Several studies have been completed that shed light on the feasibility of using the school for these purposes. The following section summarizes existing findings related to the structural integrity of the school and the capacity of the septic system.



Memorial School Site

In 2012 the North Yarmouth Memorial School Task Force (NYMS) published a report, providing the Board of Directors of MSAD 51 with recommendations on the future use of Memorial School by the district. This ultimately led to the decision to close the school and transfer the property to the Town of North Yarmouth. The Task Force commissioned studies on the school's facilities to determine the operational costs and improvements that would have to be made for the school to continue its operations.

The Task Force identified 27 major renovations that were required to bring the facility up to the school district's standards. Not all of these improvements are necessarily applicable for future non-educational uses (such as the construction of a book or nook room, and conversion of the locker room to classroom space), but many of the issues identified are relevant. Subtracting repairs or modifications that are school-specific from the Task Force's estimate of costs yields a renovation cost estimate of $400,000 to bring the entire building up to standard for regular occupation. These improvements would yield savings in operational costs for the building.

Mandatory Renovations to Memorial School According to the NYMS Task Force

Project	Budget
Replace Domestic Hot Water Heater	$ 30,000
Computerized Heat Controls	$ 6,000
Siding Repairs	$ 21,000
Stain Building	$ 22,000
Retube Boiler	$ 10,000
Flooring Replacements	$ 98,000
Lighting Upgrades	$ 6,000
Front Roof Replacement	$ 20,000
Rear Roof Replacement	$ 20,000
Roof Repairs and Flashing	$ 48,000
New Fire Alarm System	$ 8,500
Exterior Light Pole Replacement	$ 6,500
Underground Propane tank	$ 12,000
Rebuild/Rebuild Rear Walls	$ 35,000
Asbestos Abatement	$ 37,000
Sprinkler System Upgrades	$ 13,000
Plumbing Fixture Upgrades	$ 5,000
Caulk and Seal Windows	$ 5,000
Approximate Expenditure	**$ 403,000**

Source: NYMS Task Force, (November 10, 2011). "10 Year Facilities Projects" [amended by PDI]

Energy Cost to Operate Memorial School

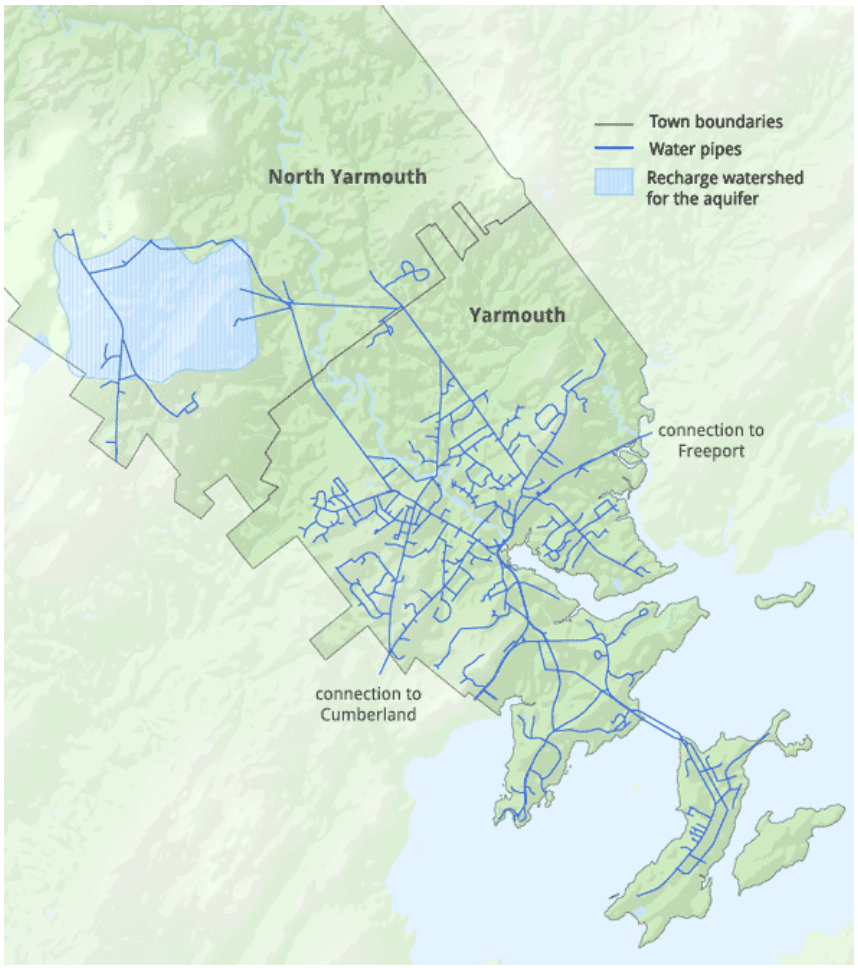
Fuel	Annual Energy Costs	Energy Cost with Renovation
Electricity	$31,834 ($0.72 per ft^2)	$0.72 per ft^2
Bottled Gas	$6,697 ($0.15 per ft^2)	$0.016 per ft^2
Fuel Oil	$68,314 ($1.55 per ft^2)	$1.05 per ft^2
Total	**$106,845 ($2.43 per ft^2)**	**$74,620 ($1.82 per ft^2)**

Source: NYMS Task Force, (January 24, 2012). "Facilities Study "

In June, 2014 the Town received a report from Sweet Associates on the functionality of the school's septic system and its capacity for continued use in the future. The report indicates that historically, the septic field was largely underutilized. The system has a designed capacity of 12,000 gallons of effluent per day (gpd), of which approximately 15% (1,800gpd) was used by the school while it was in operation. As a result, the condition of the system is "excellent," albeit minor repairs to various components are needed[7].

The Yarmouth Water district currently serves a large portion of North Yarmouth Village. Developing a public sewer system at Memorial School and providing service to the village area would permit development of lots as small as 10,000 square feet. Currently village development is restricted to lots no smaller than 40,000 square feet to protect the integrity of the aquifer.

[7] *Sweet Associates, June, 2012, Septic System Inspection North Yarmouth Memorial School*



Service Area of the Yarmouth Water District. Source: Yarmouth Water District

A primary concern with increased use of the septic system at Memorial School is the potential risk to the aquifer. Interviews with staff at the Yarmouth Water District and Drumlin Environmental (the Water District's contracted hydrogeologists) were conducted to assess the severity of these risks with increased utilization of the septic field at the school. The water district indicated that no water contamination risks have been identified in the village area to date. That said, the septic system has never been utilized beyond 15% of its design capacity, thus there is no precedent available to gauge contamination risks that may result from increased utilization of the septic system. Drumlin Environmental staff highly recommended that a soil testing and monitoring program be funded and implemented in connection with development of a community septic system for this reason. An effective monitoring program would allow increased use of the septic system and denser village development, while minimizing the risk of contamination.

An additional concern with a consolidated septic system is the potential for more difficult-to-treat effluent entering the waste stream. Drumlin Environmental staff noted that there is a greater chance that hard to process waste would be discharge into a public sewer system. While this is a risk that the Town must be mindful of, the Yarmouth Water District has found that residents in North Yarmouth village are mindful of the sensitivity of the aquifer to contamination. An educational campaign run by the Town or future sewer district may be sufficient to safeguard the sewer system from higher level contaminants.

The development options for the Memorial School site are:

- Reuse of the school facility with modifications to address structural concerns
- Partial or complete redevelopment of the school for alternative uses
- Conversion of the septic system into a public sewer system serving the village area with or without development of the parcel

Wescustogo Hall

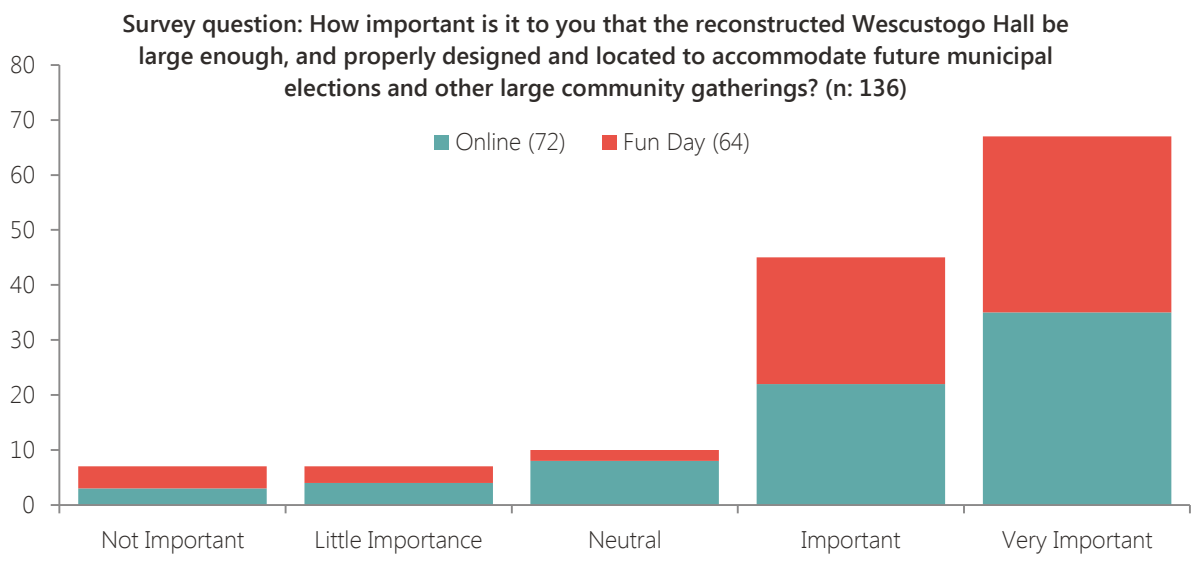
In late August, 2013 North Yarmouth lost an important community building, Wescustogo Hall, to fire. According to the agreement made between the Town and the Wescustogo Grange Association[8] in 1997 when the Hall was transferred to the Town, if the building is

> *damaged or destroyed, or outdated and [needs] replacement, the Town shall replace it with another which will serve the same function of a meeting hall with a large open room, kitchen and dining facilities.*

The town thus has an obligation to replace the former grange hall with another building that serves the same functions. Interviews with the trustees of Wescustogo Hall, as well as town staff, indicate that the former hall could not adequately serve the Town's needs as a meeting hall for large events because of limited parking, lack of adequate facilities, and limited space for larger functions. The trustees expressed a concern that these limitations have contributed to declining use of the facilities in recent years. One important example is municipal elections. The former Wescustogo Hall had several accessibility issues that prevented use of the building as an election space. In a 2010 report from the Bureau of Corporations, Elections, and Commissions to the Town, the Bureau identified a list of deficiencies with the hall. The majority of these deficiencies deal with basic issues that are common among buildings built prior to the adoption of ADA guidelines, such as the lack of ramps to entryways, but more significant issues were also raised. The parking lot, for example, had excessive slopes and would need to be redesigned. Town staff noted that the former hall had a poor internal capacity, offering storage and functional space to operate an election effectively.

A survey of residents during the recent Fun Day event held September 6, 2014 found that the majority of respondents (55 of a total 64 surveyed) felt that it is "important" or "very important" that the future Wescustogo Hall be large enough, appropriately designed, and located so that it can serve large community gatherings like municipal elections in the future.

[8] *Refer to Article 10 of the "Agreement between the Town of North Yarmouth and the Wescustogo Grange Hall Association regarding the transfer of the Wescustogo Grange Hall to the Town of North Yarmouth" (page 2)*



One development option for the existing site that has been proposed is to relocate the Old Town House on the Wescustogo site. This development option serves several functions: the Old Town House, owned by the Historical Society, is not currently in use due to structural issues with the building. Relocating and rehabilitating the building would revive a historic and culturally important building, while also consolidating municipal activities in the village. The building would house the historical society, which is currently operating out of the Fire Station and struggling to manage its activities within this space.

