

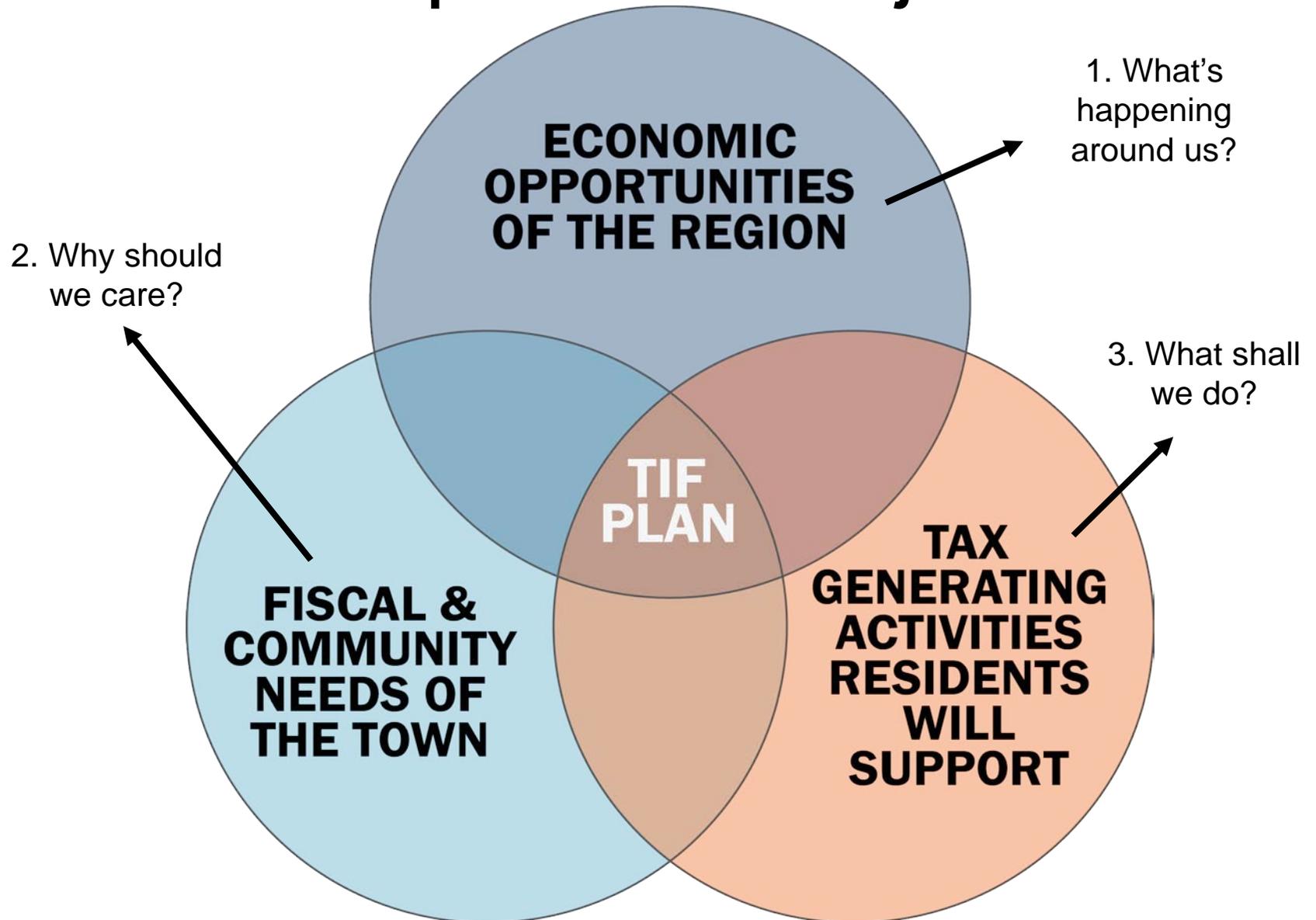
Eliot TIF Alternatives Committee

Progress Report

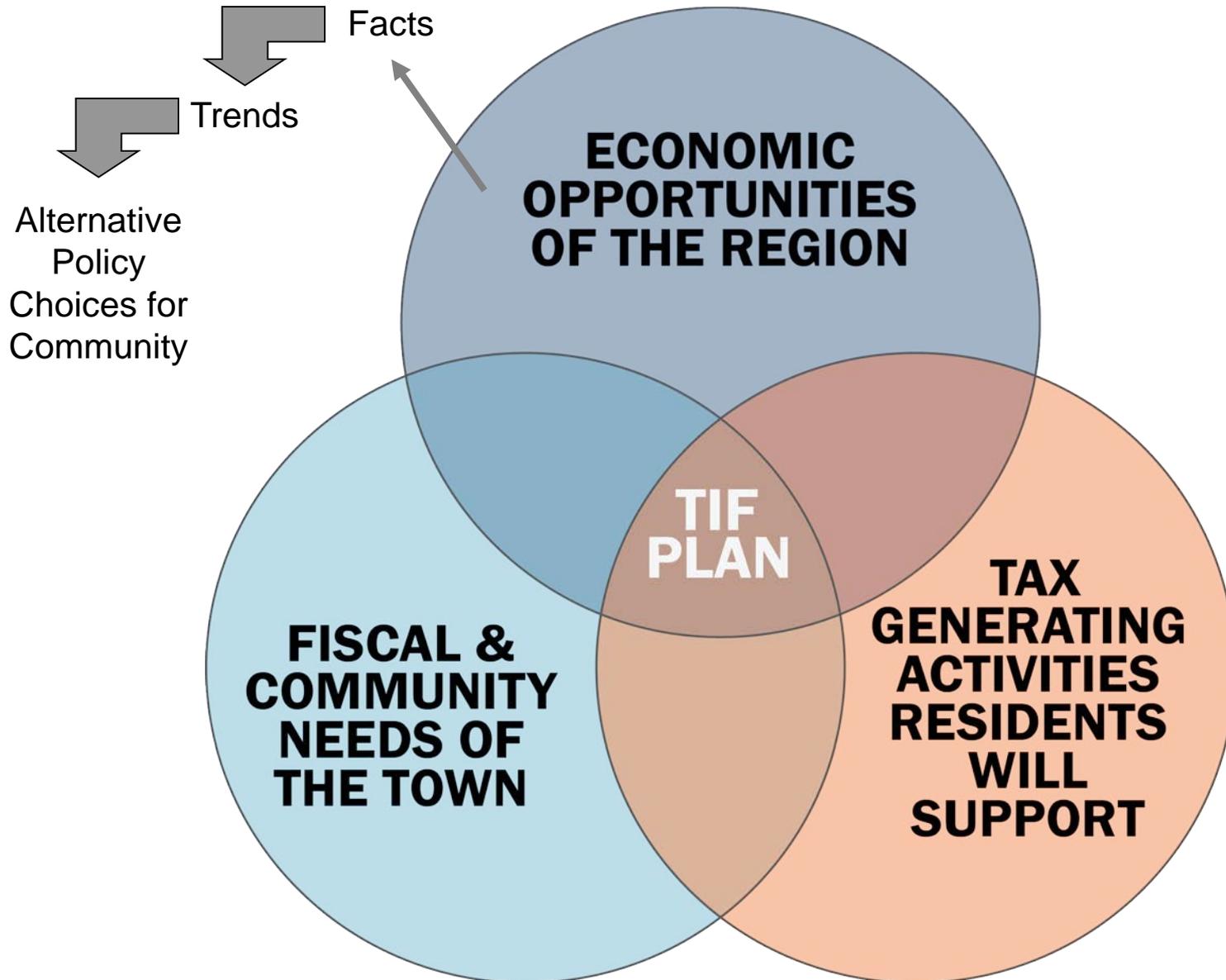
April 18, 2016

