

**ECONOMIC DEVELOPMENT
AUBURN, MAINE**

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

**PACKGEN OMNIBUS MUNICIPAL DEVELOPMENT
AND TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
(District #26)**

Presented to:

City of Auburn, City Council

DATED: January 4, 2021

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EXHIBITS:

- A-1 Map Showing TIF District Location within Municipality**
- A-2 Map Showing TIF District Boundary**
- B Statutory Requirements & Thresholds**
- C Assessor’s Certification of Original Assessed Value**
- D-1 Captured Assessed Values Projections & TIF Revenue Projections**
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- E Public Hearing Notice**
- F Public Hearing Minutes**
- G City Council Order**

I. Introduction

A. The Packgen Project and the TIF District

Packgen (the “Developer”), an Auburn based specialty packaging manufacturer, is looking to construct a new facility at Cascade Drive in Auburn, Maine to accommodate recent and forecasted future substantial growth. The Developer is purchasing the subdivision at Cascade Drive and developing lots 1 and 2. The District will be comprised of the following parcels: Map 130/Lot 001-001 and Map 130/Lot 001-002.

The Developer plans an initial investment of \$10,000,000 to add a 70,000+/- square foot structure, parking and site improvements, as well as an investment in personal property, on Map 130/Lot 001-001 and Map 130/Lot 001-002, shown on Exhibit A-1 (the “Project”). The Project is expected to add 25 jobs. Additionally, the Developer is considering the future development of at least two other lots in the subdivision that are not located in the proposed district.

A development hurdle has been identified with the developer. Site construction and permitting costs to develop a new manufacturing facility are more expensive than the project can support. A Credit enhancement agreement is proposed that that would help mitigate these expenses and make the project feasible.

The City of Auburn has identified this growth as an opportunity to capture Tax Increment Financing (TIF) district to make needed infrastructure improvements in the area and repay the debt incurred to construct the subdivision road, infrastructure needed to serve the Development and wetland mitigation monitoring. The City will use captured funds to pay debt incurred during the construction of the public road (Cascades Drive). The City would also use TIF Revenues (as defined below) to fund a new public safety facility, as allowed by a recent TIF Statute amendment in 2019. The municipal projects are described below in Table 1.

B. Designation of the TIF District

The City hereby designates the **Packgen Omnibus Municipal Development and Tax Increment Financing District (#26)** (the “District” or “TIF District”). The District is shown on Exhibits A-1 and A-2 and consists of 11.3 acres identified on City Tax Maps as Map 130/Lot 001-001 and Map 130/Lot 001-002. The District will exist for a total of twenty-five (25) years beginning with the City’s July 1, 2020-June 30, 2020 Fiscal Year, upon approval from the Maine Department of Economic and Community Development (“DECD”), and ending on October 31, 2045.

The District is a so-called “omnibus” district, which means that the City will be permitted in the future to enter into additional credit enhancement agreements relating to this District as it sees fit for up to the full term of the District for up to 100% of the captured assessed value, so long as the City holds a public hearing prior to the approval of any such credit enhancement agreement. Pursuant to this Development Program, the City is authorizing a credit enhancement agreement with the Developer, and by designating

¹ The property is currently two parcels but may be combined to a single parcel for the Development.

the District as an “omnibus” district, the City reserves the right to enter into additional credit enhancement agreements in the future.

II. Development Program Narrative

A. The Development Program

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the “TIF Statute”). The City’s designation of the District combined with the adoption of this development program (the “Development Program”) create a single municipal TIF district in order to capture the value of the real property improvements made in the District, and enable the use TIF Revenues (as defined below) to ensure the economic viability of the Initial Project slated for construction and as incentive for the development of the Future Projects. The Development Program will run for the same twenty-five (25) years beginning with the City’s July 1, 2020 – June 30, 2021 Fiscal Year, upon approval from DECD, and ending on October 31, 2045.

Under this Development Program, the City will capture 100% of the increased assessed value of real property in the District over the original assessed value of the District and retain the tax revenues generated by the captured assessed real property value (the “TIF Revenues”) for designated economic development purposes. In the Assessor’s Certificate attached as Exhibit C hereto, the City’s Assessor has certified the original assessed property value of the District. The calculation of TIF Revenues is more specifically described below in Section IV – Financial Plan.

By adopting this Development Program, the City will be creating a TIF district that will (1) contribute to the success of the District with developer-funded property improvements of the District; and (2) shelter the new municipal real property value from impacting the overall State valuation for the City of Auburn, thereby minimizing decreases in the City’s State school subsidy and State revenue sharing, and potential increases in the City’s county tax assessments.

