

**CITY OF AUBURN, MAINE**

**RETAIL DEVELOPMENT  
MUNICIPAL TAX INCREMENT FINANCING DISTRICT #13**

**DEVELOPMENT PROGRAM**

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**Article 1**  
**Development Program Narrative**

**Section 1.01. Introduction**

**A. Background Information and General Description of the District**

The City of Auburn desires to attract and retain quality jobs and commercial development, create and maintain a healthy tax base, improve the economy of the City and the State of Maine, and provide for construction of new public infrastructure improvements to facilitate economic development. In order to fulfill these goals, certain properties are being designated as the Retail Development Tax Increment Financing District, an area consisting of approximately 29.67 acres, comprising a portion of the City as shown on **Exhibit A** attached hereto and incorporated herein by reference (the "District"). The District will contain two parcels of property, one being the former site of Wal-Mart and the other southeast of the intersection of Mount Auburn Avenue and Turner Street.

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 206 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 on Sept. 26, 2005, the designation of the District and the adoption of the Development Program became 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 property Owner and developer with the development of these parcels into retailing centers; (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 and landscaping (the "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 Project -- Retail Development**

The City of Auburn needs to expand its tax base by attracting additional economic development to the City. The District impacts on economic development in several ways. First, the construction of the regional retail complex in the District will be the catalyst for major commercial development on large undeveloped parcels of land within the immediate area and in other areas of the City. New development projects in the District will also require certain improvements through an expansion of public infrastructure. Second, the District provides a source of funds to finance new economic development programs with respect to the City's desire to become a regional shopping destination.



The City recognizes that the two parcels of land have significant challenges to overcome in their development and/or redevelopment due to environmental constraints, topographic issues and building obsolescence. In order to assist the Owner in overcoming the extraordinary cost issues and realize the development opportunity presently available, the City of Auburn proposes to enter into a credit enhancement tax increment financing agreement that will allow for the recapture of a portion of these costs over time (the "Project"). It is also contemplated that within the District certain public improvements, which are described in Sections 1.01(C) and 1.04, will be needed.

The extension (or addition) of these public improvements and modifications to existing facilities will allow substantial commercial development to occur within the District and enhance the ability to develop and market additional commercial property in close proximity to the District. Completion of any portion of this project that is to be funded through municipal bonded indebtedness will be initiated within five years of the designation by DECD. The Project is currently expected to allow for major expansion of commercial development within the District.

For purposes of this Development Program and for purposes of calculating captured assessed value, costs associated with the construction of the Project by the Owner after April 1, 2005 shall be deemed to be in the District on April 1<sup>st</sup> of each subsequent year.

The tax increment revenues, as identified in the Development Program, will be used by the Owner to pay a portion of the capital costs of the Project, to repay to the City certain infrastructure costs incurred by the City and to assist in paying debt service on monies borrowed by the Owner to finance the cost of the Project. The costs so financed will represent only a portion of the owners Project costs. All additional costs will be the sole responsibility of the Owner. (See Section 1.05 "Uses of Private Property" and Section 2.03 "indebtedness" herein) During the term of the development program, the City will capture 100 percent of the increase in assessed value in the District and will retain initially 70% and decreasing to 60% based upon capital expenditures within the District by future developers in accordance with the terms of Mount Auburn/Turner Street Development Agreement as attached hereto as **Exhibit K** of the tax increment revenues from the District for its own use to finance the Project Costs described in Sections 1.01(C) and 1.04 hereof.

#### **C. Public Improvements**

In addition to the Owner's Project in the District, the City will use the remaining 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): 1) to fund the infrastructure improvements within and abutting the District, including but not limited to, roadways, access roads, junctions, sewer, water, storm drains and landscaping (hereinafter called the Public District Improvements); 2) to develop new employment opportunities in the City and to pay other Project Costs as

described in 30-A MRSA Subsection 5252(8)(B)(11); 3) 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 Subsection 5252(8)(B)(9), including road, water, sewer, storm water and environmental protection improvements; and 4) to fund infrastructure improvements, and other Project Costs, all as permitted under 30-A MRSA Subsection 5252(8)(B) (herein collectively called the " Project Costs ").

#### **D. Finding of the City Council**

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 that may be included as a part of the Development Program are identified in **Exhibit C** attached hereto.

The Project and all associated improvements 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 29.67 acres.

### **Section 1.02. Statement of Means and Objectives**

#### **A. Municipal Development District**

The City desires to attract quality jobs and economic development into the community in order to create additional employment opportunities, to maintain a healthy tax base, to promote community well-being, to provide for the City's revitalization and to provide the facilities outlined in this Development Program. By providing for the reinvestment of the new or incremental tax revenues, the City will create capacity through certain important public improvements as well as provide the ability for substantial commercial development within the District and for the Project, thereby providing new employment opportunities in the City and improving and broadening the City's tax base and the economy of the City and the State of Maine.

The two project sites within the Development District have significant constraints (naturally occurring or man made) that have served as impediments to the sites being brought into full production. It is the City's desire to realize the development of the District parcels and therefore the City wishes to induce the Owner to cause the redevelopment of Parcel 1 and the development of Parcel 2 by entering into a long-term partnership whereby the City, through a credit enhancement tax increment finance program, will assist the Owner in recovering a portion of his financed costs to make these project sites competitive.

