STATE OF MAINE
DEPARTMENT OF
ECONOMIC AND COMMUNITY DEVELOPMENT
33 STONE STREET
59 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0059

ANGUS S. KING, JR.
GOVERNOR

STEVEN H. LEVESQUE
COMMISSIONER

RECEIVED
APR 2 - 2001

March 30, 2001

Patricia Finnigan
City Manager
City of Auburn
45 Spring Street
Auburn , ME 04210

Dear Ms. Finnigan:

The Maine Department of Economic and Community Development ("the department") has reviewed and conditionally approved the City of Auburn's application to create the Procter & Gamble (Tambrands II) Municipal Development Tax Increment Financing District ("the district"). The district takes effect today and is designated for a period of thirty (30) years. Approval is subject to the following provision: should Tambrands or any other employer in this district receive TIF payments that exceed $10,000 in a calendar year, **they must submit an annual written report no later than August 1st of the following year,** in accordance with 5 MRSA §13070-J(3).

The City of Auburn is authorized to use the tax increment arising from captured value expressly for the credit enhancement agreement components defined in the development program. **The department is withholding approval of all other economic development projects and public improvements identified in the proposal pending receipt of further information from the City regarding these projects.** Any changes to the approved development program require an amendment that is adopted in the same manner as the initial designation, and approved by the department.

In the event that tax increment revenues derived from the district are deposited into the City's general fund, or spent on unapproved projects, the incremental property values generating those revenues must be included with the City's equalized assessed value, and therefore not subject to capture.

The district designation remains in effect for the term described above or until the authorized project costs are expended. If for any reason the City decides to forfeit this designation, it must promptly notify the department.

If you have questions regarding this approval or the annual economic development incentive reporting requirements, please do not hesitate to contact Jim Nimon, TIF Program Manager, at 287-2656.

Sincerely,

Steven H. Levesque
Commissioner

cc: Anthony Neves, State Tax Assessor
Larry Record, Director of Property Tax
Roland Miller, Community Services Director

City of Auburn

City Council

AGENDA

Information Summary

Date: November 6, 2000

Item # 6

ITEM: **Resolve** – Authorizing the City Manager to Submit the Tambrands, Inc. Tax Increment Finance District (TIF #6) to the State Dept. of Economic and Community Development.

SUMMARY: This Resolve would establish a TIF District which creates an incentive for Tambrands to make investments of not less than $25 million in machinery and equipment as part of its continued modernization and re-engineering efforts to stay competitive in a global market.

STAFF RECOMMENDATION: The City has established a TIF policy which creates performance standards that businesses must adhere to in order to be eligible for consideration as a TIF district. These include a substantial increase in their investment in Auburn, significant additions to the tax base, creation or retention of high quality, high skill jobs which pay livable wages and provide benefits, and which are committed to elevating employees' skill levels especially with respect to technology. As Auburn's largest high tech employer, Tambrands meets or exceeds each of these criteria.

REQUESTED ACTION: Approval of the Resolve.

MOTION: Motion to Authorize the City Manager to Submit TIF District # 6 to the State Dept. of Economic and Community Development for Approval.

VOTE:

Circle denotes vote of each councilor

Mayor* Young		Ward 1 Levine		Ward 2 Livingston		Ward 3 DeFilipp		Ward 4 Carbonneau		Ward 5 Dennison		At-Large 1 Guay		At-Large 2 Matzen	
Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N

City Clerk _____ Date ___/___/20___

Mary Lou Magno

City of Auburn, Maine

City Council, Auburn, Maine
Date: November 6, 2000

TITLE: RESOLVE - Authorizing the City Manager to Submit the Tambrands, Inc. Municipal Development and Tax Increment Financing District Development Plan (TIF #6) to the State Department of Economic and Community Development.

WHEREAS, the City of Auburn, Maine ("City") is considering whether to designate the Tambrands, Inc. Municipal Development and Tax Increment Financing District #6 and adopt the Development Program for the District presented to the City Council, designation and adoption to be pursuant to the following terms and provisions; and

WHEREAS, the City is authorized pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, to designate a specified area within the City as a Municipal Development and Tax Increment Financing District (the "District") and to adopt a Development Program for such District; and

WHEREAS, there is a need for commercial development in the City; and

WHEREAS, there is a need to provide continuing employment opportunities for the citizens of the City and the surrounding region to improve and broaden the tax base of the City and to improve the general economy of the City, the surrounding region and the State of Maine; and

WHEREAS, the expansion will help to provide continued employment for the citizens of Auburn and the surrounding region, improve and broaden the tax base in the City, and improve the economy of the City and the State of Maine; and

WHEREAS, the Public Improvements contemplated by the Development Program will enable the City to expand its tax base, and to improve the economic environment within the City in order to attract additional businesses to the City; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial facilities through the establishment of Municipal Development and Tax Increment Financing Districts in accordance with the provisions of Chapter 207 of Title 30-A; and

WHEREAS, on November 6, 2000 the City will hold a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5253, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City; and

WHEREAS, the City desires to designate the Tambrands, Inc. Municipal Development and Tax Increment Financing District #6 and adopt a Development Program for such District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development approving the designation of the District and the adoption of the Development Program for the District;

NOW, THEREFORE, BE IT HEREBY ORDERED BY THE CITY COUNCIL OF THE CITY OF AUBURN:

Section 1. The City hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for industrial sites as defined in 30-A M.R.S.A. 5253; and

b. The total area of the District does not exceed two percent (2%) of the total acreage of the City, and the total area of all development district within the City (including the District) does not exceed five percent (5%) of the total acreage of the City; and

c. The total equalized value of taxable property within the District as of April 1, 2000 together with the equalized value of taxable property in other existing districts measured as of the April I preceding the designation of each such district, does not exceed five percent (5 %) of the total equalized value of taxable property within the City as of the date hereof, and

d. The aggregate value of municipal indebtedness financed by the proceeds from tax increment financing districts within Androscoggin County, including the proposed District, does not exceed $50 million: and

e. The designation o f the District and pursuit of the Development Program willgenerate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose.

f. The proposed District and Development Program will make a contribution to the economic growth or well-being of the City. The Public Improvements contemplated by the Development Program will enable the City to improve its economic climate and construct improvements and other collateral economic inducements to attract new businesses to the City.