The development options related to the Town's obligations toward Wescustogo Hall are:

- Development of a new hall on the previous site (including relocation of the Old Town House)
- Development of a new hall on a new site with the same capacity as the previous hall
- Development of a new hall on a new site with expanded capacity
- Integration of a new hall within another larger development (such as a municipal campus at the Memorial School site)

Village Area Plan (prepared by North Yarmouth EDSC)

The development options for the village area include a preliminary plan prepared by the Town's Economic Development and Sustainability Committee (EDSC). The plan involves multiple phases, the first of which has been drafted into a preliminary plan. Phase one focusses on the triangular area bounded by Route 9, Route 115, and Parsonage Road. The plan does not include Memorial School; phase 2 would evaluate use of the school for housing or commercial development.

There are several components to phase 1 that further the goals expressed in the Comprehensive Plan. These include consolidating Town activities in the village area by relocating the Old Town House to Sharp Field, developing a system of trails throughout the village to connect Town facilities and the commercial activities in the southern portion of the village area, creating new community spaces to bring residents into the village area, and investing in improvements so that the village functions more effectively as a gateway to the community.

The Old Town House is currently owned by the North Yarmouth Historical Society, but is not being utilized because the building requires significant repairs (on the order of $200,000). As a result, the historical society currently operates out of the Town's Fire and Rescue station. This arrangement is inadequate for the needs of the Society due to problems with public access to the archives and limited storage capacity for their archives.

While phase 1 of the EDSC's village plan does not include housing and other forms of development, the committee sees affordable housing, especially workforce or senior housing, as vitally important to the community. Conversion of Memorial School into an affordable housing development was identified as a development option for the village area. The committee also considered future development options for the public works site and Cassidy Pit located to the north of Parsonage Road. In the past the Town considered consolidating its public works activities with the Town of Cumberland in a shared, central location. Relocation of public works activities from the parcel on Parsonage Road would create more developable land (over 3 acres) in the village area.

Development options that emerge from the EDSC village plan include:

- Infrastructure investments to improve connectivity within the village and between the village and surrounding neighborhoods
- Gateway improvements to the village area to create an attractive destination that will support further economic development.
- Creation of recreational and green spaces as an amenity to the community
- Consolidation of Town-related activities, including relocation of the Old Town House to the village
- Potential relocation of the public works facility to an alternative site

Recreation and Quality of Life Plan

Several individuals in town have also promoted a recreational amenities approach to revitalizing the village area while improving quality of life in North Yarmouth. The proposed development options include investments in infrastructure to increase accessibility to, and the quality of key recreational features in North Yarmouth; increasing the visibility of the town's attractions, and implementing a marketing campaign to advertise North Yarmouth's quality of life and amenities.

Proponents of the plan argue that this approach would provide a "vehicle for moving forward". The development would begin by improving existing assets and expanding thereafter. Anchor destinations play a key role in this plan, they include site in the village and elsewhere in North Yarmouth:

[1] The Village Green (i.e. the Wescustogo parcel)
[2] Wescustogo Park - This park is well-maintained but largely ignored by passers-by. Ample parking, boat ramp access, and nearby open fields.
[3] Chandler Brook Preserve - Small trail cluster hidden from the road.
[4] Baston Park/Boat Landing - a small clearing next to the Royal River with a nearby boat landing, parking, and access to trails.
[5] Old Townhouse Park - A relatively large park with ample parking and access from Route 9. The park is connected by trails to other areas such as the Royal River and Wescustogo

Interviews with the Royal River Conservation Trust indicated that there is limited economic development potential at the key recreational destinations listed above. There is however considerable demand for and benefit to be derived from a more integrated trail and cycling network through the village connecting to other destinations in town. In particular, a bridge connecting the village area north and south of Toddy Brook would help integrate village activities and encourage more pedestrian traffic.

Development options that emerge from the recreation and quality of life proposal are primarily infrastructure-based to encourage private sector development in the future. The infrastructure investments include:

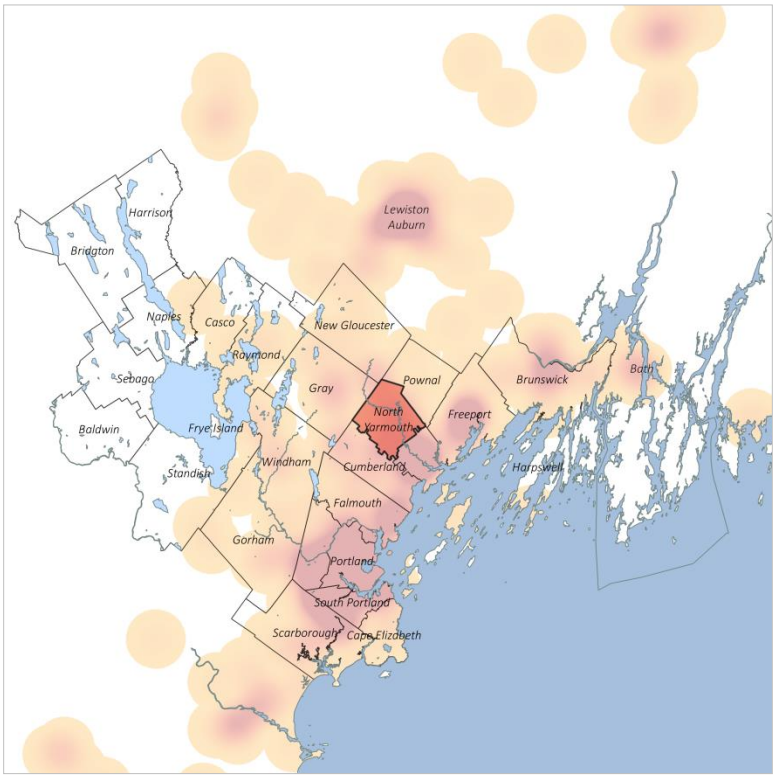
- Integrated trail and cycling system

- Development of recreational destinations to improve access and visibility
- Implementation of a marketing strategy to increase awareness of North Yarmouth's assets
- Bridge connection over Toddy Brook in the village triangle

Appendix C: Market Conditions Shaping Future Development

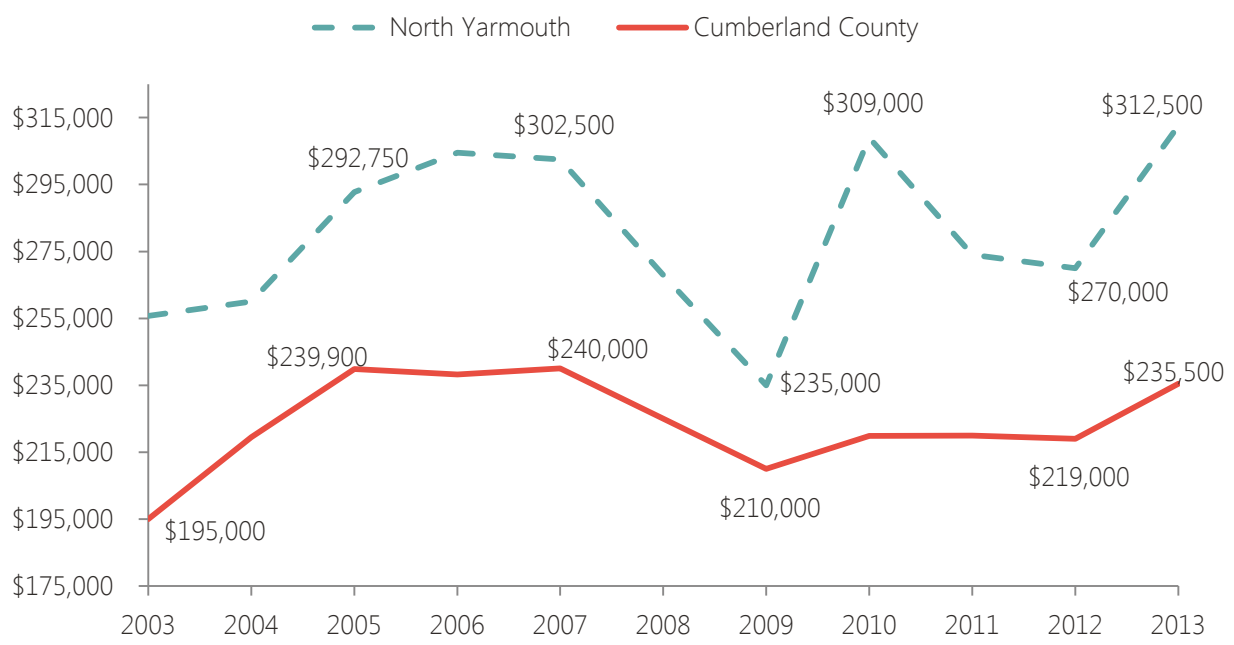
Housing

North Yarmouth has long been a bedroom community serving the employment centers of Lewiston-Auburn and the coast from Brunswick to Biddeford-Saco (Error! Reference source not found.). While approximately 1,800 residents of North Yarmouth hold a job, over 1,700 commute to other communities for those jobs. In contrast, there are only about 400 jobs located in North Yarmouth, and of those over 300 are filled by non-residents. Only about 100 of the jobs located in Town are filled by North Yarmouth residents. In sum, residential real estate is far more significant as an economic driver in North Yarmouth than internal commercial activity.



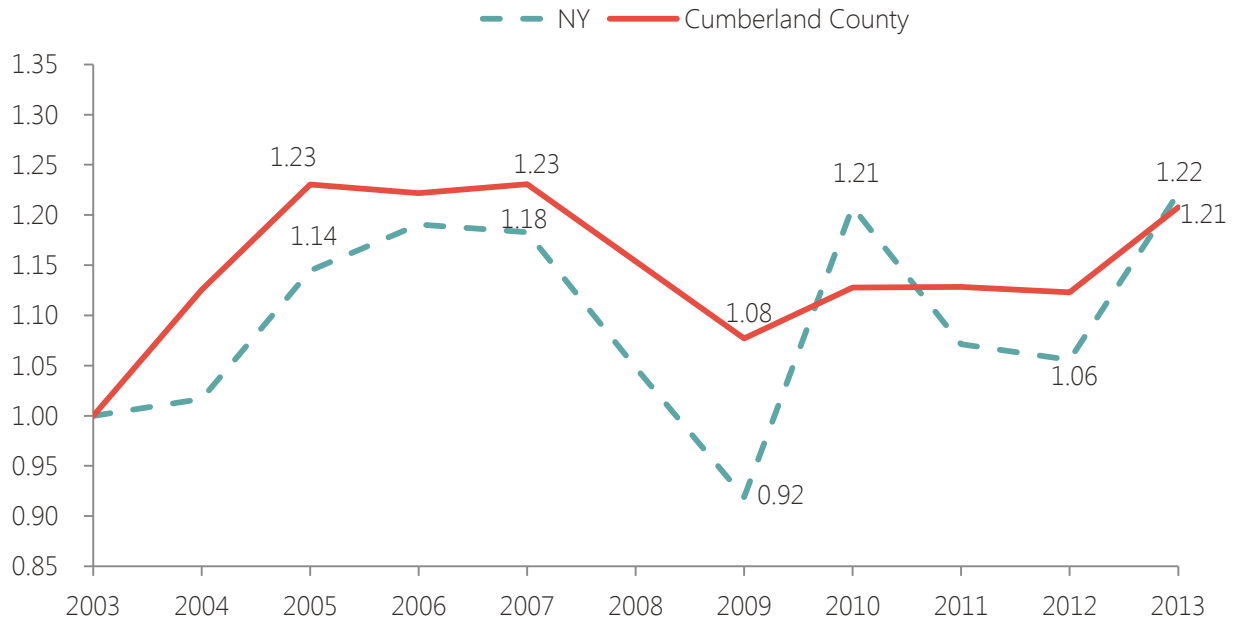
Employment Locations for North Yarmouth Workers

In its capacity as a bedroom community North Yarmouth exists in the context of its neighbors in the commuting corridor outlined on the map above. In this context, North Yarmouth has followed the general pattern of development of the Greater Portland and national housing markets—rising through the first half of the 21st century's first decade, falling precipitously through the Great Recession and rising since 2009. Within the region, home prices in North Yarmouth have followed the general pattern of "drive till you qualify," with prices nearest the Portland core (Cape Elizabeth, Falmouth, Yarmouth) highest and those furthest away (Pownal, Durham, New Gloucester, Gray) the lowest. Home prices in North Yarmouth, therefore have tended to be above the County average but lower than those of the inner circle of suburbs.