#### **B. Benefits of the District**

The following benefits will accrue to the general public by causing development to occur within the District:

1. New development will cause an increase in assessed valuation. This means new tax dollars for the City.
2. New infrastructure will be constructed that will provide better access to the development sites and the Mall area.
3. New development within the District will insure the continued viability of the City of Auburn's retail commercial area. The projects within this area will continue to be major contributors to the economy of the City of Auburn.
4. Other substantial new development is likely to occur as a result of the infrastructure improvements and development of the subject parcels.

In summary, realizing the objective of attracting new investment to the District will provide resources to finance the costs of the Public District Improvements and other Project costs. This will create new employment opportunities, promote economic development and expand the tax base of the City for the benefit of the citizens of the City.

### **Section 1.03. 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 total anticipated investment in the District is \$15,000,000. Construction of the project has already started and following City Council action and DECD approval, anticipated completion of the project is expected to occur in 2006. As part of the Development Program, the Owner is requesting that the City assist with the Project by 1) capturing 100 percent (100%) of the increase in assessed value for the real estate in the District and 2) by entering into the credit enhancement agreement with the Owner pursuant to which the City will retain 70 percent (70%) of the captured municipal tax increment for development that increases the new assessed valuation from \$5 million to \$11 million, will retain 65 percent (65%) of the captured municipal tax increment for development that increases the new assessed valuation from \$11 million to \$15 million and will retain 60 percent (60%) of the captured municipal tax increment for development that increases the new assessed valuation \$15 million or more.

Based upon the Owner's ability to attract new investment the residual new tax increment revenues will be rebated to the Owner to offset extraordinary costs associated with developing these project sites. The credit enhancement portion of the development program will remain in effect for a period of fifteen (15) years or until the Owner has recaptured an amount equal to the upset limit established in the Mount Auburn

Avenue/Turner Street Development Agreement, whichever should occur first. The revenues allocated to the Owner will be to reimburse him over time for costs of specific project site improvements, debt service payments relating to financing the Project or as direct payments toward a portion of the cost of the Project. The residual new tax increment revenue retained by the City will be used to finance public improvements in the area and that portion of the development program will be in affect for 15 years.

#### **Section 1.04. Description of Project Costs and Public Facilities to Be Constructed**

The City intends to provide improvements to the public infrastructure in the vicinity of the project sites (Public District Improvements). These may include but not be limited to public sewer, water, storm water management, transportation system capacities and landscaping. The public improvements will be completed to assist the City in efforts to increase employment and economic development in general. Public District Improvements are itemized in **Exhibit C**.

#### **Section 1.05. Uses of Private Property**

The project involves the preparation of both sites for development by the Owner. It is estimated that including demolition (project site write-down of \$500,000), physical modifications to the site, dedication of environmentally sensitive areas to conservation, the re-establishment of wetlands as mitigation for area impacted and dedication of private land for public use as an expansion of the public right of way that the total cost to prepare the site for development will be in excess of \$1,639,000. Additionally, the Owner has funded a comprehensive traffic systems analysis for the entire Mall area at a cost of \$95,000 and is obligated to make temporary improvements within the public right-of-way. Together these costs are estimated to be approximately \$300,000. Therefore, the Owner will have approximately \$1,939,000 invested (not including land acquisition cost) in this project before any development occurs.

The proposed use of the project sites (the District) is in keeping with current zoning requirements in that intensive retail commercial development is permitted within the zone.

#### **Section 1.06. Relocation of Displaced Persons**

Not applicable

#### **Section 1.07. Proposed Facilities to Improve Transportation**

The development, as it is currently proposed, will require the City to construct various infrastructure improvements to serve the District and to promote further economic development.

#### **Section 1.08. Environmental Controls**

The redevelopment, development and improvement projects will comply with all requirements of the City's ordinances, including its Zoning Ordinance. With the exception of any building, site plan, traffic and other construction permits to be applied for, no further zoning permits, licenses or other local approvals are anticipated to be necessary in conjunction with the improvements.

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

#### **Section 1.09. Plan of Operation upon Completion**

The improvements, other than the public infrastructure modifications, in the District will at all times be owned by the Owner, his successors or assigns, who 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 Owner and/or his successors or assigns shall be solely responsible for implementation of the private development in the District. The stipulations regarding the division of responsibilities on the part of the Owner and the City are contained in the Mount Auburn Avenue/Turner Street Development Agreement and attached as **Exhibit K**.

#### **Section 1.10. Program Duration**

The duration of the District will begin on the designation of the District by the Auburn City Council and the effective date of its approval by the Maine Department of Economic and Community Development and end after fifteen years. The Credit Enhancement portion of the development Program will be in affect for fifteen years or when the total aggregate reimbursements received by the Owner reaches the upset limit as established under the Mount Auburn Avenue/Turner Street Development Agreement.

### **Article II** **Financial Plan**

#### **Section 2.01. General Characteristics**

This Tax Increment Financing District will encompass approximately 29.67 acres of taxable property with a total assessed value of land and buildings as of April 1, 2005, in the amount of \$5,425,400.



This Development Program requires the establishment of a Development Program Fund consisting of a Public District Improvement Account pledged to and charged with payment of Project Costs (payment to the Owner under the credit enhancement agreement) and the transfer of residual revenues to a Development Program Sinking Fund Account.

### **Section 2.02. Cost Estimates for Development Program**

Estimated cost for the Owner's project under the Development Program is \$1,939,000.

Estimated costs for Pubic Improvements under the Development Program is \$13,053,075.