Further, approval of this Development Program and the designation of the District will have a neutral impact on the existing tax base, because only the increased assessed real property value over the original assessed property value within the District will be captured. In addition, at the end of the term of this Development Program, the City will emerge with a substantial amount of new real property value to add to its municipal tax base.

In designating the District and adopting this Development Program, the City can accomplish the following goals:

- Maintain the existing tax revenues;
- Enjoy enhanced future tax revenues generated by improvements within the District;
- Enable the investment of TIF Revenues (defined below) in high priority City projects;
- Create long-term, stable employment opportunities for area residents; and
- Improve the overall economy of the City, the region, and the State of Maine.

The City's designation of the TIF District and pursuit of this Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial necessary City infrastructure improvement and contributing to property taxes. In addition, by creating the District,

the City will “shelter” the increase in municipal valuation that the Project will bring about. This tax shift benefit will mitigate the adverse effect that the District's increased assessed property value would have on the City's share of state aid to education, municipal revenue sharing and its county tax assessment. An estimate of the tax shift benefit is shown as Exhibit D-2 attached hereto.

B. The Project Costs

1. Municipal Project Costs

The City plans to invest in municipal infrastructure. The City plans to use its portion of the TIF Revenues to undertake projects that will enhance the exposure and viability of the City as a vibrant place to locate a business, to visit, and to work. The City’s Project Costs will cover capital or municipal debt to fund the items listed in Table 1 below.

TABLE 1

City of Auburn’s Project Costs

Note: The TIF Revenues from this District are not intended to fully fund each of the projects listed below. The total project cost estimates for the projects listed below may well exceed the projected TIF Revenues from this District.

Project	Cost Estimate	Statutory Citation
1. <u>Public Safety Facility</u> : Costs related to the construction or operation of a public safety facility in the City, the need for which is related to general economic development within the City, not to exceed 15% of the captured assessed value of the development district.	\$26,000,000	30-A M.R.S. § 5225 (1)(C)(9); (1)(B)(1)
2. <u>Road and Intersection Improvements</u> : Design, construction and engineering costs related to road construction and intersection improvements on Cascades Drive and Lewiston Junction Road, located within the District or directly related to or made necessary by the District.	\$4,600,000	30-A M.R.S. § 5225 (1)(A)(1); (1)(B)(1)
3. <u>Capital Improvements</u> : Costs of the construction of or the expansion of utility infrastructure, including but not limited to sewer and water, located within the District or directly related to or made necessary by the District.	\$1,000,000	30-A M.R.S. § 5225 (1)(A)(1); (1)(B)(1)
4. <u>Professional Services Costs</u> : Professional service costs related to the District including, but not limited to, licensing, architectural, planning, engineering and legal expenses.	\$400,000	30-A M.R.S. § 5225(1)(A)(4)

<p>5. <u>Economic Development Programs</u>: Costs of the City’s economic development programs, including, but not limited to, marketing costs, monitoring and compliance with wetland mitigation requirements, prorated portions of staff salaries devoted to supporting and administering TIF programming, and other related operating expenses for the City’s Economic Development Department. *</p>	<p>\$20,000</p>	<p>30-A M.R.S. § 5225(1)(C)(1)</p>
<p>TOTAL</p>	<p>\$27,795,000</p>	

*Similar project contained within Auburn Memory Care TIF, Downtown Omnibus TIF and Futureguard Omnibus TIF.

2. Developer's Use of TIF Revenues

With the designation of this District, the City authorizes a twenty-year credit enhancement agreement (the “CEA”) with the Developer under which the Developer will receive 40% of the TIF Revenues per year of the District being developed into the Project, identified on the District map at Exhibit A. The purpose of the CEA is to reimburse the Developer for the cost of the site development, wetland impact permitting, stormwater treatment and construction costs required by the Project. The City will retain the remaining 60% of TIF Revenues related to this portion of the Developer’s property to be used for the municipal projects described in Table 1. Once the CEA expires, 100% of TIF Revenues related to this portion of the Developer’s property will be retained by the City for the duration of the District to be used to fund municipal projects.

C. Operational Components

1. Public Facilities

See Table 1 for a description of public facilities.

2. Commercial Improvements Financed Through Development Program

The City will enter into the CEA with the Developer, to support the commercial improvements in the District.

3. Relocation of Displaced Persons

Not applicable.

4. Transportation Improvements

See Table 1 for a description of any transportation improvements.

5. Environmental Controls

The improvements made under this Development Program will meet or exceed all federal, state and local environmental laws, regulations and ordinances and will comply with all applicable land use requirements for the City.

6. Plan of Operation

During the term of the District, the City Council or its designee will be responsible for all administrative matters within the purview of the City concerning the implementation and operation of the District.

D. Improvements to the Public Infrastructure

Please see Table 1 for a list of public infrastructure improvements contemplated by the District.

