

**ECONOMIC DEVELOPMENT  
KITTERY, MAINE**

*An Application for a Municipal Development  
Tax Increment Financing District Program*

**DISTRICT #1 – MIXED USE**

PRESENTED TO:  
**TOWN of KITTERY**

BY

Jon Carter  
Town Manager  
200 Rogers Road  
Kittery, ME 03904  
(207) 475-1329  
jcarter@kitteryme.org

October 28, 2010\_v7

Submitted to:  
State of Maine  
Department of Economic and Community Development  
59 State House Station  
Augusta, Maine 04333-0059

---

## Table of Contents

<b>1.0</b>	<b>Cover Letter</b>	
<b>2.0</b>	<b>Application Cover Sheet</b>	
<b>3.0</b>	<b>Completed Employment Goals</b>	
<b>4.0</b>	<b>Completed Statutory Requirements &amp; Thresholds District #1 (MIXED USE)</b>	
<b>5.0</b>	<b>Development Program</b>	
5.1	Introduction and Summary of Benefits	
5.2	Benefits of the District	
5.2.1	New Tax Dollars for the Town	
5.2.2	Economic Development; New Jobs	
5.2.3	Savings for Town from Shelter of New Tax Base Growth	
5.2.4	Public Facilities, Improvements and Programs	
5.2.5	Statement of Means and Objectives	
5.2.5.1	District Designated	
5.2.5.2	Tax Increment Financing Economic Development Incentives	
5.2.5.3	Allocation of Certain Tax Revenues	
5.2.5.4	Allocation of Certain Tax Revenues Pursuant to Credit Enhancement Agreements	
5.2.5.5	Creation of Necessary Public Facilities	
5.2.5.6	No Promise to Provide Financing	
5.2.5.7	Portions of Revenues May Be Used for Developers	
5.2.5.8	Significant Economic Benefit	
5.2.5.9	Development Program Means and Objectives	
5.3	Description of Public Facilities, Improvements, or Programs	
5.3.1	Projects to be Implemented	
5.3.2	Infrastructure Improvements Required	
5.3.3	Facilities, Improvements and Programs to be Financed	
5.3.4	Facilities, Improvements and Programs Costs	
5.3.4.1	Improvements Within the District	
5.3.4.2	Improvements Outside the District	
5.3.5	Finding of Benefit	
5.4	Description of Commercial Facilities, Arts District, Improvements or Projects	
5.5	Program Duration	
5.6	Original Assessed Value	
5.7	Physical Description of the District; Map of District; Designation of the District	
<b>6.0</b>	<b>Financial Plan</b>	
6.1	Increased Assessed Value Capture	
6.2	Presently Generated Tax Revenue to General Fund	
6.3	Development Program Paid by Tax Increment	
6.4	Development Investment Financed	
6.5	Credit Enhancement Agreements Allowed	
6.6	Cost Estimates for the Development Program	
6.7	Amount of Public Indebtedness to be Incurred	
6.8	Sources of Anticipated Revenues	
6.8.1	Increased Assessed Value Defined	
6.8.2	Original Assessed Value Defined	
6.9	Terms and Conditions of Credit Enhancement Agreements (CEAs)	

6.9.1	Payments a Limited Obligation	.....
6.9.2	Construction Contracts Required	.....
6.10	Estimates of Increased Assessed Values, Portion Applied	.....
6.10.1	Credit Enhancement Agreement Payment Limited	.....
6.10.1.1	Credit Enhancement Agreement Payment Calculation	.....
6.10.1.2	Credit Enhancement Agreement Payment Maximum	.....
6.10.2	Town Cost Payment or Reimbursement	.....
6.11	Captured Assessed Values and Resulting Tax Increments	.....
6.11.1	Annual Estimates of Increased Assessed Value and Tax Increment	.....
6.11.2	Development Program Fund	.....
6.11.3	Developer's Project Cost Account	.....
6.11.3.1	Developer's Project Cost Account Payments	.....
6.11.4	Town's Project Cost Account	.....
6.11.4.1	Town's Project Cost Account Deposits	.....
6.11.4.2	Town's Project Cost Account Accrued Funds	.....
6.11.4.3	Town's Project Cost Account Obligation Satisfied	.....
6.11.5	Development Sinking Fund	.....
6.12	Calculations of Tax Shifts	.....
6.12.1	Tax Shift Calculation Formulae	.....
6.12.2	Estimated Total Tax Shift Amounts	.....
6.13	Plans for the Relocation of Displaced Persons	.....
6.14	Proposed Regulations and Facilities to Improve Transportation	.....
6.15	Environmental Controls to be Applied	.....
6.16	Proposed Operation of the Development District	.....

<b>7.0</b>	<b>Approval Considerations and Characteristics of the District</b>	.....
7.1	Statutory Considerations for Approval	.....
7.1.1	Public Hearing Held	.....
7.1.2	Economic growth and Well-Being Finding and Determination	.....
7.2	Statutory Conditions for Approval; Physical Characteristics	.....
7.2.1	Suitability Criteria Met	.....
7.2.2	Acreage Limitation Criteria Met	.....
7.2.3	Original Assessed Value Limitation Criteria Met	.....
7.2.3	Unauthorized Exclusion Criteria Met	.....
7.2.4	County Aggregate Indebtedness Criteria Met	.....
7.2.5	Debt Funded Program Component Completion Within Five Years	.....
7.3	Municipal Approvals	.....
7.3.1	10-Day Notice of Public Hearing, Including Proof of Date of Publication	.....
7.3.2	Record of District Designation by Town Council	.....
7.3.3	Minutes of Public Hearing, Attested to and Signed	.....

## EXHIBITS

1.	Model Credit Enhancement Agreement	.....
2.	Notice of Public Hearing	.....
3.	Record of District Designations	.....
4.	Meeting Minutes, Attested/Signed	.....

<b>APPENDIX A - DISTRICT # 1 (MIXED USE)</b>	.....
A-1	MAP (Municipal Map - Site Location & Tax map).....
A-2	ORIGINAL ASSESSED VALUE CERTIFICATE of ASSESSOR.....
A-3	TAX INCREMENT PROJECTIONS.....
A-4	TAX SHIFT ESTIMATES.....
A-5	EDUCATION (GPA) SHIFT.....
A-6	REVENUE SHARING SHIFT.....
A-7	COUNTY TAX (OVERLAY) SHIFT.....

## **1.0 COVER LETTER**

TOWN OF KITTERY MAINE

October 28, 2010

State of Maine  
Department of Economic and Community Development  
59 State House Station  
Augusta, Maine 04333-0059

To Whom It May Concern

On behalf of the Town of Kittery, attached please an application to create Municipal Development District #1 (Mixed Use) in the Town to promote economic development.

This is one of three Districts being proposed simultaneously.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,

Jonathan Carter  
Town Manager

## 2.0 MUNICIPAL TAX INCREMENT FINANCING APPLICATION COVER SHEET TIF

### DISTRICT #1 (MIXED USE)

#### A. General Information

2. Address: 200 Rogers Rd Ext., Kittery, ME 03904
3. Telephone: (207) 439-0452      4. Fax: (207) 439-6806      5. E-Mail: jcarter@kitteryme.org
6. Municipal Contact Person: Jonathan Carter, Town Manager

- 
7. Business Name: Not applicable
8. Address: Not applicable
9. Telephone: Not applicable      10. Fax: Not applicable      11. E-Mail: Not applicable
12. Business Contact Person: Not applicable
13. Principal Place of Business: Not applicable
14. Company Structure (e.g. corporation, sub-chapter S, etc.): Not applicable
15. Place of Incorporation: Not applicable
16. Names of Officers: Not applicable
17. Principal Owner(s) Name and Address: Not applicable
18. Address: Not applicable

#### B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):

☒ job creation    ☐ job retention    ☒ capital investment    ☐ training investment

☒ tax base improvement    ☒ public facilities improvement    ☐ other (list):

- 
2. Check the specific items for which TIF revenues will be used (any that apply):

☐ real estate purchase    ☐ machinery & equipment purchase    ☐ training costs    ☐ debt  
Reduction    ☒ other: See Development Program

#### C. Employment Data

List the company's goals for the number, type and wage levels of jobs to be created or retained as a result of the TIF revenues received (*please use next page*). **To be determined upon execution of each Credit Enhancement Agreement**

### 3.0 EMPLOYMENT GOALS To be determined upon execution of each Credit Enhancement Agreement

Company Goals for Job Creation and Job Retention

#### A. Job Creation Goals

<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			
2. Administrative Support, inc. Clerical			
3. Sales & Service			
4. Agriculture, Forestry & Fishing			
5. Maintenance, Construction, Production, & Transportation			

#### B. Job Retention Goals

<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			\$
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation			\$

*\*Please use the Occupational Cluster descriptions on the next page to complete this form.*

#### INSTRUCTIONS

**A. Job Creation Goals.** Please list the number, type and wage level of jobs created as a result of the economic development incentive. NOTE: For this form, “*full-time*” employment means 30 hours or more; “*part-time*” employment means less than 30 hours. “*Wage level*” means the average annual wage paid for jobs created within an occupational cluster, e.g. either their annual salary, or their hourly wage times their annual hours. Also, “*type*” means “*occupational cluster*” which refers to the 5 categories defined below. Please include the number of your employees (both full-time and part-time) working within the category that most closely reflects their job duties.

**B. Job Retention Goals.** Please list the number, type and wage level of jobs retained as a result of the economic development incentive. “Part B should be completed using same definitions in Part A.

## **OCCUPATIONAL CLUSTERS** | To be determined upon execution of each Credit Enhancement Agreement

### **1. EXECUTIVE, PROFESSIONAL & TECHNICAL**

***Executive, administrative and managerial.*** Workers in executive, administrative and managerial occupations establish policies, make plans, determine staffing requirements, and direct the activities of businesses and other organizations. Workers in management support occupations, such as accountant and auditor or underwriter, provide technical assistance to managers.

***Professional specialty.*** This group includes engineers; architects and surveyors; computer, mathematical, and operations research occupations; life, physical, and social scientists; lawyers and judges; social, recreational, and religious workers; teachers, librarians, and counselors; health diagnosing, assessment, and treating occupations; and communications, visual arts, and performing arts occupations.

***Technicians and related support.*** This group includes health technologists and technicians, engineering and science technicians, computer programmers, tool programmers, aircraft pilots, air traffic controllers, paralegals, broadcast technicians, and library technicians.

### **2. ADMINISTRATIVE SUPPORT, INCLUDING CLERICAL**

***Administrative support, including clerical.*** Workers in this group prepare and record memos, letters, and reports; collect accounts; gather and distribute information; operate office machines; and handle other administrative tasks.

### **3. SALES AND SERVICE**

***Marketing and sales.*** Workers in this group sell goods and services, purchase commodities and property for resale, and stimulate consumer interest.

***Service.*** This group includes a wide range of workers in protective, food and beverage preparation, health, personal, private household, and cleaning and building services.

### **4. AGRICULTURE, FORESTRY AND FISHING**

***Agriculture, forestry and fishing.*** Workers in these occupations cultivate plants, breed and raise animals, and catch fish.

### **5. MAINTENANCE, CONSTRUCTION, PRODUCTION & TRANSPORTATION**

***Mechanics, installers, and repairers.*** Workers in this group adjust, maintain, and repair automobiles, industrial equipment, computers, and many other types of machinery.

***Construction trades and extractive.*** Workers in this group construct, alter, and maintain buildings and other structures or operate drilling and mining equipment.

***Production.*** These workers set up, adjust, operate, and tend machinery and/or use hand tools and hand-held power tools to make goods and assemble products.

***Transportation and material moving.*** Workers in this group operate the equipment used to move people and materials. This group also includes handlers, equipment cleaners, helpers, and laborers who assist skilled workers and perform routine tasks.