Revised April 20, 2016

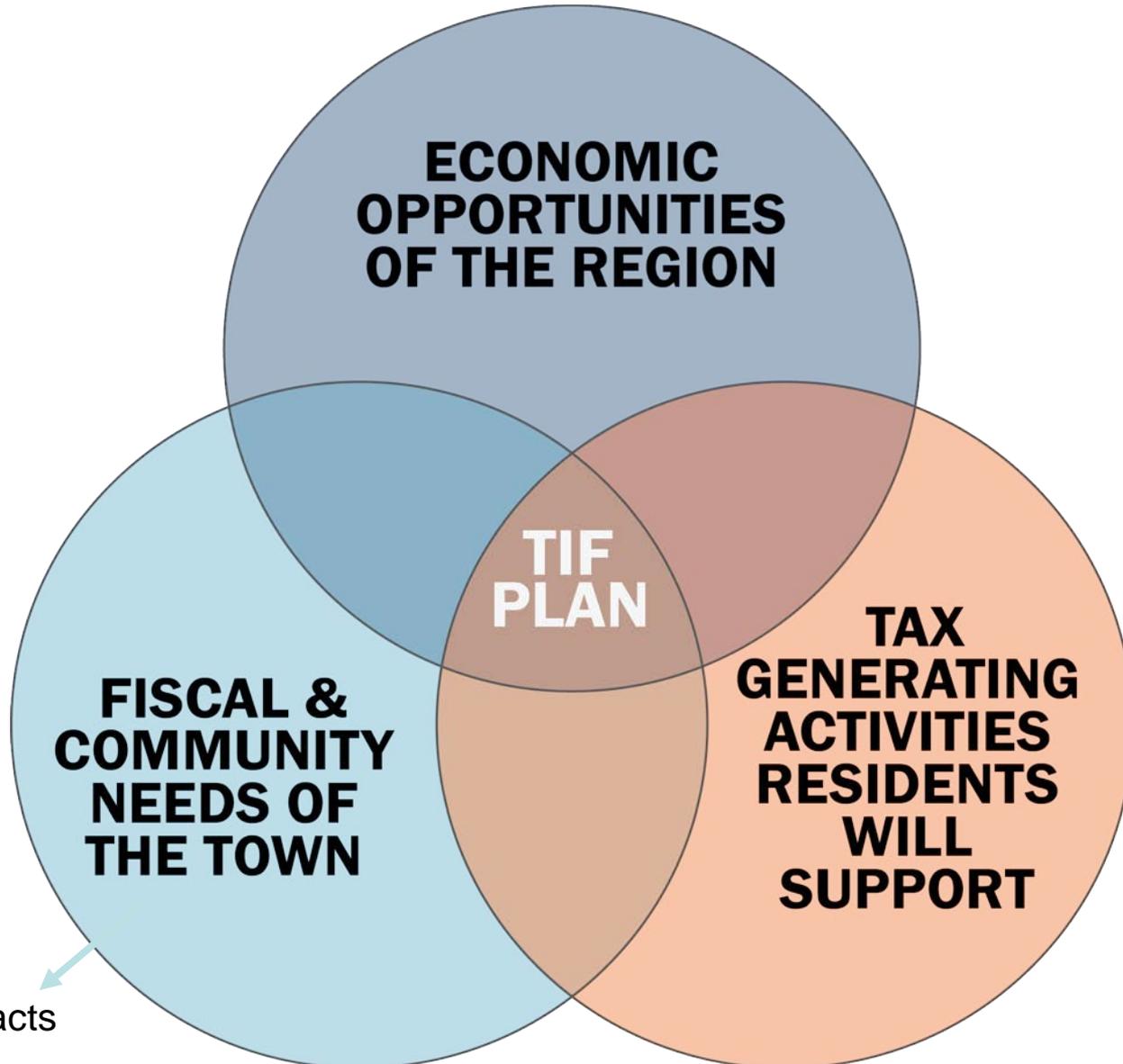
Purpose of Project



Process #1



Process #2

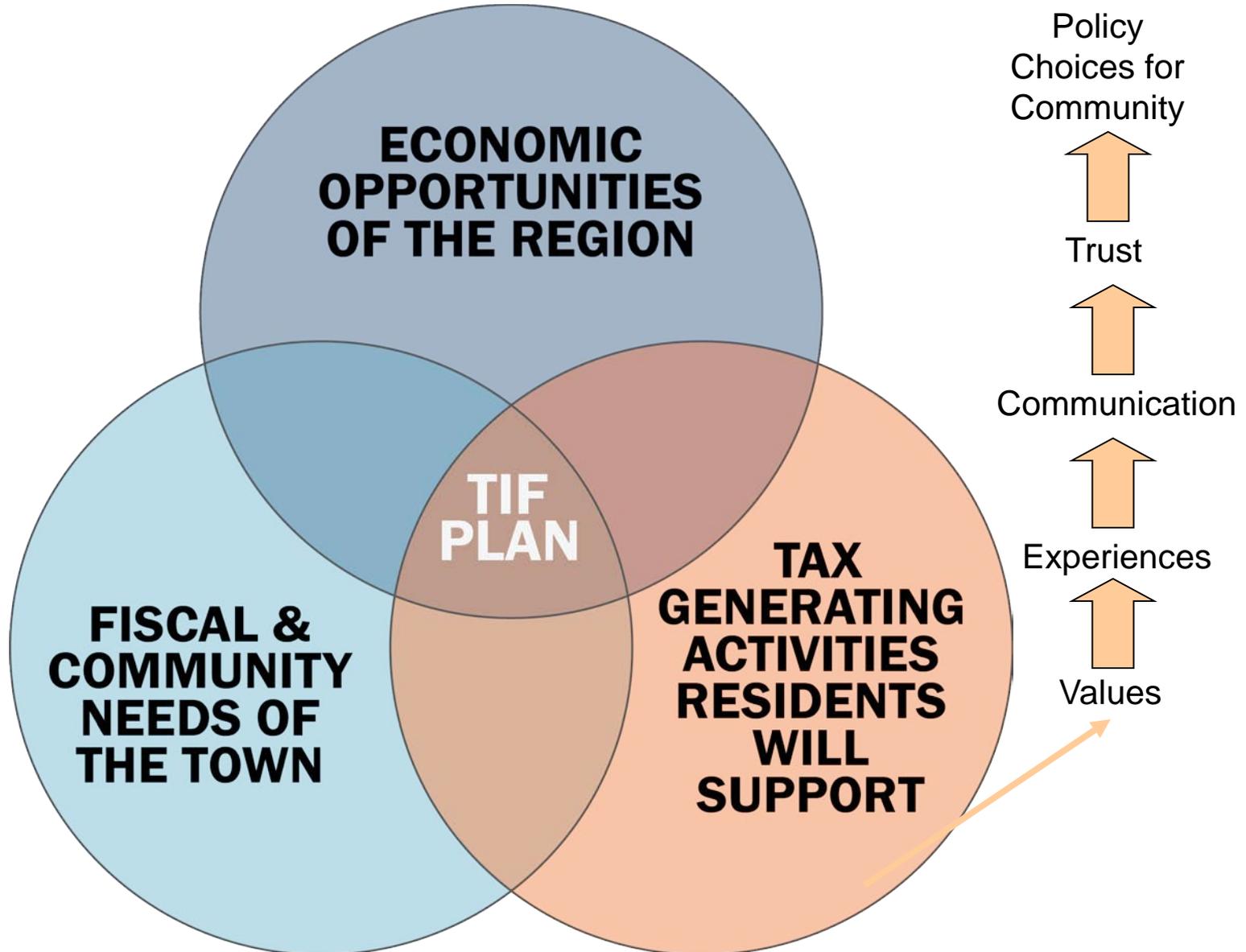


