

Planning and Development Committee
May 4, 2011
6:00 PM
Council Chambers
AGENDA

1. Approval of April 20, 2011 Minutes
2. Committee Interviews
3. Old Business
 - a. Comprehensive Plan Committee
 - b. Dennis Paper TIF Terms Negotiation
 - c. BEAR Business Forum Schedule
 - d. Business Park Priorities Discussion
 - e. Marina/Park Development Concept Update
 - f. Hampden Academy Reuse
4. New Business:
 - a. Development Regulation/Facilitation Changes and Challenges – Ben Johnson, CEO
5. Public Comments:
6. Committee Member Comments:
7. Adjourn

**Planning and Development Committee
Minutes of April 20, 2011
6:00 PM
Hampden Council Chambers - Town Office**

Attendees:	Tom Brann, Chair	Guests:	Staff:
	Kristen Hornbrook	Lee Landry	Robert Osborne
	Jean Lawlis	Chester Bigelow	Dean Bennett
	William Shakespeare		

1. Approval of April 6, 2011 Minutes

Approved by Majority

2. Committee Interviews

Chester Bigelow was interviewed as a candidate for the Conservation Commission.

Committee Action:

Committee agreed to recommend to Council the appointment of Chester Bigelow to the Conservation Commission.

(Note: It was asked if there was a minimum period of residency for service on boards and committees because during the discussion it was stated that Mr. Bigelow has resided in the town for less than one year. Town Clerk Denise Hodsdon indicates that there is no minimum length of residency requirement for service on the Conservation Commission and that Mr. Bigelow has established residency in the town).

3. Old Business

a. Business Park Priorities Discussion

CED Director advised that he has spoken with Rob Frank of WRBC in efforts to determine if the development cost of Phase 2 of the Business and Commerce Park was once estimated (at park inception) and if so, is it available. CED Director will update at next meeting.

b. Marina/Park Development Concept Update

CED Director advised the Committee on recent activities with regard to the Marina project consisting of the following:

- Services of Betsy Poulin, LA at Chevron Expense
- Ongoing communication with Preti-Flairety Law Firm
- Ongoing communications with DEP
- May 3rd Meeting with Chevron Environmental Consultant
- May 18th Meeting in Augusta with Chevron Team, Town Manager, CED Director, Mayor and P&D Chairperson.

CED Directed stated optimism with caution as the potential for the project continues to grow in scope and likelihood of success.

c. Future of Property Assessment Clean Energy (PACE) Initiative

Lee Landry, Chairperson of Sustainable Homes Hampden Committee reported on the success of the group's educational efforts and success in Hampden. Discussion focused on the future of the Committee, its role and challenges.

Committee Action:

Committee agreed to recommend to Council that Council take action to make a commitment to support Sustainable Homes Hampden Committee in their efforts to educate Hampden citizens on ways to reduce fossil fuel consumption and associated costs.

d. Hampden Academy Reuse

Discussion was tabled until next meeting.

e. Dennis Paper Discussion Update

CED Director reported of ongoing discussions with Ron Dennis and his legal representative from Rudman and Winchell with regard to

the development of a TIF application to be presented to the Planning and Development Committee at the May 4, 2011 meeting. Proposed terms of the TIF will precede the May 4th meeting in order to allow the Committee time to prepare for proposal discussion.

4. New Business:

5. Public Comments:

Comments and discussion focused on the suggestion of caution when discussing issues related to the possible interpretation of infringement on property rights. It was noted that what is intended is always reflected in motion or stated decision.

6. Committee Member Comments:

CED Director shared advance copy of Hampden's featured article in Maine Ahead Magazine set for May issue publication.

7. Adjourn

Meeting adjourned at 8:00 pm.

Original Dean

John K. Hamer
E-Mail: jhamer@rudmanwinchell.com
Direct Dial: (207)992-2598

April 19, 2011

Dean Bennett, Economic Development Director
Town of Hampden
106 Western Avenue
Hampden, Maine 04444

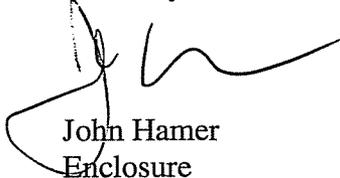
Re: Proposed Tax Increment Financing District for Dennis Paper & Food Services, Inc.

Dear Dean:

Enclosed please find our letter to the Committee regarding the proposed TIF. We can supplement or revise the letter if there are any details that you think the Committee in addition to what we have provided.

Thank you and see you on May 4th.

Sincerely,



John Hamer
Enclosure

John K. Hamer
E-Mail: jhamer@rudmanwinchell.com
Direct Dial: (207)992-2598

April 19, 2011

Thomas Brann, Chair
Town of Hampden Planning & Development Committee
106 Western Avenue
Hampden, Maine 04444

Re: Proposed Tax Increment Financing District for Dennis Paper & Food Services, Inc.

Dear Chair Brann and Members of the Planning & Development Committee:

Our office is pleased to represent Dennis Beverage Company, operating under the name Dennis Paper & Food Services, in this request to establish a tax increment financing district ("TIF").