Section 2. Pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates the Proctor & Gamble Co. Municipal Development and Tax increment Financing District #7, designated and described as more particularly set forth in the "Tambrands, Inc. Municipal Development and Tax Increment Financing District (#6) Development Program" presented to the City Council in the form attached hereto and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5254, the percentage of captured assessed value to be retained in accordance with the Development Program is hereby established as set forth in the Development Program.

Section 4. The City Manager be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5253(I)(F).

Section 5. The City Manager be and hereby is authorized and empowered, at her discretion, from time to time, to make such technical revisions to the Development Program for the District as may be reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Department of Economic and Community Development, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

Section 6. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the City of approval of the designation of the District in adoption of the Development Program by the Department of Economic and Community Development, without requirements of further action by the City, the City Council, or any other party.

Section 7. The City Manager be and hereby is authorized and directed to enter into the Credit Enhancement Agreement contemplated by the Development Program, and in the name of and on behalf of the City, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the City Manager may approve, such approval to be conclusively evidenced by such execution thereof.

Motion for acceptance: Seconded by:
Yeas Nays

Action by the City Council: Date: November 60, 2000

ATTESTED:
City Clerk

CITY OF AUBURN, MAINE

MALL AREA MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT #6 DEVELOPMENT PROGRAM

DATED: November 6, 2000

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ARTICLE I

Development Program Narrative

Section 1.01. Introduction

a. General Description of the District

The City of Auburn desires to attract and retain quality jobs and commercial development, to create and maintain a healthy tax base, to improve the economy of the City and the State of Maine and to provide for construction of new public infrastruture and improvements to facilitate economic development. In order to fulfill these goals, the following property is being designated as the Tambrands, Inc. Municipal Development and Tax Increment Financing District #6: An area consisting of approximately 84 acres, comprising a portion of the following City of Auburn parcels as described below.

The property which is located at and is bounded on the North by Kittyhawk Avenue, on the east by Hotel Road, and on the south by the Saint Lawrence and Atlantic Railroad tracks, has been preliminarily designated as the Tambrands, Inc. Municipal Development and Tax Increment Financing District #6 (the "District") by the City of Auburn, Maine (the "City"). The Property consists of a portion of Auburn Tax Map No. 2A, Lot 18A , 2A-18B and 2A-113 which is owned by Tambrands, Inc. (the "Company"). A plan depicting the District is attached as **Exhibit A**. The property outlined in black is specifically excluded from the District. The Development Program described herein is proposed for the purpose of administering the District as a municipal development and tax increment financing district pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended (the "Development Program"). Upon resolution of the Auburn City Council designating the District and adopting this Development Program, the designation of the District and adoption of the Development Program will immediately become final subject only to approval by the Maine Department of Economic and Community Development ("DECD").

The purpose of the District is (a) to assist the Company with the acquisition and installation of certain machinery and equipment and the development of additional research and manufacturing facilities within the District; (b) to finance costs associated with certain public improvements within the District consisting of infrastructure improvements, including, but not limited to, roadways, access roadways, water, sewer, storm drains, road junctions, sidewalks and landscaping ("Public District Improvements") and (c) to finance costs associated with certain economic development and infrastructure improvements within the City (the "Public Improvements") as hereinafter identified.

b. The Company Project

As described above, the District contemplates both Public Improvements and development by the Company. One purpose of the District is to assist the Company in financing the acquisition and installation of manufacturing machinery and equipment in the District (the "Project"). The Project is ongoing and the full extent of the Project has not yet been decided. At a minimum the Project is currently expected to allow for a

major expansion of the Company's manufacturing capacity through a substantial addition of machinery and equipment.

For purposes of this Development Program and for purposes of calculating captured assessed value, all additions by the Company to its manufacturing machinery and equipment and related assets after April 1, 2000 and all additions and new plants and facilities constructed after April 1, 2000 at its complex in Auburn, shall be deemed to be in the District on April 1st of each subsequent year until disposed of or moved away from the complex.

During the term of the Development Program the City will capture 100% of the increase in the assessed value in the District, and will retain 60% of the retained tax increment revenues from the District for its own use to finance some or all of the estimated cost of public improvements. The City will allocate the remaining balance of the retained tax increment revenues from the District to the Company pursuant to a Credit Enhancement Agreement between the City and the Company (the "Credit Enhancement Agreement") provided that the total amount paid to the Company in any year shall not exceed 40% of the tax increment of that year, and the aggregate amount paid under the Development Program may not exceed total project costs incurred by the Company during the term of the Development Program.

These tax increment revenues will be used by the Company either to pay a portion of the capital costs of the Project directly or to assist in paying debt service on monies borrowed by the Company to finance the cost of the Project. The cost so financed will represent only a portion of the Company's Project costs. All additional costs will be the sole responsibility of the Company. (See Section 1.05 "Uses of Private Property" and Section 2.03 "Indebtedness" herein).

c. Public Improvements

In addition to the Company's Project in the District, the City will use the captured tax increment revenues from the District to finance some or all of the costs of the following types of projects (being the Public Improvements and Public District Improvements): (i) to fund the infrastructure improvements within and abutting the District, including, but not limited to, roadways, access roads, junctions, traffic signals, sewer, water, storm drains, sidewalks and landscaping (hereinafter called the Public District Improvements) (ii) to develop new employment opportunities in the City and to pay other Project Costs as described in 30-A MRSA §5252(8)(B)(11); (iii) to provide for costs reasonably related to the construction, alteration or expansion of facilities not located within the district that are required due to improvements or activities within the District as described in 30-A MRSA §5252(8)(B)(9), including road, water, sewer, stormwater and environmental protection improvements and fire and public safety projects; (iv) to fund the City's economic development programs including, but not limited to, the implementation of the Auburn Downtown Action Plan For Tomorrow being the City's downtown revitalization program; (iv) to fund environmental improvement programs; and (v) to fund infrastructure improvements, and other Project Costs, all as permitted under 30-A M.R.S.A. § 5252(8)(B)(herein collectively called the "Project Costs"). The Public Improvements are further described in Section 1.04 hereof. The City Council finds that each of the specific projects described herein will either directly

or indirectly provide or encourage new employment opportunities within the City, encourage and promote economic development that will broaden the City's tax base, and improve the general economy of the City.