#### 4.0 DISTRICT #1 (MIXED USE) STATUTORY REQUIREMENTS & THRESHOLDS

A. ACRE LIMITATION		
1. Total Acreage of Municipality	11,867 acres	
2. Total Acreage of Proposed Municipal TIF District	79.94 acres	
3. Total <b>Pine Tree Zone</b> acres contained in the Proposed Municipal TIF District	0	
4. Total <b>Downtown</b> acres contained in the Proposed Municipal TIF District	0	
5. Total <b>Transit</b> acres contained in the Proposed Municipal TIF District	0	
6. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4-A5)	79.94 acres	
7. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A6 by A1	0.67%	
8. Total acreage of all existing and proposed municipal TIF Districts in the municipality. Add A2 to sum of all existing TIF district acreage.	359.49 acres	
9. Total acreage of an existing or Proposed <b>Downtown</b> TIF Districts in the municipality.	0	
10. Total acreage of all existing or Proposed <b>Pine Tree Zone</b> TIF Districts in the municipality.	0	
11. Total acreage of all existing or Proposed <b>Transit</b> TIF Districts in the municipality.	0	
12. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A9+A10+A11 from A8.	359.49 acres	
13. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A12 by A1.	3.03%	
14. Total Acreage of all real property in the Proposed Municipal TIF District that is:		
(Note: a, b, or c must be at least 25%)	Acres	%
a. Blighted (Divide acres by A2)	0	
b. In need of rehabilitation/conservation (Divide acres by A2)	0	
c. Suitable for industrial/commercial site (Divide acres by A2)	79.94	100%
<b>TOTAL</b>	79.94	100%
B. VALUATION LIMITATION		
1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1<sup>st</sup></i>	\$1,368,185,340	
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31<sup>st</sup> of tax year proceeding date of municipal designation</i>	\$3,156,500	
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. <i>Add b2 to sum of all existing TIF district OAVs.</i>	\$ 21,021,200	
4. OAV of an existing or proposed <b>Downtown</b> TIF Districts in the municipality.	0	
5. OAV of all existing or Proposed <b>Pine Tree Zone</b> TIF Districts in the municipality.	0	
6. OAV of all existing or Proposed <b>Transit</b> TIF Districts in the municipality.	0	
7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap <i>Subtract B4+B5+B6 from B3</i>	\$ 21,021,200	
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) <i>Divide B7 by B1</i>	1.54%	

## **5.0 DEVELOPMENT PROGRAM**

### **5.1 Introduction and Summary of Benefits**

The Town of Kittery desires to create a municipal development and tax increment financing District to expand and diversify the Town's tax base and improve its economy. This Program will provide the infrastructure necessary for commercial development of lots in the District and finance certain public improvements which will lead to additional commercial development, thereby achieving its objectives.

### **5.2 Benefits of the District**

#### **5.2.1 New Tax Dollars for the Town.**

The District will expand and diversify the tax base of the Town, resulting in substantial new property tax revenues which will be used to pay costs of the Capital Improvements and Programs described herein.

#### **5.2.2 Economic Development; New Jobs.**

The District will facilitate the development of certain property parcels within their bounds, which will result in the creation of new jobs in the Town. The Capital Improvements and Programs are also anticipated to create additional economic development and jobs in the Town.

#### **5.2.3 Savings for Town from Shelter of New Tax Base Growth.**

The District will create more net tax revenue for the Town through the Capital Improvements and Programs described herein than would result if such development were to occur without the creation of the District. This favorable situation is the result of the State formulas which shelter the Increased Assessed Value of the designated District properties from the increased county taxes and loss of State aid to education and municipal revenue sharing that results when new development occurs without the creation of a Development District.

#### **5.2.4 Public Facilities, Improvements and Programs.**

The revenue gained and saved with creation of the District will be used to provide the Capital Improvements and Programs described herein, which will lead to further commercial development in the Town.

#### **5.2.5 Statement of Means and Objectives**

The Town of Kittery desires to create new employment opportunities and commercial development in the Town, to improve, broaden and maintain a healthy tax base, to improve the economy of the Town and the State, to provide the impetus for new commercial development and to provide the facilities described in this Development Program. The Town has decided to take a number of steps to increase its commercial tax base.

##### **5.2.5.1 District Designated**

To fulfill these goals, certain properties have been proposed as Municipal Development District #1 (MIXED USE) (the "District"). The Development Program described herein will serve the purpose of administering the District as Municipal Development and Tax Increment Financing District pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the "Development Program"). The Town Council has designated this District and adopted this Development Program with immediate effect, subject only to approval by the Maine Department of Economic and Community Development.

##### **5.2.5.2 Tax Increment Financing Economic Development Incentives**

The Development Program provides for economic development incentives called municipal tax increment financing. The tax increment financing development District established by the Town is geographically defined for "capture" or reinvestment of some of the new increased or "incremental" tax revenues

generated by new development and business expansion in the District to pay certain costs of development and new public facilities, improvements and programs.

#### **5.2.5.3 Allocation of Certain Tax Revenues**

The District is designed to stimulate new investment in the Town by allocating certain tax revenues generated by new commercial development in the District to costs of: (a) the Development Program, consisting of the Public Facilities, Improvements and Programs described in herein; and (b) construction and development of the Capital Program described in herein by certain developers of lots in the District. Costs of the Public Facilities, Improvements and Programs described in Section 5.3 hereof will be financed by the tax increment revenues from the District.

#### **5.2.5.4 Allocation of Tax Revenues Pursuant to Credit Enhancement Agreements**

Under the Development Program, pursuant to Credit Enhancement Agreements, the Town may also make available to certain developers of lots in the District other portions of the tax increment revenues as set forth in Sections 5.4 and 6.10, subject to further approval by the Town Council (the “Credit Enhancement Agreements”).

#### **5.2.5.5 Creation of Necessary Public Facilities**

Adoption of this Development Program will lead to creation of the necessary public facilities within and directly related to the District that will provide appropriate infrastructure for development of the individual District. In addition, the District will provide a framework to provide certain additional development incentives.

#### **5.2.5.6 No Promise to Provide Financing**

By adoption of this Development Program, the Town is not promising to provide tax increment financing to the developer of any lot in the District. However, adoption of the Development Program will put in place a structure and framework, so that the Town Council can evaluate whether to provide such tax increment financing in specific cases and can respond in a timely manner to specific development proposals.

#### **5.2.5.7 Portions of Revenues may be Used for Developers**

It is anticipated that a portion of the tax increment revenues may be used either to pay or reimburse the certain lot developers, when approved by the Town Council, for certain costs of the Capital Program directly or to pay debt service on funds borrowed privately by such lot developers to finance the cost of the Capital Program. The costs so financed will represent only a portion of the total costs of the Capital Program to be financed. All additional costs of the Capital Program will be the responsibility of the lot developers.

#### **5.2.5.8 Significant Economic Benefit**

The Development Program thus will provide significant economic benefit to the Town by providing new public infrastructure that will facilitate additional commercial development and by providing a financial incentive framework for commercial development in the District. Such infrastructure and incentives will help to expand and diversify the commercial tax base of the Town and to provide new employment opportunities in the Town.

#### **5.2.5.9 Development Program Means and Objectives**

The means and objectives of the Development Program thus are to provide financial assistance to the Capital Program and to provide financing for the Public Facilities, Improvements and Programs. The Town by adopting this Development Program consisting of the Capital Program and the Public Facilities,

Improvements and Programs, finds that it will provide substantial new employment opportunities, significantly improve and broaden the Town's tax base and improve the general economy of the Town.

### **5.3 Description of Public Facilities, Improvements, or Programs**

The Town will retain the Tax Increment from the District to finance some or all of the costs of the following public facilities, improvements or programs (the "Public Facilities, Improvements and Programs" or the "Programs"):

**TABLE NO. 1: POTENTIAL PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS**

- (a) Improvements to roads in the District to facilitate commercial development;
- (b) Improvements to roads outside of the District that are directly related to or made necessary by the establishment or operation of the District;
- (c) Trolleys, trolleys stops and related facilities and improvements;
- (d) Construction of new Town square or center;
- (e) Sewer and water system improvements including installation of lines and related facilities.
- (f) Economic Development Planning; and
- (g) Administrative expenses associated with this development effort.

The Town envisions that the improvements in the District will create a unique northern entrance into the Town of Kittery. These improvements will include signage, roadway improvements as well as a double row of street trees with a wide pedestrian walkway between the trees. Also in the vicinity of the Maine State Information Center a possible roundabout is envisioned with a monumental flag pole and vehicular connections enabling I-95 traffic to access Route 1 for northerly as well as southerly connections.

The Town is adopting this Development Program to provide the necessary public facilities and to encourage further business development in its commercial zones and to provide a framework so that the Town, subject to Council approval, can promptly respond to development proposals by providing Credit Enhancement Agreement tax increment financing development incentives to appropriate development projects.

Improvements to roads in commercially zoned areas at and near Route 1 are needed to facilitate commercial development in the District.

#### **5.3.1 Projects to be Implemented**

The projects currently under consideration to be implemented pursuant to the Development Program are identified in Table No. 1 above. The improvements to roads will include the roads referenced in Section 6.6 hereof, and such improvements include road constructions and paving, curbing, walkways, catch basins, landscaping, lighting, signals, acquisition of land and easements for such roads, and related improvements and facilities.

#### **5.3.2 Infrastructure Improvements Required**

To achieve these goals, the Town must provide new public infrastructure in commercial zones in the Town to facilitate new commercial development. This Development Program will provide revenues to fund only a portion of such costs. The specific Public Facilities, Improvements and Programs to be

financed with the tax increment financing revenues will be approved through subsequent or separate action of the Town.

### **5.3.3 Facilities, Improvements and Programs to be Financed**

The Public Facilities, Improvements and Programs to be financed by the Tax Increment may include the following as permitted by Maine law:

- a. development of new employment opportunities;
- b. acquisition, installation, design, and construction of water and sewer improvements and extensions to facilitate additional economic development in those areas or to mitigate the impact of the District;
- c. public roads and traffic safety enhancements to areas impacted by traffic expected to be generated from the District; and,
- d. costs related to economic development, environmental improvements or employment training within the Town, including, but not limited to the Town's programs for economic development, environmental improvements or employment training within the Town, including, but not limited to:
  - (1) funding economic development programs or events developed by the Town or funding the marketing of the Town as a business location; and
  - (2) funding environmental improvement projects developed by the Town for commercial use or related to commercial activities.

### **5.3.4 Facilities, Improvements and Programs Costs**

Costs of the Public Facilities, Improvements and Programs include all "Project Costs" as defined in Title 30-A, Chapter 206, Section 5225 of the Maine Revised Statutes including the following.

#### **5.3.4.1 Improvements Within the District**

The costs of all improvements made within the District including but not limited to:

- a. capital costs including costs of
  - 1. the acquisition or construction of land, improvements, buildings, structures, fixtures and equipment for public or commercial use;
  - 2. the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures;
  - 3. site preparation and finishing work; and,
  - 4. all fees and expenses that are eligible to be included in the capital cost of such improvements, including, but not limited to, licensing and permitting expenses and planning, engineering, architectural, testing, legal and accounting expenses;
- b. financing costs, including, but not limited to, closing costs, issuance costs and interest paid to holders of evidences of indebtedness issued to pay for Project Costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity;
- c. real property assembly costs;

- d. professional service costs, including, but not limited to, licensing, architectural, planning, engineering and legal expenses;
- e. administrative costs, including, but not limited to, reasonable charges for the time spent in connection with the implementation of the development program;
- f. relocation costs; and,
- g. organizational costs relating to the establishment of the District, including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public about the creation of development District and the implementation of project plans; and

#### **5.3.4.2 Improvements Outside the District**

The costs of improvements that are made outside the tax increment financing district but are directly related to or are made necessary by the establishment or operation of the District, including, but not limited to:

- a. that portion of the costs reasonably related to the construction, alteration or expansion of any facilities not located within the District that are required due to improvements or activities within the District, including, but not limited to, sewage treatment plants, water treatment plants or other environmental protection devices; storm or sanitary sewer lines; water lines; improvements to fire stations and amenities on streets;
- b. costs of public safety improvements made necessary by the establishment of the District; and
- c. costs of funding to mitigate any adverse impact of the District upon the Town and its constituents. The facilities financed by the tax increment shall not include any facilities, buildings or portions of buildings used predominantly for the general conduct of government or for public recreational purposes, including, but not limited to, town halls and other headquarters of government where the governing body meets regularly, courthouses, jails, police stations and other state and local government office buildings, recreation centers, athletic fields and swimming pools.