Background Information about Dennis Paper & Food Services

Dennis Paper & Food Services, established in 1908, has been serving Central and Eastern Maine with pride for generations. Five Russian immigrant brothers originally founded the company as a bottling service known as Washington County Bottling Works. Deliveries were made by horse-drawn wagon, limiting the territory covered to the Cherryfield area. Eventually, Max Dennis bought his brothers' shares of the business and moved the company into Ellsworth in the early 1920's. Though troubling times were ahead, Max Dennis was able to keep the business running during the depression and World War II, with the help of his wife and son. When his son, Lawrence Dennis, took over operations in 1945, productions had increased dramatically. The company had developed its own brand of soft drink known as University Club Soda, and was now bottling and distributing national brands such as Hires Root Beer and Nesbitt's Orange. In 1949, the company incorporated and came to be known as the Dennis Bottling Company.

In the 1950's Dennis Bottling Company began distributing malt beverages. This development was so well received by the community that a warehouse was opened in Brewer to accommodate distribution and in 1968 the company's headquarters were moved to Veazie. Distribution then became the main focus of the company, resulting in a change of name to Dennis Beverage Company. Soon after the move to Veazie, Dennis Beverage Company expanded its operations once again, this time to include paper and plastic disposable products and janitorial supplies. In an effort to best reflect the nature of the business, the name changed to Dennis Paper Company. The company continued to grow, thanks in large part to the dedication and hard work of Lawrence's wife Lee, his sister Bertha and the children of Lawrence and Lee: Hayden, Ron,

Mark and Michele Dennis. After close to 40 years in the Veazie area, the Dennis Paper & Food Service Company moved to Thatcher Street in Bangor in 2002. Due to their very rapid growth between 2002 and 2005, the company soon outgrew the Thatcher St. location.

In December of 2005, Dennis Paper & Food Services moved to a 55,000 square foot facility at 101 Mecaw Road, Hampden. The company now distributes over 9,000 brand name products throughout the region, and currently employs 103 people. And the company continues to grow.

Need for TIF

Dennis Paper & Food Services has already outgrown the Mecaw Road facility. The company has two options: either expand the existing facility or relocate. While the company likes its current location and the Hampden environment, the ultimate decision must be based on economics. Consequently, Dennis Paper & Food Services is exploring both possibilities.

If expanding the current facility is economically feasible, the company would purchase the building and construct an addition to provide for an additional 17,000 square feet of frozen/dry storage space. Improvements to the existing facility would also be made- specifically, repairing the roof and adding employee parking. Finally, Dennis Paper & Food Services would purchase lots 3 and 4 of the subdivision to allow for further future expansion.

Undertaking this project will entail a \$3.5 million investment by Dennis Paper & Food Services: \$1 million to purchase the building, \$2 million to expand the building, \$250,000 to improve the existing building, and \$250,000 to purchase the two additional lots. This investment would ensure a long-term home for Dennis Paper & Food Service in the Town of Hampden. Establishing the proposed TIF would ensure that Dennis Paper & Food Service remains a Hampden business for an extended period of time.

Providing a TIF benefits both Dennis Paper & Food Services and the Town of Hampden. Not only would the TIF keep the facility occupied and on the Town's tax roll, it would preserve 103 jobs in Hampden, increase the tax rolls, create new jobs, and enable the company to further expand in the future. Once the facility has been expanded, it is likely that the company will add ten to fifteen new jobs over the following two years. Furthermore, there are significant indirect economic benefits to other business in the area from maintaining such a workforce and from the business's general needs, not to mention from the construction project itself.

Proposal

A project of this magnitude requires front-loaded financial assistance, which a TIF could provide. Specifically, we propose a TIF with a 10-year duration and a graduated front-loaded tax increment revenue sharing formula.

Currently, Dennis Paper & Food Services pays approximately \$21,895 in annual real estate taxes. According to the Hampden Assessor, a total investment of \$2.25 million will generate a

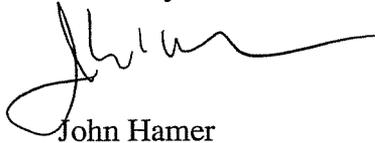
Thomas Brann, Chair
Town of Hampden Planning & Development Committee
April 19, 2011
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tax increment of approximately \$35,775. (This would make the total tax after investment approximately \$57,670.) We propose a TIF of 77% for the first five-year period, which would be reduced to 50% for the second five-year period, more specifically described as follows. The purpose of the 50% TIF for ten years would be to off-set project costs of the expansion as allowed by 30-A M.R.S.A. § 5225. This would assist Dennis Paper & Food Services in making debt service payments on the \$2 million expansion to the building. The additional 25% for the first five-year period would assist Dennis Paper & Food Service with the costs of the \$250,000 improvements to the existing building. Finally, the last 2% for the first five-year period is designed to cover Dennis Paper & Food Service's legal fees for establishing the TIF. No TIF proceeds are allocated to the purchase of the building or two lots, and the total value of the TIF over the ten year period is less than 10% of Dennis Paper & Food Service's costs for improving and expanding the building.

As discussed above, the economic benefit to the Town are long-term business retention (including the indirect economic benefits to the area), increased employment opportunities, and increased real estate taxes. In short, this proposal provides significant benefits to everyone.

Thank you for considering our request. We would be happy to answer any questions about the proposal.

Sincerely,



John Hamer