Alternative
Policy
Choices for
Community

↑ Trends

↑ Facts

Process #3

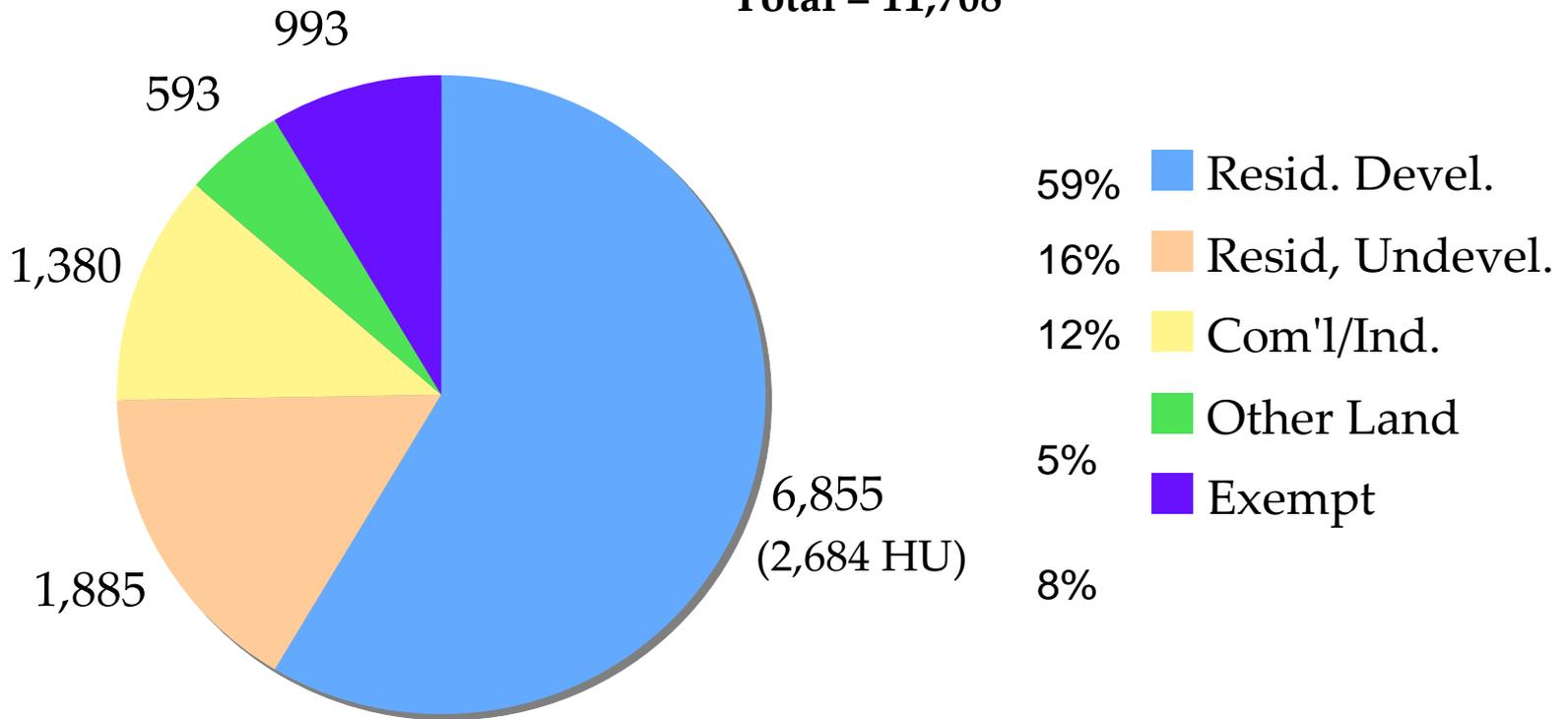


Land Use in Eliot

Distribution of Acres