#### **5.3.5 Finding of Benefit**

The Town finds that each of the Public Facilities, Improvements and Programs described herein, and the Project Costs thereof, will either directly or indirectly provide or encourage new employment opportunities within the Town or encourage and promote economic development that will broaden the Town's tax base and improve the general economy of the Town. The Development Program thus will provide financing for certain important Public Facilities, Improvements and Programs currently under consideration by the Town related to the Development Program or are otherwise qualifying projects under Chapter 206 of Title 30-A of the Maine Revised Statutes.

#### **5.4 Description of Commercial Facilities, Arts District, Improvements or Projects**

The commercial facilities, improvements, programs and projects to be financed by the Development Program may include costs of the developers of specific commercial development of lots in the District (collectively the "Capital Program"). An art district is not included in the program. The Town anticipates that the Capital Program will include project costs, which will be financed through a combination of loans, tax increment revenues and the developer funds.

A proposed development of a specific lot in the District should be anticipated to meet, at a minimum, the following guidelines be eligible for consideration by the Town Council for approval of a Credit Enhancement Agreement: (a) The Town's provision of tax increment financing must be economically

necessary for the project to be implemented. (b) The total project cost of the development of the lot must exceed \$2,000,000. (c) The project must involve commercial development and be anticipated to create or maintain permanent employment.

In addition, a Credit Enhancement Agreement for any specific lot development proposal or use will not be entered by the Town unless such development proposal and use is specifically approved by the Town Council.

#### **5.5 Program Duration.**

The duration of the District will be 30 years from the beginning of the first tax year after designation of the District and the effective date of the approval of the District by the Maine Department of Economic and Community Development.

#### **5.6 Original Assessed Value.**

Certification of Original Assessed Value of the Taxable Property is shown in Appendix A-2. The Original Assessed Value of the District is \$3,156,500 as set forth in therein.

#### **5.7 Physical Description of the District; Map of District; Designation of the District.**

The Town hereby designates Municipal Development District #1 (MIXED USE), as a Municipal Development and Tax Increment Financing District.

The area of the Town of Kittery shown as “Municipal Development District #1 (MIXED USE), as more particularly described in this Development Program is hereby designated as development and tax increment financing District and such designation automatically becomes final and takes full force and effect upon receipt by the Town of approval of the District by the Maine Department of Economic & Community Development, without the requirement of any further action by the Town, the Municipal Officers or any party.

Plans depicting the District are attached hereto as Appendix A-1 - District #1 (MIXED USE), and the District is further described in Appendix A-2.

#### **6.0 Financial Plan**

The Financial Plan, as set forth herein, consists of the costs estimates for the Development Program, the amount of public indebtedness to be incurred, the sources of anticipated revenues, a description of the terms and conditions of any agreements, contracts or other obligations related to the development program, estimates of increased assessed values of the District, the portion of the increased assessed value to be applied to the Development Program as captured assessed values and resulting tax increments in each year of the program and a calculation of the tax shifts resulting from designation of the tax increment financing District.

#### **6.1 Increased Assessed Value Capture**

The District is expected to generate certain incremental or additional tax revenues, which will be captured or retained to pay the costs of this Development Program. The property taxes assessed upon the Increased Assessed Value of property in the District (the “Tax Increment”) will be captured or used by the Town under the Development Program to pay costs of the Public Facilities, Improvements and Programs described in Section 5.3 hereof and the Capital Program described in Section 5.4 hereof.

#### **6.2 Presently Generated Tax Revenue to General Fund**

All tax revenues presently generated on existing property in the District will continue to be paid to the General Fund of the Town.

**6.3 Development Program Paid by Tax Increment**

The Development Program costs will be paid only from the Tax Increment on the increased assessed value in the District occurring after the tax year ending on the March 31<sup>st</sup> prior to adoption of this Development Program.

**6.4 Development Investment Financed**

The cost of the Capital Program and any continuing investment by the developers in any District approved by the Town Council will be financed by such developers through equity of the developers, various borrowings by the approved developers and the Tax Increment from the District being developed.



## **6.5 Credit Enhancement Agreements Allowed**

As part of the Development Program, the Town and each developer with a project approved by the Town Council may enter, if determined appropriate by the Town Council, a separate Credit Enhancement Agreement as described in Exhibit 1, pursuant to which the Town will pay to the developer a portion of the Tax Increment relating solely to the lot owned by the developer to pay a portion of the costs of the Capital Program.

All Tax Increment from the District not payable to the approved lot developers under Credit Enhancement Agreements will be used for the Public Facilities, Improvements and Programs, and none of the Tax increment may be deposited in the General Fund of the Town.

## **6.6 Cost Estimates for the Development Program.**

The estimated costs of the Public Facilities, Improvements and Programs are as follows:

### **DISTRICT #1 (MIXED USE)**

#### Public Facilities, Improvements and Programs:

#### Facilities, Improvements and Programs described in Section 5.3

-Landmark Hill (Town line to Ledgewood Road)	\$1,500,000
-Ledgewood to Maine State Information Center Entrance	\$ 700,000
-Interest Expense on Bonds	\$1,800,000
-Economic Development Administration	\$ 750,000
<b>Total:</b>	<b>\$ 4,750,000</b>

## **6.7 Amount of Public Indebtedness to be Incurred**

The Town will not incur any indebtedness in connection with the Capital Program. The Developers of privately owned property in the District will finance the Capital Program through a combination of the developers' funds, various loans and a portion of the Tax Increment of the District. The Town anticipates that it may elect at a future date to incur indebtedness to finance a portion of the Public Facilities, Improvements and Programs but no such additional indebtedness is authorized at this time.

## **6.8 Sources of Anticipated Revenues**

The source of the revenue to be used to pay the costs of this Development Program is the Tax Increment on the Increased Assessed Value of the District. Tax Increment means all Property Taxes assessed by the Town, in excess of any state, county or special district tax, upon the Increased Assessed Value of all real property in the District.

### **6.8.1 Increased Assessed Value Defined**

Increased Assessed Value means the valuation amount by which the Current Assessed Value of the District exceeds the Original Assessed Value of the District. Current Assessed Value means the assessed value of the District certified by the municipal assessor as of April 1st of each year that the District remains in effect. Property Taxes means any and all ad valorem property taxes levied, charged or assessed against real property by the Town.

### **6.8.2 Original Assessed Value Defined**

Original Assessed Value means the assessed value of the District as of April 01, 2010. Attached hereto as Appendix A-2 is the anticipated form of certification of Original Assessed Value by the Assessor of the Town of Kittery in accordance with the requirements of Title 30-A MRS §5227. All Property Tax on the Original Assessed Value will be deposited in the general fund of the Town.

### **6.9 Terms and Conditions of Credit Enhancement Agreements (CEAs)**

A description of the terms and conditions of the agreements, contracts and obligations to be entered by the Town is set forth in the model Credit Enhancement Agreement that may entered by the Town and one or more Developers which will be in the form attached hereto as Exhibit 1, with such changes thereto as determined appropriate by the Town Council. The Credit Enhancement Agreement sets forth the obligations of the Town to pay to the applicable Developer each year during the term of that Agreement the applicable Tax Increment (Developer's Share) described in Section 6.10 hereof.

#### **6.9.1 Payments a Limited Obligation**

The obligations of the Town to make such payments are a limited obligation payable solely from that portion of the Tax Increment constituting the Tax Increment (Developer's Share) actually paid by the applicable Developer as property tax, and do not constitute a general debt or obligation on the part of the Town or a general obligation or charge against or pledge of the faith and credit or taxing power of the Town.

#### **6.9.2 Construction Contracts Required**

The Town will also enter construction contracts and similar agreements relating to construction of the Public Facilities and Improvements described in Section 5.3 hereof.

### **6.10 Estimates of Increased Assessed Values Designated, Portion Applied**

The Town hereby designates, as Captured Assessed Value, 100% of the Increased Assessed Value as the portion to be applied or retained each year to pay costs of the Capital Improvements and Programs.

#### **6.10.1 Credit Enhancement Agreement Payment Limited**

The amount of the total Tax Increment that is to be paid each year to any developer under a Credit Enhancement Agreement to pay or reimburse costs of the Capital Program, however, is limited to the percentage as hereafter designated by the Town Council of the Tax Increment from the Increased Assessed Value solely of the assessed value of the real property owned by the developer (or for which it is otherwise obligated to pay property taxes) (hereinafter the "Tax Increment (the Developer's Share)") and such Tax Increment (Developer's Share) specifically excludes any tax increment on any other real estate in the District and on any personal property now or hereafter located in the District.

##### **6.10.1.1 Credit Enhancement Agreement Payment Calculation**

Thus the Tax Increment (Developer's Share) for each year of the term of each Credit Enhancement Agreement is calculated as follows:

First, the amount of the Tax Increment solely on the assessed value of the real property of the Developer (such lot being hereinafter called "the Developer's Property") is determined (the result being hereinafter called the "the Developer's Property Tax Increment");

Second, the applicable percentage designated by the Town Council for the project in question is multiplied by the Developer's Property Tax Increment, and the product thereof constitutes the Tax Increment (Developer's Share) for such year.

#### **6.10.1.2 Credit Enhancement Agreement Payment Maximum**

Notwithstanding the foregoing, the total Credit Enhancement Agreement payments by the Town to the Developer of each lot, determined on a cumulative basis separately for each developer or project, may not exceed the maximum amount for such lot as hereafter designated by the Town Council, and thus as soon as the cumulative amounts of Tax Increment (Developer's Share) paid to the Developer pursuant to a Credit Enhancement Agreement equals such maximum amount, thereafter the Tax Increment (Developer's Share) shall equal zero (0).

#### **6.10.2 Town Cost Payment or Reimbursement**

The amount of the total Tax Increment that is to be used each year to pay or reimburse the Town's costs of the Public Facilities, Improvements and Programs is the entire Tax Increment of the entire District minus the amount of all of the Tax Increment (Developer's Share) for each project for which the Town hereafter enters a Credit Enhancement Agreement.

### **6.11 Captured Assessed Values and Resulting Tax Increments**

#### **6.11.1 Annual Estimates of Increased Assessed Value and Tax Increment**

Appendix A-3 sets forth:

- a. the annual estimates of the Increased Assessed Value of the District resulting from implementation of the Development Program; and
- b. the estimated annual Tax Increment per year on the Increased Assessed Value following implementation of the Development Program, that will be used to finance the Public Facilities, Improvements and Programs.

#### **6.11.2 Development Program Fund**

A Development Program Fund is established by the Town consisting of a Project Cost Account and a Sinking Fund. The Development Program Fund Project Cost Account consists of and is separated into separate subaccounts or funds consisting of a separate Developer's Project Cost Account for each Credit Enhancement Agreement entered by the Town (each, a "Developer's Project Cost Account") and the Town's Project Cost Account (the "Town's Project Cost Account").

#### **6.11.3 Developer's Project Cost Account**

Each Developer's Project Cost Account will be pledged to and charged with payment of amounts due to the applicable Developer under the Credit Enhancement Agreement entered with that Developer. Upon receipt of each payment of property tax from the Developer on its property, the Town shall deposit into such Developer's Project Cost Account that portion of each payment constituting the Tax Increment (Developer's Share).

#### **6.11.3.1 Developer's Project Cost Account Payments**

The amounts in each Developer's Project Cost Account will be used and applied solely to fund the payments to the applicable Developer under its Credit Enhancement Agreement. The Town shall deposit the balance of the property taxes paid by each Developer and all other property taxes with respect to other property in the District in the Town's Project Cost Account (the "Tax Increment (Town Share)."

#### **6.11.4 Town's Project Cost Account**

All funds deposited into the Town's Project Cost Account will be used to pay costs of the Public Facilities, Improvements and Programs described in Section 5.3 hereof or will be deposited into the reserve fund(s) hereafter described. The Town will establish the Town Project Cost Account or a series of Town Project Cost Accounts for the Town, as one or more permanent municipal reserve funds created and administered pursuant to the provisions of Title 30-A Section 5801 of the Maine Revised Statutes, as amended, which funds will be dedicated to the financing and payment of costs of the Public Facilities, Improvements and Programs.