III. Physical Description

This Article III addresses the conditions for approval contained in 30-A M.R.S.A. § 5223(3). The proposed 11.3-acre District is shown in Exhibit A-1 and Exhibit A-2. The statutory threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. § 5223(3) are set forth in Exhibit B.

IV. Financial Plan

The Original Assessed Value of the property in the District was \$272,900 as of March 31, 2020 (April 1, 2019) as shown in the Assessor's Certificates at Exhibit C.² In the event of a revaluation of taxable property within the City, the Captured Assessed Value of this District may be adjusted in proportion to the change in taxable assessed property valued within the District in the year of the revaluation.

Under this Development Program, the City will capture 100% of the taxes paid on increased assessed value in the District. As discussed in detail in Section II(B)(2), the City will enter into the CEA with the Developer, which provide that certain percentages of the TIF Revenues be reimbursed to the Developer and certain percentages of TIF Revenues are retained by the City to be used to fund the municipal projects described in Table 1.

A Development Program Fund shall be established by the City consisting of a Project Cost Account and a Sinking Fund. Upon each payment of property taxes for property located inside the District, the City will deposit into a development program fund (the "Packgen Development Program Fund" or "Development Program Fund") 50% of the property tax payments on increased assessed value of District property, also referred to as TIF Revenues. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Development Program Fund Project Cost Account shall consist of and be separated into at least two separate subaccounts: the Developer Project Cost Subaccount (the "Developer Project Cost Subaccount") and the City Project Cost Subaccount (the "City Project Cost Subaccount"). The Developer Project Cost Subaccount will be pledged to and charged with the payment of amounts due to the Developer under the CEA entered into by the City and the Developer.

Upon receipt of each payment of property tax from the Developer on District property, the City shall deposit into the Developer Project Cost Subaccount 15% of the TIF Revenues generated on that portion of the Developer's property upon which the Initial Project is located, until (a) the total cumulative amount of TIF Revenues so deposited during the term of the District reaches the Cap, or (b) the expiration of the term of the CEA, whichever occurs first, at which point no further deposits shall be made into the Developer Project Cost Subaccount. The amounts in the Developer Project Cost Subaccount shall be used

² As stated above, as of March 31, 2020, the property within the District was comprised of two parcels, Map 130/Lot 001-001 and Map 130/Lot 001-002. The property within the District will likely be developed as a single merged parcel matching the District Boundaries.

and applied solely to fund the payments to the Developer under the CEA. The City shall deposit in the City Project Cost Subaccount the balance of the TIF Revenues related that portion of the Developer's property upon which the Project is located.

All funds deposited into the City Project Cost Subaccount will be used to pay or costs of the public facilities debt, improvements, and programs described in Table 1 hereof. All funds deposited into the Developer Project Cost Subaccounts will be used to make payments pursuant to the CEA.

A. Financial Data

Estimates of the increased assessed property values of the District and the anticipated TIF Revenues generated by the District are shown in Exhibit D-1. The current and future developers owning or leasing properties located within the District will pay for and/or finance improvements located in the District through private sources.

The statutory requirements and thresholds for approval required by Section 5223(3) of Title 30-A in the TIF Statute are set forth in Exhibit B.

B. Tax Shifts

In accordance with the TIF Statute, the table set forth in Exhibit D-2 identifies the tax shift benefits that the City estimates will result during the term of the District.

C. Public Indebtedness

The City reserves the right to issue municipal bonds in order to pay for capital improvements to pay for capital improvements in the Development Program. Any municipal bond issued for such project would require the City approval process as normally required for municipal indebtedness.

D. Certification of Original Assessed Value

The Original Assessed Value of the District was \$272,900 as of March 31, 2020 (April 1, 2019). This assessed value is wholly attributable to taxable real property value. Certification by the City's Tax Assessor of the original assessed value of the District is set forth in Exhibit C.