Comparison of Housing Price to Household Income in North Yarmouth. Source: Maine Office of Policy & Management, http://econ.maine.gov/

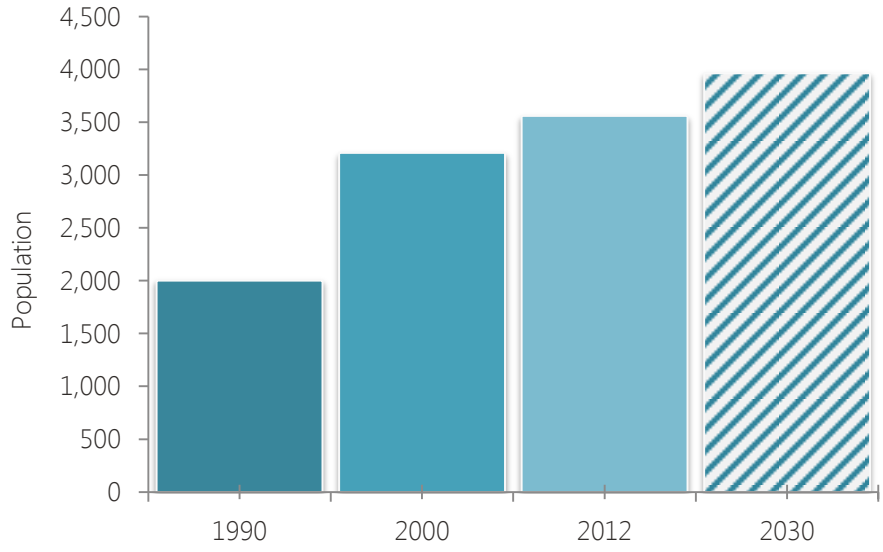
Interestingly, this fact of being part of a larger housing market has tended to push housing prices in North Yarmouth up faster than incomes:



Index of Income and Home Price. Source: Maine Office of Policy & Management, http://econ.maine.gov/

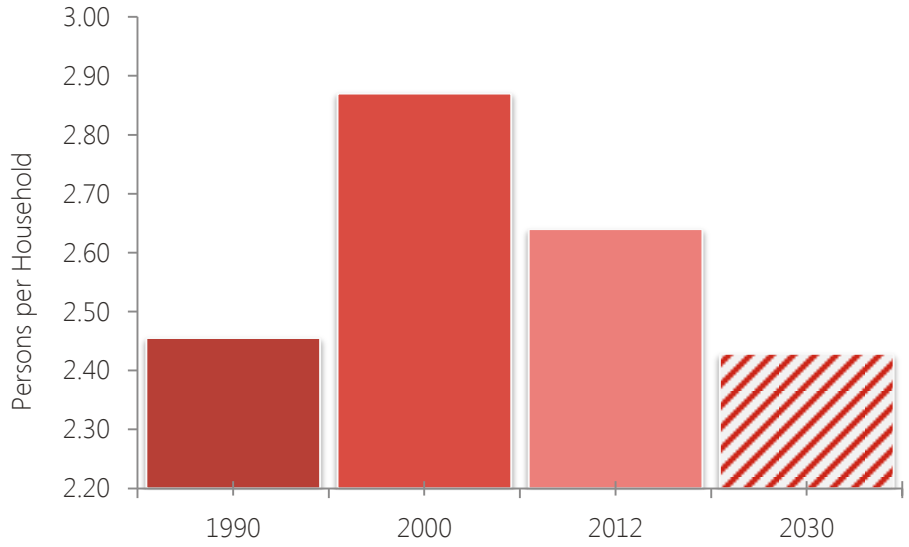
The tendency for home prices to outpace income growth has implications for those seeking more affordable housing options—both older households seeking to remain in the town in smaller, more manageable accommodations and young families drawn today for the same reasons that drew their predecessors of earlier years—access to good schools, a safe place to live, a rural feel and a short commute to regional employment centers.

Looking to the future, this pattern of residential-driven growth is expected to continue. Much like other outlying suburbs of the Portland core economic development area, North Yarmouth is projected to have steady population increase over the next 15 years. The number of resident in North Yarmouth is expected to increase from an estimated 3,560 in 2012 to nearly 4,000 by 2030. This growth projection does not factor in growth stimulating activities such as nearby job growth, and policies to support different types of housing development.



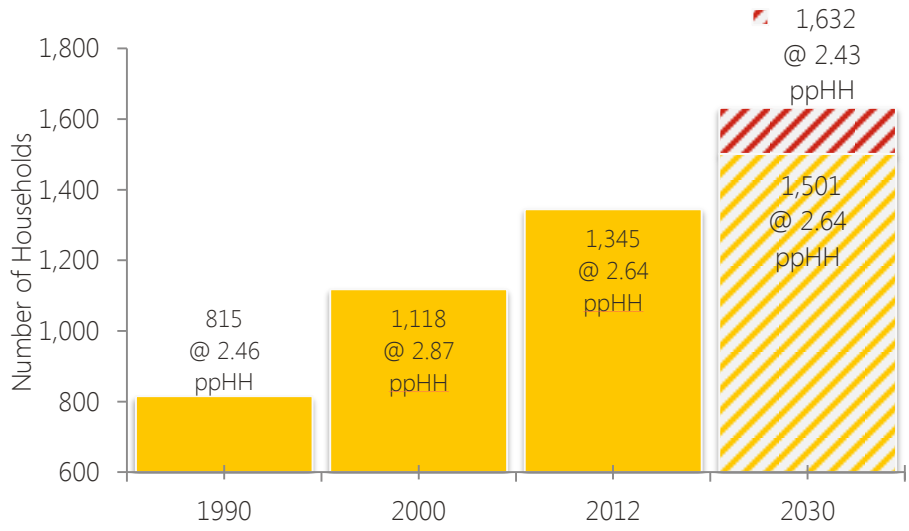
North Yarmouth Population and Future Projections (1990-2030). Source: U.S. Census

In conjunction with a growing population, North Yarmouth is increasingly seeing a reduction in household size, which in turn indicates that more people are looking for their own housing unit. After a sharp increase in average household size prior to 2000, the average North Yarmouth housing unit contains 2.64 people. If the trend toward smaller household size continues, this figure could drop below 1990 levels to 2.43 people.



North Yarmouth Household Size and Future Projection (1990-2030). Source: U.S. Census

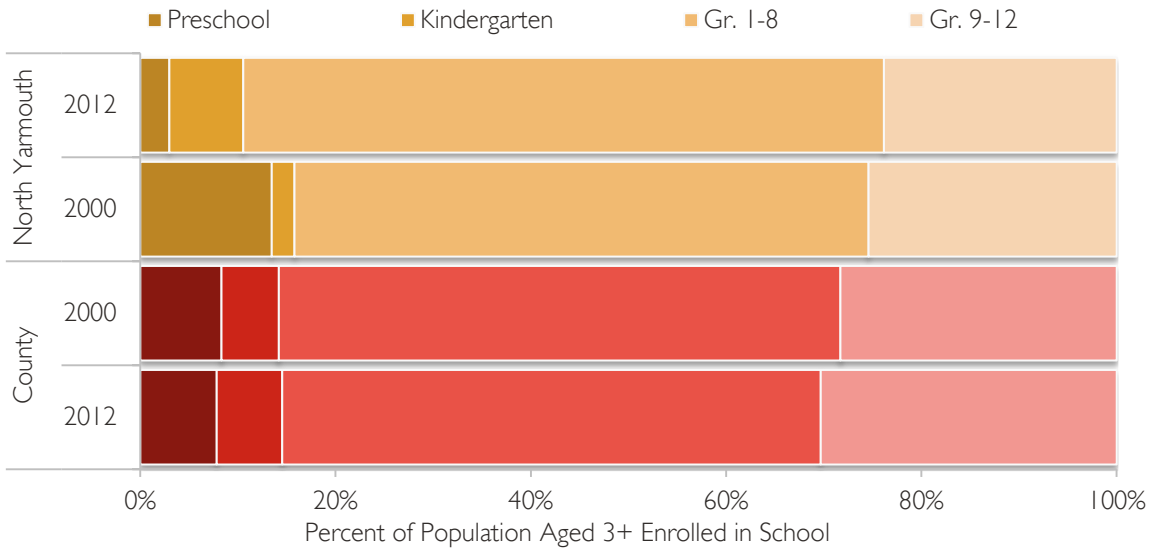
A declining household size combined with increasing total population indicates a growing demand for housing in North Yarmouth. In 2000 there were just over 1,000 households in North Yarmouth. If household size were to remain constant over the next 15 years with the population growing to 4,000, there would be a total of 1,501 households in the town—or an additional 383 homes compared to 2000. If household size continued to decrease as projected to 2.43 persons per household, North Yarmouth would have 1,632 households—or an additional 514 homes compared to 2000.



North Yarmouth Number of Households (1990-2012). Source: U.S. Census

One of the key drivers of population growth in North Yarmouth is the attraction of MSAD 51 for young families with children. The reputation of the school system has been a major driver of interest for people relocating to North Yarmouth. Looking at enrollment patterns in North Yarmouth compared to the county, there has been a decline in the number of families moving to town with very young children. Where nearly 12% of the student population was enrolled in preschool in 2000, that number fell to 2.5% by 2012. While it is natural for students to progress through schooling stages (preschool to elementary to high school and so on), the percentage of

students enrolled in preschool has remained roughly constant. This means that North Yarmouth has been less successful in attracting young couple without children and families with very young children. This may be related to an increased desire among these groups to be closer to amenities and denser development.



School Enrollment in North Yarmouth and Cumberland County (2000-2012). In terms of type of housing "product," it is most useful to think in terms of three prototypes

Based on an analysis of economic and demographic projections and interviews with realtors and developers, it is clear that the market can support residential "products" ranging from large-lot rural units to dense village-oriented units over the next twenty years. To a great extent, however, each exists in competition with the others, and what actually transpires will depend on policies the town sets. The more "large-lot, rural feel" units are built, the less land will be available for traditional and clustered subdivisions. Village amenity-oriented housing depends on an active community effort to create small lots and a village center "feel." Employment and population projections and "expert" opinion all agree that the Greater Portland residential market could support development of all three such residential products.