April 1, 2016

Total = 11,708

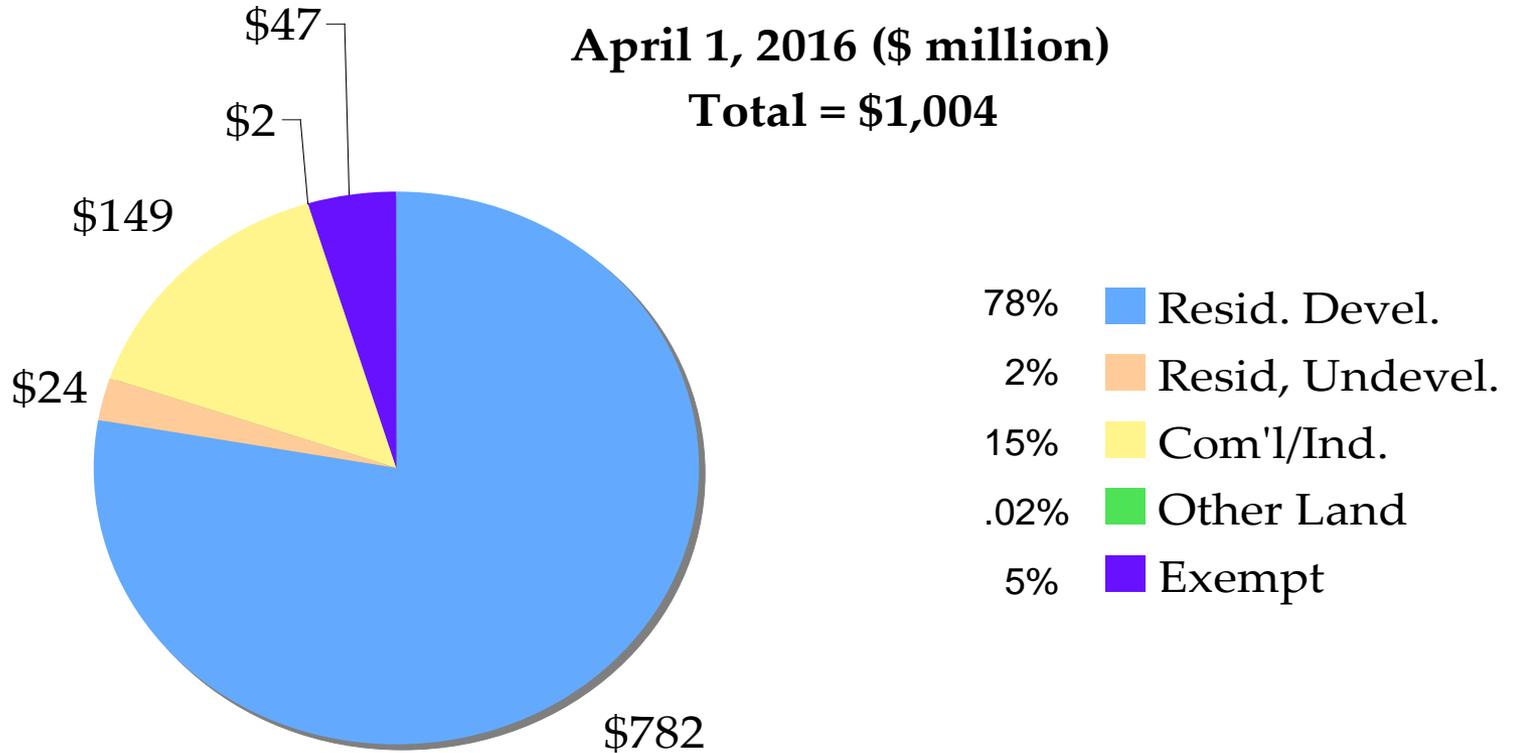


Tax Base of Eliot

Distribution of Assessed Value

April 1, 2016 (\$ million)