### **Section 2.03. Indebtedness**

The City's retained earnings from the tax increment revenues will be transferred to the Auburn Mall Revitalization Municipal Development and Tax Increment Financing District Development Plan (T1F #13) sinking fund to fund public improvements including but not limited to transportation system improvements. If the Developer incurs indebtedness with respect to the project, the funds in the Developers Project Cost Account of the Development Program Fund established hereunder consisting of the Developers allocable share of tax increment revenues on the 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 Owner under the credit enhancement agreement are: 1) municipal tax increment revenues on captured assessed value for the real estate within the District, which will be deposited as received into the Owner's Project Cost Account of the District's Development Program Fund, and 2) earnings on such amounts. The Owner will be responsible for making all arrangements for payments with respect to all additional moneys needed to fund the Project. See summary of financial information in **Exhibit D**.

Separate sub accounts in the Project Cost Account shall be established for the Project (credit enhancement agreement) and funds to be used to fund municipal infrastructure. Upon receipt of each payment of property tax from the Owner, the City shall, within 15 days: 1) deposit that portion of each property tax payment allocated to the Project to the Project Cost Account; and 2) deposit that portion of each payment of property tax allocated for public improvements into the Project Cost Account. The municipal tax increment revenues to be paid to the Owner under the Credit Enhancement Agreement for 15 years (or until the Owner reaches the upset limit for reimbursement) are reflected in Table No.1 below.

**TABLE NO. 1**

Tax Year Beginning 4/01/06	Owner's Share Increment Revenues
-------------------------------	-------------------------------------

FY07	\$ 96,304.25
FY08	\$ 100,630.86
FY09	\$ 102,971.11
FY10	\$ 147,355.85
FY11	\$ 150,630.42
FY12	\$ 153,905.00
FY13	\$ 157,179.57
FY14	\$ 160,454.15
FY15	\$ 163,728.72
FY16	\$ 167,003.29
FY17	\$ 170,277.87
FY18	\$ 170,277.87
FY19	\$ 170,277.87
FY20	\$ <u>28,003.17</u>
<b>TOTAL</b>	<b>\$ 1,939,000</b>

**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 E**. Additional information is set out below.

- |    |  |                 |
|----|--|-----------------|
| a. | Total value of taxable property of the City of Auburn as of April 1, 2005  | \$1,342,992,900 |
| b. | Original assessed value of the District as of April 1, 2005  | \$5,425,400     |
| c. | Original assessed value of all existing TIF within the City  | \$5,811,800     |
| d. | Percentage of total value of taxable property in the City represented by the original assessed value of the District and other Districts/total value | .008368         |
| e. | Total acreage of the City of Auburn is   | 41,430 acres    |
| f. | Total acreage in existing tax increment finance districts in the City of Auburn  | 550             |
| g. | Total acreage in the District  | 29.67           |

- h. Percentage of acreage in all districts  $[(f+g)/e]$  .013992
- i. At least 25 percent area of the District is suitable for commercial uses
- j. Aggregate value of Municipal general obligation indebtedness financed by the proceeds from tax increment financing districts within Androscoggin County, including the District, does not exceed \$50 million as may be adjusted pursuant to 30-A MRSA subsection 5223 (3) (D)

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

Attached hereto as **Exhibit H** 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, 2005 was \$5,425,400.

#### **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 that will result during the term of the District from the establishment of the District, using formulas reviewed by the Maine Department of Economic and Community Development.

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

#### **Section 2.07. Duration of the Development Program**

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 after fifteen years. The Credit Enhancement portion of the Development Program will last fifteen years or the total aggregate reimbursements received by the Owner reaches the upset limit as established under the Mount Auburn Avenue/Turner Street Development Agreement.

### **Article III** **Physical Description**

#### **Section 3.01. Description of the District**

The District consists of two parcels of land with a combined acreage of 29.67 acres. 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 I** is a copy of the Notice a Public Hearing held in accordance with the requirements of 30-A MRSA Subsection 5253. The Notice was published in the Lewiston Sun Journal, a newspaper of general circulation in Auburn on Sept. 12, 2005, a day at least ten (10) days prior to the public hearing. A public hearing was held at the City Council meeting on Sept. 26, 2005.

### **Section 4.02. Authorizing Votes**

Attached as **Exhibit J** are copies of the votes by the City Council of the City of Auburn meeting thereof duly called and held on Sept. 26, 2005 approving the designation of the District and adoption of this 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 Owner 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 by the City occurring subsequent to the revaluation in the City's fiscal tax year 2007 during the term of the District, the City and the Owner 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

### Project Costs-Developer

Site preparation costs Parcel 1 (building demolition)	\$500,000
Site preparation costs Parcel 2 (environmental regulations compliance)	\$967,000
Cost of land to be dedicated for expansion of public right -- of -- way	\$172,000
Transportation system study and temporary improvements to public street	<u>\$300,000</u>
<b>Total Costs</b>	<b>\$1,939,000</b>