##### **6.11.4.1 Town's Project Cost Account Deposits**

Upon each payment of Property Tax with respect to property in the District, the Town shall deposit to the Town Project Cost Account all of the Tax Increment except for the portion thereof consisting of the Tax Increment (Developer's Share) applicable to each Credit Enhancement Agreement, which shall be deposited into the applicable Developer's Project Cost Account.

##### **6.11.4.2 Town's Project Cost Account Accrued Funds**

As the deposit and investment of funds in the Town Project Cost Account accrue and increase to a level which permits implementation of a portion of the Public Facilities, Improvements and Programs, the Public Facilities, Improvements and Programs will be implemented and funded from such reserve fund(s).

##### **6.11.4.3 Town's Project Cost Account Obligation Satisfied**

Accordingly, all Tax Increment deposited into the Town's Project Cost Account reserve fund(s) are deemed to have been expended and used to satisfy the obligations of the Town's Project Cost Account with respect to the Public Facilities, Improvements and Programs described in the Development Program when deposited into such reserve fund(s).

#### **6.11.5 Development Sinking Fund**

If the Town determines to issue any bonds or indebtedness to pay for costs of the Public Facilities, Improvements and Programs, a development Sinking Fund account will be created and amounts sufficient to satisfy all annual debt service on such bonds and indebtedness must be transferred to such Sinking Fund from the Town's Project Cost Account but no amounts may be transferred to the Sinking Fund from the Developer's Project Cost Accounts.

#### **6.12 Calculations of Tax Shifts**

##### **6.12.1 Tax Shift Calculation Formulae**

A tax increment financing district will result in certain tax shifts which result because the retained captured assessed value of the District will be excluded from the State Valuation of the property in the Town. These tax shifts are noted in three basis formulae which use local property tax valuation as a basis for calculation. These three formulas are:

State Aid to Education (GPA)  
Municipal Share of County Taxes (Overlay)  
Revenue Sharing

The computations are set forth in Appendix A-4 through A-7. The following is the process used to derive each of these tax shifts.

**EDUCATION TAX SHIFT:** Computed by comparing State Department of Education Form ED 279 for the Town with and without retained CAV.

**COUNTY TAX SHIFT:** To compute this shift, we first obtained the most recent County State Valuation from the State Bureau of Taxation. We then determined the average Captured Assessed Value for the District over the life of the District. We then determined the Town's current share of the County Tax by dividing the current Town Valuation by the Current County Valuation. We then determined what the Town's Share of the County Tax would be if the new value from the District were added by the Town's Valuation without the creation of the District by dividing the sum of the current Town Valuation plus the average new value by the sum of the current County Valuation plus the average new value. The difference is the factor representing the percentage of the County Tax Shift. Next, we determined the estimated average annual county tax over the life of the district. To arrive at this number, the average change in County Tax for the last five years was determined and the percentage increase projected to the middle of the district's life. This projected tax was then multiplied by the factor developed above to determine the County Tax Shift.

**REVENUE SHARING SHIFTS:** The first step in determining the Revenue Sharing Tax Shifts was to obtain the total Municipal Revenue Sharing Amount from the State Treasurer. The five steps outlined in the following formula were then applied:

**STEP ONE:**  $\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation}} = \text{Current Factor}$

**STEP TWO:**  $\frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation} + \text{Captured Assessed Value}} = \text{Adjusted Factor}$

**STEP THREE:**  $\frac{\text{Current Factor}}{\text{Adjusted Factor}} = 1.X$

**STEP FOUR:**  $1.X - 1.0 = .X$

**STEP FIVE:**  $.X (\text{Total Municipal Revenue Sharing Amount}) = \text{Revenue Sharing Shift}$

### 6.12.2 Estimated Total Tax Shift Amounts

In accordance with statutes governing the establishment of tax increment financing District, the table set forth below identifies the estimated tax shifts, as more particularly described above and in Appendices A-5 through A-7, which will result during the term of the District from the establishment of the District.

<u>Tax Shift Item</u>	<u>Estimated Average Annual Amount</u>	<u>Estimated Total Amount (30 years)</u>
DISTRICT #1		
Educational Aid	\$55,190.67	\$1,655,720
County Tax	\$12,377.00	\$ 371,310
Revenue Sharing	<u>\$ 5,402.43</u>	<u>\$ 162,073</u>
Total	\$72,970.10	\$2,189,103

### 6.13 Plans for the Relocation of Displaced Persons

No businesses or persons will be displaced or relocated as a result of the development activities proposed in the District.

#### **6.14 Proposed regulations and Facilities to Improve Transportation**

The existing transportation facilities of the Town will be adequate to accommodate the improvements contemplated by this Development Program. The Public Facilities, Improvements and Programs do include facilities to improve transportation to facilitate commercial development in the District and other areas of the Town directly impacted by the District.

#### **6.15 Environmental Controls to be Applied**

All environmental controls required by law apply to development in the District, including any applicable requirements of the Town of Kittery Zoning Ordinance and all applicable State and federal environmental laws and regulations.

#### **6.16 Proposed Operation of the Development District**

The day-to-day operations of the District will require no substantial efforts by the Town. Each lot developer will operate the improvements constructed by the developer and pay all maintenance and operational expenses of its facilities.

### **7.0 Approval Considerations and Characteristics of the District**

#### **7.1 Statutory Considerations for Approval**

##### **7.1.1 Public Hearing Held**

Before designating the District and before establishing this Development Program, the Town held a public hearing at which interested parties were given a reasonable opportunity to present testimony concerning the District and Development Program. The Town has considered any evidence presented at such public hearing. Notice of the hearing was given as referenced in this Section.

##### **7.1.2 Economic Growth and Well-Being Finding and Determination**

Before designating the District and before establishing this Development Program, the Town determined and hereby finds and determines that the District created hereunder and this Development Program will contribute to the economic growth or well-being of the Town and to the betterment of the health, welfare or safety of the inhabitants of the Town, including employment opportunities, broadened and improved tax base and economic stimulus, constituting good and valid public purposes and any adverse economic effect on or detriment to any existing business is outweighed by the contribution made by the District and the Development Program to the economic growth or well-being of the Town and the betterment of the health, welfare and safety of its inhabitants, and the Town further makes the other findings and determinations as set forth in this Development Program and the Exhibits hereto.

#### **7.2 Statutory Conditions for Approval; Physical Characteristics.**

The Town hereby finds and determines that the District satisfy the conditions imposed under Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, as a prerequisite to designation of the District, including those relating to the physical description of the District and to certain financial and statistical information as follows.

##### **7.2.1 Suitability Criteria Met**

All of the land in the District is suitable for commercial uses and is in need of rehabilitation, redevelopment or conservation work and therefore at least 25%, by area, of the real property within the District meets at least one of the following statutory criteria: (1) must be a blighted area; (2) must be in need of rehabilitation, redevelopment or conservation work; or (3) must be suitable for commercial uses;

### **7.2.2 Acreage Limitation Criteria Met**

The total acreage of the Town is approximately 11,867 acres. 2% of the total acreage of the Town equals approximately 237 acres and 5% equals approximately 593 acres.

The area of District #1 is 79.94 acres and thus such area represents 0.67% and thus does not exceed 2%.

The total area combined of all of the Districts is 359.49 acres and thus such areas represent 3.03% and thus does not exceed 5% of the total acreage of the Town.

### **7.2.3 Original Assessed Value Limitation Criteria Met**

The total value of taxable property within the Town is \$1,368,185,340 as of March 31<sup>st</sup> preceding the date of the designation of the District.

Original Assessed Value of the individual District is \$3,156,500 thus representing 0.23% of the total value of taxable property within the Town as of April 1<sup>st</sup> preceding the date of the designation of the District.

The Original Assessed Value of all three tax increment financing Districts within the Town is \$21,021,200 as of April 1<sup>st</sup> preceding the date of the designation of the District and such combined amounts of Original Assessed Values is 1.54% of the total assessed value of the Town and thus does not exceed 5% of the total value of taxable property within the Town as of April 1<sup>st</sup> preceding the date of the designation of the District.

### **7.2.4 Unauthorized Exclusion Criteria Met**

Excluded from the calculations in this Section is any District that meets the following criteria:

- (1) the development program contains project costs, authorized by Title 30-A MRS §5225, §§1, paragraph A, that exceed \$10,000,000;
- (2) the geographic area consists entirely of contiguous property owned by a single taxpayer;
- (3) the assessed value exceeds 10% of the total value of taxable property within the municipality; and,
- (4) the development program does not contain project costs authorized by Title 30-A MRS §5225, §§2;

for the purpose of this paragraph, "contiguous property" includes a parcel or parcels of land divided by a road, power line or right-of-way).

### **7.2.5 County Aggregate Indebtedness Criteria Met**

The aggregate value of municipal general obligation indebtedness financed by the proceeds from tax increment financing District within York County does not exceed \$50,000,000 adjusted by a factor equal to the percentage change in the United States Bureau of Labor Statistics Consumer Price Index, United States City Average from January 1, 1996 to the date of calculation.

### **7.2.6 Debt Funded Program Component Completion Within Five Years**

The acquisition, construction and installment of all real property improvements, buildings, structures, fixtures and equipment included within the Development Program financed through municipal bonded indebtedness must be completed within 5 years of the DECD Commissioner's approval of the designation of the District.

## **7.3 Municipal Approvals**

### **7.3.1 10 day Notice of Public Hearing, Including Proof of Date of Publication**

Before designating the District and adopting the Development Program, the Town Council, as the legislative body of the Town, held a public hearing. Notice of the hearing was published on November \_\_, 2010, a date that was at least 10 days before the hearing, in the Portsmouth Herald, a newspaper of general circulation within the Town. A copy of the Notice of Public Hearing is attached hereto as Exhibit 2. The Public Hearing was held in accordance with the requirements of 30-A MRS §5226 on \_\_\_\_\_, 2010. At the public hearing, interested parties were given a reasonable opportunity to present testimony concerning the District and the Development Program.

***“TOWN OF KITTERY NOTICE OF PUBLIC HEARING.*** Notice is hereby given that the Town of Kittery will hold a public hearing on November \_\_, 2010 at 7:00 p.m. at the Council Chambers in the Town Hall, at 200 Rogers Road, in Kittery for the purpose of receiving public comments on the designation of its proposed Municipal Development District #1 (MIXED USE) (the “District”) and the adoption of a Development Program for the said District, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. A copy of the proposed Development Program for the District is on file with the Town Clerk and may be obtained from and reviewed at the offices of the Town Clerk during normal business hours. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at the hearing.”

### **7.3.2 Record of District Designation by the Town Council**

The Town Council orders, designating the District and approving this Development Program, as proposed for adoption by the Town Council at a meeting thereof duly called and held on \_\_\_\_\_, 2010, attested to and signed, are attached hereto as Exhibit 3.

***“Kittery Town Council Ordainment of District and Development Program.*** The town of Kittery hereby ordains an amendment to Town Code Title 3 as presented, having been on file in the Town Clerk’s office; after public hearing at this regular Town Council meeting; and, made a part hereof. Said amendment designates three municipal development Districts in the Town; makes the findings set forth in the development programs; and, adopts the financial plans including the percentage of increased assessed value of said districts to be retained as captured assessed value in accordance with the development programs.”

### **7.3.3 Minutes of Public Hearing, Attested to and Signed**

The Town Council orders, designating the District, approving the Development Program, and authorizing the Town Manager to execute and submit the application, as proposed for adoption by the Town Council at a meeting thereof duly called and held on \_\_\_\_\_, 2010, attested to and signed, are attached hereto as Exhibit 4.

***“Kittery Town Council Authorization for Submission.*** The Town Manager is hereby authorized and directed, on behalf of the Town to execute and submit to the State of Maine Commissioner of Economic and Community Development for approval such applications and further documentation as may be necessary or appropriate for final approval and establishment of three designated Districts as Municipal Development and Tax Increment Financing Districts and approval of the Development Programs and financial plans pursuant to Title 30-A MRS Chapter 206; and the Town Manager be, and hereby is, authorized and empowered, in his discretion, from time to time, to make such technical revisions to the Development Programs for the Districts as he deems reasonably necessary or convenient to facilitate the process for review and approval by the Department of Economic and Community Development, so long as such revisions are not inconsistent with the basic structure and intent of the Development Programs.”