Total = \$1,004

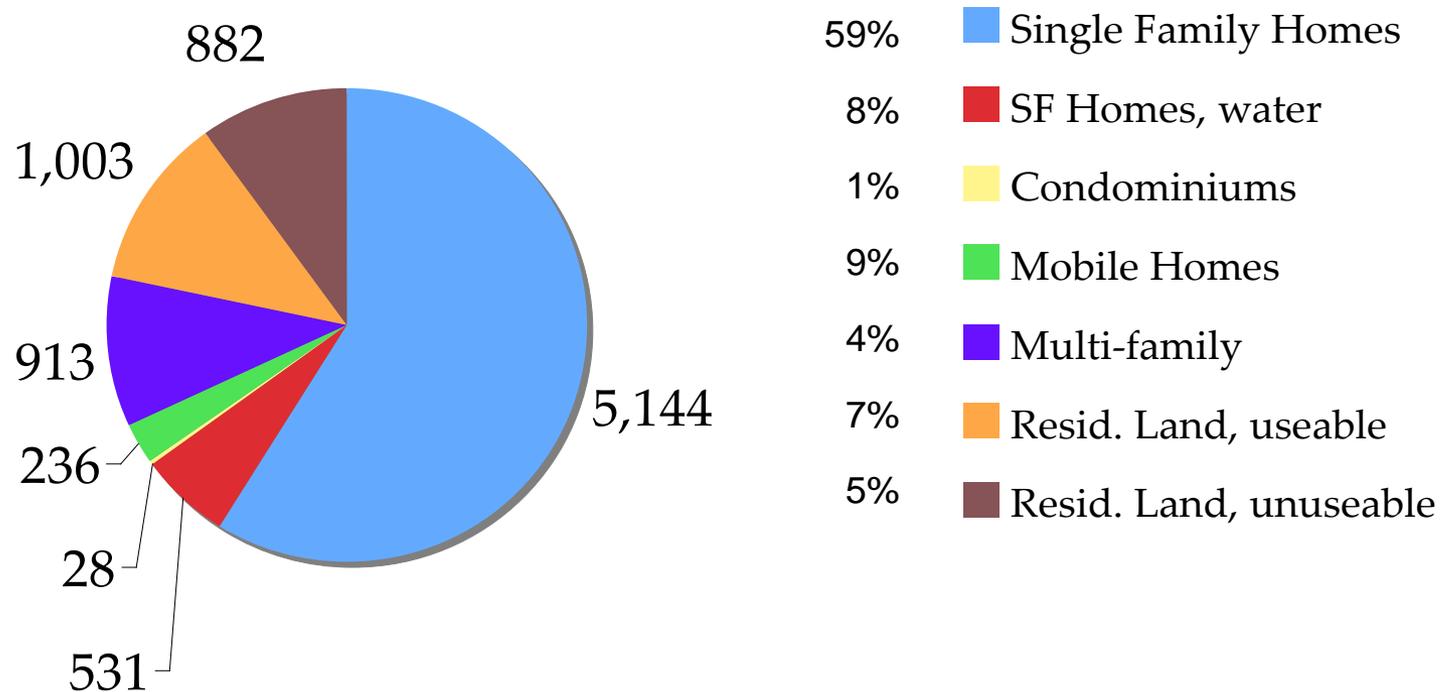


Residential Detail, acres

Distribution of Residential Acres

April 1, 2016

Total = 8,740

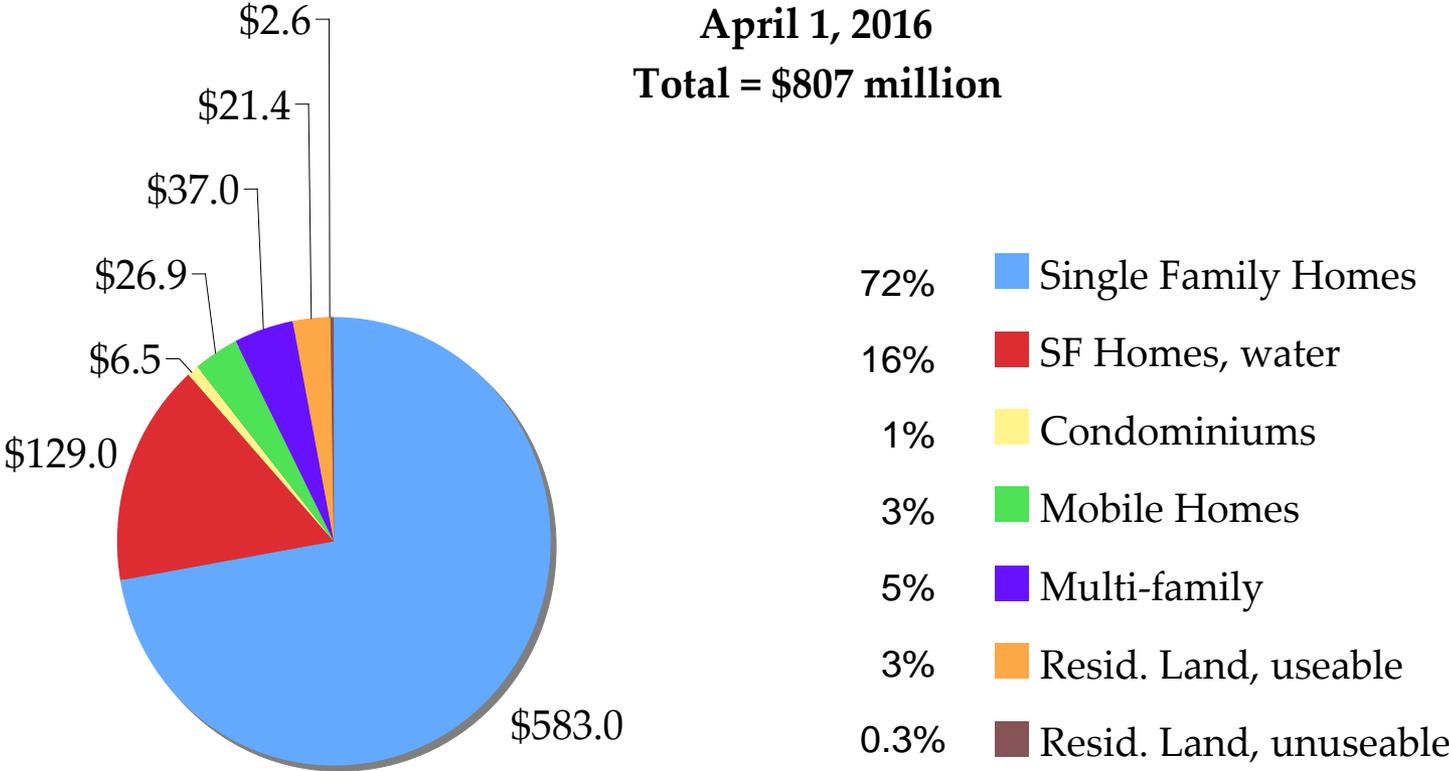


Residential Detail, value

Distribution of Residential Value

April 1, 2016

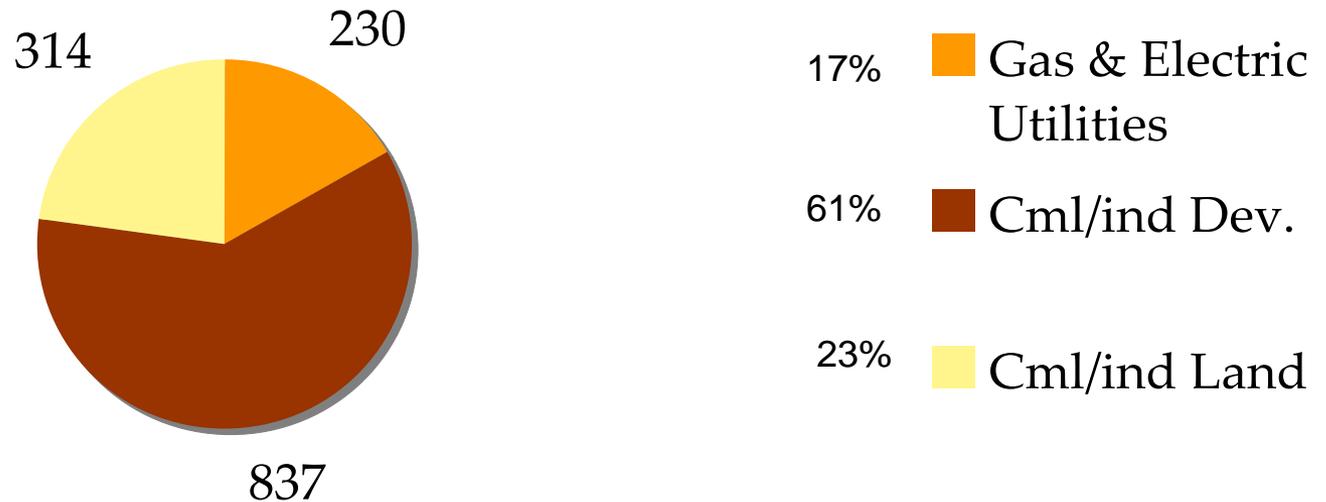
Total = \$807 million



Source: Town of Eliot Assessing Records

Commercial/Industrial Detail, acres

Distribution of Commercial/Industrial
Acres
April 1, 2016

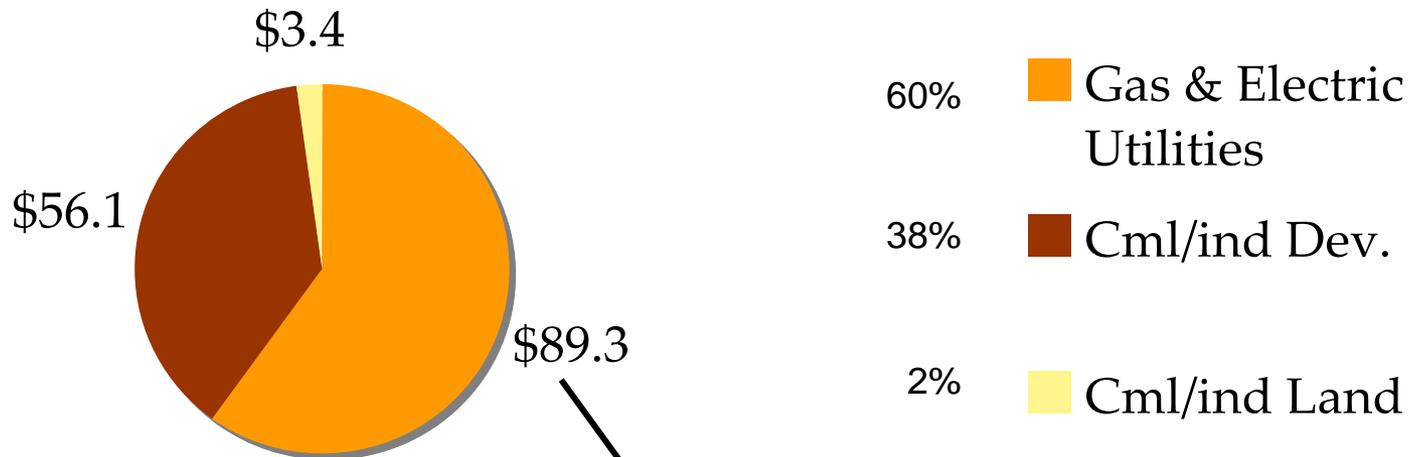


Commercial/Industrial Detail, value

Distribution of Commercial/Industrial Value

April 1, 2016

Total = \$149 million



In FY13 & FY14, gas/elect valuation increased by \$26 million.

Eliot's Fiscal Structure

Item	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
1. Elements of Community								
Households (HH)	2,575	2,584	2,580	2,588	2,601	2,622	2,653	2,684
Students	1,041	1,033	1,025	991	975	981	975	974
Cm'l/Ind. Business Units (BU)*	159	163	162	161	161	157	158	158
2. Cost of Service								
Municipal Spending (\$ million)	\$4.34	\$4.99	\$5.48	\$5.88	\$6.52	\$5.98	\$5.93	\$6.40
Cost per HH + BU (\$ million)	\$1,588	\$1,816	\$1,997	\$2,140	\$2,361	\$2,153	\$2,110	\$2,251
Education Spending (\$ million)	\$6.91	\$7.00	\$7.32	\$7.88	\$8.23	\$8.63	\$8.85	\$9.17
Cost per Student	\$6,641	\$6,774	\$7,143	\$7,949	\$8,440	\$8,801	\$9,081	\$9,413

* excluding gas/electric

What drives demand for services?

- number, location & characteristics of households & businesses.
- number of students.

To estimate future fiscal costs:

- project number of HH & BU.
- project number of students.