**EXHIBIT C**  
**Public District Improvements**

Item #		
1	\$ 4,800,000	Roadway improvements ( <b>Phase 1</b> )
2	\$ 310,000	Right-of-way purchase
3	\$ 30,000	Relocation of existing signs
4	\$ 200,000	Street lighting
5	\$ 100,000	Landscaping
6	\$ 500,000	New Sidewalks (Turner St., Mount Auburn Ave)
7	\$ 150,000	Wetland mitigation
8	\$ 1,400,000	Roadway improvements ( <b>Phase 2</b> )
9	\$ 100,000	Right of Way purchase
10	\$ 600,000	Connector roads
11	\$ 250,000	Sidewalk extensions (Turner St., Mount Auburn Ave)
12	\$ <u>220,000</u>	Storm water management
13	\$ 500,000	Sidewalks, Landscaping and Decorative Lights
14	\$ 50,000	Intersection---Turner and Dennison Streets
15	\$ 200,000	Intersection---Turner and Union Streets

**\$9,410,000**

**Sub-Total**

\$ 3,632,075

Interest on Bond(s)

**\$13,042,075**

**Grand Total**

## EXHIBIT D

TIF13

Year	Projecte d Mill Rate	TIF #13 Valuation	Inc. Assessed Value	Projected Tax Revenue	Credit Enhance ment	Projected Credit	Projected for District Improvements
FY07	0.02435	\$ 5,430,000.00	\$ 11,300,000.00	\$ 275,155.00	35%	\$ 96,304.25	\$ 178,850.75
FY08	0.02150	\$ 5,430,000.00	\$ 13,372,872.00	\$ 287,516.75	35%	\$ 100,630.86	\$ 186,885.89
FY09	0.02200	\$ 5,430,000.00	\$ 13,372,872.00	\$ 294,203.18	35%	\$ 102,971.11	\$ 191,232.07
FY10	0.02250	\$ 5,430,000.00	\$ 16,372,872.00	\$ 368,389.62	40%	\$ 147,355.85	\$ 221,033.77
FY11	0.02300	\$ 5,430,000.00	\$ 16,372,872.00	\$ 376,576.06	40%	\$ 150,630.42	\$ 225,945.63
FY12	0.02350	\$ 5,430,000.00	\$ 16,372,872.00	\$ 384,762.49	40%	\$ 153,905.00	\$ 230,857.50
FY13	0.02400	\$ 5,430,000.00	\$ 16,372,872.00	\$ 392,948.93	40%	\$ 157,179.57	\$ 235,769.36
FY14	0.02450	\$ 5,430,000.00	\$ 16,372,872.00	\$ 401,135.36	40%	\$ 160,454.15	\$ 240,681.22
FY15	0.02500	\$ 5,430,000.00	\$ 16,372,872.00	\$ 409,321.80	40%	\$ 163,728.72	\$ 245,593.08
FY16	0.02550	\$ 5,430,000.00	\$ 16,372,872.00	\$ 417,508.24	40%	\$ 167,003.29	\$ 250,504.94
FY17	0.02600	\$ 5,430,000.00	\$ 16,372,872.00	\$ 425,694.67	40%	\$ 170,277.87	\$ 255,416.80
FY18	0.02600	\$ 5,430,000.00	\$ 16,372,872.00	\$ 425,694.67	40%	\$ 170,277.87	\$ 255,416.80
FY19	0.02600	\$ 5,430,000.00	\$ 16,372,872.00	\$ 425,694.67	40%	\$ 170,277.87	\$ 255,416.80
FY20	0.02600	\$ 5,430,000.00	\$ 16,372,872.00	\$ 425,694.67	40%	\$ 28,003.17	\$ 397,691.50
FY21	0.02600	\$ 5,430,000.00	\$ 16,372,872.00	\$ 425,694.67			\$ 425,694.67
				\$ 5,735,990.79		\$ 1,939,000.00	\$ 3,796,990.79

## EXHIBIT E

### Summary of Statistical Information

1. Total acreage of municipality 41,430 acres
2. Total acreage of proposed Municipal Tax Increment Finance District 29.67 Acres
3. Percentage of Total Acreage in TIF District #13 0.0007
4. Total Acreage in All of Auburn's TIF Districts 550 Acres
5. Percentage of Total Acreage in all TIF Districts Including Proposed 0.01399
6. Total Acreage of All Real Property in the Proposed Tax Increment Finance District Is:
  - (a) Blighted 2.69 Acres  
Percentage 9%
  - (b) In need of rehabilitation or conversion 2.69 Acres  
Percentage 9%
  - (c) Suitable for commercial sites 29.67 acres  
Percentage 100%

The percentage must be equal to or exceed 25% .



## EXHIBIT F

### 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	03/14/94	20 years	Hussey Seating: expansion and equipment

York County			
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.; 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 any 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	12/05/97	20 years	Pittsfield Woolen Yarns

Somerset County			
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 Aroostook County	10/19/98	20 years	Maine Woods Co.

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 Washington County	03/31/00	20 years	Maritimes & Northeast

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 – I
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