Table 11 – Population Change in North Yarmouth, 2000-2010

	2000 Population	2010 Population	% Change 2000-10	2013 Population Estimate	% Change 2010-13	2025 Population Projection	% Change 2013-25
Cumberland County	266,028	281,674	5.9%	285,456	1.3%	288,910	1.2%
New Gloucester	4,826	5,542	14.8%	5,592	0.9%	6,340	13.4%
Gray	6,848	7,761	13.3%	7,900	1.8%	8,690	10.0%
Durham	3,397	3,848	13.3%	3,904	1.5%	4,594	17.7%
North Yarmouth	**3,231**	**3,565**	**10.3%**	**3,655**	**2.5%**	**3,875**	**6.0%**
Cumberland	6,847	7,211	5.3%	7,393	2.5%	7,328	-0.9%
Yarmouth	8,356	8,349	-0.1%	8,482	1.6%	7,785	-8.2%
Lisbon	9,075	9,009	-0.7%	8,905	-1.2%	8,909	0.0%
Pownal	1,490	1,474	-1.1%	1,483	0.6%	1,610	8.6%

Source: Maine Office of Policy & Management, http://econ.maine.gov/

Over the period 2000 to 2010, North Yarmouth grew just over 10%, faster than its "interior" neighbors and faster than the Cumberland County average, The Town grew less rapidly than its "exterior" neighbors of Durham, Gray and New Gloucester. Using growth from 2000 to 2013 as the metric, North Yarmouth has seen even faster growth than its neighbors. Using the longer-run projections to 2025, the pattern of more rapid

growth in more distant periphery municipalities reemerges. The data suggest that continued population growth and thus more housing development is in store for North Yarmouth.

Commercial Development

As a bedroom community located between several regional employment centers (Lewiston-Auburn, Brunswick, Portland-Biddeford) with no significant "destination" attraction, North Yarmouth has less commercial activity than might otherwise be expected based on local income levels and the income levels of those who pass through the community each day (Table 12).

Table 12 – Commercial Activity in North Yarmouth and Surrounding Neighborhoods

	Per Capita Income, 2012	% of County	Per Capita Retail Sales, 2012	% of County	Retail Sales Growth, 2010-14	% of County
Cumberland County	$32,549	100%	$15.49	100%	15.1%	100%
Lisbon	$22,381	69%	$4.03	26%	0.5%	3%
Durham	$30,652	94%	$1.00	6%	32.3%	214%
Pownal	$27,910	86%	$1.32	8%	4.1%	27%
New Gloucester	$25,393	78%	$2.34	15%	8.0%	53%
Gray	$30,384	93%	$6.32	41%	4.4%	29%
North Yarmouth	**$37,956**	**117%**	**$1.56**	**10%**	**4.2%**	**28%**
Cumberland	$55,152	169%	$2.21	14%	83.1%	552%
Yarmouth	$51,005	157%	$11.13	72%	14.2%	95%

* Towns are listed in descending order of distance from the center of Portland.

Source: Maine Office of Policy & Management, http://econ.maine.gov/

While per capita income in North Yarmouth in 2012 was 17% above the Cumberland County average, per capita retail sales was 90% below the county average, and retail sales growth over the 2010 to 2014 period was 72% below the county average. In both of these metrics, North Yarmouth was below the levels of its immediate neighbors along the commuting corridor. Thus, in relation to both the income of North Yarmouth residents and the incomes of the commuters in the approximately 7,000 cars per day that pass the Route 9 and Route 115 intersection that forms the heart of the village, there is clearly potential demand available to support expanded commercial activities in the village. The question is, "What policy actions by the community might stimulate such investments?"

Based on interviews with several realtors and developers and visits to other "village centers" in surrounding Maine towns, the answer seems to be, "Work with developers to create a "sense of place." Create a village center that combines a variety of amenities, a place that combines an attractive look and a variety of things to do, a park with picnic tables, trees, a playground, ample parking, a place to get food, sidewalks and bike/pedestrian trails to other buildings and places in and around the village like a library, municipal offices, community meeting rooms and nearby residential units.

One example cited as an illustration of this collection of amenities is Rusty's Market in Topsham, Maine. It is a Shell Oil gas and convenience store with a variety of extras. The gas pumps are behind the store; there is abundant green space, trees and picnic tables and a gazebo in front along the highway; there is extra parking behind the store; the store provides a free bike maintenance facility with an air pump and tools to change tires and make minor repairs; the store provides the space for a weekly farmer's market and a variety of community events and displays for clubs and youth groups; as evidence of community involvement, the town has begun lighting and decorating the spruce tree on the site during holiday season and local students have come to the gazebo to have prom pictures taken. According to the developer, while the store cost somewhat more to develop than the average convenience store, it exceeded its first year revenue projections by 31%.

Rusty's Convenience Store in Topsham

This project required two years of work with the town Planning Department to propose and pass zoning changes and new development standards. The key to its success was the collaborative public-private character of the development process. Were a similar sort of initiative to be undertaken in the North Yarmouth village area and carefully integrated with "village amenity oriented" residential housing, an interlinking connection of sidewalks, parks, playgrounds, public parking, pedestrian and bike trails and commercial and civic buildings and events, the market demand is clearly sufficient to make such an effort successful.

Municipal Costs and Services

Various development options will have different effects on both municipal revenue (the tax base) and municipal costs (the money needed to provide public services). The central factor determining the answer to that question is where the Town now stands with respect to use of its municipal assets—buildings, vehicles and staff. Can additional development be accommodated with a marginal increase in the cost of services, and will this increase be more or less than what would happen in a do-nothing scenario? Is the added cost to the Town of further development like adding one more student in a class of 15, or are current assets stretched so thin that the demand for new services will force major capacity-building investments such as new offices, vehicles, or staff?

Table 13 below helps set these questions in context:

Table 13 - Municipal Budgets Calculated on a Per Capita (per Person) Basis in the Greater Portland Area

	2012 Estimated Population	2012 Municipal Commitments	Commitment per Person
Maine	1,328,501	$2,175,579,309	$1,638
Cumberland County	283,840	$591,786,946	$2,085
Group 1			
Pownal	1,478	$2,920,337	$1,976
Baldwin town	1,554	$1,704,811	$1,097
Sebago town	1,737	$4,593,647	$2,645
Harrison town	2,759	$5,532,848	$2,005
North Yarmouth	**3,614**	**$6,672,088**	**$1,846**
Casco town	3,776	$7,898,762	$2,092
Durham	3,887	$4,398,969	$1,132
Naples town	3,906	$9,000,794	$2,304
	Average Per Capital Commitment Group 1		**$1,887**
Group 2			
Raymond town	4,460	$11,802,311	$2,646
Harpswell town	4,776	$10,480,956	$2,195
Bridgton town	5,280	$12,904,845	$2,444
New Gloucester	5,571	$5,944,487	$1,067
	Average Per Capital Commitment Group 2		**$2,088**
Group 3			
Cumberland	7,317	$19,684,274	$2,690
Gray town	7,852	$11,563,391	$1,473
Freeport town	8,028	$21,101,102	$2,628
Yarmouth	8,435	$26,496,402	$3,141
Lisbon	8,934	$10,069,277	$1,127
Cape Elizabeth town	9,085	$26,179,227	$2,882
	Average Per Capital Commitment Group 3		**$2,324**

Source: Maine Office of Policy & Management, http://econ.maine.gov/, Maine Bureau of Revenue Services, http://www.maine.gov/revenue/propertytax/statistical_summary/2012/2012index.html.

* Towns are listed in descending order of distance from the center of Portland;

The table shows data for towns in the Greater Portland area listed in ascending order by population. The first group contains 8 towns with 2012 populations between approximately 1,500 and 4,000 along with their municipal tax commitments as reported by the Maine Bureau of Revenue Services. Dividing tax commitment by population yields commitment per person. The average per capita commitment for the towns in Group 1 is $1,887.

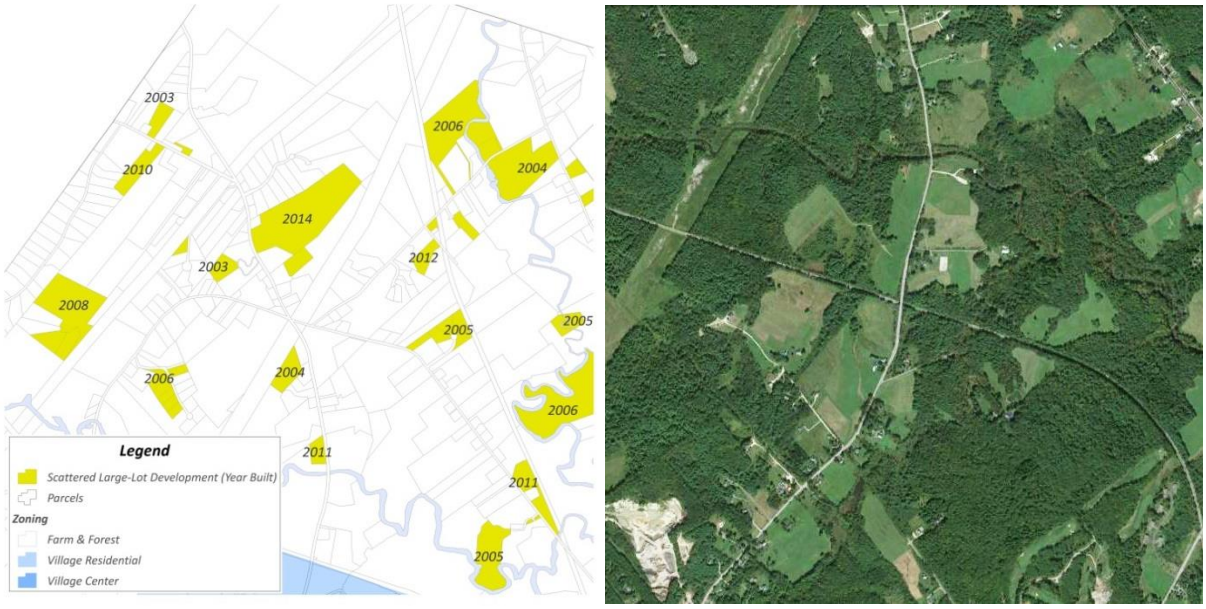
The next group contains 4 towns with populations of between roughly 4,000 and 6,000. The average per capita commitment for the towns in Group 2 is $2,088, or $2,428 excluding the unusually low commitment for New Gloucester. The next group contains 6 towns with populations of between roughly 7,000 and 9,000. The average per capita commitment for the towns in Group 3 is $2,324, or $2,835 excluding the unusually low commitments for Gray and Lisbon.

The implication of this chart is that as North Yarmouth grows from its estimated current population of 3,614 toward 4,000 or more, it is likely to face rising costs per person to provide an average level of services. This is consistent with the assessment of town officials who see space, public works, public recreation facilities, and staffing at or near maximum capacity.

Appendix D: Models for Residential Development

North Yarmouth contains a wide range of real estate developments from scattered rural projects to relative dense clustered subdivisions. Different forms of development will generate different land use conditions and implications for the town.