The estimated costs of the projects which may be included as part of the Development Program are identified in **Exhibit B** attached hereto. The specific public improvement projects to be financed with the City's portion of the tax increment financing revenues will be approved through subsequent City Council action pursuant to the City's Charter.

The Project and all associated improvements acquired or financed under this Development Program other than the Public Improvements and other Project Costs will be located within the District. The proposed District will encompass approximately 91 acres and will be located on the premises of the Company's manufacturing facility and complex in Auburn, Maine.

Section 1.02. Statement of Means and Objectives.

a. Development District

The Company constantly searches for ways to improve its operations in order to remain competitive and to service its markets. The Project represents an investment in the Company's future and is intended to increase the Company's capabilities and is a necessary component of the capital investment needed to ensure adequate capacity and a top-quality product. The Project continues the Company's long-standing goal of capital investment with the goal of long-term benefits. The Company plans to undertake this Development Program in order to improve its manufacturing efficiency, capabilities, and working environment.

The Company's investment will create additional tax base within the City and help retain employment within the region and will upgrade necessary production equipment to ensure the continued long-term success of the Company in the City. The Project will also assist the Company in expanding its production capabilities by adding incremental production capacity, enhancing cost competitiveness, and enabling it to sustain its operations in Auburn. See Section 1.05 Uses of Private Property.

In summary, the means and objectives of the District are to finance certain Public Improvements intended to promote economic development and expand the tax base of the City for the benefit of the citizens of the City and to assist the Company in the continuing improvement and modernization of its manufacturing facility and complex. The City recognizes that the Company competes in an increasingly competitive market. The City's assistance provided through the Development Program is intended to help the Company to become more cost competitive and to modernize its operations. To the extent the City can assist the Company in its objective of keeping the Tambrands facility cost competitive, the following public benefit results:

a. Increased property tax base;
b. Creation of an environment that will encourage future investment by the Company at its Auburn facility;

C. Retained employment;
d. Increased flow of revenues to the state and local area; and
e. Increased consumption of goods and services in the Auburn, Maine area.

Section 1.03. Brief Discussion of Financial Plan

The financial plan for the District is set forth in greater detail in Article II below. The following is a brief summary of the plan. The anticipated investment in the District is initially $5,000,000, with similar investments occurring annually for at least the next 5 years.

The Project has already started and following DECD approval, completion of the Project will be phased in over the life of the Development Program. As part of the Development Program, the Company is requesting that the City assist it with the Project (i) by capturing one hundred percent (100%) of the increase in assessed value in the District and (ii) by entering into the Credit Enhancement Agreement with the Company pursuant to which the City will retain sixty percent (60%) of the retained captured municipal tax increment, to finance some or all of the Public Improvements, and make available to the Company the balance of the retained captured municipal tax increment revenues on the captured assessed value of the District to assist the Company in financing a portion of the Project. The Development Program will remain in effect for a period of thirty (30) years. The revenues allocated to the Company will be used by the Company either to assist it in paying debt service related to financing the Project or as direct payments toward a portion of the cost of the Project.

Section 1.04. Description of Public Facilities to be Constructed

The City's existing infrastructure is anticipated to be adequate to service the Project, so no public sewer, water, transportation or other infrastructure facilities must be constructed in connection with the Project, although certain street improvements including traffic signals at strategic locations may be undertaken in the future. Other Public Improvements will be completed to assist the City in its efforts to increase employment and economic development in general and specifically to implement the Auburn Downtown Action Plan For Tomorrow being the City's downtown revitalization Program. These improvements will be approved by the City Council on an as needed basis as the various projects are considered and implemented.

Section 1.05. Uses of Private Property

The Project involves the acquisition and/or construction by the Company of approximately $5,000,000 of new machinery and equipment and the expansion of its manufacturing facility per year for five years within the District and to fund certain feasibility studies with respect to proposed construction of a new research and manufacturing facility at the Company's complex and the development of new product lines. Some of the machinery and equipment will be located in the Tambrands, Inc. Development and Tax Increment Financing District Development Program District dated March 6, 1998 and approved by the Maine Department of Economic Community Development effective March 27, 1998. The acquisition and installation of all improvements will be supervised by the Company and will be subject to all required

state and local approvals. All capital improvements related to the Project will be located in the District except for certain machinery and equipment which will be located in Tambrands, Inc. Development and Tax Increment Financing District accepted by the Maine Department of Economic and Community Development on March 27, 1998. The actual and proposed use of the District is in keeping with current zoning requirements, as manufacturing facilities are a permitted use in the zone in which the District is located.

Section 1.06. Relocation of Displaced Persons

Not applicable.

Section 1.07. Proposed Regulations and Facilities to Improve Transportation

The Project, as it is currently proposed, will not affect vehicular and pedestrian transportation. Existing transportation facilities are adequate to accommodate the Project.

Section 1.08. Environmental Controls

The improvements contemplated by the capital improvement program will comply with all requirements of the City's ordinances, including its Zoning Ordinance. With the exception of (i) any building, site plan and other construction permits to be applied for in the ordinary course, and (ii) any occupancy permits, no further zoning permits, licenses or other local approvals are anticipated to be necessary in connection with the improvements.

The Company will take all steps required by the Maine Department of Environmental Protection ("DEP") in order to ensure that the acquisition, installation, construction and operation of the improvements complies with all state environmental rules and regulations. All air emission, waste water discharge or other licenses required in connection with the Project either have been, or will be, applied for and obtained by the Company as required by applicable law, rule and regulation.

Section 1.09. Plan of Operation Upon Completion

The improvements in the District will at all times be owned by the Company, its successors or assigns, which will be responsible for payment of all maintenance expenses, insurance and taxes on said improvements. During the life of the District, the City Manager or the Manager's designee will be responsible for all administrative matters concerning the implementation and operation of the District. The Company shall be solely responsible for implementation of the Project in the District.