**Exhibit G: Tax Shifts from 100% of Increased Value Captured in TIF**

Fiscal Year	Valuation Captured in TIF	Avoided Loss in State Allocation for Education	Avoided Loss of Revenue Sharing	Avoided Increase in County Tax	Total Tax Shifts (Avoided Negative Fiscal Impacts)
2007	\$6,320,000	\$52,203	\$8,234	\$4,798	\$65,235
2008	\$8,570,000	\$70,788	\$11,153	\$6,698	\$88,640
2009	\$10,820,000	\$89,373	\$14,066	\$8,708	\$112,147
2010	\$13,070,000	\$107,958	\$16,973	\$10,830	\$135,761
2011	\$16,070,000	\$132,738	\$20,839	\$13,709	\$167,286
2012	\$16,070,000	\$132,738	\$20,839	\$14,120	\$167,697
2013	\$16,070,000	\$132,738	\$20,839	\$14,544	\$168,121
2014	\$16,070,000	\$132,738	\$20,839	\$14,980	\$168,557
2015	\$16,070,000	\$132,738	\$20,839	\$15,430	\$169,006
2016	\$16,070,000	\$132,738	\$20,839	\$15,893	\$169,469
2017	\$16,070,000	\$132,738	\$20,839	\$16,369	\$169,946
2018	\$16,070,000	\$132,738	\$20,839	\$16,861	\$170,437
2019	\$16,070,000	\$132,738	\$20,839	\$17,366	\$170,943
2020	\$16,070,000	\$132,738	\$20,839	\$17,887	\$171,464
2021	\$16,070,000	\$132,738	\$20,839	\$18,424	\$172,001
<b>Total All Years</b>	<b>\$215,550,000</b>	<b>\$1,780,443</b>	<b>\$279,650</b>	<b>\$206,618</b>	<b>\$2,266,711</b>

Calculated for City of Auburn by PolicyOne Research, Inc. September 21, 2005; Assumes state valuation of \$2,000,000,000 after Auburn's revaluation starting in 2007

## Methodology for Tax Shift Calculations and Supporting Detailed Tables

State Education Aid Losses Avoided from 100% of Increased Value Captured in TIF			
Fiscal Year	Valuation Captured in TIF	Education Mill Rate Required under State EPS Formula	Avoided Loss in State Allocation
2007	\$6,320,000	8.26	\$52,203
2008	\$8,570,000	8.26	\$70,788
2009	\$10,820,000	8.26	\$89,373
2010	\$13,070,000	8.26	\$107,958
2011	\$16,070,000	8.26	\$132,738
2012	\$16,070,000	8.26	\$132,738
2013	\$16,070,000	8.26	\$132,738
2014	\$16,070,000	8.26	\$132,738
2015	\$16,070,000	8.26	\$132,738
2016	\$16,070,000	8.26	\$132,738
2017	\$16,070,000	8.26	\$132,738
2018	\$16,070,000	8.26	\$132,738
2019	\$16,070,000	8.26	\$132,738
2020	\$16,070,000	8.26	\$132,738
2021	\$16,070,000	8.26	\$132,738
<b>Total All Years</b>	<b>\$215,550,000</b>		<b>\$1,780,443</b>
Based on 2005-06 "Computation of Unit Allocation to Fund Public Schools", Maine Department of Education, 7/21/05			

Education Aid Tax Shift Methodology: Under the new EPS Model in determining a school district's state education aid, a district is required to raise 8.26 mills applied to their total state valuation. The state then makes up the difference between what is raised by the district and what is determined through the state formula to be required to fund essential programs and services. Through a TIF any value captured in a TIF district is sheltered from the state valuation. Therefore the district avoids losing an amount of state education aid equal to the amount of captured value multiplied by 8.26 mills.



State Revenue Sharing Losses Avoided from 100% of Increased Value Captured in TIF					
Fiscal Year	Valuation Captured in TIF	Projected Revenue Sharing I	Projected Revenue Sharing II	Projected Revenue Sharing-Total	Avoided loss in Revenue Sharing
2007	\$6,320,000	\$1,831,771	\$323,643	\$2,155,414	\$8,234
2008	\$8,570,000	\$1,829,757	\$322,738	\$2,152,495	\$11,153
2009	\$10,820,000	\$1,827,748	\$321,834	\$2,149,582	\$14,066
2010	\$13,070,000	\$1,825,743	\$320,932	\$2,146,675	\$16,973
2011	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2012	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2013	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2014	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2015	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2016	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2017	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2018	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2019	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2020	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
2021	\$16,070,000	\$1,823,077	\$319,733	\$2,142,810	\$20,839
Total All Years	\$215,550,000				\$279,650
2006 Projected State Revenue					
Sharing with Auburn Revaluation					
@ \$2,000,000,000					
Revenue Sharing I	\$1,837,451				
Revenue Sharing II	\$326,197				
Total-Rev Sharing	\$2,163,648				
Based on FY 2006 Projected Municipal Revenue Sharing, Maine Department of Treasury and an assumed state valuation of \$2,000,000,000 after Auburn's revaluation					

Revenue Sharing Tax Shift Methodology:

REV I = (Tax Assessment/State Valuation) X Population

REV II = ((Tax Assessment/State Valuation)\*-.01) X Population

## County Tax Increases Avoided from 100% of Increased Value Captured in TIF

Fiscal Year	Valuation Captured in TIF	Auburn Total State Valuation w/Value Not Captured	Androscoggin County Total State Valuation w/Value Not Captured	Auburn Valuation as % of County Valuation w/Value Not Captured	Androscoggin County Projected Total Tax Assessment	Projected Auburn County Tax without Project Valuation Added	Projected Auburn County Tax w/Project Value added but not Captured	Avoided Increase in Auburn County Tax W/Value Captured
2007	\$6,320,000	\$2,006,320,000	6,337,770,000	31.66%	\$7,032,655	\$2,221,499	\$2,226,297	\$4,798
2008	\$8,570,000	\$2,008,570,000	6,340,020,000	31.68%	\$7,243,635	\$2,288,144	\$2,294,843	\$6,698
2009	\$10,820,000	\$2,010,820,000	6,342,270,000	31.71%	\$7,460,944	\$2,356,788	\$2,365,496	\$8,708
2010	\$13,070,000	\$2,013,070,000	6,344,520,000	31.73%	\$7,684,772	\$2,427,492	\$2,438,322	\$10,830
2011	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$7,915,315	\$2,500,317	\$2,514,026	\$13,709
2012	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$8,152,775	\$2,575,326	\$2,589,447	\$14,120
2013	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$8,397,358	\$2,652,586	\$2,667,130	\$14,544
2014	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$8,649,279	\$2,732,164	\$2,747,144	\$14,980
2015	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$8,908,757	\$2,814,129	\$2,829,558	\$15,430
2016	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$9,176,020	\$2,898,552	\$2,914,445	\$15,893
2017	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$9,451,300	\$2,985,509	\$3,001,878	\$16,369
2018	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$9,734,839	\$3,075,074	\$3,091,935	\$16,861
2019	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$10,026,885	\$3,167,326	\$3,184,693	\$17,366
2020	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$10,327,691	\$3,262,346	\$3,280,234	\$17,887
2021	\$16,070,000	\$2,016,070,000	6,347,520,000	31.76%	\$10,637,522	\$3,360,217	\$3,378,641	\$18,424
Total All Years	\$215,550,000							\$206,618
<b>2005 County Tax Assessment Data w/added</b>								
<b>Auburn Value from Revaluation of \$452,250,000</b>								
Auburn State Valuation		\$2,000,000,000						
Androscoggin County State Valuation		\$6,331,450,000						
Auburn % of County Valuation		31.59%						
Androscoggin County 2005 Total Tax Assessment		\$6,628,952						
Auburn County Tax Assessment		\$2,093,976						

Based on FY 2005 State Valuation from Maine Revenue Services, Property Tax Division & County Tax Assessment from Androscoggin County Treasurer's Office, and an assumed state valuation of \$2,000,000,000 after Auburn's revaluation. Auburn's 2005 State Valuation prior to revaluation is \$1,547,750,000.



Androscoggin County Tax Assessment		
Year	Total	% Chg from previous year
2000	\$5,077,111	
2001	\$5,428,758	6.93%
2002	\$6,233,505	14.82%
2003	\$6,542,500	4.96%
2004	\$6,524,562	-0.27%
2005	\$6,628,952	1.60%
	<b>Average</b>	5.61%
	<b>Projected</b>	3.00%
2006	\$6,827,821	

County Tax, Tax Shift Methodology: Based on a revaluation resulting in \$2,000,000,000 state valuation for Auburn and corresponding increase of \$452,250,000 in total Androscoggin County valuation. Total countywide tax assessment is projected to increase 3% per year, which is lower than recent 5-year historical increase but consistent with 3% statewide target from LD 1.

RETAIL DEVELOPMENT MUNICIPAL  
TAX INCREMENT FINANCING DISTRICT # 13  
DEVELOPMENT PROGRAM

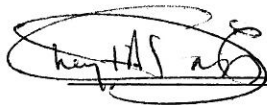
EXHIBIT H

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. Subsection 5254 that the assessed value of the Retail Development Municipal Development and Tax Increment Financing District #13, as described in the development program to which this certificate is included, was \$5,425,400 as of March 31, 2006.

IN WITNESS WHEREOF, the certificate has been executed as of this 21st day of March, 2005.

CITY ASSESSOR

A handwritten signature in dark ink, appearing to read "Cheryl Dubois", is written over a horizontal line. The signature is stylized with a large loop at the beginning and a long, sweeping tail.

Print Name: Cheryl Dubois

## **EXHIBIT I**

**Mall Area Municipal  
Development and Tax Increment  
Financing District #9  
Development Program  
City of Auburn**

### **Public Notice**

Notice is hereby given that the City of Auburn, Maine, will hold a public hearing on Sept. 25, 2006, at 7 PM at the City Council Chambers in the Auburn City Building (60 Court Street) for the purpose of receiving public comments on an amended Mall Area Municipal Development and Tax Increment Financing District #9, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes as amended. The proposed Mall Area Tax Increment Financing District consists of certain properties (approximately 61 acres) located northwest and southwest of the intersection of Mount Auburn Avenue and Turner Street. A copy of the proposed Development Program for the District will be on file with the City Clerk and may be reviewed at the offices on 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.

EXHIBIT J  
**City of Auburn**

**September 26, 2005**

**TITLE: RESOLVE** - Authorize the City Manager to Execute Documents – Tax Increment Finance District #13 – Retail Development in Mall Area and Submit to the State Department of Economic and Community Development.

**WHEREAS**, the City of Auburn, Maine ("City") is considering whether to designate the Retail Development and Tax Increment Financing District #13 Development Program 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 September 26, 2005 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 Retail Development and Tax Increment Financing District #13 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, 2005 together with the equalized value of taxable property in other existing districts measured as of the April 1 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 of the District and pursuit of the Development Program will generate 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 Retail Development and Tax Increment

Financing District #13 Development Program, designated and described as more particularly set forth in the "Retail Development and Tax Increment Financing District #13 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 for the real estate 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(l)(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 Mount Auburn Avenue/Turner Development Agreement and 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: Eric Samson

Seconded by: Robert Mennealy

Yeas 5 Nays 1

(Councilor Mennealy voting Nay and Councilor Matzen abstain)  
Action by the City Council: PASSED Date: September 26, 2005

ATTESTED  
City Clerk



## **EXHIBIT K**

### **Mount Auburn Avenue/Turner Street Development Agreement**

This Development Agreement is made and entered into this 27th day of September, 2005, by and between the **City of Auburn**, a municipal body, corporate and politic and political subdivision of the State of Maine, having a mailing address of Auburn Hall, 60 Court Street, Auburn, Maine 04210 (hereinafter called the "City") and Auburn Plaza, Inc., a Maine Corporation having a mailing address of 839 Main Street, Lewiston, Maine 04240 (hereinafter called the "Developer").