Scattered Rural Development



Large-Lot Rural Development in North Yarmouth with Year Built

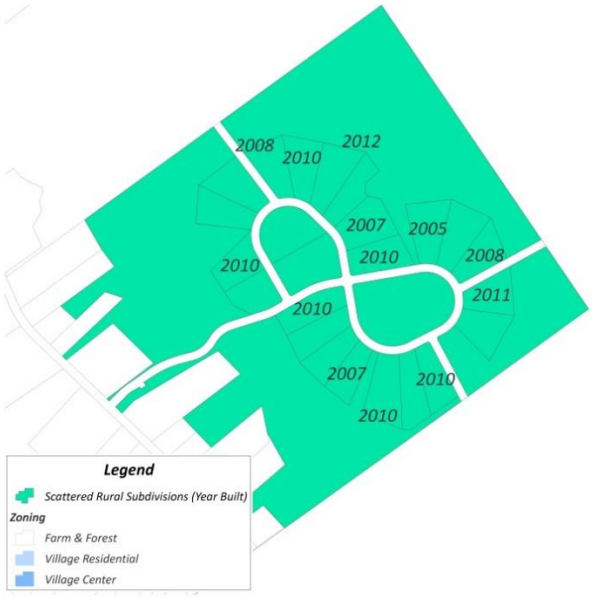
Throughout North Yarmouth there are a many examples of scattered rural developments as depicted above. Since 2003 there have been a total of 63 developments on parcels larger than four acres throughout town. Virtually all were single family dwellings, save for two two-unit developments and a single-family home with an accessory apartment (for the purposes of the calculations below this development was calculated as 1.5 dwelling units). Because these projects are scattered all throughout town, it is nearly impossible to qualify the amount of roadway infrastructure developed to service these lots. Public roads provide connections to these parcels and therefore, the Town's stock of public roads has been used to calculate the level of roadway infrastructure demand generated by this form of development.

Over 820 acres of land have been developed as housing on parcels of four-acres or larger, resulting in a total of 66.5 new residential units with a total value of nearly $26 million. These parcels "consumed" over 226,000 feet of roadway (the sum total of public roadway in North Yarmouth). On an average acre, this form of development yields 0.08 residential units (essentially no development), and a taxable value to the Town of $31,609. The average unit in a scattered rural development pattern has a footprint of approximately 12.3 acres, a taxable value of just over $389,000, and each home consumes an average of about 3.400 feet of roadway.

Table 14 - Scattered Rural Development Statistics

Characteristic	Developed
Acres	818.75
Parcels	64.00
Dwelling Units (DU)	66.50
Land Value	$ 6,403,500
Building Value	$ 19,476,000
Total Value	$ 25,879,500
Road Distance (Feet)	226,235
	Average Per Acre
Dwelling Units	0.08
Land Value	$ 7,821
Building Value	$ 23,787
Total Value	$ 31,609
Road Distance (Feet)	276
	Average per DU
Acres	12.31
Land Value	$ 96,293
Building Value	$ 292,872
Total Value	$ 389,165
Road Distance (Feet)	3,402

Clustered Open-Space Subdivisions



Rural Clustered Subdivision Development in North Yarmouth with Year Built

In eastern North Yarmouth, a high-value clustered subdivision was developed with a private road serving the 24 developable parcels of property. Between 2005 and 2012 thirteen homes were constructed in a traditional large-lot suburban pattern. The homes constructed resulted in more than $8.6 million dollars in taxable value for the town across more than 104 acres of land. The clustered development also generated nearly 70 acres of public open-space land. The subdivision introduced nearly 6,500 feet of (private) roadway. The clustered development pattern has a higher concentration of value per developable area than the rural variation above. Each acre of development yields 0.12 dwelling units, and more than $82,000 of taxable property value. This development pattern consumes approximately 62 feet of roadway per acre, compared with 276 feet for

scattered rural development. The average home in this clustered subdivision consumes 8 acres of land, has a taxable value of roughly $662,000 and requires 499 feet of roadway.

Table 15 - Clustered Open-Space Subdivisions

Goldenrod Road, North Yarmouth	
Characteristic	**Total**
Acres	104.51
Parcels	29.00
Dwelling Units (DU)	13.00
Land Value	$ 3,645,400
Building Value	$ 4,960,700
Total Value	$ 8,606,100
Road Distance (Feet)	6,493
	Average Per Acre
Dwelling Units	0.12
Open Space	0.66
Land Value	$ 34,881
Building Value	$ 47,466
Total Value	$ 82,347
Road Distance (Feet)	62
	Average per DU
Acres	8.04
Land Value	$ 280,415
Building Value	$ 381,592
Total Value	$ 662,008
Road Distance (Feet)	499

Village Amenity-Oriented Development (Low Density)

Just outside of the village core in North Yarmouth along The Lane Road is a housing pattern that shows a mix of denser (smaller-lot) and more rural development. With this pattern the average size of parcels is 2.65 acres per unit, and each dwelling unit consumes on average 257 feet of roadway.

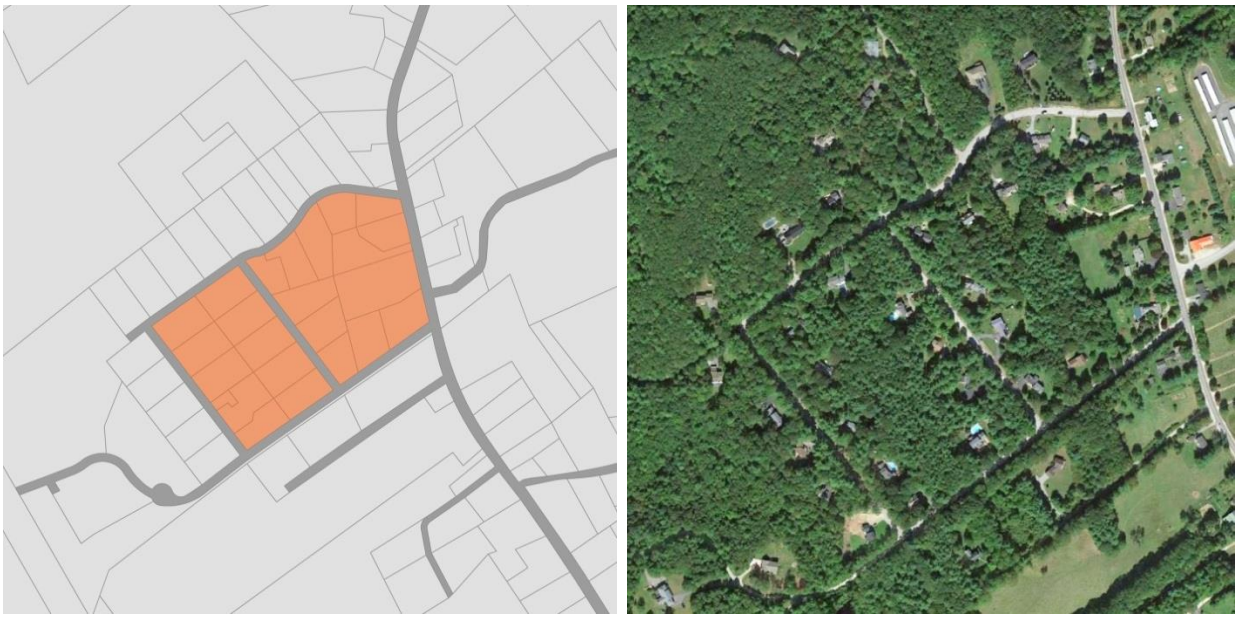
Village Amenity-Oriented Development (Low Density)

Table 16 - Village Amenity-Oriented Development (Low Density)

The Lane Older, Rural Neighborhood Development	
Characteristic	**Total**
Acres	59.11
Parcels	18.00
Dwelling Units (DU)	13.00
Land Value	$ 1,014,000
Building Value	$ 2,444,700
Total Value	$ 3,458,700
Road Distance (Feet)	3,346
	Average Per Acre
Dwelling Units	0.22
Open Space	0.01
Land Value	$ 17,154
Building Value	$ 41,358
Total Value	$ 58,513
Road Distance (Feet)	57
	Average per DU
Acres	4.55
Land Value	$ 78,000
Building Value	$ 188,054
Total Value	$ 266,054
Road Distance (Feet)	257

Village Amenity-Oriented Development (Medium Density)

A denser form of development is characterized by a 40-year old subdivision north of the village core. This pattern of development has a higher efficiency of land use and greater land value per dwelling unit. The average home consumes 207 feet of roadway and 1.41 acres of land.



Village Amenity-Oriented Development (Medium Density)

Table 17 - Village Amenity-Oriented Development (Medium Density)

Route 115, Older Subdivision	
Characteristic	**Total**
Acres	32.74
Parcels	24.00
Dwelling Units (DU)	23.00
Land Value	$ 1,668,200
Building Value	$ 4,307,100
Total Value	$ 5,975,300
Road Distance (Feet)	6,793
	Average Per Acre
Dwelling Units	0.70
Open Space	-
Land Value	$ 50,953
Building Value	$ 131,555
Total Value	$ 182,508
Road Distance (Feet)	207
	Average per DU
Acres	1.42
Land Value	72,530
Building Value	187,265
Total Value	259,796
Road Distance (Feet)	295

Village Amenity-Oriented Development (High Density)

A higher density form of residential development can be seen on nearby Pinewood Road in Cumberland. This area was used to calculate roadway per acre. The development pattern along Pinewood Road helps identify other density characteristics. With a high-density residential development as seen in Cumberland, the average home consumes 0.44 acres of land and 82 feet of roadway. This pattern generates the highest value per area of developed land.

Village Amenity-Oriented Development

Table 18 - Village Amenity-Oriented Development (High Density)

Pinewood Drive, Cumberland	
Characteristic	**Totals**
Acres	14.98
Parcels	34.00
Dwelling Units (DU)	34.00
Land Value	$4,266,700
Building Value	$5,114,800
Total Value	$9,539,800
Road Distance (Feet)	2,790
	Per acre
Dwelling Units	2.27
Open Space	-
Land Value	$284,826
Building Value	$341,442
Total Value	$636,836
Road Distance (Feet)	186
	Per dwelling unit
Acres	0.44
Land Value	$125,491
Building Value	$150,435
Total Value	$280,582
Road Distance (Feet)	82

Appendix E: 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.

Table 19: Composition of Property Tax Commitment for North Yarmouth, 2004-2013

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%**

Table 19 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 20 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. local spending), but $332,500 is lost to cover county and education assessments.

Table 20: Theoretical Impact of Modifying TIF Capture Rate, North Yarmouth

Hypothetical 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 (33.5%)	$ -	$167,500
County Expenses (3.2%)	$ -	$16,000
School Expenses (63.3%)	$ -	$316,500
Total Available for Local Investment	**$1,000,000**	**$667,500**

Appendix F: Fiscal Impact of North Yarmouth Village Development

This section is intended to provide background to the cost and revenue calculations prepared for North Yarmouth village development. It begins with a consideration of the most recent town budget and an examination of the overall "driving force" behind each component of the budget.

Methodology

For FY 2015, the Town of North Yarmouth had a total budget of nearly $8.6 million. This was comprised of just over $2.1 million for general operating expenses, over $256,000 for capital expenses, nearly $5.9 million for education, and nearly $280,000 to cover its share of the Cumberland County budget (Table 21). As part of their evaluation of the village development scenarios, the citizens of North Yarmouth must consider both the estimated tax revenue and the estimated expenses such development might be expected to generate.

Table 21: Municipal Budget, North Yarmouth, by category, FY15

Category	Amount	Driving Force	Cost/Unit
Total Expenses	**$8,585,686**		
Operating	**$2,151,820**		
Public Safety, Fire & General Administration	$963,956	Taxable units (homes and businesses: 1,438)	**$670**
Public Works*	$1,187,864	Feet of public roads in town: 213,528	**$5.56**
Capital	**$256,514**	Percent of operating expenses	**12%**
Capital Spending	$86,275		
Debt Service	$101,446		
Reserve Accounts	$68,793		
Education	**$5,897,620**	Number of subsidizable students	**$10,221**
County	**$279,732**	Percent of state valuation	**0.6%**

Source: Town of North Yarmouth.
Public works includes public works, public facilities, public lands and recreation and waste and recycling.

One way to estimate expenses is to think of the forces that drive each component of the budget. For this report, PDI considered the "driving force" behind the public safety, fire and general administration expenses to be the number of taxable units (meanings homes and businesses) in town. More units mean more demand for permits and assessing, more calls for fire or police services, and more demand on public facilities such as voting and meeting spaces.