Education Example

Item	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Education Expenditure (\$ million)	\$6.91	\$7.00	\$7.32	\$7.88	\$8.23	\$8.63	\$8.85	\$9.17	\$9.56	\$9.97	\$10.40	\$10.84	\$11.31
Student Enrollment	1,041	1,033	1,025	991	975	981	975	974	967	959	952	944	937
Cost per student	\$6,641	\$6,774	\$7,143	\$7,949	\$8,440	\$8,801	\$9,081	\$9,413	\$9,893	\$10,398	\$10,928	\$11,486	\$12,071
					<i>projection estimate</i>			5.1%					
Housing Units	2,575	2,584	2,580	2,588	2,601	2,622	2,653	2,684	2,704	2,724	2,744	2,764	2,784
					<i>projection estimate</i>			20					
Students/HU	0.404	0.400	0.397	0.383	0.375	0.374	0.368	0.363	0.357	0.352	0.347	0.342	0.336
		-1.1%	-0.6%	-3.6%	-2.1%	-0.2%	-1.8%	-1.3%					
					<i>projection estimate</i>			-1.5%					

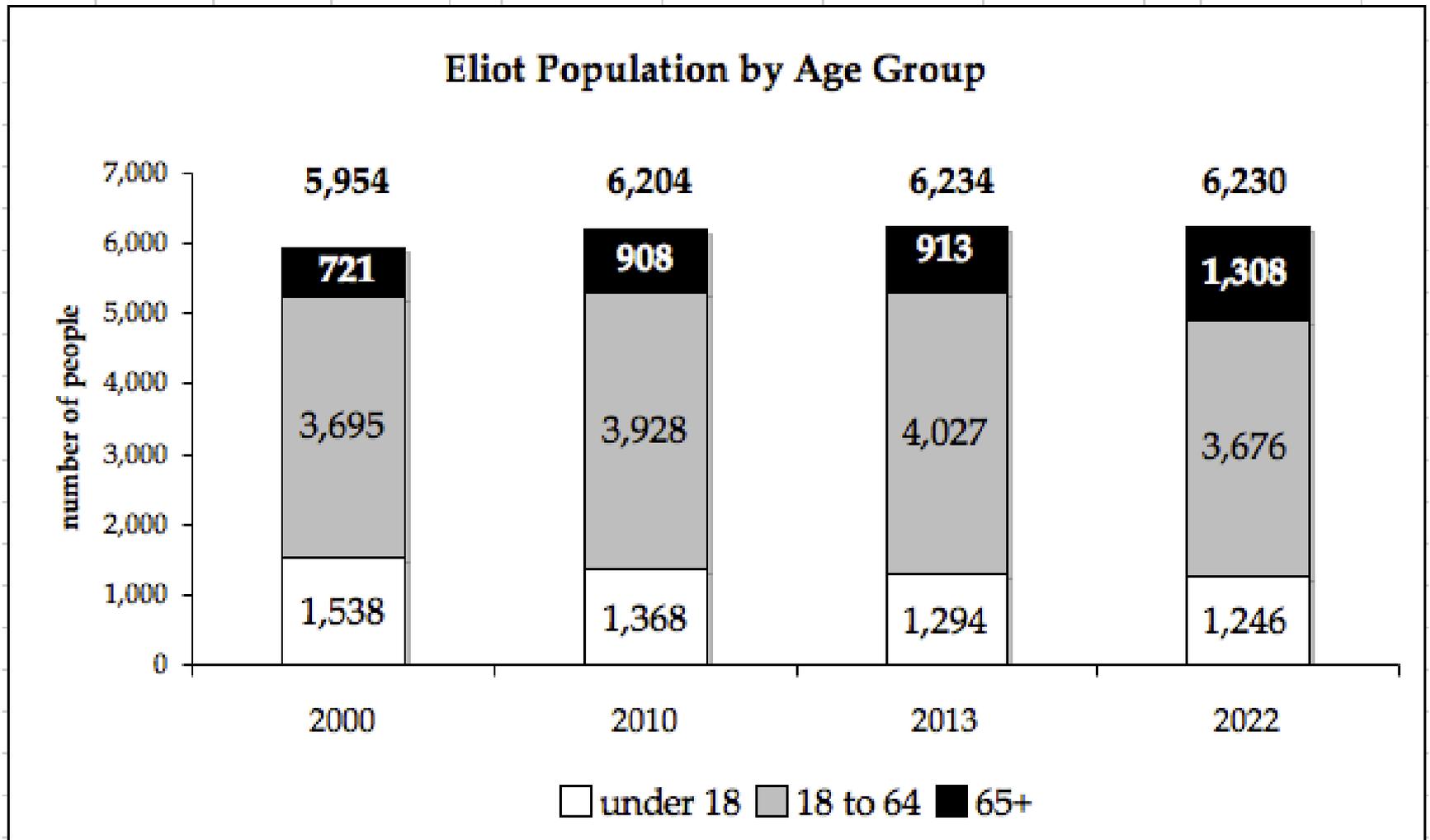
Assumptions:

Cost per student rises at the average annual rate of FY10-FY17;

Housing units increase by 20 per year;

Students per household ratio declines at rate of -1.5% per year.