Section 1.10. Program Duration

The duration of the District will begin on the designation of the District and the effective date of its approval by the Maine Department of Economic and Community Development and end on the earlier of 30 years thereafter or payment of all Project costs.

ARTICLE II

Financial Plan

Section 2.01. General Characteristics

The proposed tax increment financing district will encompass approximately 84 acres of taxable property with a total value of land and buildings as of April 1, 2000, in the amount of $520,900.

This Development Program requires the establishment of a Development Program Fund consisting of a Project Cost Account (with a Tambrands Project Cost subaccount and a Public Improvement Project Cost subaccount) pledged to and charged with payment of project costs and a Development Program Sinking Fund Account to pay debt service on any debt financed Project costs.

Section 2.02. Cost Estimates for Development Program

The estimated initial cost of the Company's Project under the Development Program is approximately $5,000,000 per year for five years.

Section 2.03. Indebtedness

None of the costs of the Project will be financed through issuance of any municipal indebtedness. If the Company incurs indebtedness with respect to the Project, revenues in the Tambrands Project Cost subaccount in the Project Cost Account of the Development Program Fund established hereunder, which shall consist of the Company's allocable share of tax increment revenues on the retained captured assessed values of the District and any earnings thereon, may be applied to such indebtedness.

Section 2.04. Sources of Anticipated Revenues

The sources of anticipated revenues generated by the District and to be used to pay the Company under the Credit Enhancement Agreement are (i) municipal tax increment revenues on retained captured assessed values, which will be deposited as received into the Tambrands Project Cost subaccount in the Project Cost Account of the District's Development Program Fund, and (ii) earnings on such amounts. The Company will be responsible for making all arrangements for and payments with respect to all additional monies needed to fund the Project.

Separate subaccounts in the Project Cost Account shall be established for the Public Improvements and the Project. Upon receipt of each payment of property tax by the Company, the City shall, within fifteen (15) days, (a) deposit that portion of each payment of property tax allocated for Public Improvements into the public improvement subaccount; and (b) deposit that portion of each payment of property tax allocated to the Project to the project cost subaccount. The municipal tax increment revenues projected to be paid to the Company under the Credit Enhancement Agreement for 30 years are reflected in Table No. I below.

TABLE NO. I	
Annual Tax	
Tax Year Beginning April I	Increment Revenues Allocable to Company
2000	Base Year
2001	$ 56,000
2002	$106,400
2003	$161,760
2004	$192,584
2005	$229,320
2006	$206,382
2007	$185,740
2008	$170,060
2009	$158,917
2010	$151,860
2011	$148,784
2012	$141,054

Tax Year Beginning April 1	Annual Tax Increment Revenues Allocable to Company
2013	$ 134,000
2014	$ 127,300
2015	$ 120,937
2016	$ 114,890
2017	$ 112,000
2018	$ 112,000
2019	$ 112,000
2020	$ 112,000
2021	$ 112,000
2022	$ 112,000
2023	$ 112,000
2024	$ 112,000
2025	$ 112,000
2026	$ 112,000
2027	$ 112,000
2028	$ 112,000
2029	$ 112,000
2030	$ 112,000
Total	$3,973,988

The total projected tax increment, the City's share, and the tax shifts resulting from the District are shown on **Exhibit C** hereto.

Note: Estimated Tax Rate of $0.028/1000; assumes no increase in the tax rate and no depreciation or appreciation in value

Section 2.05. Financial and Statistical Data

A summary of financial and statistical information relating to the District's satisfaction of certain conditions imposed under Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended, as a prerequisite to designation of the District, is set forth in **Exhibit D**. Additional information is set out below.

a.	Total value of equalized taxable property of the City as of April 1, 2000	$1,058,900,000
b.	Total assessed value of the District as of April 1, 2000	$ 520,900
c.	Total value of equalized taxable property as of April 1 preceding the date of designation of all other Tax Increment Financing Districts within the city	$ 2,753,500
d.	Percentage of total assessed value of the City represented by total assessed value of the District and other districts (the sum of lines b and c divided by line a .003092265%	.003092265%

e. Aggregate original principal amount of municipal general obligation indebtedness financed by the proceeds from tax increment financing districts within Androscoggin County, does not exceed $50,000,000.

f. Total taxable acreage in the City of Auburn is 41,430 Acres.

g. The acreage included in the existing financing Districts in the City of Auburn is 156.2 or .004% of the City's taxable acreage.

See the list of currently existing tax increment financing districts attached as **Exhibit E** hereto.

Attached hereto as **Exhibit F** is a certification of original assessed value executed by the City Assessor of the City of Auburn in accordance with the requirements of 30-A M.R.S.A. § 5254(2) certifying that the original assessed value of the District as of March 31, 2000 was $520,900.

Section 2.06. Estimated Impact of Financing Upon Taxing Jurisdiction

In accordance with Maine statutes governing the establishment of tax increment financing districts, the table set forth below identifies estimated tax shifts which will result during the term of the District from the establishment of the District, using formulas reviewed by the Department of Economic and Community Development.

Table No. 2
Tax Shifts

Tax Shift Item	Average Annual Amount	Total Undiscounted Amount
Educational Aid	$ 94,726.14	$2,841,784.20
County Tax	$ 15,761.07	$ 472,832.10
State/Municipal Revenue Sharing	$ 30,683.68	$ 920,510.40
Total All Tax Shifts:	**$ 141,170.89**	**$4,235,126.70**

Attached hereto as **Exhibit G** is a summary of the methodology utilized in calculating tax shifts.

Section 2.07. Duration of Development Program

The Development Program shall continue in effect for thirty (30) years after approval by DECD.

ARTICLE III

Physical Description

Section 3.01. Description of District

The District is the 84 acre parcel comprised of the Company's facility and complex located in Auburn, Maine. The District is delineated on **Exhibit A** hereto.

Section 3.02. Site Location Map

Set forth on **Exhibit A** is a tax map of the City reflecting the approximate location of the District within the City.

ARTICLE IV

Municipal Approvals

Section 4.01. Public Hearing

Attached hereto as **Exhibit H** is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. §5253. The Notice was published in the *Lewiston Sun* Journal, a newspaper of general circulation in Auburn on October 23,2000, a date at least ten (10) days prior to the public hearing. A public hearing was held at a City Council Meeting on November 6, 2000.