Table 22: Housing and Commercial Units in North Yarmouth, 2014

Housing Units	Cases	Unit Weight	Total
Apartments 4-7 Units	1	4	4
Condo	26	1	26
Two-Unit	20	2	40
Three-Unit	3	3	9
Mobile Home	11	1	11
Multiple Houses	19	2	38
Single Family	1,265	1	1,265
Single Family with In-law	12	2	18
Subtotal			**1,411**
Commercial Units			
Auto Repair	2	1	2
Commercial Building	12	1	12
Day Care	1	1	1
Farm Buildings	1	1	1
Golf Course	1	1	1
Industrial Building	3	1	3
Restaurant	1	1	1
Retail	5	1	5
Warehouse	1	1	1
Subtotal			**27**
Total			**1,438**

According to town assessing records, North Yarmouth currently has approximately 1,438 housing and commercial units (Table 22)[9]. Dividing the total public safety, fire and general administration budget of $963,956 by the units yields an average "cost" per unit of $670. In general, the more units in a town, the greater the expense required to provide services to them. In reality though, such costs do not generally increase in a smooth, linear fashion. Rather, they tend to be stable over some range of units, then spike as a new staff member is hired, a new vehicle is purchased, or a new facility is built. The question citizens much consider, therefore, is whether the incremental development modeled for the village area in the previous section will have an incremental fire, safety and administrative cost that less than, equal to or greater than the current average cost of $670.[10]

A similar analysis must be made for the other elements of the town budget. Dividing the current public works budget of $1,187,864 by the town's current total of 213,528 linear feet of public roadway yields an average of $5.56 per taxable unit. Here the relevant question for residents is, "Will the incremental development modeled in the previous section, be likely to generate an incremental expense of more or less than $5.56 per foot?" Because the development pattern in the village is denser, each new unit is therefore likely to create less demand for new roads (furthermore, the village already has an extensive road network, unlike more rural areas). This means that, just by the nature of development, even at the same road expense per unit, village development will create less strain on the public works budget than rural development.

Estimating the likely effects of the village developments modeled above on the town's education expense is considerably more complicated. Three "driving forces" are relevant—students per housing unit, educational cost per student and state valuation per student. North Yarmouth has 577 "subsidizable students" listed by the

9 Some of these units may be vacant, but the impact of those vacancies was deemed negligible for cost calculations

10 It is important to remember that the cost figures noted here were derived from FY 2015 data and are assumed to be projected forward in constant (that is, inflation adjusted) dollars so as to more accurately isolate the "real" costs of maintaining current levels of service.

Maine Department of Education in its Form ED297 for FY15. Dividing those students by the town's 1,411 residential housing units indicates a current population of 0.41 students per housing unit. Dividing the same number of students by the town's education cost of $5,897,620 yields a cost per student of $10,221. Finally, dividing the town's taxable state valuation of $435,025,000 by the same number of students yields an average taxable property per student of $753,943.

Based on these assumed costs, the relevant questions for town voters are:

1. Will new, village housing units bring in more or less than 0.41 students per unit?
2. Will the number of students brought into SAD 51 by village development add more or less to the RSU budget than $10,221 per student?" and
3. Will the ratio of state valuation added by the development modeled above divided by the number of students brought in be more or less than $753,943, thereby increasing or decreasing North Yarmouth's state Essential Programs and Services (EPS) allocation and its share of the RSU 51 budget?

Development will also impact the town's capital and county tax expenses. For purposes of this analysis, PDI assumed that:

- any debt incurred to initiate the development modeled above will be calculated directly with the cost of the relevant development scenario chosen.
- The town's existing debt obligations are assumed to remain constant at the current relationship to municipal operating expenses (12%).
- County tax obligations remain constant at 0.6% of the taxable state valuation, as is currently the case.

Estimating Fiscal Impacts of Development

To illustrate the likely effects of the proposed village development on town revenue and expenses, PDI applied the methods noted above to each of the three development scenarios. For the purposes of explanation the results of Scenario 1 are reviewed below. The calculations for scenarios 2A and 2B are presented alongside scenario 1 results for comparison.

Scenario 1 assumes a net town hall renovation cost (after sale of land) of $182,870 and a village development cost of $1,378,649. It further assumes that these costs are financed over 20 years at an interest rate of 2.5%. The annual amortization of renovation and construction expenses (financed from the town's general fund account) would be $11,628, and the payments for village development costs (financed from a proposed TIF account) would be $87,666. These costs vary in scenario 2A and 2B and are summarized in Table 23.

Table 23: Capital Expenses of Village Development Summary

Scenario	Town Hall Costs	Bond Payment	Village Development Costs	Bond Payment
1	$ 182,870	$ 11,628	$ 1,378,649	$ 87,666
2A*	$ (170,750)	$ -	$ 1,278,649	$ 81,307
2B	$ 593,650	$ 37,749	$ 1,318,649	$ 83,851

* After the sale of land and Wescustogo insurance proceeds, Scenario 2A yields net revenue to the Town once the costs for renovating the school are accounted for. This surplus is added to General Fund at the end of Year 1

Table 24 and 25 highlight the new commercial and residential value created in the model development in the village. Commercial value is based on an assumed rate of $96 dollars per square foot derived from a sample of properties in North Yarmouth and Cumberland. Residential value is based on a taxable value of $281,000 per housing unit obtained from Pinewood Drive development in Cumberland. These values and the timing of development are not intended as a forecast, but rather as an illustration to better understand the possible outcomes for the town and the variables that affect them.

Table 24: Development in Scenario 1

Year #	Tax Year beginning April 1	Commercial Development (ft^2)	New Commercial Units	New Commercial Value	Housing Units Developed	New Residential Value
0	2014					
1	2015	0	0	$0	0	$0
2	2016	6,364	1	$610,944	4	$1,124,000
3	2017	6,364	0	$610,944	10	$2,810,000
4	2018	8,092	1	$776,832	12	$3,372,000
5	2019	8,092	1	$776,832	7	$1,967,000
6	2020	7,743	1	$743,373	24	$6,744,000
7	2021	7,743	1	$743,373	16	$4,496,000
8	2022	2,246	1	$215,622	27	$7,587,000
9	2023	2,246	1	$215,622	27	$7,587,000
10	2024	2,246	1	$215,622	27	$7,587,000
11	2025	0		$0	31	$8,711,000
12	2026	0		$0	29	$8,149,000
13	2027	0		$0	29	$8,149,000
14	2028	0		$0	29	$8,149,000
15	2029	0		$0	17	$4,777,000
16	2030	0		$0	12	$3,372,000
17	2031	0		$0	12	$3,372,000
18	2032	0		$0	12	$3,372,000
19	2033	0		$0	9	$2,529,000
20	2034	0		$0	6	$1,686,000

Table 25: Development in Scenario 2A or 2B

Year	Tax Year beginning April 1	Commercial Development (ft^2)	New Commercial Units	New Commercial Value	Housing Units Developed	New Residential Value
0	2014					
1	2015	0	0	$0	0	$0
2	2016	6,364	1	$610,944	4	$1,124,000
3	2017	6,364	0	$610,944	9	$2,529,000
4	2018	8,092	1	$776,832	7	$1,967,000
5	2019	8,092	1	$776,832	7	$1,967,000
6	2020	7,743	1	$743,373	24	$6,744,000
7	2021	7,743	1	$743,373	16	$4,496,000
8	2022	2,246	1	$215,622	27	$7,587,000
9	2023	2,246	1	$215,622	27	$7,587,000
10	2024	2,246	1	$215,622	27	$7,587,000
11	2025	0		$0	31	$8,711,000
12	2026	0		$0	29	$8,149,000
13	2027	0		$0	29	$8,149,000
14	2028	0		$0	29	$8,149,000
15	2029	0		$0	17	$4,777,000
16	2030	0		$0	12	$3,372,000
17	2031	0		$0	12	$3,372,000
18	2032	0		$0	12	$3,372,000
19	2033	0		$0	9	$2,529,000
20	2034	0		$0	6	$1,686,000

Tables 26-27 illustrate the revenue consequences of the development pattern depicted in Tables 24-25. The key variable is the percent of new value allocated to the TIF fund (sheltered from state valuation, available only for specified TIF activities) and to the General Fund (not sheltered, but available for any purpose). Again, the percentages listed here are not meant to be a forecast but to illustrate impacts. The general pattern here is a high but declining allocation of new valuation to the TIF account on the grounds that TIF eligible expenses occur early in the project timetable and that the sheltering effects of TIF funding significantly reduces the education and county tax expenses the town would otherwise have to fund from its general fund.

Table 26: Scenario 1 Revenue Generation

Year #	Current Assessed Value	Additional Assessed Value	Value To TIF (%)	Value to GF (%)	Mill Rate	Revenue to TIF Account	TIF Account Balance	Revenue to GF Account
1	$2,634,400	$0	100%	0%	17.13	$0	-$87,666	$45,127
2	$4,369,344	$1,734,944	100%	0%	17.13	$29,720	-$145,612	$45,127
3	$7,790,288	$5,155,888	100%	0%	17.13	$88,320	-$144,958	$45,127
4	$11,939,120	$9,304,720	100%	0%	17.13	$159,390	-$73,234	$45,127
5	$14,682,953	$12,048,553	80%	20%	17.13	$165,113	$4,213	$86,406
6	$22,170,326	$19,535,926	60%	40%	17.13	$200,790	$117,337	$178,987
7	$27,409,698	$24,775,298	40%	60%	17.13	$169,760	$199,432	$299,768
8	$35,212,320	$32,577,920	25%	75%	17.13	$139,515	$251,281	$463,672
9	$43,014,941	$40,380,541	25%	75%	17.13	$172,930	$336,544	$563,916
10	$50,817,563	$48,183,163	25%	75%	17.13	$206,344	$455,223	$664,160
11	$59,528,563	$56,894,163	25%	75%	17.13	$243,649	$611,206	$776,075
12	$67,677,563	$65,043,163	10%	90%	17.13	$111,419	$634,959	$1,047,898
13	$75,826,563	$73,192,163	10%	90%	17.13	$125,378	$672,671	$1,173,531
14	$83,975,563	$81,341,163	10%	90%	17.13	$139,337	$724,343	$1,299,164
15	$88,752,563	$86,118,163	10%	90%	17.13	$147,520	$784,197	$1,372,811
16	$92,124,563	$89,490,163	10%	90%	17.13	$153,297	$849,828	$1,424,797
17	$95,496,563	$92,862,163	5%	95%	17.13	$79,536	$841,698	$1,556,320
18	$98,868,563	$96,234,163	5%	95%	17.13	$82,425	$836,457	$1,611,194
19	$101,397,563	$98,763,163	5%	95%	17.13	$84,591	$833,381	$1,652,350
20	$103,083,563	$100,449,163	5%	95%	17.13	$86,035	$831,750	$1,679,787