V. Municipal Approvals

A. Notice of Public Hearing

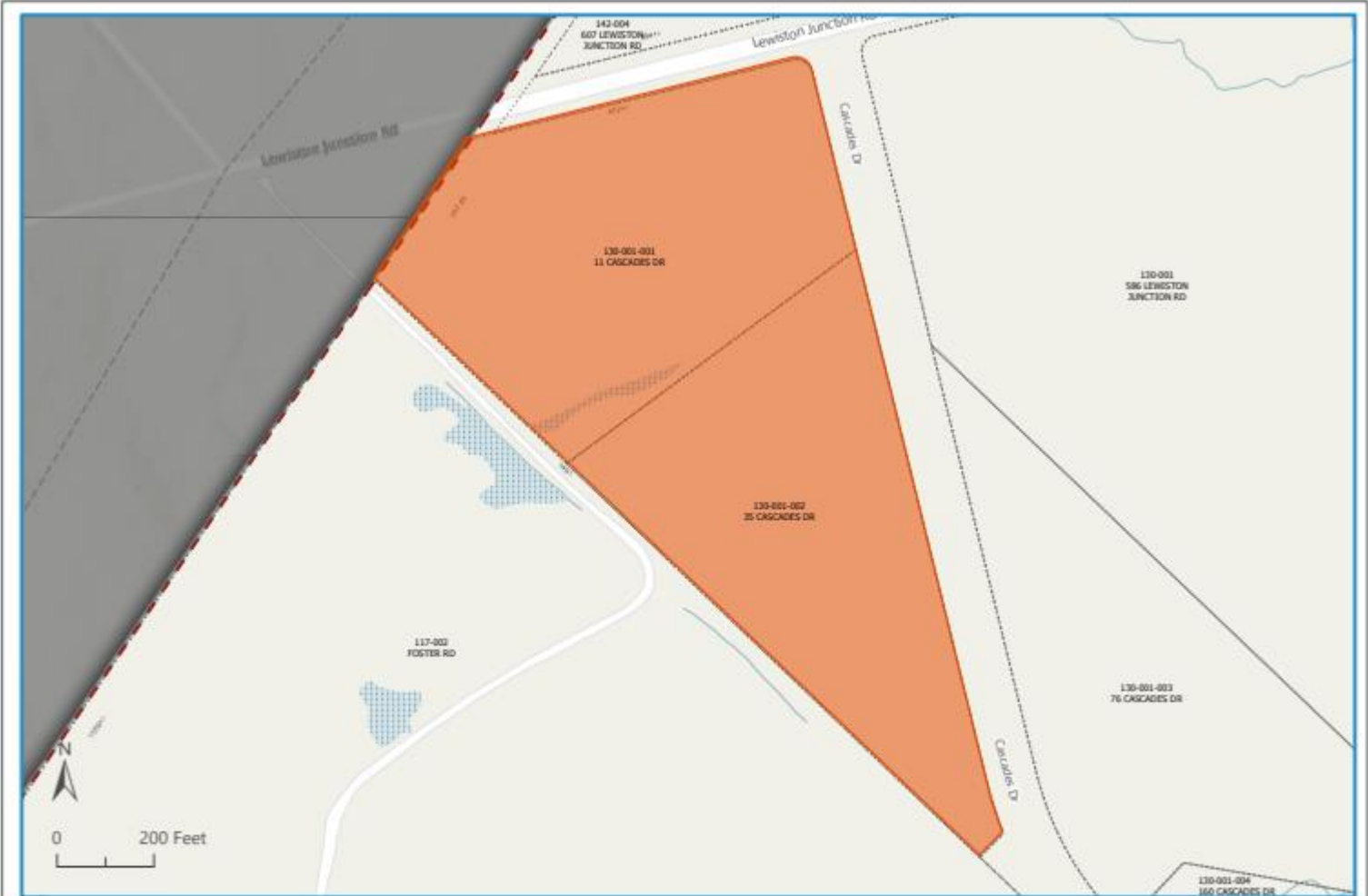
Attached as Exhibit E hereto is a copy of the Notice of Public Hearing regarding the designation of the District and the adoption of the Development Program for the District, published in a newspaper of general circulation in the City, on a date at least ten (10) days prior to the public hearing. The public hearing on the Development Program was held on January 4, 2021, in accordance with the requirements of 30-A M.R.S.A. § 5226(1).

B. Minutes of Public Hearing

The Auburn City Clerk has provided an attested copy of the minutes of the January 4, 2021 public hearing before the Auburn City Council, a copy of which is contained in Exhibit F. This exhibit also provides a record of the vote of the Council on the designation of the District and the adoption of the Development Program.

C. Order and Authorizing Vote

A copy of the City Council Order posted for the Public Hearing and approved by the Auburn City Council is provided in Exhibit G, attested by the City Clerk.



TIF #26

**Cascades Drive
Municipal TIF District**



**60 Court Street
Auburn, Maine
207.333.6601**



TIF #26

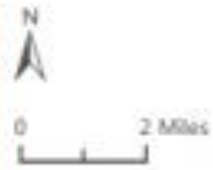
Cascades Drive Municipal TIF District



60 Court Street
Auburn, Maine
207.333.6601



 TIF 26





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STATUTORY REQUIREMENTS AND THRESHOLDS
Packgen Omnibus Municipal TIF District (#26)

