



Town of Hermon
Public Safety Meeting Room
March 2, 2023
Town Council Meeting
7:00 PM
MINUTES

To watch Council Meetings go to hermonmaine.gov click Council click Town Council Meetings click Zoom
Council Meetings will be archived online after the meeting has taken place.

ALL ITEMS ARE SUBJECT TO APPROPRIATE COUNCIL ACTION

I. CALL TO ORDER BY CHAIRPERSON

II. PLEDGE OF ALLEGIANCE

Chair Thomas led those in attendance in the Pledge of Allegiance

III. ROLL CALL

Members Present: Richard Cyr, Danielle Haggerty, John Snyer III, Steven Thomas, and G. Stephen Watson

Members Absent: Ronald Murphy and Derek Wood

Others Present: Interim Town Manager Joshua Berry, Town Clerk Kristen Cushman, Town Attorney Tim Pease and 18 residents/guests

IV. REVIEW CONSENT CALENDAR: REGULAR BUSINESS, APPOINTMENTS, SIGNATURES, And APPROVAL OF MINUTES:

SIGNATURES. APPROVE:

MINUTES. APPROVE: 02/16/2023

WARRANTS. SIGN: 03/03/2023

RESOLVES. SIGN:

Councilor Snyer moved to approve the Consent Calendar as presented. Councilor Cyr seconded the motion. Motion passes 5-0.

V. NEWS, PRESENTATIONS AND RECOGNITIONS:



VI. PUBLIC ITEMS OR COMMENTS: *(Items Not Already on Agenda)*

Haily Keezer Orchard Dr: Spoke on the history of surveys within the town and school.

Ernest Wheeler Billings Rd: Feels the administering for the school needs to be left to the school.

Please see the complete video at Town Council Meetings | Hermon (hermonmaine.gov) for all public comments.

VII. EXECUTIVE SESSION:

Enter into Executive Session for the purpose of discussing a legal matter regarding Hermon Volunteer Rescue Squad (HVRS) per 1 M.R.S.A. 405 (6)(E).

Councilor Snyer moved to enter Executive Session to discuss a legal matter regarding Hermon Volunteer Rescue Squad (HVRS) per 1 M.S.R.A. 405 (6)(E). Councilor Cyr seconded the motion. The motion was accepted. Motion passes 4-0. Councilor Watson abstained.

The motion carries. Executive Session started at 7:07 p.m.

Councilors returned and ended executive session at 8:16 p.m.

VIII. ADDITIONAL ITEMS:

Consider taking action, as necessary, for the provision of ambulance service for the Town of Hermon.

No action taken.



IX. PUBLIC HEARINGS:

- **TIF District #24 – C & K Variety**

Chair Thomas opened the public hearing at 8:17PM. Public comments were given. The hearing closed at 8:33PM

Scott Perkins presented:

C&K Variety is located at 4 Billings Road, Hermon, Maine at Map 27 Lot 020 on the Hermon Tax Maps. C&K Variety is currently owned by Tylor E. Perry. The new project is classified as a “mini mart” and is currently under construction to replace the existing C&K Variety at this location in the Village Commercial District.

Future design plans indicate the removal of the existing store at project completion with redefined entrance and larger parking lot because of lot orientation. MaineDOT requirements for entrance permitting include wide and varied improvements to the private property and right of way at Billings Road and Route 2 Intersection. The total estimated value of the finished project is \$1,748,900. DECD staff is requesting the Town Council consider adding Map 27, Lot 020 as a Tax Incremental Financing District. It is proposed that the Town Council approve the request and agree to capture 100% for 30 years of the new value created by the improvements to the real estate at Map 27 Lot 020 beginning 4-1-2023. It is estimated from the preliminary assessment numbers that \$1,512,500 will be added as new value. Based on assumptions outlined above, the following amounts of new value will be captured, and new real estate taxes generated:

| <u>Year</u> | <u>Existing Value</u> | <u>Amount of Captured Value</u> | <u>New Value</u> | <u>Mill Rate</u> | <u>Old Taxes</u> | <u>New Taxes</u> | <u>Returned to Owner</u> | <u>Taxes Retained for TIF</u> |
|-------------|-----------------------|---------------------------------|------------------|------------------|------------------|------------------|--------------------------|-------------------------------|
| 4-1-21 | \$236,400 | \$1,512,500 | \$1,748,900 | 11.9 | \$2,813.16 | \$17,998.75 | \$0 | \$17,998.75 |

$\$1,512,500 \times .00995 = \$15,049.38 \times 30 \text{ years} = \$451,481.40$

Total estimated benefit to TIF Revenue account over 30 years= \$539,962.50

Ernest Wheeler, Billings Rd:

- **Has the gas variance been granted? Josh to ask Jessefa Murphy.**
- **Has the DOT entrance issue been resolved? Scott Perkins: once these items are completed and they agree on the list, they will be okay.**
- **DEP pond in Hermon Village Estates. Is this a buffer area? Josh to look into this.**
- **Why are we putting a TIF on an existing business? Scott Perkins: To protect value in keeping it out of the municipal valuation, and the benefit from the state education increases the net subsidy and less county tax you pay and redistribution of that money into infrastructure.**
- **Is the TIF transferable? Scott Perkins: No, except when the owner makes a request, and the council agrees to transfer the TIF.**