## **EXHIBIT 1**

### **MODEL CREDIT ENHANCEMENT AGREEMENT**

#### **INDEX**

##### **ARTICLE I: DEFINITIONS; INTERPRETATIONS**

- 1.1. Definitions.
- 1.2. Interpretation and Construction.
- 1.3. Town Costs.

##### **ARTICLE II: PROJECT COST ACCOUNT AND FUNDING REQUIREMENTS**

- 2.1. Creation of Development Program Fund.
- 2.2. Liens.
- 2.3. Deposits into Developer's Project Cost Account.
- 2.4. Monies Held in Trust.
- 2.5. Investments.

##### **ARTICLE III: PAYMENT OBLIGATIONS**

- 3.1. Credit Enhancement Payments.
- 3.2. Failure to Make Payment.
- 3.3. Manner of Payments.
- 3.4. Obligations Unconditional.
- 3.5. Limited Obligation.
- 3.6. Calculation of Retained Tax Increment.
- 3.7. Revaluation.
- 3.8. Payments to the Town.

##### **ARTICLE IV: PLEDGE AND SECURITY INTEREST**

- 4.1. Pledge of Developer's Project Cost Account.
- 4.2. Perfection of Interest.
- 4.3. Further Instruments.
- 4.4. No Disposition of Developer's Project Cost Account.
- 4.5. Access to Books and Records.

##### **ARTICLE V: DEFAULTS AND REMEDIES**

- 5.1. Events of Default.
- 5.2. Remedies on Default.
- 5.3. Remedies Cumulative.
- 5.4. Tax Laws.

##### **ARTICLE VI: TERM AND TERMINATION**

- 6.1. Term.
- 6.2. Cancellation and Expiration of Term.

##### **ARTICLE VII: ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST**

- 7.1. Consent to Pledge and/or Assignment.
- 7.2. Other Assignments.
- 7.3. Conditions.

##### **ARTICLE VIII: MISCELLANEOUS**

- 8.1. Successors.
- 8.2. Parties in Interest.
- 8.3. Severability.
- 8.4. No Personal Liability of Officials of the Town.
- 8.5. Counterparts.
- 8.6. Governing Law.
- 8.7. Notices.
- 8.8. Amendments.
- 8.9. Net Agreement.
- 8.10. Benefit of Assignees or Pledgees.
- 8.11. Integration.
- 8.12. Disputes.
- 8.13. Valuation Agreement.

##### **Schedule A - Request for Payment**

## **MODEL CREDIT ENHANCEMENT AGREEMENT**

This Credit Enhancement Agreement is dated as of \_\_\_\_\_, \_\_\_\_, and is made between the Town of Kittery, Maine (the "Town"), a municipal body corporate and politic and a political subdivision of the State of Maine, and \_\_\_\_\_ (the "Developer"), a \_\_\_\_\_ with an address of \_\_\_\_\_,

### **WITNESSETH THAT**

**WHEREAS**, the Town designated Municipal Development District #1 (MIXED USE) as a Municipal Development and Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by action of the Town Council held on \_\_\_\_\_, 2010 (the "Orders") and pursuant to the same Orders adopted a development program and financial plan for the District (the "Development Program"); and

**WHEREAS**, the Maine Department of Economic and Community Development has reviewed and accepted the District and the Development Program; and

**WHEREAS**, the Development Program contemplates the execution and delivery of a credit enhancement agreement between the Town and the Developer, and the Town and the Developer desire and intend that this Credit Enhancement Agreement be and constitute a credit enhancement agreement contemplated by and described in the Development Program; and

**WHEREAS**, the Town Council of the Town has approved the execution of this Credit Enhancement Agreement, and the Project described herein.

**NOW, THEREFORE**, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

### **ARTICLE I: DEFINITIONS; INTERPRETATIONS**

**Section 1.1. Definitions.** The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

**"Agreement"** means this Credit Enhancement Agreement between the Town and the Developer.

**"Current Assessed Value"** means the assessed value of the land only portion of the Developer's Property, as certified by the municipal assessor as of April 1<sup>st</sup> of each year of the term of this Agreement. For purposes of this Agreement, the Current Assessed Value specifically excludes the assessed value of any personal property now or hereafter located in the District.

**"Developer"** means \_\_\_\_\_, a \_\_\_\_\_, its successors and assigns.

**"Developer's Project Cost Account"** means the Developer's Project Cost Sub-Account established and maintained pursuant to Article II hereof and the Development Program that is applicable to the Developer's Property and this Credit Enhancement Agreement.

**"Developer's Property"** means the real estate shown as Lot \_\_\_\_ on Tax Map \_\_\_\_\_ of the Town, which is the property shown as \_\_\_\_\_ on the [Plan] recorded in the York County Registry of Deeds, Book \_\_\_\_, Page \_\_\_\_.

**"Development Program"** means the development program for the District as adopted by the Kittery Town Council at a meeting held on \_\_\_\_\_, 2010.

**"Development Program Fund"** means the development program fund described in the Financial Plan section of the Development Program.

**"District"** means Municipal Development District #1 (MIXED USE) designated by the Town pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote of the Kittery Town Council at a meeting held on \_\_\_\_\_, 2010.

**"Financial Plan"** means the financial plan described in the "Financial Plan" Section of the Development Program.

**"Fiscal Year"** means July 1 to June 30 of each year or such other fiscal year as the Town may from time to time establish; for purposes of this Agreement, the first Fiscal Year or Fiscal Year 1 means the Fiscal Year commencing July 1, \_\_\_\_\_ and ending June 30, \_\_\_\_\_.

**"Increased Assessed Value"** means the valuation amount by which the Current Assessed Value of the Developer's Property exceeds the Original Assessed Value. For purposes of this Agreement, the Increased Assessed Value specifically excludes any tax increment on any property in the District other than Developer's Property, and also excludes any personal property now or hereafter located in the District. If the Current Assessed Value is equal to or less than the Original Assessed Value, there is no Increased Assessed Value.

**"Original Assessed Value"** means initially \$\_\_\_\_\_, the original assessed value of the Developer's Property determined as of April 01, 201\_\_\_\_, as the same may be adjusted from time to time in accordance with Section 3.7 hereof.

**"Project"** means the following improvements to be constructed on Developer's Property: \_\_\_\_\_, which improvements must be used for the following purposes: \_\_\_\_\_.

**"Project Costs"** means any expenditures or monetary obligations incurred or expected to be incurred that are authorized by section 5225, subsection 1 of Title 30-A of the Maine Revised Statutes and included in the Project.

**"Property Taxes"** means any and all ad valorem real property taxes levied, charged or assessed against the Developer's Property (but excluding personal property taxes) by the Town, or on its behalf.

**"Qualified Investments"** means any and all securities, obligations or accounts in which municipalities may invest their funds under applicable Maine law.

**"Tax Increment"** means the Property Taxes assessed by the Town and paid by the Developer within the meaning of Section 3.1 of this Agreement, in excess of any state, county or special district tax, upon the Increased Assessed Value of the Developer's Property but excluding all personal property taxes and also excluding real property taxes on any other real property in the District.

**"Tax Increment (Developer's Share)"** means that portion of the Tax Increment, for each year during the term of this Agreement, solely with respect to Developer's Property (specifically excluding any tax increment on any other real property now or hereafter located in the District and specifically excluding any Tax Increment on any personal property), which are to be deposited by the Town in the Developer's Project Cost Account, to the extent provided in Section 3.1(b) of this Agreement and paid to the Developer pursuant to this Agreement. The Tax Increment (Developer's Share) for each year of the term of this Agreement is calculated as follows with respect to Developer's Property: First, the amount of the Tax Increment is determined by subtracting the real Property Tax for such year on the Original Assessed Value from the total real Property Tax for such year on the Current Assessed Value for such year; Second, \_\_\_\_% is multiplied by the Tax Increment, and the product thereof constitutes the Tax Increment (Developer's Share) for such year. Notwithstanding the foregoing, the total payments by the Town to the Developer pursuant to this Agreement, determined on a cumulative basis, may not exceed \$\_\_\_\_\_, and thus as soon as the cumulative amounts of Tax Increment (Developer's Share) equal such \$\_\_\_\_\_ amount, thereafter the Tax Increment (Developer's Share) equals zero (0).

**"Tax Payment Date"** means the date(s) on which Property Taxes levied by the Town are due and payable.

**"Town"** means the Town of Kittery, Maine, a municipality duly organized and existing under the laws of the State of Maine.

**Section 1.2. Interpretation and Construction.** In this Agreement, unless the context otherwise requires:

A. The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this Agreement.

B. Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

C. Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

D. Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Agreement, nor do they affect its meaning, construction or effect.

E. All notices to be given hereunder must be given in writing and, unless a certain number of days is specified, within a reasonable time.

**Section 1.3. Town Costs.** The Developer shall pay or reimburse the Town for all reasonable out-of-pocket fees, expenses and other charges of the Town and its outside consultants, including the Town's attorneys and other consultants, in connection with the preparation, review, negotiation, approval, execution, administration, enforcement and carrying out of this Agreement and the preparation, review and approval of the Development Program. Notwithstanding any other provision of this Agreement, this section survives any termination of this Agreement.

## **ARTICLE II: PROJECT COST ACCOUNT AND FUNDING REQUIREMENTS**

**Section 2.1. Creation of Development Program Fund.** The Town hereby confirms the creation and establishment of a segregated fund in the name of the Town designated as "Development District #1 (MIXED USE) Program Fund" (the "Development Program Fund") pursuant to, and in accordance with the terms and conditions of, the Development Program. The Development Program Fund consists, as described in the Development Program, of a Project Cost Account and a Sinking Fund. The Development Program Fund Project Cost Account consists of and is separated into separate sub-accounts or funds for each Credit Enhancement Agreement entered with respect to property in the District, and one of such sub-accounts is the Developer's Project Cost Account and a separate sub-account established as the Town's Project Cost Account. The Sinking Fund, the Town's Project Cost Account and each sub-account for each Credit Enhancement Agreement entered with any person or entity other than Developer is the sole and exclusive property of the Town and must not be subject in any way to the terms or provisions of this Agreement.

**Section 2.2. Liens.** The Town may not create any liens, security interests or encumbrances of any nature whatsoever with respect to the Developer's Project Cost Account, other than the interest of the Developer granted under this Agreement in and to the amounts on deposit in the Developer's Project Cost Account, provided, however, nothing herein prohibits creation of real and personal property tax liens on the Developer's property in accordance with, and entitled to the priority provided under, Maine law and any trustee process, attachment and judgment liens and other liens obtained in accordance with applicable law.

**Section 2.3. Deposits into Developer's Project Cost Account.** The Town shall deposit into the Developer's Project Cost Account, within 15 days after each payment of Property Tax and other taxes described in Section 3.1 hereof during the term of this Agreement an amount equal to that portion thereof constituting the Tax Increment (Developer's Share) for the period or year to which the payment relates and shall allocate the amount so deposited to fund fully and pay the payments due to Developer under Article III of this Agreement. All interest and earnings on the Tax Increment (Developer's Share) prior to and after deposit thereof into the Developer's Project Cost Account are the sole property of the Town and free and clear of any interest of the Developer under this Agreement.

**Section 2.4. Monies Held in Trust.** Subject to the terms of this Agreement, all monies required to be deposited into the Developer's Project Cost Account to fund payments to Developer under the provisions hereof and the provisions of the Development Program (excluding all interest and investment earnings thereon), must be held by the Town, in trust, for the benefit of the Developer in accordance with the provisions of this Agreement.

**Section 2.5. Investments.** The monies in the Developer's Project Cost Account may be invested and reinvested in Qualified Investments as determined by the Town. The Town has discretion regarding the investment of such monies, provided such monies are invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the Town shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of such account. The Town has the sole and exclusive right to designate the investments to be sold and to otherwise direct the sale or conversion to cash of investments made with monies in the Developer's Project Cost Account.