SECTION A. Acreage Caps		
1. Total municipal acreage;	41,430	
2. Acreage of proposed Municipal TIF District;	11.3	
3. Downtown-designation ¹ acres in proposed Municipal TIF District;	0	
4. Transit-Oriented Development ² acres in proposed Municipal TIF District;	0	
5. Total acreage [=A2-A3-A4] of proposed Municipal TIF District counted toward 2% limit;	11.3	
6. Percentage [=A5÷A1] of total acreage in proposed Municipal TIF District (CANNOT EXCEED 2%).	.027%	
7. Total acreage of all <u>existing/proposed</u> Municipal TIF districts in municipality including Municipal Affordable Housing Development districts: ³	Existing	717.31
	Proposed	11.3
	Total:	728.61
	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>#13 Retail Development/29.67 acres</p> <p>#19 Hartt Transportation Industrial Park/43 acres</p> <p>#9 Mall Area/57.74 acres</p> <p>#14 Mall Revitalization/38.91</p> <p>#18 Norway Savings Bank Arena/8.53 acres</p> <p>#21 477 Minot Ave/3.83</p> <p>#22 Hampshire Street/1.01</p> <p>#23 Memory Care/8.61</p> <p>#24 Gracelawn/2.92</p> <p>#25 FutureGuard/27.2</p> <p>#26 Packgen/11.3</p> </div> <div style="width: 45%;"> <p>#10 Downtown Omnibus/264.18 acres</p> <p>#15 Mall Area Hotel/1.5 acres</p> <p>#6 Proctor & Gamble (Tambrands II)/84 acres</p> <p>#12 Auburn Industrial Park/144 acres</p> <p>#16 Webster School AHTIF/1.4 acres</p> <p>#20 62 Spring Street/.81</p> </div> </div>	
30-A § 5223 (3) EXEMPTIONS ⁴		
8. Acreage of an <u>existing/proposed</u> Downtown Municipal TIF district;	264.18	
9. Acreage of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts:	0	
10. Acreage of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts:	0	
11. Acreage in all <u>existing/proposed</u> Municipal TIF districts common to ⁵ Pine Tree Development Zones per 30-A § 5250-I (14)(A) excluding any such acreage also factored in Exemptions 8-10 above:	0	
12. Total acreage [=A7-A8-A9-A10-A11] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	464.43	
13. Percentage of total acreage [=A12÷A1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	1.12%	
14. Real property in proposed Municipal TIF District that is:	ACRES	% [=Acres÷A2]
a. A blighted area;	0	0
b. In need of rehabilitation, redevelopment or conservation;	0	0
c. Suitable for commercial or arts district uses.	11.3	100%
TOTAL (except for § 5223 (3) exemptions a., b. OR c. must be at least 25%)		100%

¹ Before final designation, the Commissioner will seek advice from MDOACF and MDOT per 30-A § 5226(2).

² For Transit-Oriented Development (TOD) definitions see 30-A § 5222 sub-§§ 19-24.

³ For AH-TIF acreage requirement see 30-A § 5247(3)(B). Alternatively, Section B. must exclude AH-TIF valuation.

STATUTORY REQUIREMENTS AND THRESHOLDS
Packgen Omnibus Municipal TIF District (#26)

⁴ Downtown/TOD overlap nets single acreage/valuation caps exemption.

⁵ PTDZ districts approved through December 31, 2008.

STATUTORY REQUIREMENTS AND THRESHOLDS
Packgen Omnibus Municipal TIF District (#26)

SECTION B. Valuation Cap		
1. Total TAXABLE municipal valuation—use most recent April 1;	\$1,956,632,371	
2. Taxable Original Assessed Value (OAV) of proposed Municipal TIF District as of March 31 preceding municipal designation—same as April 1 prior to such March 31;	\$272,900	
3. Taxable OAV of all existing/proposed Municipal TIF districts in municipality excluding Municipal Affordable Housing Development districts: #10 Downtown Omnibus/\$83,168,800 #13 Retail Development/\$5,425,400 #15 Mall Area Hotel/\$4,900 #18 Norway Savings Bank Arena/\$1,564,100 #6 Proctor & Gamble (Tambrands II)/\$520,900 #9 Mall Area/\$5,956,300 #12 Auburn Industrial Park/\$334,200 #14 Auburn Mall/\$11,328,400 #19 Hartt Transportation Center/\$1,278,600 #20 62 Spring Street/\$474,300 #23 Auburn Memory Care/\$327,100 #24 Gracelawn/\$262,600 #25 FutureGuard/\$3,838,700 #26 Packgen/\$272,900	Existing	\$114,484,300
	Proposed	\$272,900
	Total:	\$114,757,200
30-A § 5223 (3) EXEMPTIONS		
4. Taxable OAV of an <u>existing/proposed</u> Downtown Municipal TIF district;	\$83,168,800	
5. Taxable OAV of all <u>existing/proposed</u> Transit-Oriented Development Municipal TIF districts:	0	
6. Taxable OAV of all <u>existing/proposed</u> Community Wind Power Municipal TIF districts:	0	
7. Taxable OAV of all <u>existing/proposed</u> Single Taxpayer/High Valuation ⁶ Municipal TIF districts:	0	
8. Taxable OAV in all <u>existing/proposed</u> Municipal TIF districts common to Pine Tree Development Zones per 30-A §5250-I (14)(A) excluding any such OAV also factored in Exemptions 4-7 above:	0	
9. Total taxable OAV [=B3-B4-B5-B6-B7-B8] of all <u>existing/proposed</u> Municipal TIF districts counted toward 5% limit;	\$31,588,400	
10. Percentage of total taxable OAV [=B9÷B1] of all <u>existing/proposed</u> Municipal TIF districts (CANNOT EXCEED 5%).	1.6%	