Section 4.02. Authorizing Votes

Attached as **Exhibit I** is a copy of the votes adopted at a City Council Meeting of the City of Auburn at a meeting thereof duly called and held on November 6, 2000 preliminarily designating the District and adopting the Development Program.

ARTICLE V

Agreement Regarding Valuation Issues

a. There are certain assumptions regarding valuation and depreciation of assets, which underlie the analysis set forth in this Development Program. The City and the Company both covenant and agree that the assumptions, analysis and results set forth in this Development Program shall 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 the property within the District.

b. In the event of a revaluation of property within the City during the term of the District, the City and the Company agree that they will enter into good faith negotiations to amend the Credit Enhancement Agreement so that the Company and the City receive the benefits contemplated by this Development Program.

Exhibit B

Potential Economic Development Projects that would be Funded with Tambrands TIF Revenues

I. Development Plans

A. To fund the costs associated with certain public improvements within and adjacent to the Tambrands Tif District consisting of infrastructure improvements.

B. In general to pursue the goals and objectives contained in the Auburn Downtown Action Plan For Tomorrow adopted by the Auburn City Council on Feb. 1, 1999

C. Purchase of land for a new Industrial Park.

II. Project Categories for Tambrands Inc. Area Master Plan

A. Capital Costs for the Construction of Public Infrastructure improvements (30-A MRSA Section 5252 (8)(B)1(a).

- Roadways
- Access roadways
- Water and Sewer drains
- Road Junctions
- Sidewalks
- Landscaping

B. Capital costs for the purchase of land for a new industrial park (30-AMRSA Section 5252(8).

III. Project Categories for Downtown Economic Development Program:

A. Developing new employment opportunities and funding the City's economic development program (30-A M.R.S.A. section 5252(8)(B)(11)

- Redevelopment of the downtown business district
- Acquisition of land and construction of parking garage(s)
- Construction of esplanade underground parking garage
- Acquisition of land and construction of River Walk
- Acquisition of land and construction of Festival Plaza
- Professional Service Costs, including, but not limited to, architectural, planning, engineering and legal advice and services

Exhibit C

Tambrands TIF Projections

TIF Year	Tax Year	Projected Investment Real Estate	Projected Investment Personal Property	Cumulative Investment	Projected Increase in Captured Assessed Value Real Estate	Projected Increase in Captured Assessed Value Personal Property	Projected Increase in Captured Assessed Value Total Increase	%of CAV Retained	Annual TIF Revenues	Company %	Company Share	City %	City Share
Base	2000-2001	0	$ 0	$ 0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	2001-2002		5,000,000	5,000,000	0	$ 5,000,000	$ 5,000,000	100%	$140,000	40%	$ 56,000	60%	$ 84,000
2	2002-2003		5,000,000	10,000,000	0	9,500,000	9,500,000	100%	266,000	40%	106,400	60%	159.600
3	2003-2004		5,000,000	15,000,000	0	13,550,000	13,550,000	100%	379,400	40%	161,760	60%	227,640
4	2004-2005		5,000,000	20,000,000	0	17,195,000	17,195,000	100%	481,460	40%	192,584	60%	288,876
5	2005-2006		5,000,000	25,000,000	0	20,475,000	20,475,000	100%	573,300	40%	229,320	60%	343,980
6	2006-2007		0	25,000,000	0	18,427,000	18,427,000	100%	515,956	40%	206,382	60%	309,574
7	2007-2008		0	25,000,000	0	16,584,000	16,584,000	100%	464,352	40%	185,740	60%	278,612
8	2008-2009		0	25,000,000	0	15,184,000	15,184,000	100%	425,152	40%	170,060	60%	255,092
9	2009-20010		0	25,000,000	0	14,189,000	14,189,000	100%	397,292	40%	158,917	60%	238,375
10	2010-2011		0	25,000,000	0	13,559,000	13,559,000	100%	379,652	40%	151,860	60%	227,792
11	2011-2012		0	25,000,000	0	13,257,000	13,257,000	100%	371,196	40%	148,784	60%	222,448
12	2012-2013		0	25,000,000	0	12,594,000	12,594,000	100%	352,636	40%	141,054	60%	211,582
13	2013-2014		0	25,000,000	0	11,964,000	11,964,000	100%	335,000	40%	134,000	60%	201,000
14	2014-2015		0	25,000,000	0	11,365,000	11,365,000	100%	318,242	40%	127,300	60%	190,942
15	2015-2016		0	25,000,000	0	10,798,000	10,798,000	100%	302,341	40%	120,937	60%	181,407
16	2016-2017		0	25,000,000	0	10,258,000	10,258,000	100%	287,227	40%	114,890	60%	172,337
17	2017-2018		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
18	2018-2019		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
19	2019-2020		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
20	2020-2021		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
21	2021-2022		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
22	2022-2023		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
23	2023-2024		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
24	2024-2025		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
25	2025-2026		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
26	2026-2027		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
27	2027-2028		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
28	2028-2029		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
29	2029-2030		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
30	2030-2031		0	25,000,000	0	10,000,000	10,000,000	100%	280,000	40%	112,000	60%	168,000
		0	$25,000,000	$800,000,000		$353,899,000	$353,899,000		$10,009,206	40%	$3,859,098	60%	$ 5,945,260
				$ 21,666,666		$ 11,796,633	$ 11,796,633		$ 333,640	40%	$ 128,636	60%	$ 198,175.33

ASSUMPTIONS

Years in projection	20
Mill Rate (per Thousand)	28
Property Appreciation and Depreciation based on Discussions with Town Assessor	

EXHIBIT D

Statistical Data Related to TIF District #6
(as required by Title 30-A Chapter 207)