### **ARTICLE III: PAYMENT OBLIGATIONS**

#### **Section 3.1. Credit Enhancement Payments.**

A. The term of this Agreement commences on July 1, 201\_ and ends on the earlier of (i) June 30, 201\_ { \_\_\_ years after the commencement date }, or (ii) the date on which the total payments of Tax Increment (Developer's Share) by the Town to Developer, its successors or assigns, pursuant to this Agreement equal \$\_\_\_\_\_, determined on a cumulative basis. Commencing with the first Fiscal Year, the Town agrees to pay to the Developer within 30 days following each Tax Payment Date or the date payment of Property Tax is actually received by the Town with respect to Developer's Property, whichever is later, payments equal to the Tax Increment (Developer's Share) for each Fiscal Year of the Town during the term of this Agreement.

B. Notwithstanding Section 3.1(a), the amounts payable thereunder are due and payable only if: (i) all real property taxes and assessments and all personal property taxes that are due and payable with respect to the Developer's Property have been paid in full and (ii) all real property taxes and assessments and all personal property taxes that are due and payable with respect to any other real and personal property owned by the Developer, its successors and assigns, in the Town have been paid in full. If any of such property taxes are not paid when due, the property taxes actually paid by Developer, its successors and assigns must, first, be applied to taxes due on account of Original Assessed Value, second to any personal property taxes with respect to any personal property located on the Developer's Property, third, to any real property and personal property of Developer, its successors and assigns located outside of the District and, fourth, to make the deposits to the Developer's Project Cost Account. If such property taxes and assessments are not paid when due, the Town may withhold and suspend all payments under this Agreement until such property taxes and assessments and all interest thereon and other costs relating thereto are paid in full. In addition, if the Developer institutes any tax abatement proceeding with respect to any Property in the District, the Town may withhold and suspend all payments of the Tax Increment (Developer's Share) with respect to the amount of value of the items of Property subject to the abatement proceeding, and shall deposit the withheld amount into a separate interest bearing escrow account. Upon final action and completion of such abatement proceeding, the proper amount (based on the results of the abatement proceedings plus an allocable share of the interest accrued thereon) held in escrow account shall be paid to the Developer.

C. The Developer agrees that all payments made by the Town to the Developer pursuant to this Agreement will be used and applied to either pay debt service on indebtedness incurred to finance "Project Costs" as that term is defined under Act and described in the Development Program or used to pay directly, amortize or reimburse Developer for payment of, qualified Project Costs. The Town is required to make payments under this Agreement only upon receipt of satisfactory documentation that the amounts are being paid for Project Costs, which documentation must be in the form of properly completed certificates, executed by the Developer in the form attached hereto as Schedule A.

D. Developer covenants and agrees that in the event that title to Developer's Property is hereafter transferred to any entity exempt from the payment of Property Taxes, including, without limitation, any charitable corporation or the State of Maine or any agency or authority thereof, then the owner of the Developer's Property, as a covenant running with the land, is obligated to pay to the Town each year during and after the expiration or termination of this Agreement through the period ending June 30, 201\_, an amount equal to (a) 100% of the Property Taxes that would be assessed by the Town on the Developer's Property, as if and under the assumption that the Developer's Property were fully taxable and owned in fee by Developer and not exempt from Property Taxes, less (b) solely during the term of this Agreement, the portion of the amounts described in the preceding clause (a) that would have been payable to the Developer, or its successors and assigns, under Section 3.1(a) if the Developer's Property had remained taxable. The covenants in this paragraph survive expiration or termination of this Agreement.

**Section 3.2. Failure to Make Payment.** In the event the Town should fail to, or be unable to, make any of the payments required under the foregoing provisions of this Article III, the amount so unpaid continues as a limited obligation of the Town, under the terms and conditions hereinafter set forth, until the amount unpaid has been fully paid. Developer may initiate an action against the Town to specifically enforce its obligations hereunder, including without limitation the Town's obligation to deposit the Tax Increment (Developer's Share) into the Developer's Project Cost Account established thereunder and make required payments to Developer.

**Section 3.3. Manner of Payments.** The payments provided for in this Article III must be paid directly to the Developer in the manner provided hereinabove for the Developer's own use and benefit by check drawn on the Town.

**Section 3.4. Obligations Unconditional.** Except as otherwise provided in this Agreement or as required by applicable law, the obligations of the Town to make the payments described in this Agreement are absolute and unconditional, and the Town may not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Developer, other than by reason of and to the extent provided in a final judgment by a court of competent jurisdiction or by reason of an order of Trustee Process or Attachment. The Town hereby acknowledges that the Developer has the right to enforce the contractual obligations of the Town under this Agreement and that the governmental immunity of the Town does not apply to actions to enforce its contractual obligations; provided however, that nothing herein constitutes a waiver of the Town's tort immunity or any other governmental immunities.

Notwithstanding the foregoing, the Town reserves the right to terminate this Agreement upon receipt of a final judgment by a court of competent jurisdiction to the effect that this Agreement or the Development Program (or the designation of the District) adopted in connection herewith or any payment made thereunder or hereunder is or would be illegal or invalid or not properly authorized. Such termination does not, however, affect the Developer's obligation to defend and indemnify the Town, which obligations survive any such termination. In addition, the Town may setoff any amount found by the court of competent jurisdiction to be due to the Town from the Developer or from the owner of the Developer's Property. Except as provided in subsection 3.1(b) and subsection 2.3, the obligations of the Town to make payments hereunder is absolute and irrevocable, irrespective of any rights of set-off, recoupment or counterclaim.

The Developer agrees to defend, indemnify, pay, reimburse and hold the Town, its councilors, officials, agents and employees, harmless from any and all claims, suits, liabilities, actions, proceedings and expenses, including, without limitation, attorneys fees and expenses and accountant's fees and expenses, arising out of this Agreement, the Development Program or any claim of illegality or invalidity of this Agreement or the Development Program or the Town's approval of the District, this Agreement or the Development Program or out of the Town's preparation and participation in this Agreement or the Development Program except that such indemnity does not apply to the extent that the Town has breached any material obligations hereunder.

**Section 3.5. Limited Obligation.** The Town's obligations under this Agreement, including the Town's obligations of payment hereunder are limited obligations of the Town payable solely from the Tax Increment (Developer's Share) actually paid by the Developer with respect to Property owned by the Developer in the District and actually received by the Town and required to be deposited in the Developer's Project Cost Account in accordance with the terms of this Agreement and pledged therefor under this Agreement. The Town's obligations hereunder do not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the Town, the State of Maine, or of any municipality or political subdivision thereof, but are payable solely from such Tax Increment (Developer's Share) actually paid by the Developer with respect to Property in the District and actually received by the Town. This Agreement does not directly or indirectly or contingently obligate the Town, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the pledge of the Developer's Project Cost Account established under this Agreement.

**Section 3.6. Calculation of Retained Tax Increment.** The Town and the Developer shall maintain records which are adequate to calculate the Tax Increment and the Tax Increment (Developer's Share), and shall cooperate with each other in making such calculations. Annually, within 30 days of the payment of Property Tax by Developer, the Town shall calculate the amount of Tax Increment and the Tax Increment (Developer's Share) for that year. If the Developer does not object to such calculations within 120 days of receipt thereof or of any payment of Tax Increment (Developer's Share) for such year, the calculations are final and binding on all parties.

**Section 3.7. Revaluation.** In the event there is a Town-wide revaluation of taxable property within the Town, the Original Assessed Value must be increased in proportion to the Town-wide increase in property values resulting from such revaluation.

**Section 3.8. Payments to the Town.** The Developer shall pay to the Town an annual administrative fee equal to 1% of the Tax Increment paid by the Town to the Developer pursuant to this Agreement in the year in question, which payment must be made in equal installments each year in the form of a setoff on the same dates as the Tax Increment for that year is paid by the Town to the Developer.



## ARTICLE IV: PLEDGE AND SECURITY INTEREST

**Section 4.1. Pledge of Developer's Project Cost Account.** In consideration of this Agreement and for the purpose of securing payment of the amounts provided for hereunder to the Developer by the Town, according to the terms and conditions contained herein, and to secure the performance and observance of all of the Town's covenants and agreements contained herein, the Town does hereby grant a security interest in and pledge to the Developer the Developer's Project Cost Account and all sums of money and other securities and investments therein. This pledge and the provisions of Section 2.4 hereof do not apply to any interest and investment earnings on the Developer's Project Cost Account, all of which are the absolute property of the Town, free and clear of any interest of the Developer.

**Section 4.2. Perfection of Interest.** The Town shall cooperate with the Developer, if requested in writing by Developer, in causing appropriate financing statements and continuation statements naming the Developer as pledgee of all such amounts from time to time on deposit in the Developer's Project Cost Account to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, to perfect and maintain the security interests created hereunder. To the extent reasonably deemed necessary by the Developer, the Town will at such time and from time to time as requested by Developer establish the Developer's Project Cost Account Fund described in Section 2.3(b)(i) hereof as a segregated fund under the control of an escrow agent, trustee or other fiduciary so as to perfect Developer's interest therein on terms reasonably satisfactory to the Town.

**Section 4.3. Further Instruments.** The Town shall, upon the reasonable request of the Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions may pledge the credit of the Town or require any payment or expense by the Town (unless paid by Developer) or discharge either party or change any provision of this Agreement.

**Section 4.4. No Disposition of Developer's Project Cost Account.** Except as permitted hereunder, the Town shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Developer's Project Cost Account and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part thereof not permitted hereby.

**Section 4.5. Access to Books and Records.** All books, records and documents in the possession of the Town relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Development Program Fund and the Developer's Project Cost Account must at all reasonable times be open to inspection by the Developer and its agents. All books, records and documents of the Developer reasonably necessary to the verification of Project Costs must at all reasonable times be open to inspection by the Town, and its agents, provided, however, that any information reasonably designated by Developer as proprietary will be inspected, to the extent permitted by law, in a manner so as to preserve the confidential nature of such information.

## ARTICLE V: DEFAULTS AND REMEDIES

**Section 5.1. Events of Default.** Each of the following events constitutes and is referred to in this Agreement as an "Event of Default": (a) any failure by the Town or the Developer to pay any amounts due hereunder when the same become due and payable except as provided in subsection (c) below; (b) any failure by the Town to make deposits into the Developer's Project Cost Account as and when due; or (c) any failure by the Town or the Developer to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the Town or Developer to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof; provided, however, that this subsection (c) may not be construed to include Developer's failure to pay property taxes for any reason as an Event of Default hereunder.

**Section 5.2. Remedies on Default.** Whenever any Event of Default described in Section 5.1 hereof has occurred and is continuing, the nondefaulting party may take whatever action at law or in equity as may appear necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the nondefaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or under applicable law.

**Section 5.3. Remedies Cumulative.** No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy is cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Event of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default does not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Event of Default be continued or repeated.

**Section 5.4. Tax Laws.** The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property are applicable and that the Town, by entering into this Agreement, is not excusing any non-payment of taxes by Developer. Without limiting the foregoing, the Town and the Developer are entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Developer's property.

## ARTICLE VI: TERM AND TERMINATION

**Section 6.1. Term.** This Agreement becomes effective upon its execution and delivery by the parties hereto and remains in full force from the date hereof and expires upon the performance of all obligations on the part of the Town and the Developer hereunder or upon any earlier termination as provided in this Agreement. The Town has the right to terminate this Agreement by written notice to the Developer in the event of any change in the use of the Developer's Property from its intended use as the Project or in the event of any material expansion of the initial building to be constructed on the Developer's Property.