Table 27: Scenario 2A Revenue Generation

Year #	Current Assessed Value	Additional Assessed Value	Value To TIF (%)	Value to GF (%)	Mill Rate	Revenue to TIF Account	TIF Account Balance	Revenue to GF Account
1	$2,634,400	$0	100%	0%	17.13	$0	-$81,307	$215,877.27
2	$4,369,344	$1,734,944	100%	0%	17.13	$29,720	-$132,894	$45,127.27
3	$7,509,288	$4,874,888	100%	0%	17.13	$83,507	-$130,695	$45,127
4	$10,253,120	$7,618,720	100%	0%	17.13	$130,509	-$81,493	$45,127
5	$12,996,953	$10,362,553	80%	20%	17.13	$142,008	-$20,791	$80,629
6	$20,484,326	$17,849,926	60%	40%	17.13	$183,462	$81,363	$167,435
7	$25,723,698	$23,089,298	40%	60%	17.13	$158,208	$158,264	$282,439
8	$33,526,320	$30,891,920	25%	75%	17.13	$132,295	$209,252	$442,011
9	$41,328,941	$38,694,541	25%	75%	17.13	$165,709	$293,654	$542,255
10	$49,131,563	$46,497,163	25%	75%	17.13	$199,124	$411,471	$642,500
11	$57,842,563	$55,208,163	25%	75%	17.13	$236,429	$566,593	$754,414
12	$65,991,563	$63,357,163	10%	90%	17.13	$108,531	$593,817	$1,021,905
13	$74,140,563	$71,506,163	10%	90%	17.13	$122,490	$635,000	$1,147,538
14	$82,289,563	$79,655,163	10%	90%	17.13	$136,449	$690,142	$1,273,171
15	$87,066,563	$84,432,163	10%	90%	17.13	$144,632	$753,467	$1,346,818
16	$90,438,563	$87,804,163	10%	90%	17.13	$150,409	$822,569	$1,398,804
17	$93,810,563	$91,176,163	5%	95%	17.13	$78,092	$819,354	$1,528,883
18	$97,182,563	$94,548,163	5%	95%	17.13	$80,981	$819,028	$1,583,757
19	$99,711,563	$97,077,163	5%	95%	17.13	$83,147	$820,867	$1,624,912
20	$101,397,563	$98,763,163	5%	95%	17.13	$84,591	$824,151	$1,652,350

Table 28: Scenario 2B Revenue Generation

Year #	Current Assessed Value	Additional Assessed Value	Value To TIF (%)	Value to GF (%)	Mill Rate	Revenue to TIF Account	TIF Account Balance	Revenue to GF Account
1	$2,634,400	$0	100%	0%	17.13	$0	-$83,851	$45,127
2	$4,369,344	$1,734,944	100%	0%	17.13	$29,720	-$137,982	$45,127
3	$7,509,288	$4,874,888	100%	0%	17.13	$83,507	-$138,327	$45,127
4	$10,253,120	$7,618,720	100%	0%	17.13	$130,509	-$91,669	$45,127
5	$12,996,953	$10,362,553	80%	20%	17.13	$142,008	-$33,511	$80,629
6	$20,484,326	$17,849,926	60%	40%	17.13	$183,462	$66,099	$167,435
7	$25,723,698	$23,089,298	40%	60%	17.13	$158,208	$140,456	$282,439
8	$33,526,320	$30,891,920	25%	75%	17.13	$132,295	$188,900	$442,011
9	$41,328,941	$38,694,541	25%	75%	17.13	$165,709	$270,758	$542,255
10	$49,131,563	$46,497,163	25%	75%	17.13	$199,124	$386,031	$642,500
11	$57,842,563	$55,208,163	25%	75%	17.13	$236,429	$538,609	$754,414
12	$65,991,563	$63,357,163	10%	90%	17.13	$108,531	$563,289	$1,021,905
13	$74,140,563	$71,506,163	10%	90%	17.13	$122,490	$601,928	$1,147,538
14	$82,289,563	$79,655,163	10%	90%	17.13	$136,449	$654,526	$1,273,171
15	$87,066,563	$84,432,163	10%	90%	17.13	$144,632	$715,307	$1,346,818
16	$90,438,563	$87,804,163	10%	90%	17.13	$150,409	$781,865	$1,398,804
17	$93,810,563	$91,176,163	5%	95%	17.13	$78,092	$776,106	$1,528,883
18	$97,182,563	$94,548,163	5%	95%	17.13	$80,981	$773,236	$1,583,757
19	$99,711,563	$97,077,163	5%	95%	17.13	$83,147	$772,531	$1,624,912
20	$101,397,563	$98,763,163	5%	95%	17.13	$84,591	$773,271	$1,652,350

Table 29: Expense Drivers Flowing From Village Development, Scenario 1

Year	New Taxable Units	New Roads (Feet)	New State Valuation	New Students	% of Current Avg. Cost	New SV per Student	% Current SV per Student
1	0	0	$0	0	0%	$0	0%
2	5	328	$0	2	10%	$0	0%
3	10	1,149	$0	6	20%	$0	0%
4	13	2,134	$0	11	20%	$0	0%
5	8	2,708	$2,409,711	13	30%	$178,567	24%
6	25	4,677	$7,814,370	23	40%	$335,251	44%
7	17	5,990	$14,865,179	30	50%	$497,965	66%
8	28	8,206	$24,433,440	41	60%	$597,497	79%
9	28	10,422	$30,285,406	52	60%	$583,151	77%
10	28	12,637	$36,137,372	63	60%	$573,835	76%
11	31	15,181	$42,670,622	76	70%	$564,038	75%
12	29	17,561	$58,538,847	88	70%	$668,931	89%
13	29	19,941	$65,872,947	99	100%	$662,906	88%
14	29	22,320	$73,207,047	111	100%	$658,166	87%
15	17	23,715	$77,506,347	118	100%	$655,829	87%
16	12	24,700	$80,541,147	123	100%	$654,339	87%
17	12	25,685	$88,219,055	128	100%	$689,238	91%
18	12	26,670	$91,422,455	133	100%	$687,893	91%
19	9	27,408	$93,825,005	137	100%	$686,947	91%
20	6	27,900	$95,426,705	139	100%	$686,345	91%

Table 30: Expense Drivers Flowing From Village Development, Scenario 2A and 2B

Year	New Taxable Units	New Roads (Feet)	New State Valuation	New Students	% of Current Avg. Cost	New SV per Student	% Current SV per Student
1	0	0	$0	0	0%	$0	0%
2	5	328	$0	2	10%	$0	0%
3	9	1,067	$0	5	20%	$0	0%
4	8	1,641	$0	8	20%	$0	0%
5	8	2,216	$2,072,511	11	30%	$187,709	25%
6	25	4,185	$7,139,970	21	40%	$342,356	45%
7	17	5,498	$13,853,579	27	50%	$505,636	67%
8	28	7,714	$23,168,940	38	60%	$602,739	80%
9	28	9,929	$29,020,906	49	60%	$586,512	78%
10	28	12,145	$34,872,872	61	60%	$576,205	76%
11	31	14,689	$41,406,122	73	70%	$565,669	75%
12	29	17,068	$57,021,447	85	70%	$670,388	89%
13	29	19,448	$64,355,547	97	100%	$664,032	88%
14	29	21,828	$71,689,647	109	100%	$659,062	87%
15	17	23,223	$75,988,947	116	100%	$656,622	87%
16	12	24,208	$79,023,747	121	100%	$655,069	87%
17	12	25,192	$86,617,355	126	100%	$689,950	92%
18	12	26,177	$89,820,755	130	100%	$688,553	91%
19	9	26,916	$92,223,305	134	100%	$687,572	91%
20	6	27,408	$93,825,005	137	100%	$686,947	91%

Tables 29-30 lay out the expense drivers explained in section a above. New taxable units (the driver of fire, police and general administrative costs) are the sum of new residential commercial units (excluding existing units that may be renovated). New linear feet of road (the driver of PUBLIC WORKS expenses) are drawn from the 82 feet per unit taken from the Pinewood Drive development. New students is taken from the town's existing ratio of 0.41 students per residential unit on the grounds that the new "village amenity-oriented" housing is likely to appeal and indeed is specifically targeted for both young families and aging empty nesters. The new state valuation is drawn from the new property developed and the relative shares allocated to the TIF account and to the General Fund account. This factor is important in that it generates a new valuation per student ratio that is significantly below the current town average of $753,943 and, even over the 20-year time horizon rises to only $686,345 per student in year 20. This means that the local required tax commitment for these students required by the state and the "local extra" commitment required by any RSU 51 spending that exceeds the state EPS allocation will be less than it would be if new property were not sheltered in the TIF account.

Finally, Tables 29-30 assume that the marginal cost of educating the new students listed here will be less than the current RSU average of $16,048 on the grounds that the system has existing capacity to absorb a significant number of new students at less than proportional additional cost. Table 31 lists the number of subsidizable students in the RSU over the past decade.

Table 31: Subsidizable Students, RSU 51, 2006-2015

FY	North Yarmouth	Cumberland	RSU51
2006	701.5	1,634.0	2,335.5
2007	714.0	1,604.5	2,318.5
2008	684.5	1,575.0	2,259.5
2009	659.5	1,590.5	2,250.0
2010	647.5	1,571.5	2,219.0
2011	620.0	1,553.0	2,173.0
2012	575.0	1,542.0	2,117.0
2013	574.0	1,517.0	2,091.0
2014	580.5	1,485.0	2,065.5
2015	577.0	1,454.5	2,031.5
Change	**-18%**	**-11%**	**-13%**

Source: Maine Department of Education, form ED279

Since FY 2016, enrollment at RSU 51 has declined by 13%, a decline of 304 students. In North Yarmouth, the decline has been somewhat greater, falling by 18%. In fact, if the decline is measured from the town's peak in 2007, the decline is greater—a 19% drop of 137 students. The point of this analysis is that the cost of slowing, or perhaps even offsetting this trend by increasing the number of North Yarmouth students is likely to have a marginal cost that is significantly less than the current average cost of $16,048. Tables 29-30 illustrate this possibility by assuming marginal costs for students coming from the village development area rising from 10% of current average cost in year 2 to 100% in year 13. If enrollment decline continues in a similar pattern as has been the case, the below-average incremental education cost may in fact prove to be greater and extend further into the future. Combined with the tax sheltering effects of any allocation of new property value in a TIF, lower education costs as described would reduce the educational cost impacts of any new students brought to town by village development.

Tables 32 to 34 bring all these incremental expense together:

Table 32: Incremental Town Expenses, Scenario 1

Year	Fire, Police, & Admin. Cost	Public Works Cost	New Education Cost	Required Local	EPS Subsidy	Local Education Cost	Capital	County	Bond From TIF	Bond From GF	Total Incremental Expense
1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$99,294	$99,294
2	$3,350	$1,825	$2,625	$0	$19,302	-$16,677	$621	$0	$29,720	$69,574	$85,063
3	$10,050	$8,213	$18,375	$0	$67,558	-$49,183	$2,192	$0	$87,666	$11,628	$60,515
4	$18,760	$20,075	$34,125	$0	$125,466	-$91,340	$4,660	$0	$87,666	$11,628	$32,689
5	$24,120	$35,132	$64,970	$19,519	$139,726	-$94,275	$7,110	$14,458	$87,666	$11,628	$61,719
6	$40,870	$61,138	$149,627	$63,296	$211,763	-$125,432	$12,241	$46,886	$87,666	$11,628	$94,127
7	$52,260	$94,444	$239,534	$120,408	$231,861	-$112,734	$17,605	$89,191	$87,666	$11,628	$187,800
8	$71,020	$140,070	$393,755	$197,911	$284,649	-$88,805	$25,331	$146,601	$87,666	$11,628	$322,491
9	$89,780	$198,014	$500,069	$245,312	$367,539	-$112,782	$34,535	$181,712	$87,666	$11,628	$400,774
10	$108,540	$268,277	$606,383	$292,713	$450,429	-$136,759	$45,218	$216,824	$87,666	$11,628	$492,854
11	$129,310	$352,684	$849,855	$345,632	$547,104	-$42,881	$57,839	$256,024	$87,666	$11,628	$722,960
12	$148,740	$450,322	$983,075	$474,165	$558,513	-$49,603	$71,887	$351,233	$87,666	$11,628	$923,134
13	$168,170	$561,192	$1,594,708	$533,571	$639,049	$422,088	$87,523	$395,238	$87,666	$11,628	$1,565,335
14	$187,600	$685,293	$1,785,023	$592,977	$719,586	$472,460	$104,747	$439,242	$87,666	$11,628	$1,801,037
15	$198,990	$817,150	$1,896,587	$627,801	$766,796	$501,989	$121,937	$465,038	$87,666	$11,628	$2,005,408
16	$207,030	$954,483	$1,975,338	$652,383	$800,122	$522,833	$139,382	$483,247	$87,666	$11,628	$2,199,238
17	$215,070	$1,097,290	$2,054,089	$714,574	$795,838	$543,677	$157,483	$529,314	$87,666	$11,628	$2,427,058
18	$223,110	$1,245,572	$2,132,840	$740,522	$827,798	$564,521	$176,242	$548,535	$87,666	$11,628	$2,634,164
19	$229,140	$1,397,961	$2,191,903	$759,983	$851,767	$580,154	$195,252	$562,950	$87,666	$11,628	$2,835,611
20	$233,160	$1,553,087	$2,231,279	$772,956	$867,747	$590,575	$214,350	$572,560	$87,666	$11,628	$3,029,867