COMPLETED BY	
NAME :	Eric J. Cousens, Interim Director of Economic and Community Development, City of Auburn
DATE :	December 10, 2020

⁶ For this exemption see 30-A §5223(3)(C) sub-§§ 1-4.



City of Auburn, Maine
Office of the Assessor
www.auburnmaine.gov | 60 Court Street
Auburn, Maine 04210
207.333.6601

ASSESSORS CERTIFICATE OF ORIGINAL ASSESSED VALUE
PACKGEN TAX INCREMENT FINANCING DISTRICT, (TIF # 26)
CITY OF AUBURN, MAINE

The undersigned Assessor for the City of Auburn, Maine does hereby certify that:

Tax map 130 lot 001-001 (11 Cascades Drive) showing the boundaries of a portion of the boundaries of Packgen, TIF #26 is an accurate depiction of a *portion* of the proposed District. The original assessed value of the taxable real property was One Hundred Forty Two Thousand Dollars (\$142,000) as of March 31, 2020.

IN WITNESS THEREOF, this certificate has been executed as of this 17th day of August, 2020.

ASSESSOR, CITY OF AUBURN, MAINE

A handwritten signature in black ink, appearing to read "Karen V. Scammon".

Karen V. Scammon, CMA-3

Original Assessed Value for Individual Tax Map Lot

Tax Map and Lot Number	Acreage	Original Assessed Value as of March 31, 2020 (April 1, 2019)
Map 130, Lot 001-001	5.8	\$142,000



City of Auburn, Maine
Office of the Assessor
www.auburnmaine.gov | 60 Court Street
Auburn, Maine 04210
207.333.6601

ASSESSORS CERTIFICATE OF ORIGINAL ASSESSED VALUE
PACKGEN TAX INCREMENT FINANCING DISTRICT, (TIF # 26)
CITY OF AUBURN, MAINE

The undersigned Assessor for the City of Auburn, Maine does hereby certify that:

Tax map 130 lot 001-002 (35 Cascades Drive) showing the boundaries of a portion of the boundaries of Packgen, TIF #26 is an accurate depiction of a *portion* of the proposed District. The original assessed value of the taxable real property was One Hundred Thirty Thousand Nine Hundred Dollars (\$130,900) as of March 31, 2020.

IN WITNESS THEREOF, this certificate has been executed as of this 17th day of August, 2020.

ASSESSOR, CITY OF AUBURN, MAINE

A handwritten signature in black ink that reads "Karen V. Scammon".

Karen V. Scammon, CMA-3

Original Assessed Value for Individual Tax Map Lot

Tax Map and Lot Number	Acreage	Original Assessed Value as of March 31, 2020 (April 1, 2019)
Map 130, Lot 001-002	5.5	\$130,900

Exhibit D-1 | Captured Assessed Value & TIF Revenue Projections
PACKGEN OMNIBUS TIF DISTRICT #26

Fiscal Year	TIF Year	Projected Mill Rate Tax Yr 2020 \$23.75	Percent Captured in TIF	Increased Assessed Value	Captured Assessed Value	Total Projected TIF Revenue	TIF Revenue to Developer	TIF Revenue to City	Taxes to City General Fund	Increased Assessed Value Other Parcels	Captured Assessed Value Other Parcels	TIF Revenue to City Other Parcels	Taxes to City General Fund Other Parcels	Total District Captured Assessed Value
2020-2021	1	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2021-2022	2	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2022-2023	3	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2023-2024	4	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2024-2025	5	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2025-2026	6	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2026-2027	7	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2027-2028	8	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2028-2029	9	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2029-2030	10	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2020-2031	11	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2031-2032	12	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2032-2033	13	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2033-2034	14	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2034-2035	15	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2035-2036	16	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2036-2037	17	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2037-2038	18	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2038-2039	19	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2033-2035	20	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$38,000	\$57,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2034-2036	21	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$0	\$95,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2035-2037	22	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$0	\$95,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2036-2038	23	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$0	\$95,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2037-2039	24	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$0	\$95,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
2038-2040	25	23.75	100%	\$4,000,000	\$4,000,000	\$95,000	\$0	\$95,000	\$0	\$0	\$0	\$0	\$0	\$4,000,000
25-Year Total:						\$2,375,000	\$760,000	\$1,615,000	\$0					
25-Year Average:						\$95,000	\$30,400	\$64,600	\$0					