**Section 6.2. Cancellation and Expiration of Term.** At the termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the Town and the Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

## **ARTICLE VII: ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST**

**Section 7.1 Consent to Pledge and/or Assignment.** The Town hereby acknowledges that it is the intent of the Developer to pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on the Developer to make such assignment or pledge. Recognizing this intention, the Town does hereby consent and agree to the pledge and assignment of all the Developer's right, title and interest in, to and under this Agreement (provided that such collateral assignment is effective only as long as the assignee holds a first mortgage on the Developer's Property) and in, and to the payments to be made to Developer hereunder, to a bank or other financial institution regularly engaged in making commercial loans as collateral or security for financing the Development Program, on one or more occasions during the term hereof. The Town agrees to execute and deliver any assignments, pledge assignments, consents or other confirmations on terms reasonably satisfactory to the Town (including that any pledge or secured party succeeding to Developer's rights hereunder assume in writing, in form satisfactory to the Town, the obligations of Developer under this Agreement) required by the prospective pledgee or assignee, including without limitation recognition of the pledgee or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as confirms to such pledgee or assignee the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to the pledgee or assignee such rights and/or remedies as the parties may reasonably deem necessary for the establishing, perfection and protection of its interest herein.

**Section 7.2. Other Assignments.** The Developer has the right and obligation to transfer and assign its rights under this Agreement to any person or entity that acquires title to the Developer's Property, provided, that (a) such owner assumes in writing, in form satisfactory to the Town, the obligations of Developer under this Agreement; and (b) prior to any such assignment, Developer shall obtain the written consent of the Town. In making any request for such written consent of the Town, the Developer shall submit such information as the Town may reasonably request relating to the identity of the proposed assignee and their plans regarding use of the Developer's Property. Such consent shall not be unreasonably withheld, delayed or conditioned. In the event that such written consent is not given, upon transfer of title to the Developer's Property, this Agreement and all rights of Developer, its successors and assigns under this Agreement terminate.

**Section 7.3. Conditions.** Notwithstanding Section 7.1 and Section 7.2, the Developer does not have the right to transfer and assign all or any portion of its rights in, to and under this Agreement, except to the then owner of, or holder of a first mortgage on, the Developer's Property.

## ARTICLE VIII: MISCELLANEOUS

**Section 8.1. Successors.** In the event of the dissolution of the Town or the Developer, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

**Section 8.2. Parties in Interest.** Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or may be construed to confer upon any person, firm or corporation other than the Town and the Developer any right, remedy or claim under or by the reason of this Agreement, it being intended that this Agreement is for the sole and exclusive benefit of the Town and the Developer.

**Section 8.3. Severability.** In case any one or more of the provisions of this Agreement are, for any reason, be held to be illegal and invalid, such illegality or invalidity does not affect any other provision of this Agreement and this Agreement must be construed and enforced as if such illegal or invalid provision had not been contained herein.

**Section 8.4. No Personal Liability of Officials of the Town.** No covenant, stipulation, obligation or agreement of the Town contained herein is deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the Town in his individual capacity and neither the members of the Town Council of the Town nor any official, officer, employee or agent of the Town is liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

**Section 8.5. Counterparts.** This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, is an original, but such counterparts together constitute but one and the same Agreement.

**Section 8.6. Governing Law.** The laws of the State of Maine govern the construction and enforcement of this Agreement.

**Section 8.7. Notices.** All notices, certificates, requests, requisitions or other communication by the Town or the Developer pursuant to this Agreement must be in writing and be sufficiently given and be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

If to the Town:                      Town Manager  
   Town of Kittery  
   200 Rogers Rd Ext.  
   Kittery, Maine 03904

If to the Developer:

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

**Section 8.8. Amendments.** This Agreement may be amended only with the written consent of both of the parties hereto.

**Section 8.9. Net Agreement.** Subject only to the provisions of Article III and 5.2 hereof, this Agreement is deemed and construed to be a "net agreement," and the Town shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without abatement, deductions or setoffs.

**Section 8.10. Benefit of Assignees or Pledgees.** The Town agrees that this Agreement is executed in part to assist the Developer in obtaining financing for the Project and accordingly all covenants and agreements on the part of the Town as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of the Developer's right, title and interest herein.

**Section 8.11. Integration.** This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the Town and the Developer relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

**Section 8.12. Disputes.** The Town and the Developer both covenant and agree that the assumptions, analyses and results set forth in this Agreement and in the Development Program in no way prejudice the rights of either party or be used, in any way, by either party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of property in the District.

**Section 8.13. Valuation Agreement.** The Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates, estimated amounts of the Increased Assessed Value and the Tax Increment, estimated amounts of the Tax Increment (Developer's Share), estimated development costs and other estimates. The Town and the Developer hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program in no way: (a) prejudice the rights of any party to be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise with respect to Developer's property for purposes of ad valorem property taxation or any tax abatement proceeding or (b) modify or change in any way the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

**IN WITNESS WHEREOF,** the Town and the Developer have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

**WITNESS:**

Town of Kittery

\_\_\_\_\_

By: \_\_\_\_\_  
Its

Developer:

\_\_\_\_\_

By: \_\_\_\_\_  
Its

**Schedule A**

**Request for Payment**

The undersigned \_\_\_\_\_ (the "Developer") requests payment in the amount of \$\_\_\_\_  
\_\_\_\_\_ from the Town of Kittery out of the Developer's Project Cost Account established  
under the Development Program of Municipal Development District #1 (MIXED USE) and certifies to  
the Town of Kittery that the amount requested will be used to pay Project Costs as that term is  
defined in Chapter 206 of Title 30-A of the Maine Revised Statutes, as follows: [check applicable  
provisions]

☐

Direct payment of Project Costs in the amount of \$\_\_\_\_\_; and/or

☐

Reimbursement to the Developer for Project Costs previously incurred, in the  
amount of \$\_\_\_\_\_

Attached are invoices showing the incurring by the undersigned of Project Costs in the amount of \$  
\_\_\_\_\_. None of these invoices have been the subject of a previous request for payment  
from the Developer's Project Cost Account.

The Developer certifies that all of such Project Costs constitute Project Costs as defined in the Credit  
Enhancement Agreement, dated \_\_\_\_\_201\_ between the Town of Kittery and the  
undersigned, and that the Developer has complied with all terms, conditions and covenants of such  
Agreement and that no default or event of default exists under said Agreement.

Dated: \_\_\_\_\_

Developer:

\_\_\_\_\_

By: \_\_\_\_\_  
Its

**A-1.....MAP( Municipal Map - Site Location & Tax map) of DISTRICT #1  
(MIXED USE)**

A-2

**ORIGINAL ASSESSED VALUE CERTIFICATE of ASSESSOR of DISTRICT #1  
(MIXED USE)**

**TOWN OF KITTERY  
CERTIFICATE OF ASSESSOR**

The undersigned assessor of the Town of Kittery, Maine, does hereby certify pursuant to the provisions of Title 30-A MRS §5227 that the Original Assessed Value of the taxable property within the boundaries of Municipal Development District #1 (Mixed Use), as described in the Development Program for the District, was \$3,156,500 as of March 31, 2010 (which was the March 31<sup>st</sup> of the tax year preceding the year in which the District was designated), such value being determined or allocated as follows:

Map 66, Lot 25:	\$ 208,600
Map 66, Lot 26A:	\$ 458,700
Map 66, Lot 26:	\$ 104,300
Map 66, Lot 26B:	\$ 222,300
Map 67, Lot 02:	\$1,801,000
Map 67, Lot 04:	\$ 361,600
Route 1:	\$ 0

IN WITNESS WHEREOF this Certificate has been executed as of this \_\_\_ day of November 2010.

\_\_\_\_\_  
Municipal Assessor



### A-3 TAX INCREMENT PROJECTIONS of DISTRICT #1(MIXED USE)

TIF Year	Assessment Date 4/1	Fiscal Year End 6/30	Projected Increase in Assessed Value		Total Estimated Tax Increment	Percent to Town	Estimated Tax Increment to Town
			Annual	Cumulative			
1	2011	2012	\$0	\$0	\$0	100%	\$0
2	2012	2013	\$1,000,000	\$1,000,000	\$14,873	100%	\$14,873
3	2013	2014	\$1,000,000	\$2,000,000	\$29,746	100%	\$29,746
4	2014	2015	\$1,000,000	\$3,000,000	\$44,620	100%	\$44,620
5	2015	2016	\$1,000,000	\$4,000,000	\$59,493	100%	\$59,493
6	2016	2017	\$1,000,000	\$5,000,000	\$74,366	100%	\$74,366
7	2017	2018	\$1,000,000	\$6,000,000	\$89,239	100%	\$89,239
8	2018	2019	\$1,000,000	\$7,000,000	\$104,112	100%	\$104,112
9	2019	2020	\$1,000,000	\$8,000,000	\$118,986	100%	\$118,986
10	2020	2021	\$1,000,000	\$9,000,000	\$133,859	100%	\$133,859
11	2021	2022	\$1,000,000	\$10,000,000	\$148,732	100%	\$148,732
12	2022	2023	\$250,000	\$10,250,000	\$152,450	100%	\$152,450
13	2023	2024	\$250,000	\$10,500,000	\$156,169	100%	\$156,169
14	2024	2025	\$250,000	\$10,750,000	\$159,887	100%	\$159,887
15	2025	2026	\$250,000	\$11,000,000	\$163,605	100%	\$163,605
16	2026	2027	\$250,000	\$11,250,000	\$167,324	100%	\$167,324
17	2027	2028	\$250,000	\$11,500,000	\$171,042	100%	\$171,042
18	2028	2029	\$250,000	\$11,750,000	\$174,760	100%	\$174,760
19	2029	2030	\$250,000	\$12,000,000	\$178,478	100%	\$178,478
20	2030	2031	\$250,000	\$12,250,000	\$182,197	100%	\$182,197
21	2031	2032	\$250,000	\$12,500,000	\$185,915	100%	\$185,915
22	2032	2033	\$250,000	\$12,750,000	\$189,633	100%	\$189,633
23	2033	2034	\$250,000	\$13,000,000	\$193,352	100%	\$193,352
24	2034	2035	\$250,000	\$13,250,000	\$197,070	100%	\$197,070
25	2035	2036	\$250,000	\$13,500,000	\$200,788	100%	\$200,788
26	2036	2037	\$250,000	\$13,750,000	\$204,507	100%	\$204,507
27	2037	2038	\$250,000	\$14,000,000	\$208,225	100%	\$208,225
28	2038	2039	\$250,000	\$14,250,000	\$211,943	100%	\$211,943
29	2039	2040	\$250,000	\$14,500,000	\$215,661	100%	\$215,661
30	2040	2041	\$250,000	\$14,750,000	\$219,380	100%	\$219,380
			Total		\$4,350,411		\$4,350,411

## TIF ASSUMPTIONS

Mil Rate                      \$14.44                      with 3% increase  
each year

The above numbers are only estimates.

The "Estimated Tax Increment to Town" will be reduced to the extent that the Town Council may hereafter determined to authorize Credit Enhancement Agreements providing for payment of a portion of the Tax Increment to one or more developers of property in the District.