#### **Witnesseth:**

WHEREAS, the City has adopted a master plan for the development of the Mall area; and

WHEREAS, the City has adopted a comprehensive land use plan which designates the Mall area for concentrated commercial development; and

WHEREAS, the City is desirous of attracting new investment in the form of commercial projects and solidifying its position as a regional service center for retailing opportunities; and

WHEREAS, the Developer has acquired two large and strategically located parcels of land for the purpose of accommodating mixed-use commercial development projects; and

WHEREAS, the parcels have significant challenges to overcome in their development and/or redevelopment due to environmental constraints, topographic issues and building obsolescence; and

WHEREAS, the City and the Developer have agreed to enter into a cooperative effort to bring the project to fruition; and

WHEREAS, the City and the Developer are desirous of setting forth the business terms and responsibility of the respective parties in implementing these projects.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, it is hereby agreed as follows:



## **1. Scope of Projects**

The projects are proposed to be located on two parcels of land. The site formerly occupied by Wal-Mart (hereinafter called "Parcel 1") and a currently vacant parcel of land located at the southeast corner of the intersection of Mount Auburn Avenue and Turner Street (hereinafter called "Parcel 2"). Although the final scope of the development of Parcel 1 is still a work in progress the current proposal is to demolish the existing 117,000 square foot building and lease a portion of such parcel to Kohl's which will construct a new 88,000 square foot building thereon for its new retail store. Additional development opportunities are currently being explored which could result in more than 50,000 square feet of commercial space being added to this project. Parcel 1 and Parcel 2 are sometimes hereinafter referred to as (the "TIF District").

Pursuant to a plan reviewed and approved by the Auburn Planning Board on March 8, 2005, the Developer proposes to construct 7 mixed-use commercial buildings totaling 48,000 square feet on Parcel 2. The development process includes producing the final engineered designs for both the site development and buildings, securing the necessary financing, obtaining environmental, traffic and construction activity permits and managing the development projects.

## **2. Off-site Infrastructure Impacts**

As major commercial projects continue to be developed in the Mall area capacity of the transportation network is absorbed. Traffic study data from the original Wal-Mart development project, Home Depot, BJ's, the Super Wal-Mart and the Willow Run development have resulted in significant additions of capacity and traffic control to the original Turner Street and Mount Auburn Avenue corridors. Construction of the overpass on Center Street has made it easier for travelers to access the Mall area and the resulting volumes of traffic have resulted in declining levels of service in the vicinity of the intersection of Mount Auburn Avenue and Turner Street. The development of Parcel 2 and the potential for the development of two remaining, now vacant, parcels in this area have brought the existing transportation network to a position of needing increased capacity. This eventuality was envisioned in the Mall area master plan and the City of Auburn created a Tax Increment Financing District #9 to fund transportation and other improvements that would be needed to allow for the build-out of this commercial center.

## **3. Development Program**

In an effort to induce the Developer to incur the costs enumerated below, the object of which is to realize development projects on parcels 1 and 2 which the City and the Developer estimate will result in new capital investments on the two parcels totaling approximately \$15 million within the next five (5) years, the parties agree as follows:



The Developer agrees as follows:

A. Parcel 1. To cause the demolition of the building currently existing on this parcel, instead of pursuing other alternatives available to him, which will result in a write down in the fair market value of this parcel of at least \$500,000.

B. Parcel 2. To incur costs in connection with both on-site and off-site improvements needed to develop this parcel, at the aggregate cost of approximately \$1,439,000 including the following:

(i). Reserve and dedicate 3.3 acres of Parcel 2 under a conservation easement for wetland mitigation at a cost of \$567,000.

(ii). Create 60,000 square feet of new wetland on Parcel 2, an estimated cost of \$200,000.

(iii). Transport fill to Parcel 2 in order to get proper grades, an estimated cost of \$200,000.

(iv). Dedicate sufficient land from parcels to ensure adequate right away for future transportation system expansions at cost of \$172,000; and

(v). Fund a comprehensive traffic system analysis and design of roadway improvements that will be necessary to accommodate the build out of parcels available for development in the Mall area (\$95,000) and construct temporary modifications to the transportation system in order to secure permits along Turner Street, adjacent to Parcel 2, at a cost of not less than \$300,000.

Lastly, the Developer agrees to participate in newly created off-site improvement apportionment program for transportation system modifications (credit given for temporary improvements).

The City agrees, in recognition of the extraordinary cost of developing these parcels, as follows:

A. Set forward a comprehensive transportation improvement program for all rights-of-way and intersections impacted by Mall area development.

B. Incrementally fund improvements to transportation system to create additional capacity and provide for intensive development of the remaining parcels.

C. Fund system improvements out of the Mall area tax increment financing program.

D. Enter into a credit enhancement tax increment financing agreement with developers to assist in the recovery of extraordinary costs over time.