1. Total acreage of municipality:	41,430 acres
2. Total acreage of proposed municipal tax increment financing district	84 acres
3. Percentage of total acreage in proposed municipal tax increment financing district: (Line 3 divided by Line 1, cannot exceed 2%).	.0020275
4. Total acreage of all existing and proposed municipal tax increment financing districts in the municipality:	156.2 acres
5. Percentage of total acreage in all existing and proposed municipal tax increment financing districts: (Line 4 divided by Line 1, cannot exceed 5%)	.0057977
6. Total acreage of all real property in the proposed tax increment financing district that is:	
(a) Blighted:	0 acres
Line 6.a divided by Line 2:	0%
(b) In need of rehabilitation or conversion:	0 acres
Line 6.b divided by Line 2:	0%
(c) Suitable for commercial sites:	acres
Line 6c divided by Line 2:	100%

The percentage resulting from either 6.a, 6.b or 6.c must be equal or exceed 25%

Exhibit E

Tax Increment Financing Districts Approved By The State Of Maine

MUNICIPALITY	DATE APPROVED	DEBT TERM	PROJECT DOCUMENTS/DISTRICT/COMPANY
Saco York County	06/05/85	15 years	Sewer Treatment plant and pump station
Rockland Knox County	06/05/85	3 years	Van Baalen Pacific Expansion; fire protection booster pump
Gardiner Kennebec County	08/29/85	10 years	Associated Grocers Warehouse: water main and pump station
Scarborough Cumberland County	01/24/86	20 years	City Center Facility
Brewer Penobscot County	04/09/86	15 years	Lemforder Z/F: construction of building and purchase of machinery and equipment
Caribou Aroostook County	04/17/86	10 years	Caribou Motor Inn: sewer line extension
Scarborough Cumberland County	04/17/86	20 years	Eight Corners Development Area (Payne Road); sewer/water
Saco York County	12/31/86	15 years	Relocation of utility lines and dredging of Saco River
South Portland Cumberland County	03/31/87	15 years	Sable Oaks Subdivision: widen public road
Wilton Franklin County	10/23/87	20 years	Sewer and water line extensions and pump station
Bath Sagadahoc County	07/05/88**	20 years	Office/retain building, parking
Pittsfield Somerset County	08/23/88 amended 09/11/95	3 years	Land Purchase
Brunswick Cumberland County	03/21/89	20 years	Sewer line extension
Auburn Androscoggin County	05/12/89	20 years	Sewer and water line extension, roadway construction
Freeport Cumberland County	08/16/89	20 years	Sewer line and roadway improvements
Topsham Sagadahoc County	05/12/89	20 years	Numerous infrastructure improvements
Auburn Androscoggin County	11/01/89	20 years	Land, acquisition, street, site, water, sewer improvements
Brewer Penobscot County	11/29/89	7 years	Land, building, and machinery and equipment acquisition
Augusta Kennebec County	03/19/90	18 years	Numerous infrastructure improvements
Old Orchard Beach York County	03/26/90	20 years	Sewer and downCity improvements
Wilton Franklin County	07/20/90	10 years	Purchase of machinery and equipment
Old City Penobscot County	11/02/99**	22 years	James River Corporation: paper machine purchase
Presque Isle Penobscot County	04/06/92; amended 06/15/92	3 years	Aroostook County Mall; rail relocation and Maysville St. reconstruction
Waterville Kennebec County	09/30/92; amended 12/19/94	15 years 18 years	Build Wal-Mart; widen/construct road, traffic signal Increase CAV to 80%; extend term to 18 years; establish downCity job retention fund
Auburn Androscoggin County	02/23/93	20 years	Stone & Webster infrastructure
Lewiston Androscoggin County	06/03/93	15 years	Lewiston Raceways Development; road/utilities
Lisbon Androscoggin County	01/24/94	20 years	Dingley Press: expansion; equipment

Standish Cumberland County	01/24/94**	20 years	Cargill Park: boat ramp, City park
North Berwick York County	03/14/94	20 years	Hussey Seating: expansion and equipment
North Berwick York County	03/14/94	20 years	Pratt & Whitney: equipment purchase
Pittsfield Somerset County	03/30/94; amended 09/14/95	12 years	E.G. Morse Building: acquisition, rehabilitation and lease of building
Portland Cumberland County	03/30/94	20 years	Nichols-Portland: building and equipment
South Portland Cumberland County	03/30/94; amended 11/06/95	10 years	National Semiconductor: expansion and capital equipment; municipal sewer
Sanford York County	03/30/94	10 years	Global Zero: plant expansion
Houlton Aroostook County	05/11/94	11 years	Smith & Wesson: plant expansion
Houlton Aroostook County	05/11/94	10 years	Smith & Wesson: equipment purchase
Bangor Penobscot County	07/11/94	20 years	B.I.A./General Electric Tif
Portland Cumberland County	08/02/94	11 years	Longfellow, Inc.
Portland Cumberland County	08/31/94	15 years	UNUM: building expansion
Bangor Penobscot County	11/21/94	10 years	B.I.A./General Electric STIF
Windham Cumberland County	12/29/94	5 years	Wal-Mart/Shaw's complex: funding of extensive groundwater studies in the district
Sanford York County	12/29/94	15 years	Millrock Corp.: expansion Tif and STIF
Bangor Penobscot County	02/28/95	20 years	Development of Waterworks site
Guilford Piscataquis County	02/28/95; amended 10/25/95	20 years	Guilford of Maine, Inc.: building construction; M&E
Brunswick Cumberland County	03/15/95	20 years	Building construction for Brunswick Technologies
Rockland Knox County	03/23/95	15 years	Van Baalen: warehouse expansion
Westbrook Cumberland County	04/25/95	15 years	Acadia Insurance Company and Glassworld: building and equipment
Madison Somerset County	05/10/95	5 years	Madison Paper Industries: building expansion and grinder purchase
Biddeford York County	06/22/95	20 years	Biddeford Industrial Park; expansion of Volk Packaging and other businesses
Lewiston Androscoggin County	06/30/95	15 years	Montello Heights Adult Living Complex $750,000 Bond issue
Bangor Penobscot County	06/30/95	20 years	Main Street Development District: construction of Shaw's supermarket and related redevelopment costs
Portland Cumberland County	08/08/95	15 years	Auto Europe: renovation of Galt Block on Commercial Street
Winslow Kennebec County 3 districts	09/13/95	20 years	Scott Paper Co.; $47M upgrade of recycled fiber facility, paper machine and tissue converting equipment
Biddeford York County	10/24/95	20 years	Airport Industrial Park – Atlantic Precision Products, CEA. 75% CAV
Biddeford York County	10/24/95	20 years	Airport Industrial Park – Soleras Ltd. CEA. 75% CAV years 1-20, 50% CAV years 11-20
Jay Franklin County 17 Districts	10/30/95	20 years	International Paper; $304 M paper machine upgrade
South Portland Cumberland County	11/20/95	15 years	National Semiconductor, $986 M plant expansion and equipment acquisition over 15 year period
Westbrook Cumberland County	01/17/96	20 years	Lanco Assembly Systems: building expansion
Westbrook Cumberland County	01/17/96	20 years	Jordan's Meats: warehouse expansion