**A-4 TAX SHIFT ESTIMATES of DISTRICT #1 (MIXED USE)**

<b>TIF Year</b>	<b>Education Shift</b>	<b>Revenue Sharing Shift</b>	<b>County Tax Shift</b>	<b>Total</b>
1	\$0	\$260	\$0	\$260
2	\$0	\$804	\$528	\$1,332
3	\$11,360	\$1,348	\$1,108	\$13,816
4	\$17,040	\$1,890	\$1,744	\$20,674
5	\$22,720	\$2,433	\$2,439	\$27,592
6	\$28,400	\$2,974	\$3,199	\$34,573
7	\$34,080	\$3,515	\$4,027	\$41,623
8	\$39,760	\$4,056	\$4,930	\$48,745
9	\$45,440	\$4,595	\$5,911	\$55,946
10	\$51,120	\$5,134	\$6,977	\$63,231
11	\$56,800	\$5,480	\$8,133	\$70,413
12	\$58,220	\$5,615	\$8,746	\$72,581
13	\$59,640	\$5,749	\$9,401	\$74,790
14	\$61,060	\$5,884	\$10,098	\$77,042
15	\$62,480	\$6,018	\$10,841	\$79,339
16	\$63,900	\$6,153	\$11,633	\$81,685
17	\$65,320	\$6,287	\$12,476	\$84,083
18	\$66,740	\$6,421	\$13,374	\$86,536
19	\$68,160	\$6,556	\$14,331	\$89,046
20	\$69,580	\$6,690	\$15,349	\$91,619
21	\$71,000	\$6,824	\$16,433	\$94,257
22	\$72,420	\$6,958	\$17,586	\$96,964
23	\$73,840	\$7,092	\$18,813	\$99,745
24	\$75,260	\$7,227	\$20,118	\$102,604
25	\$76,680	\$7,361	\$21,505	\$105,546
26	\$78,100	\$7,495	\$22,981	\$108,576
27	\$79,520	\$7,629	\$24,550	\$111,699
28	\$80,940	\$7,763	\$26,218	\$114,920
29	\$82,360	\$7,896	\$27,990	\$118,246
30	\$83,780	\$7,966	\$29,873	\$121,619
<b>Totals</b>	<b>\$1,655,720</b>	<b>\$162,073</b>	<b>\$371,310</b>	<b>\$2,189,103</b>

**A-5 EDUCATION (GPA) SHIFT of DISTRICT #1 (MIXED USE)**

<b>TIF Year</b>	<b>CAV (2 year lag)</b>	<b>Estimated Shift</b>
1		\$0
2		\$0
3	\$2,000,000	\$11,360
4	\$3,000,000	\$17,040
5	\$4,000,000	\$22,720
6	\$5,000,000	\$28,400
7	\$6,000,000	\$34,080
8	\$7,000,000	\$39,760
9	\$8,000,000	\$45,440
10	\$9,000,000	\$51,120
11	\$10,000,000	\$56,800
12	\$10,250,000	\$58,220
13	\$10,500,000	\$59,640
14	\$10,750,000	\$61,060
15	\$11,000,000	\$62,480
16	\$11,250,000	\$63,900
17	\$11,500,000	\$65,320
18	\$11,750,000	\$66,740
19	\$12,000,000	\$68,160
20	\$12,250,000	\$69,580
21	\$12,500,000	\$71,000
22	\$12,750,000	\$72,420
23	\$13,000,000	\$73,840
24	\$13,250,000	\$75,260
25	\$13,500,000	\$76,680
26	\$13,750,000	\$78,100
27	\$14,000,000	\$79,520
28	\$14,250,000	\$80,940
29	\$14,500,000	\$82,360
30	\$4,750,000	\$83,780
<b>Total</b>		<b>\$1,655,720</b>

Education Rate

\$5.68

Rate per Dept. of Education Preliminary Projected Subsidy Amounts for FY 2011-12

## A-6 REVENUE SHARING SHIFT of DISTRICT #1 (MIXED USE)

Projected Total MRS Rev I	\$ 72,835,868.00
Projected Total Rev II	\$ 16,373,498.72
Town's Projected MRS Rev I	\$484,429.17
Town's Projected Rev II	\$38,461.85
Total Rev I Computed (all)	16845571.168468100
Total Rev II Computed (all)	4146130.528174930
Municipal Population (2007)	10,230
2008 Property Tax Levied	\$ 18,633,804.00
2010 State Valuation	\$ 1,701,400.00

Yr	CAV	Rev I	Rev I	Rev I	Rev I	Rev II	Rev II	Rev II	Rev II	Est.
	(Div. 1000)	Computed #	Percentage	Amount	Tax Shift	Computed	Percentage	Amount	Tax Shift	Tax Shifts
	0	112039.3881	0.00665097	\$484,429.17		9739.388103914	0.00234903	\$38,461.85		
1	0	112,039.3881	0.006650970	\$484,429.17	\$0.00	9673.575493421	0.00233316	\$38,201.95	\$259.90	\$260
2	1,000	111,973.5755	0.006647063	\$484,144.61	\$284.56	9607.840154984	0.00231730	\$37,942.36	\$519.50	\$804
3	2,000	111,907.8402	0.006643161	\$483,860.39	\$568.78	9542.181952593	0.00230147	\$37,683.06	\$778.79	\$1,348
4	3,000	111,842.1820	0.006639263	\$483,576.50	\$852.67	9476.600750557	0.00228565	\$37,424.08	\$1,037.77	\$1,890
5	4,000	111,776.6008	0.006635370	\$483,292.95	\$1,136.22	9411.096413502	0.00226985	\$37,165.39	\$1,296.46	\$2,433
6	5,000	111,711.0964	0.006631482	\$483,009.72	\$1,419.45	9345.668806372	0.00225407	\$36,907.01	\$1,554.84	\$2,974
7	6,000	111,645.6688	0.006627598	\$482,726.83	\$1,702.34	9280.317794428	0.00223831	\$36,648.94	\$1,812.92	\$3,515
8	7,000	111,580.3178	0.006623718	\$482,444.27	\$1,984.90	9215.043243243	0.00222256	\$36,391.16	\$2,070.69	\$4,056
9	8,000	111,515.0432	0.006619843	\$482,162.04	\$2,267.13	9149.845018709	0.00220684	\$36,133.69	\$2,328.17	\$4,595
10	9,000	111,449.8450	0.006615973	\$481,880.14	\$2,549.03	9084.722987028	0.00219113	\$35,876.51	\$2,585.34	\$5,134
11	10,000	111,384.7230	0.006612107	\$481,598.57	\$2,830.60	9068.454368592	0.00218721	\$35,812.27	\$2,649.59	\$5,480
12	10,250	111,368.4544	0.006611141	\$481,528.23	\$2,900.94	9052.190501782	0.00218329	\$35,748.04	\$2,713.81	\$5,615
13	10,500	111,352.1905	0.006610176	\$481,457.91	\$2,971.26	9035.931384517	0.00217936	\$35,683.83	\$2,778.02	\$5,749
14	10,750	111,335.9314	0.006609211	\$481,387.61	\$3,041.56	9019.677014716	0.00217544	\$35,619.64	\$2,842.21	\$5,884
15	11,000	111,319.6770	0.006608246	\$481,317.33	\$3,111.84	9003.427390302	0.00217153	\$35,555.47	\$2,906.39	\$6,018
16	11,250	111,303.4274	0.006607281	\$481,247.07	\$3,182.10	8987.182509195	0.00216761	\$35,491.31	\$2,970.54	\$6,153
17	11,500	111,287.1825	0.006606317	\$481,176.83	\$3,252.34	8970.942369320	0.00216369	\$35,427.18	\$3,034.67	\$6,287
18	11,750	111,270.9424	0.006605353	\$481,106.61	\$3,322.56	8954.706968600	0.00215977	\$35,363.06	\$3,098.79	\$6,421
19	12,000	111,254.7070	0.006604389	\$481,036.41	\$3,392.76	8938.476304963	0.00215586	\$35,298.97	\$3,162.88	\$6,556
20	12,250	111,238.4763	0.006603426	\$480,966.24	\$3,462.93	8922.250376335	0.00215195	\$35,234.89	\$3,226.96	\$6,690
21	12,500	111,222.2504	0.006602462	\$480,896.08	\$3,533.09	8906.029180643	0.00214803	\$35,170.83	\$3,291.02	\$6,824
22	12,750	111,206.0292	0.006601499	\$480,825.94	\$3,603.23	8889.812715819	0.00214412	\$35,106.79	\$3,355.06	\$6,958
23	13,000	111,189.8127	0.006600537	\$480,755.83	\$3,673.34	8873.600979792	0.00214021	\$35,042.77	\$3,419.08	\$7,092
24	13,250	111,173.6010	0.006599574	\$480,685.73	\$3,743.44	8857.393970494	0.00213630	\$34,978.77	\$3,483.09	\$7,227
25	13,500	111,157.3940	0.006598612	\$480,615.66	\$3,813.51	8841.191685858	0.00213240	\$34,914.78	\$3,547.07	\$7,361
26	13,750	111,141.1917	0.006597651	\$480,545.60	\$3,883.57	8824.994123820	0.00212849	\$34,850.82	\$3,611.04	\$7,495
27	14,000	111,124.9941	0.006596689	\$480,475.57	\$3,953.60	8808.801282313	0.00212458	\$34,786.87	\$3,674.98	\$7,629
28	14,250	111,108.8013	0.006595728	\$480,405.56	\$4,023.62	8792.613159275	0.00212068	\$34,722.94	\$3,738.91	\$7,763
29	14,500	111,092.6132	0.006594767	\$480,335.56	\$4,093.61	8776.429752644	0.00211678	\$34,659.03	\$3,802.82	\$7,896
30	14,750	111,076.4298	0.006593806	\$480,265.59	\$4,163.58	8776.429752644	0.00211678	\$34,659.03	\$3,802.82	\$7,966

## A-7 COUNTY TAX (OVERLAY) SHIFT of DISTRICT #1 (MIXED USE)

COUNTY TAX SHIFT								
County Tax History		Total	Year	Estimated Total County Tax	Town Share of County Tax (w/out CAV)	Projected CAV	Town Share of County Tax (w/ CAV)	Est. County Tax Shift
	Year	County Tax	Base	\$15,952,708	\$862,802			
	2006	\$12,803,198	1	\$16,737,562	\$905,251	\$	\$905,251	\$0
	2007	\$13,907,585	2	\$17,561,030	\$949,788	\$1,000,000	\$950,316	\$528
	2008	\$14,558,750	3	\$18,425,012	\$996,516	\$2,000,000	\$997,624	\$1,108
	2009	\$15,022,878	4	\$19,331,500	\$1,045,544	\$3,000,000	\$1,047,288	\$1,744
	2010	\$15,952,708	5	\$20,282,587	\$1,096,983	\$4,000,000	\$1,099,423	\$2,439
		<i>\$12,803,198</i>	6	\$21,280,466	\$1,150,954	\$5,000,000	\$1,154,153	\$3,199
Average annual change in county tax over last 5 years			7	\$22,327,439	\$1,207,579	\$6,000,000	\$1,211,607	\$4,027
		<i>4.919880%</i>	8	\$23,425,923	\$1,266,991	\$7,000,000	\$1,271,920	\$4,930
			9	\$24,578,450	\$1,329,325	\$8,000,000	\$1,335,236	\$5,911
			10	\$25,787,680	\$1,394,726	\$9,000,000	\$1,401,703	\$6,977
State Valuation County		\$31,457,900,000	11	\$27,056,403	\$1,463,345	\$10,000,000	\$1,471,478	\$8,133
State Valuation Town		\$1,701,400,000	12	\$28,387,546	\$1,535,340	\$10,250,000	\$1,544,086	\$8,746
Town as % of County		5.4085%	13	\$29,784,179	\$1,610,877	\$10,500,000	\$1,620,277	\$9,401
			14	\$31,249,525	\$1,690,130	\$10,750,000	\$1,700,228	\$10,098
			15	\$32,786,964	\$1,773,282	\$11,000,000	\$1,784,123	\$10,841
			16	\$34,400,043	\$1,860,526	\$11,250,000	\$1,872,158	\$11,633
			17	\$36,092,484	\$1,952,061	\$11,500,000	\$1,964,538	\$12,476
			18	\$37,868,191	\$2,048,100	\$11,750,000	\$2,061,475	\$13,374
			19	\$39,731,261	\$2,148,865	\$12,000,000	\$2,163,195	\$14,331
			20	\$41,685,991	\$2,254,586	\$12,250,000	\$2,269,935	\$15,349
			21	\$43,736,892	\$2,365,509	\$12,500,000	\$2,381,942	\$16,433
			22	\$45,888,695	\$2,481,889	\$12,750,000	\$2,499,475	\$17,586
			23	\$48,146,364	\$2,603,995	\$13,000,000	\$2,622,808	\$18,813
			24	\$50,515,107	\$2,732,109	\$13,250,000	\$2,752,226	\$20,118
			25	\$53,000,390	\$2,866,525	\$13,500,000	\$2,888,031	\$21,505
			26	\$55,607,946	\$3,007,555	\$13,750,000	\$3,030,536	\$22,981
			27	\$58,343,790	\$3,155,523	\$14,000,000	\$3,180,073	\$24,550
			28	\$61,214,234	\$3,310,771	\$14,250,000	\$3,336,988	\$26,218
			29	\$64,225,901	\$3,473,657	\$14,500,000	\$3,501,647	\$27,990
			30	\$67,385,739	\$3,644,557	\$14,750,000	\$3,674,430	\$29,873
							<b>Total</b>	<b>\$371,310</b>