Table 33: Incremental Town Expenses, Scenario 2A

Year	Fire, Police, & Admin. Cost	Public Works Cost	New Education Cost	Required Local	EPS Subsidy	Local Education Cost	Capital	County	Bond From TIF	Bond From GF	Total Incremental Expense
1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$81,307	$81,307
2	$3,350	$1,825	$2,625	$0	$19,302	-$16,677	$621	$0	$29,720	$51,587	$67,076
3	$9,380	$7,756	$17,063	$0	$62,733	-$45,670	$2,056	$0	$81,307	$0	$45,450
4	$14,740	$16,881	$26,250	$0	$96,512	-$70,262	$3,795	$0	$81,307	$0	$31,721
5	$20,100	$29,200	$53,157	$16,787	$113,504	-$77,134	$5,916	$12,435	$81,307	$0	$51,724
6	$36,850	$52,469	$133,877	$57,834	$188,272	-$112,229	$10,718	$42,840	$81,307	$0	$75,106
7	$48,240	$83,038	$219,847	$112,214	$211,101	-$103,468	$15,753	$83,121	$81,307	$0	$159,752
8	$67,000	$125,926	$370,130	$187,668	$265,938	-$83,476	$23,151	$139,014	$81,307	$0	$285,921
9	$85,760	$181,133	$476,444	$235,069	$348,828	-$107,454	$32,027	$174,125	$81,307	$0	$361,139
10	$104,520	$248,658	$582,758	$282,470	$431,718	-$131,431	$42,381	$209,237	$81,307	$0	$450,153
11	$125,290	$330,328	$822,292	$335,390	$528,392	-$41,490	$54,674	$248,437	$81,307	$0	$673,255
12	$144,720	$425,228	$955,512	$461,874	$541,851	-$48,212	$68,394	$342,129	$81,307	$0	$868,846
13	$164,150	$533,360	$1,555,333	$521,280	$622,387	$411,666	$83,701	$386,133	$81,307	$0	$1,496,168
14	$183,580	$654,724	$1,745,648	$580,686	$702,923	$462,038	$100,596	$430,138	$81,307	$0	$1,728,804
15	$194,970	$783,844	$1,857,212	$615,510	$750,134	$491,567	$117,458	$455,934	$81,307	$0	$1,930,109
16	$203,010	$918,438	$1,935,963	$640,092	$783,459	$512,411	$134,574	$474,142	$81,307	$0	$2,120,873
17	$211,050	$1,058,508	$2,014,714	$701,601	$779,858	$533,255	$152,347	$519,704	$81,307	$0	$2,345,121
18	$219,090	$1,204,053	$2,093,465	$727,548	$811,818	$554,099	$170,777	$538,925	$81,307	$0	$2,549,161
19	$225,120	$1,353,704	$2,152,528	$747,009	$835,787	$569,732	$189,459	$553,340	$81,307	$0	$2,747,542
20	$229,140	$1,506,093	$2,191,903	$759,983	$851,767	$580,154	$208,228	$562,950	$81,307	$0	$2,938,732

Table 34: Incremental Town Expenses, Scenario 2B

Year	Fire, Police, & Admin. Cost	Public Works Cost	New Education Cost	Required Local	EPS Subsidy	Local Education Cost	Capital	County	Bond From TIF	Bond From GF	Total Incremental Expense
1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$121,600	$121,600
2	$3,350	$1,825	$2,625	$0	$19,302	-$16,677	$621	$0	$29,720	$91,880	$107,369
3	$9,380	$7,756	$17,063	$0	$62,733	-$45,670	$2,056	$0	$83,851	$37,749	$85,743
4	$14,740	$16,881	$26,250	$0	$96,512	-$70,262	$3,795	$0	$83,851	$37,749	$72,014
5	$20,100	$29,200	$53,157	$16,787	$113,504	-$77,134	$5,916	$12,435	$83,851	$37,749	$92,017
6	$36,850	$52,469	$133,877	$57,834	$188,272	-$112,229	$10,718	$42,840	$83,851	$37,749	$115,399
7	$48,240	$83,038	$219,847	$112,214	$211,101	-$103,468	$15,753	$83,121	$83,851	$37,749	$200,045
8	$67,000	$125,926	$370,130	$187,668	$265,938	-$83,476	$23,151	$139,014	$83,851	$37,749	$326,214
9	$85,760	$181,133	$476,444	$235,069	$348,828	-$107,454	$32,027	$174,125	$83,851	$37,749	$401,432
10	$104,520	$248,658	$582,758	$282,470	$431,718	-$131,431	$42,381	$209,237	$83,851	$37,749	$490,446
11	$125,290	$330,328	$822,292	$335,390	$528,392	-$41,490	$54,674	$248,437	$83,851	$37,749	$713,548
12	$144,720	$425,228	$955,512	$461,874	$541,851	-$48,212	$68,394	$342,129	$83,851	$37,749	$909,139
13	$164,150	$533,360	$1,555,333	$521,280	$622,387	$411,666	$83,701	$386,133	$83,851	$37,749	$1,536,461
14	$183,580	$654,724	$1,745,648	$580,686	$702,923	$462,038	$100,596	$430,138	$83,851	$37,749	$1,769,097
15	$194,970	$783,844	$1,857,212	$615,510	$750,134	$491,567	$117,458	$455,934	$83,851	$37,749	$1,970,402
16	$203,010	$918,438	$1,935,963	$640,092	$783,459	$512,411	$134,574	$474,142	$83,851	$37,749	$2,161,166
17	$211,050	$1,058,508	$2,014,714	$701,601	$779,858	$533,255	$152,347	$519,704	$83,851	$37,749	$2,385,414
18	$219,090	$1,204,053	$2,093,465	$727,548	$811,818	$554,099	$170,777	$538,925	$83,851	$37,749	$2,589,454
19	$225,120	$1,353,704	$2,152,528	$747,009	$835,787	$569,732	$189,459	$553,340	$83,851	$37,749	$2,787,835
20	$229,140	$1,506,093	$2,191,903	$759,983	$851,767	$580,154	$208,228	$562,950	$83,851	$37,749	$2,979,025

Fire, police and administrative costs project the implications of the additional taxable units driver of expenses, DPW costs project the implications of the additional feet of road driver of expenses, and capital costs increase with these costs based on the assumed 12% of operating cost driver. Local education costs (in bold) combines the effects of new students in the early years of the project generating below average marginal costs and the tax sheltering effects of the TIF program and consequent increase in EPS state subsidy to produce an actual decrease in incremental local education costs. County taxes on this development share the tax sheltering effects of the TIF program and gradually rise as the sheltered portion of valuation from this development declines in later years. Finally, the amortization of the bonds used to finance the project--$1,378,649 for the TIF development and $182,870 for the net cost of town hall renovation are included. The result is a net increase in town spending associated with this project beginning at $99,294, falling to $32,689 in year 4 and then rising gradually to just over $3 million in year 20.

Tables 35 and 36 summarize the incremental revenue and expenses together.

Table 35: Incremental Town Revenues & Expenses, Scenario 1

Year	Tax Year Beginning April 1	Total Incremental Expense	Incremental Revenue Less Expenses	Net Balance
1	2015	$99,294	-$54,167	-$54,167
2	2016	$85,063	-$10,216	-$64,383
3	2017	$60,515	$72,933	$8,550
4	2018	$32,689	$171,828	$180,378
5	2019	$61,719	$189,800	$370,178
6	2020	$94,127	$285,651	$655,829
7	2021	$187,800	$281,728	$937,557
8	2022	$322,491	$280,696	$1,218,254
9	2023	$400,774	$336,072	$1,554,326
10	2024	$492,854	$377,651	$1,931,977
11	2025	$722,960	$296,764	$2,228,741
12	2026	$923,134	$236,183	$2,464,923
13	2027	$1,565,335	-$266,426	$2,198,498
14	2028	$1,801,037	-$362,535	$1,835,962
15	2029	$2,005,408	-$485,077	$1,350,885
16	2030	$2,199,238	-$621,144	$729,741
17	2031	$2,427,058	-$791,202	-$61,461
18	2032	$2,634,164	-$940,545	-$1,002,006
19	2033	$2,835,611	-$1,098,670	-$2,100,676
20	2034	$3,029,867	-$1,264,045	-$3,364,722

Table 36: Incremental Town Revenues & Expenses, Scenario 2A and 2B

Year	Tax Year	Total Incremental Expense		Incremental Revenue Less Expenses		Net Balance	
		2A	2B	2A	2B	2A	2B
1	2015	$81,307	$121,600	$134,570	-$76,473	$134,570	-$76,473
2	2016	$67,076	$107,369	$7,771	-$32,522	$142,341	-$108,995
3	2017	$45,450	$85,743	$83,184	$42,891	$225,526	-$66,103
4	2018	$31,721	$72,014	$143,915	$103,622	$369,441	$37,519
5	2019	$51,724	$92,017	$170,914	$130,621	$540,354	$168,139
6	2020	$75,106	$115,399	$275,791	$235,498	$816,145	$403,637
7	2021	$159,752	$200,045	$280,895	$240,602	$1,097,041	$644,240
8	2022	$285,921	$326,214	$288,385	$248,092	$1,385,425	$892,331
9	2023	$361,139	$401,432	$346,826	$306,533	$1,732,252	$1,198,865
10	2024	$450,153	$490,446	$391,471	$351,178	$2,123,722	$1,550,042
11	2025	$673,255	$713,548	$317,588	$277,295	$2,441,310	$1,827,337
12	2026	$868,846	$909,139	$261,590	$221,297	$2,702,900	$2,048,634
13	2027	$1,496,168	$1,536,461	-$226,140	-$266,433	$2,476,760	$1,782,201
14	2028	$1,728,804	$1,769,097	-$319,184	-$359,477	$2,157,576	$1,422,724
15	2029	$1,930,109	$1,970,402	-$438,659	-$478,952	$1,718,917	$943,772
16	2030	$2,120,873	$2,161,166	-$571,660	-$611,953	$1,147,257	$331,819
17	2031	$2,345,121	$2,385,414	-$738,146	-$778,439	$409,111	-$446,620
18	2032	$2,549,161	$2,589,454	-$884,423	-$924,716	-$475,313	-$1,371,337
19	2033	$2,747,542	$2,787,835	-$1,039,483	-$1,079,776	-$1,514,796	-$2,451,113
20	2034	$2,938,732	$2,979,025	-$1,201,791	-$1,242,084	-$2,716,587	-$3,693,197