Sanford York County	02/27/96	15 years	Rainbow Rugs: building expansion and equipment acquisition; 95% CAV years 1-5; 90% CAV years 6-10; 85% CAV years 11 – 15
Brewer Penobscot County	03/29/96	5 years	CMJ, Inc., CEA ; 100% CAV Years 1-4; 29% CAV Year 5
Brewer Penobscot County	03/29/96	20 years	Brewer Automotive Components: plant expansion; equipment acquisition
Jay Androscoggin County	03/29/96	20 years	Otis Specialty Papers
Livermore Falls Androscoggin County	03/29/96	20 years	Otis Specialty Papers
Mars Hill Aroostook County	03/23/96	15 years	Fresh Way, Inc.;l 100% CAV
Topsham Sagadahoc County	06/26/96	20 years	Brunswick-Topsham Bypass/Highland CEA; 60% CAV. Max. estimated increase in assessed value;: $13,400,000 (beginning year 5)
Winslow Kennebec County	10/04/96	20 years	Crowe Rope Industries acquisition of site and expansion. 100% CAV, allocated first to debt service, with an y remainder to Crowe under CEA. Max. CAV: $9,000,000
Waterville Kennebec County	10/23/96	20 years	DownCity redevelopment Project. CEA to assist owners renovate/improve retail properties. CAV: 75% years 1-5; 50% years 6-20. Max. estimated increased assessed value: $5,260,000 (years 3-20)
South Portland Cumberland County	01/27/97	15 years	Cummings Road Business Park; 50% CAV
Town of Cumberland Cumberland County	03/30/97	20 years	Town of Cumberland
Lewiston Androscoggin County	03/30/97	15 years	Promenade Mall
Portland Cumberland County	03/30/97	20 years	Bramhall Partners/Holt Hall
Clinton Kennebec County	03/31/97	15 years	Cooper-Weymouth
Fairfield Somerset County	03/31/97	10 years	M&M Associates
Brewer Penobscot County	03/31/97	20 years	Lemforder Corp.
Brewer Penobscot County	03/31/97	5 years	Bouchard Sports Complex
Westbrook Cumberland County	03/31/97	20 years	D&G Machine
Bucksport Hancock County	03/31/97	20 years	Champion International
Gorham Cumberland County	03/31/97	15 years	Gorham Industrial Park
Unity Waldo County	03/31/97	15 years	Unity Downtown
Gray Cumberland County	04/04/97	20 years	Northbrook
Bridgton Cumberland County	05/29/97	20 years	Stagecoach, Inc.
Bath Sagadahoc County	06/02/97	25 years	Bath Iron Works
Saco York County	06/02/97	20 years	First Light Technology
Ellsworth Penobscot County	07/21/97	10 years	Display Concepts

Pittsfield Somerset County	12/05/97	20 years	Pittsfield Woolen Yarns
Pittsfield Somerset County	12/05/97	15 years	Land Air Express
Rumford Oxford County	12/17/97	25 years	Maine Power Associates
Gray Cumberland County	02/18/98	20 years	Route 100
Madison Somerset County	02/19/98	10 years	Specialty Minerals (D2)
Madison Somerset County	02/19/98	10 years	MPI-Roll Wrapper (D3)
Madison Somerset County	02/19/98	10 years	Business Park (D4)
Veazie Penobscot County	03/27/98	21 years	Casco Bay Energy
Auburn Androscoggin County	03/27/98	21 years	Tambrands
Westbrook Cumberland County	03/27/98	15 years	JE Goold & Co.
Bradford Penobscot County	03/27/98	20 years	LaGrange Road
Casco Cumberland County	03/28/98/	10 years	Pipeline
Woodland Washington County	05/15/98	20 years	Georgia-Pacific
Ellsworth Hancock County	07/02/98	15 years	Hinckley Company
Topsham Sagadahoc County	07/22/98	20 years	Village Candle
Farmington Franklin County	07/25/98	15 years	Franklin Printing
Falmouth Cumberland County	07/29/98	25 years	West Falmouth Crossing
Bangor Penobscot County	08/03/98	20 years	Hammond Street Courtyard
Portland Cumberland County	08/03/98	15 years	Unum Life Ins. Co.
Saco York County	08/03/98	10 years	Transparent Audio
South Portland Cumberland County	09/09/98	10 years	Durastone
Old Town Penobscot County	09/10/98	15 years	Old Town Canoe
Mechanic Falls Androscoggin County	09/23/98	15 years	NE Public Warehouse
Portage Lake	10/19/98	20 years	Maine Woods Co.

Aroostook County			
Saco York County	01/15/99	10 years	Saco Plaza
Topsham Sagadahoc County	02/11/99	28 years	Bowdoin Mill
Lewiston Androscoggin County	03/31/99	9 years	Penmor Lithographers
Freeport Cumberland County	03/31/99	12 years	First Atlantic
Easton Aroostook County	06/28/99	10 years	McCain Foods
Old Town Penobscot County	06/29/99	15 years	The Riverfront Project
Fort Fairfield Aroostook County	06/29/99	5 years	Atlantic Custom Processors
Rockland Knox County	07/26/99	5 years	Fisher Snowplows
Freeport Cumberland County	08/09/99	10 years	Destination Freeport
Topsham Sagadahoc County	08/09/99	28 years	Bypass North
Auburn Androscoggin County	12/03/99	15 years	American Falcom
Brunswick Cumberland County	12/03/99	5 years	EnvisioNet
Weston Aroostook County	12/03/99	5 years	First Settler's Lodge
Hollis York County	12/23/99	25 years	Poland Spring
Lewiston Aroostook County	03/16/00	10 years	Butler Brothers
Lewiston Aroostook County	03/16/00	12 years	Diamond Phoenix
Fort Kent Aroostook County	03/16/00	18 years	East Main Street
Madison Somerset County	03/16/00	10 years	MPI (D5)
Oxford Oxford County	03/16/00	12 years	Route 26
Boothbay Lincoln County	03/20/00	20 years	Hodgdon Marine
Milo Piscataquis County	03/21/00	15 years	Bangor and Aroostook
Richmond Sagadahoc County	03/27/00	20 years	Pipeline/Compressor Station
Fairfield Somerset County	03/30/00	20 years	Chinet Company
Woodland	03/31/00	20 years	Maritimes & Northeast