- **TIF District #25 – Dollar General**

Chair Thomas opened the public hearing at 8:34PM. No public comments were given. The hearing closed at 8:38PM

Scott Perkins presented:

Dollar General is located at 2440 Route 2, Hermon, Maine, 04401 on Map 27, Lot 088 on the Hermon Tax Maps. The owner, Tom Ellis, is expanding the company’s footprint after negotiating a national lease agreement with Dollar General Stores. Construction at the site on 6.73 acres in the Village Commercial Zone includes a new 10,530 square foot discount store creating a substantial amount of new captured value. Ellis Commercial is headquartered in Hermon offering site development and build-to-suit commercial lease opportunities throughout the state. They currently provide commercial property leasing, management and development by assisting with site selection, project consultation, site design, engineering, project management, earthwork and construction. Ellis Commercial has designed and developed medical/dental offices, Class A office space for the United States Government, financial institutions, retail stores, hair salons, grocery stores, fast food restaurants, fitness facilities including other wide and varied commercial opportunities.

The total estimated value of the finished project is \$871,700. It is proposed that the Town of Hermon create a tax incremental finance district for Hermon Holdings, LLC at Map 27, Lot 088 on the Hermon Tax Maps. The Town of Hermon and Hermon Holdings, LLC propose that Hermon agrees to capture 100% of the new value created for 30 years and return 40% of the paid real estate taxes related to the captured new value to the owner, Tom Ellis, for a period of 10 years beginning with the tax year 4-1-2023. Based on assumptions as outlined above, the following amounts of new value will be captured, and new real estate taxes generated:

| <u>Year</u> | <u>Existing Value</u> | <u>Amount of Captured Value</u> | <u>New Value</u> | <u>Mill Rate</u> | <u>Old Taxes</u> | <u>New Taxes</u> | <u>Returned to Owner</u> | <u>Taxes Retained by Town (TIF)</u> |
|--|-----------------------|---------------------------------|------------------|------------------|------------------|------------------|--------------------------|-------------------------------------|
| 4-1-23 | \$185,100 | \$686,600 | \$871,700 | 11.9 | \$2,203 | \$8,171 | \$3,268 | \$4,903 |
| 4-1-24 | \$185,100 | \$686,600 | \$871,700 | 11.9 | \$2,203 | \$8,171 | \$3,268 | \$4,903 |
| 4-1-25 | \$185,100 | \$686,600 | \$871,700 | 12.10 | \$2,240 | \$8,308 | \$3,323 | \$4,985 |
| 4-1-26 | \$185,100 | \$686,600 | \$871,700 | 12.10 | \$2,240 | \$8,308 | \$3,323 | \$4,985 |
| 4-1-27 | \$185,100 | \$672,868 | \$854,266 | 12.10 | \$2,240 | \$8,142 | \$3,257 | \$4,885 |
| 4-1-28 | \$185,100 | \$672,868 | \$854,266 | 12.10 | \$2,240 | \$8,142 | \$3,257 | \$4,885 |
| 4-1-29 | \$185,100 | \$672,868 | \$854,266 | 12.45 | \$2,305 | \$8,377 | \$3,351 | \$5,026 |
| 4-1-30 | \$185,100 | \$659,411 | \$837,181 | 12.45 | \$2,305 | \$8,210 | \$3,284 | \$4,926 |
| 4-1-31 | \$185,100 | \$659,411 | \$837,181 | 12.45 | \$2,305 | \$8,210 | \$3,284 | \$4,926 |
| 4-1-32 | \$185,100 | \$659,411 | \$837,181 | 12.75 | <u>\$2,360</u> | <u>\$8,407</u> | <u>\$3,363</u> | <u>\$5,044</u> |
| \$674,324 x’s .00995 = \$6,710 x’s 10 years = \$67,100 30 years = \$201,300 | | | | | \$24,881 | \$82,446 | \$32,978 | \$49,468 |

Total estimated benefit to TIF revenue account over 30 years = **\$214,360** (10-year CEA & 20 years at 100%)



- **TIF District #26 – Showcase Self Storage**

Chair Thomas opened the public hearing at 8:38PM. No public comments were given. The hearing closed at 8:40PM

Scott Perkins presented:

Showcase Self Storage is located at Odlin Road, Hermon, Maine at Map 8 Lot 030 on the Hermon Tax Maps. Showcase Self Storage is currently owned by R3 Development. The new project is classified as a “mini warehouse” and is currently under construction at this location in the Industrial Zone.