Assumptions:

1. Assumes the initial project is complete for Year 1 of the District with an estimated assessed value of \$4 million.
2. Assumes a 25-year district term and 100% assessment ratio.
3. Projections include projected mil rates based on 2020 actual mil rate, held constant for remainder of District term.
4. Assumes 100% of the increased assessed value is captured in the District and available for municipal project costs for 25 years (and a portion to the CEA relating to the project for a period of 20 years).
5. Assumes 40% of TIF revenues each year for Developer for 20 years.
6. Projections are much less likely to be accurate farther into the future and are for demonstrative purposes only.

Exhibit D-2 | Tax Shift Benefits
PACKGEN OMNIBUS TIF DISTRICT #26

Fiscal Year	TIF Year	State Aid to Education Benefit	County Tax Benefit	State Revenue Sharing Benefit	Total Tax Shift Benefits
2020-2021	1	-	-	-	\$0
2021-2022	2	-	-	-	\$0
2022-2023	3	-	\$4,890	\$2,945	\$7,835
2023-2024	4	\$10,798	\$7,628	\$4,593	\$21,695
2024-2025	5	\$21,595	\$9,780	\$5,889	\$37,260
2025-2026	6	\$32,720	\$9,780	\$5,889	\$43,389
2026-2027	7	\$32,720	\$9,780	\$5,889	\$43,389
2027-2028	8	\$32,720	\$9,780	\$5,889	\$43,389
2028-2029	9	\$32,720	\$9,780	\$5,889	\$43,389
2029-2030	10	\$32,720	\$9,780	\$5,889	\$43,389
2020-2031	11	\$32,720	\$9,780	\$5,889	\$43,389
2031-2032	12	\$32,720	\$9,780	\$5,889	\$43,389
2032-2033	13	\$32,720	\$9,780	\$5,889	\$43,389
2033-2034	14	\$32,720	\$9,780	\$5,889	\$43,389
2034-2035	15	\$32,720	\$9,780	\$5,889	\$43,389
2035-2036	16	\$32,720	\$9,780	\$5,889	\$43,389
2036-2037	17	\$32,720	\$9,780	\$5,889	\$43,389
2037-2038	18	\$32,720	\$9,780	\$5,889	\$43,389
2038-2039	19	\$32,720	\$9,780	\$5,889	\$43,389
2033-2035	20	\$32,720	\$9,780	\$5,889	\$43,389
2034-2036	21	\$32,720	\$9,780	\$5,889	\$43,389
2035-2037	22	\$32,720	\$9,780	\$5,889	\$43,389
2036-2038	23	\$32,720	\$9,780	\$5,889	\$43,389
2037-2039	24	\$32,720	\$9,780	\$5,889	\$43,389
2038-2040	25	\$32,720	\$9,780	\$5,889	\$43,389
2040-2041		\$32,720	\$9,780	\$5,889	\$43,389
2041-2042		\$32,720	\$9,780	\$5,889	\$43,389
2042-2043		\$32,720	-	-	\$37,260
Totals:		\$784,953	\$237,458	\$142,985	\$1,101,997
Averages:		\$31,398	\$9,498	\$5,719	\$44,080

Assumptions:

1. Data sources include the 2020 mil rate reported and predicted by the City of Auburn, Androscoggin County's FY 2016-2020 Tax Commitment, the State Treasurer's Office Municipal Revenue Sharing projections for FY 2020 07/01/20 - 06/30/21 Published 08/03/20, the Maine Department of Education 11/16/20 2020-2021 ED 279 form for Auburn Public Schools.
2. Tax shift losses are comprised of declining subsidies in revenue sharing and increasing obligations to pay county taxes. Tax shift losses occur a couple of years following the year in which the new assessed value is first recognized in the assessment. No tax shift losses occur when a TIF captures all of the new value.
3. These projections assume that the formulas and general inputs for state subsidies and county taxes do not change over time and they assume that all other values in other communities are static relative to one another except for the new value assessed. The projections are less likely to be accurate farther into the future.
4. Assumes the assessment ratio in the City is 100% when new property value arrives, such that the market value of new property is used for assessment purposes.
5. The projections above assume that no tax increment financing district is put in place, thus the mil rate is reduced by as a result of the full new value in the City. This analysis factors in tax shift impacts resulting from the project's new assessed value into future commitments and mil rate calculations to arrive at projected

**CITY OF AUBURN
NOTICE OF PUBLIC HEARING**

Notice is hereby given that the City of Auburn City Council will hold a public hearing on **January 4, 2021 at 7:00 p.m.** for the purposes of receiving public comments on the designation of the *Packgen Omnibus Municipal Development and Tax Increment Financing District* as well as the adoption of the development program for the district to encompass approximately 11.3 acres located at 11 and 35 Cascades Dive Parcel IDs 130-001-001 and 130-001-002. The City plans to enter into a credit enhancement agreement with the owner of the property within the District related to development of a new manufacturing and distribution facility.