Demographic Projection

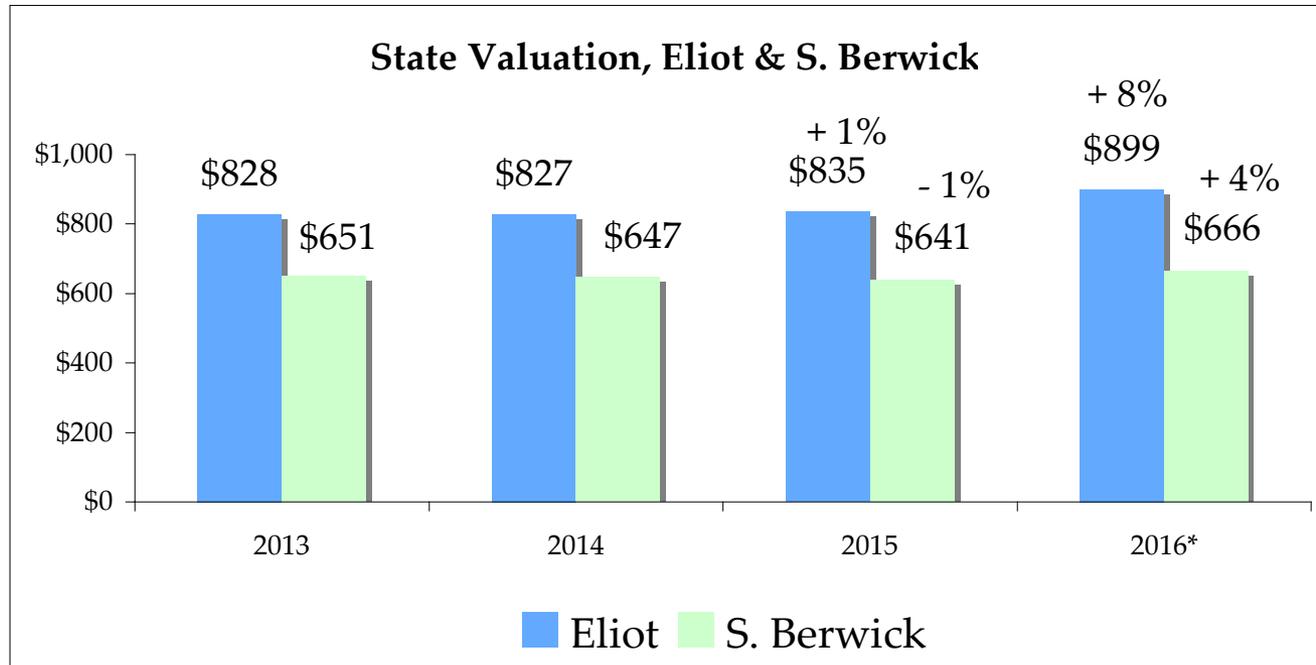


Policy Questions

Promote housing for young families to utilize existing capacity.
(Will cost/student stabilize if enrollment stabilizes?)

Promote more non-residential property tax base.

Be aware of fiscal implications of state valuation.



Municipal Services Example

Item	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	
Municipal Expenditure (\$ million)	\$4.34	\$4.99	\$5.48	\$5.88	\$6.52	\$5.98	\$5.93	\$6.40	\$6.72	\$7.07	\$7.43	\$7.81	\$8.20	
		<i>projection estimate = FY11 -FY17 avg. annual increase</i>						5%						
Housing Units	2,575	2,584	2,580	2,588	2,601	2,622	2,653	2,684	2,704	2,724	2,744	2,764	2,784	
					projection estimate			20						
Cm'l/Ind Parcels (BU)*	159	163	162	161	161	157	158	158	158	158	158	158	158	
					projection estimate			0						
Excise Tax Revenue	\$1.00	\$1.10	\$1.20	\$1.30	\$1.30	\$1.12	\$1.21	\$1.21	\$1.25	\$1.28	\$1.32	\$1.36	\$1.40	
\$/HU + BU	\$366	\$400	\$438	\$473	\$471	\$403	\$430	\$426	\$436	\$446	\$456	\$466	\$477	
		\$374	\$383	\$392	\$401	\$410	\$419	\$429	1.023					
		<i>projection estimate = FY11 -FY17 avg. annual increase</i>						2.3%						
Other Revenue	\$0.73	\$0.78	\$0.80	\$1.00	\$0.79	\$1.81	\$1.27	\$1.47	\$1.63	\$1.80	\$1.99	\$2.20	\$2.44	
\$/HU + BU	\$267	\$284	\$292	\$364	\$286	\$651	\$452	\$517	\$568	\$625	\$687	\$755	\$829	
		\$293	\$322	\$354	\$390	\$428	\$470	\$517	1.099					
		<i>projection estimate = FY11 -FY17 avg. annual increase</i>						10%						
Municipal Spending from Property Tax (\$ million)	\$2.61	\$3.11	\$3.48	\$3.58	\$4.43	\$3.05	\$3.45	\$3.72	\$3.85	\$3.98	\$4.11	\$4.24	\$4.36	
Education Spending (\$ million)	\$6.91	\$7.00	\$7.32	\$7.88	\$8.23	\$8.63	\$8.85	\$9.17	\$9.56	\$9.97	\$10.40	\$10.84	\$11.31	
Total required from Property Tax (\$ million)	\$9.52	\$10.11	\$10.80	\$11.46	\$12.66	\$11.69	\$12.31	\$12.89	\$13.41	\$13.96	\$14.51	\$15.08	\$15.67	
\$/HU + BU	\$1,588	\$1,816	\$1,997	\$2,140	\$2,361	\$4,205	\$4,378	\$4,534	\$4,687	\$4,842	\$5,001	\$5,162	\$5,326	

Projecting current trends forward implies a 22% increase in required property tax revenues by FY22 and a 17% increase in the property tax cost per household and business unit.

No Change Policy Forecast

Item	FY17	FY18	FY19	FY20	FY21	FY22
Property Tax Required	\$12.89	\$13.41	\$13.96	\$14.51	\$15.08	\$15.67
Housing Value (\$ million)	\$782.0	\$788.44	\$795.86	\$803.30	\$810.78	\$818.28
units total	2,684	2,704	2,724	2,744	2,764	2,784
avg. value	\$291,000	\$291,582	\$292,165	\$292,749	\$293,335	\$293,922
<i>% increase (FY11-17 avg. annual</i>	<i>0.2%</i>					
avg. acres	2.9	2.9	2.9	2.9	2.9	2.9
Residential Land (buildable) (\$ million)	\$21.4	\$19.8	\$18.6	\$17.4	\$16.2	\$15.0
acres	1,003	945	887	829	771	713
avg. value	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
<i>% increase (FY11-17 avg. annual</i>	<i>0%</i>					
Gas & Elect Value (\$ million)	\$89.0	\$89.9	\$90.8	\$91.7	\$92.6	\$93.5
% increase estimate	1%					
Other Cml/Ind (\$ million)	\$59.0	\$59.3	\$59.6	\$59.9	\$60.2	\$60.5
<i>% increase (FY11-17 avg. annual</i>	<i>0.5%</i>					
Total Taxable Valuation (\$ million)	\$951.4	\$957.5	\$964.9	\$972.3	\$979.8	\$987.3
Tax rate (\$/\$1,000) to raise tax required	\$13.54	\$14.01	\$14.46	\$14.93	\$15.40	\$15.87

Policy Questions

How close to full capacity is current use of capital assets and equipment?

What form of non-residential development does the community wish to undertake?

Who will take responsibility for generating support in the community?

Community Support

Requires a different approach from steps 1 & 2.

Review statements of community opinion:

- Comprehensive Plan;
- citizen survey results;
- interviews

Identify implementation process for decisions coming from steps 1 & 2:

- citizens & staff responsible;
- zoning, subdivision, ordinances changes;
- milestones & monitoring process

Prepare and carry out communications plan.