E. Create an apportionment program to charge back developments that absorb capacities created by public investment.

#### 4. Financing

A. Developer will fund all items under developer's responsibility noted above.

B. City of Auburn will enter into a tax increment financing credit enhancement agreement with the Developer that will provide for a recovery of a portion of the costs noted above in Section 3. This will be done by providing a sliding scale of tax payment reimbursement based on the amount of new capital investment placed on the parcels of land that are within the TIF District as determined by the City. Payment under the credit enhancement agreement shall be 30% of the tax revenues generated by development of \$5,000,000 up to \$11,000,000 of new increased assessed value (over the baseline value and as distinguished from revaluations subsequent to the City's revaluation taking effect in the City's tax fiscal year 2007) resulting from new capital investment/construction for infrastructures and/or structures, when the new assessed value reaches \$11,000,000 the reimbursement rate shall increase to 35% of the tax revenue generated by the investments and when the new assessed value (as distinguished from revaluations subsequent to the City's revaluation taking effect in the City's tax fiscal year 2007) reaches \$15,000,000 the reimbursement rate shall be increased to 40% of the tax revenues generated by an increase in assessed value within the TIF district. The term of this agreement is 15 years or up to a recovery threshold not to exceed \$1.75 million, whichever comes first, except that the upset limit shall be increased dollar for dollar should Developer's cost for the Mall area transportation study and temporary improvements exceed \$300,000 as documented to the satisfaction of the City up to a not to exceed limit of \$1.95 million or decreased dollar for dollar should the developers cost for the Mall area transportation study and temporary improvements be less than \$300,000.

Subsequent to the City's revaluation take effect in the City's tax fiscal year 2007, in the event of any other revaluation of property within the City of Auburn during the term of the District the City of Auburn and the Developer agree that \$5,000,000, \$11,000,000 and \$15,000,000 thresholds shall be increased by a sum certain equal to any increase in value resulting solely from a revaluation as distinguished from capital investment by developers.

C. City of Auburn will activate the Mall area tax increment financing infrastructure program and cause capacity, operational and safety improvements to be made to transportation system over the next three years. The amount

expended by the City plus the Developer's cost for Mall area transportation study and temporary improvements shall be referred to as the "mall area transportation costs". Thereafter, the City shall establish an equitable special assessment procedure so that some of the Mall area transportation costs can be recovered by the City by charging each landowner within the Mall area that portion of the Mall area transportation costs which said landowners absorption of the new transportation capacity bears to the total new transportation capacity created by the City as measured by new trips to the Mall area generated by said land owner or its tenants. Any special assessment charged to the Developer or its successors in connection with projects constructed by them on either Parcel 1 or Parcel 2 shall be reduced by the Developer's cost for the temporary improvements until the same has been exhausted.

#### **5. Design Review Consultation**

The Developer will review and consult with the City concerning the design of the projects.

#### **6. Regulatory Compliance**

The Developer will construct these projects in conformance with all federal, state and local regulatory requirements.

#### **7. Exclusive Dealing**

The City will not enter negotiations with any other party concerning the development of parcels 1 and 2 and neither the City nor Developer will unilaterally terminate these negotiations without cause unless (a) the Developer shall relinquish ownership of these parcels prior to securing the commitment of development in satisfaction of 3 B. noted above and/or (b) a material change or event shall have occurred that would make proceeding with such execution and approval of these agreements illegal, invalid or contrary to the fiduciary duty of the City or Developer.

#### **8. Public Disclosure**

The Developer shall not make any public release of information regarding the matters contemplated herein except that a joint press release(s), in agreed form, shall be issued by the Developer and City. Developer acknowledges that the City will be issuing public statements concerning the Mall area development program including information pertaining to the projects.


#### **9. Confidential Information**

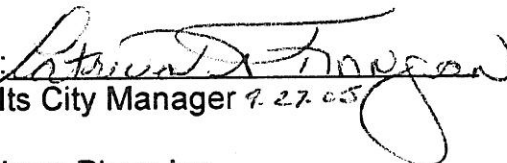
Developer agrees to treat all information delivered by the City or furnished by the City or its consultants (collectively the "information") as confidential. The

information will be used solely for the purposes of evaluating the project and will be kept confidential by the Developer and its officers, directors, employees, representatives, agents and advisers provided that (a) any such information may be disclosed to developers officers, directors, employees, representatives, agents, lenders, fires, brokers, consultants, and advisers who need to know such information for purposes of evaluating the project (b) any disclosure of such information may be made to which the City consents in writing and (c) such information may be disclosed if so required by law. If the development projects are not consummated the Developer will return to the City all material containing or reflecting the information. Provisions of this paragraph shall survive termination of this agreement.

IN WITNESS WHEREOF, the City and the Developer have executed this Development Agreement this 27<sup>th</sup> day of September, 2005.

City of Auburn

  
Witness

By:   
Its City Manager 9.27.05

Auburn Plaza Inc.

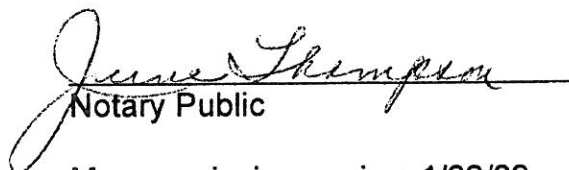
  
Witness

By:   
Its President

Date: 

State of Maine  
Androscoggin County

Before me personally appeared Patricia A. Finnigan, to me known, who swore that the above was her true fact and deed.

  
Notary Public

My commission expires 1/22/09