The public hearing is proposed pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at the hearing.

This public hearing will be conducted remotely using “Zoom.” The meeting will be broadcast as usual on Great Falls TV (cable channel 1302) and on the City of Auburn [YouTube](#) channel. Information, materials and the active meeting access links are available under the January 4, 2021 TIF link at:

<https://www.auburnmaine.gov/pages/government/city-council-agendas> .

If you wish to offer public comment during the meeting, you can “attend” the meeting via Zoom and speak during the public comment session. To participate in this way, please register in advance by using the following link under the January 4, 2021 TIF link at: <https://www.auburnmaine.gov/pages/government/city-council-agendas> .

After registering, you will receive a confirmation email containing information about joining the meeting. If you wish to speak, simply click “Raise Hand” in the webinar controls. You can also use the Alt+Y keyboard shortcut (Mac: Option+Y) to raise or lower your hand. You will be notified when it is your turn to speak. Be sure to “Unmute” yourself and speak clearly. All participants will be able to hear you.

If you prefer to submit public comment in writing, please send your remarks via email to: comments@auburnmaine.gov. Your comments will be included in the meeting minutes.

EXHIBIT F – Public Hearing Minutes Placeholder

**CITY OF AUBURN, MAINE
COUNCIL ORDER**

WHEREAS, the City of Auburn (the “City”) is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specific areas within the City as Packgen Omnibus Municipal Development District (the “District”) and to adopt a development program for the District (the “Development Program”); and

WHEREAS, there is a need for development in the City and for the creation of good new jobs in the City; and

WHEREAS, implementation of the Development Program will help to improve and broaden the tax base in the City and improve the economy of the City and the State of Maine; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial development in the City through the establishment of the District in accordance with Chapter 206 of Title 30-A; and

WHEREAS, the City Council has held a public hearing on January 4, 2021, upon at least ten (10) days prior notice published in a newspaper of general circulation within the City, on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5226; and

WHEREAS, the City desires to designate the District as a Municipal Development and Tax Increment Financing District, and to adopt a Development Program for the District; and

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

NOW THEREFORE BE IT ORDERED AS FOLLOWS:

Section 1. The City Council 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 commercial uses; 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 existing and proposed development districts within the City (including the District) does not exceed five percent (5%) of the total acreage of the City; and
- c. The original assessed value of all existing and proposed tax increment financing districts (including the District) does not exceed five percent (5%) of the total value of equalized taxable property within the City as of April 1, 2018; and
- d. The District and pursuit of the Development Program will make a contribution to the economic growth and well-being of the City of Auburn and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of

the City of Auburn, including a broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose. The City has considered all evidence, if any, presented to it with regard to any adverse economic effect on or detriment to any existing business and has found and determined that such adverse economic effect on or detriment to any existing business, if any, is outweighed by the contribution expected to be made through the District and Development Program.

Section 2. 30-A of the Maine Revised Statutes, as amended, the City hereby designates a Municipal Development and Tax Increment Financing District and to promote the completion of the project, designated and described more particularly set forth in the Development Program presented to the City Council 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. §5227, the percentage of the increased assessed value to be retained as captured assessed value in the District is 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 Department for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226(2).

Section 5. The foregoing designation of the District and the adoption of the Development Program for the District shall become final and shall take full force upon receipt by the City of approval and designation of the District and adoption of the Development Program by the Department.

Section 6. The City Manager be and hereby is authorized and empowered, at his discretion, from time to time, to make such revisions to the Development Program for the District and the City Manager deems reasonably necessary or convenient, including revisions to the scope or description of the public improvements, facilities and programs to be financed with a portion of the tax increment revenues generated by the District, in order to facilitate the process for review and approval of the District by the Department, 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 7. The City Manager, in the name and on behalf of the City, is hereby authorized and directed to enter into a credit enhancement agreement between the City and the developer of the project to be located in the District, consistent with the description of such agreement in the Development Program.

Section 8. This Order shall take effect immediately upon adoption.

Approved January 4, 2021, by the City Council of the City of Auburn, at a meeting duly convened and conducted at Auburn, Maine.