Design plans indicate a total of 350 storage units with an office and bathroom facilities for employees. The total estimated value of the finished project is \$1,589,100. DECD staff is requesting the Town Council consider adding Map 8, Lot 030 as a Tax Incremental Financing District. It is proposed that the Town Council approve the request and agree to capture 100% for 30 years of the new value created by the improvements to the real estate at Map 8 Lot 030 beginning 4-1-2023. It is estimated from the preliminary assessment numbers that \$1,512,500 will be added as new value. Based on assumptions outlined above, the following amounts of new value will be captured, and new real estate taxes generated:

| <u>Year</u> | <u>Existing Value</u> | <u>Amount of Captured Value</u> | <u>New Value</u> | <u>Mill Rate</u> | <u>Old Taxes</u> | <u>New Taxes</u> | <u>Returned to Owner</u> | <u>Taxes Retained for TIF</u> |
|-------------|-----------------------|---------------------------------|------------------|------------------|------------------|------------------|--------------------------|-------------------------------|
| 4-1-21 | \$146,900 | \$1,442,200 | \$1,589,100 | 11.9 | \$1,748.11 | \$17,162.18 | \$0 | \$17,162.18 |

$\$1,442,200 \times .00995 = \$14,349.89 \times 30 \text{ years} = \$430,496.70$

Total estimated benefit to TIF Revenue account over 30 years= \$514,865.40

X. COMMITTEE REPORTS:

XI. SCHEDULED AGENDA ITEMS:

A. OLD BUSINESS:



B. NEW BUSINESS:

O22-23-08.1 AN ORDER

Providing for: Designation of Town of Hermon, Maine Municipal Development and Tax Increment Financing District (No. 24) (C&K Variety) and Adoption of Related Development Program

Councilor Snyer moved to approve O21-22-08.1. Councilor Haggerty seconded the motion. The motion was accepted. Motion passes 5-0.

O22-23-09 AN ORDER

Providing for: Designation of Town of Hermon, Maine Municipal Development and Tax Increment Financing District (No. 25) (Dollar General) and Adoption of Related Development Program

Councilor Snyer moved to approve O21-22-09. Councilor Haggerty seconded the motion. The motion was accepted. Motion passes 5-0.

O22-23-10 AN ORDER

Providing for: Designation of Town of Hermon, Maine Municipal Development and Tax Increment Financing District (No. 26) (Showcase Self Storage) and Adoption of Related Development Program

Councilor Snyer moved to approve O21-22-10. Councilor Haggerty seconded the motion. The motion was accepted. Motion passes 5-0.

Sign Special Town Meeting Warrant for the March 16, 2023 meeting

Councilor Snyer moved to sign Special Town Meeting Warrant for March 16, 2023. Councilor Cyr seconded the motion. The motion was accepted. Motion passes 5-0.

C. WORKSHOPS:

FY 24 Budget

Manager Berry outlined the budget process that has begun at the Town and is looking for feedback from the Council for goals and objections. Things that are being looked into are new staff for the Town, cost of living and increase to county fees.



Danielle Haggerty: Important to maintain a low mill rate. Timeline for the audit to be complete?

Manager Berry: Audit could be completed by end of March or April.

John Snyder: How much new value will the Town have this year?

Manager Berry: Too soon to predict.

Richard Cyr: Would like to know the percent of undesignated funds in the school budget and how many years before the State takes money away.

Danielle Haggerty: Danielle, John Snyder, Manager Berry have been a part of the first budget meeting at the school. The meeting went great and feel we will be in a good place for the budget season. ED279 - School is in position to receive 1 million dollars more next year from the State. The school will have \$1.2 million in wages increase next year due to salaries and contracts. Mr. Micah Grant feels the budget will have approximately \$250,000 dollars in wiggle room in the budget for possible decrease.

D. OTHER ITEMS: (from Table Package)

XII. APPOINTMENTS:

XIII. MANAGER STATUS REPORT:

Manager Berry: Announced Little League will be starting on Tuesday. Thanked Gardner Construction and public works for the hard work on snow removal. Public works has posted all the town roads.

XIV. FINAL PUBLIC ITEMS OR COMMENT: (*Items Not Already on Agenda*)

Tony Reynolds Route 2: Questioned what was discussed in Executive Session because of the length of time. He stated he is aware of how other items are discussed because he was on the council for 12 years.

Please see the complete video at Town Council Meetings | Hermon (hermonmaine.gov) for all public comments.



XV. COUNCIL ITEMS:

John Snyder: Pleased with the two school zone flashing signs by the Middle School.

Danielle Haggerty: Thanked Scott Perkins for explaining TIF's to her this past week.

Richard Cyr: Thanked Scott Perkins also.

XVI. ADJOURNMENT:

Councilor Cyr made a motion to end the council meeting at 9:08 pm. Councilor Snyder seconded. With no objection the council meeting was adjourned at 9:08 pm.

Respectfully Submitted,

Kristen Cushman, Town Clerk

Explanatory note #1: All items in the CONSENT CALENDAR are considered routine and are proposed for adoption by the Town Council with one motion without DISCUSSION or deliberation. If DISCUSSION on any item is desired, any member of the Council or public may request the removal of an item for it to be placed in the regular agenda prior to the motion to approve the Consent Agenda.

Explanatory Note #2: In the interest of effect decision-making: At 10:00 p.m., the Chairman shall poll the Council and Town Manager to identify remaining items which shall be carried forward to the next Regular Meeting.

Explanatory Note #3: A Councilor who feels the need for the Council excusing his/her absence will make the request to the Town Manager or the Town Clerk prior to the meeting.