Washington County			
Falmouth Cumberland County	03/31/00	20 years	Route One North
Falmouth Cumberland County	03/31/00	20 years	Route One South
Otisfield Oxford County	03/31/00	20 years	Natural Gas
Poland Androscoggin County	03/31/00	25 years	Poland Spring Bottling – 1
Poland Androscoggin County	03/31/00	25 years	Poland Spring Bottling – II
Rockport Knox County	03/31/00	20 years	Commercial Street
Windham Cumberland County	03/31/00	10 years	Pipeline

[To be completed upon receipt of information from DECD]

EXHIBIT F

Certificate of City Assessor
City of Auburn, Maine

The undersigned City Assessor for the City of Auburn, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. §5254 that the assessed value of the Tambrands Municipal Development Tax Increment Financing District, as described in the Development Program to which this Certificate is included, was $520,900 as of March 31, 2000.

IN WITNESS WHEREOF, this Certificate has been executed as of this 6th day of November, 2000.

CITY ASSESSOR

Joseph Downey

Joseph F. Downey

EXHIBIT G

Tax Increment Financing Tax Shift Formulas

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 City. These tax shifts are noted in three basis formulae which use local property tax valuation as a basis for calculation. These three formulas are: (1) State Aid to Education; (2) Municipal Share of County Taxes; and (3) Revenue Sharing to the extent applicable. 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 261 for the City with and without retained CAV, but not taking into account the hold harmless or hardship cushion that restores in additional State aid to education to the prior years level even through the calculation would have resulted in a reduction.

County Tax Shift: In order 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 City's current share of the County Tax by dividing the current City Valuation by the Current County Valuation. We then determined what the City's Share of the County Tax would be if the new value from the District were added by the City's Valuation without the creation of the District by dividing the sum of the current City 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: $\frac{\text{Municipal Population X Local Property Tax Levied}}{\text{State Local Valuation}}$ = Current Factor

Step Two: $\frac{\text{Municipal Population X Local Property Tax Levied}}{\text{State Local Valuation + Captured Assessed Value}}$ = Adjusted Factor

Step Three: $\frac{\text{Current Factor}}{\text{Adjusted Factor}}$ = 1.X

Step Four: 1.X - 1.0 = .X

Step Five: .X (Total Municipal Revenue Sharing Amount) = Revenue Sharing Shift

The relevant computations are attached.

EXHIBIT G

County Tax Shift

$4,056,250,000 County Valuation
$11,796,633 Average Retained CAV

County Tax 2000	$5,077,111	5.54%
1999	$4,810,607	5.90 %
1998	$4,542,675	(2.02)%
1997	$4,636,447	1.12 %
1996	$4,584,980	

Average Increase: 2.64%

Midpoint Increase - 15 years $7,505,269.79
City Valuation = $1,058,900,000
Average CAV = $11,796,633
Projected County Tax = $7,505,269.79
Projected City Share (w/o CAV) = 26.11%
Projected City Share (w/CAV) = 26.32%.
Difference (w/CAV) = 0.21% x 7,505,269.79 =
Average Annual County Tax Shift = $15,761.07/year
x 30 years
$472,832.10

Educational Aid Tax Shift

From ED261	Current Local Allocation	Revised ED261 if $11,796,633 in unsheltered Valuation were added
Operating Costs (Line 30):	$8,137,802.79	$8,212,782.55
Program Costs (Line 39):	$1,376,155.00	$1,391,608.59
Debt Service (Line 47):	$ 378,980.44	$ 383,273.23
	$9,892,938.23	$9,987,664.37

Estimated Local Allocation of Costs
if Valuation added without TIF: $9,987,664.37
Current Local Allocation: -$9,892,938.23
$ 94,726.14
30 years
$ 2,841,784.20

EXHIBIT G

Revenue Sharing Tax Shifts

Population = 22,230
Total local tax levied = $ 28,040,925
State Valuation = $ 1,058,900,000
Average CAV = $11,796,633
Revenue Sharing Amount =$ 2,754,245.25

Step One: $\frac{22{,}230 \times 28{,}040{,}925}{1{,}058{,}900{,}000} = 588.6767$ (Current Factor)

Step Two: $\frac{22{,}230 \times 28{,}040{,}925}{1{,}058{,}900{,}000 + 11{,}796{,}633} = 582.1908$ (Adjusted Factor)

Step Three: $\frac{588.6767}{582.1908} = 1.011140505$

Step Four: 1.011140505 - 1.00 = 0.011140505

Step Five:

0.011140505 x $2,754,245.25= $30,683.68/year or $920,510.40 over 30 years

EXHIBIT H

CITY OF AUBURN
PUBLIC NOTICE

Notice is hereby given that the City of Auburn, Maine will hold a public hearing on November 6, 2000 at 7:00 p.m. at the City Council Chambers in the Auburn City Building for purposes of receiving public comments on the designation of its proposed Mall Area Municipal Development and Tax Increment Financing District and the adoption of a development program for the said Municipal Development and Tax Increment Financing District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed Municipal Development and Tax Increment Financing District consists of certain property consisting of 84 acres located off of Kittyhawk Avenue, Hotel Road and by the Saint Lawrence and Atlantic Railroad Tracks in Auburn, Maine.

A copy of the proposed development program for the district will be on file with the City Clerk and may reviewed at the offices of the City 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 that time.

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