



PAUL R. LePAGE
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



GEORGE C. GERVAIS
COMMISSIONER

December 18, 2015

Howard Kroll,
City Manager
CITY OF AUBURN
60 Court Street
Auburn, ME 04210

RE: #19 Hartt Transportation Industrial Park Municipal Tax Increment Financing (TIF) District and Development Program

A P P R O V E D I N F U L L

Dear Howard,

The Maine Department of Economic and Community Development (Department) has received/reviewed supplemental information for above referenced Municipal District and Development Program amendment application. Referencing previous conditional approval of March 11, 2015, we certify District and Program to be in FULL statutory compliance. With this letter I note/approve:

- | | |
|--|--|
| <ul style="list-style-type: none"> a. District term of 20 years from July 1, 2015 ending June 30, 2035 with City FY2034-35; b. District taxable Original Assessed Value of \$1,178,340 as of March 31, 2014 (April 1, 2013)—acreage 43; c. Increased Assessed Value (IAV) capture of up to 40% of real property improvements; d. District revenues deposited in dedicated Project Cost Account to reimburse Hartt Transportation Systems, Inc. (Company) for costs authorized by 30-A M.R.S. § 5225(1)(A) and Department rules as amended from time to time; e. Company reimbursement limited to incremental taxes from <u>NEW</u> actual value projected and capped at \$1.2 million total or 40% annually during District term; f. City may <u>NOT</u>, <ul style="list-style-type: none"> i) Negotiate/execute additional agreements with | <ul style="list-style-type: none"> reimbursement components without due public process and future amendment, ii) Carry out any public activities/projects, iii) Establish Sinking Fund <u>NOR</u> incur public indebtedness without formal amendment; g. <u>UPON EXECUTION, CITY MUST FORWARD COPY</u> of any associated reimbursement agreement or assignment to Department; h. Any non-captured incremental property values resulting in General Fund revenue/deposits <u>MUST</u> be included/reported with City equalized assessed value; i. Any future amendment <u>MUST</u> comply with 30-A M.R.S. §§ 5221-5235 and Department rules; j. When District expires or is terminated <u>CITY MUST NOTIFY DEPARTMENT IN WRITING.</u> |
|--|--|

MAINE IS OPEN FOR BUSINESS. Please contact Municipal Tax Increment Financing Program Director Laura Santini-Smith with questions about this certification letter or Department review. With this



PAUL R. LEPAGE
GOVERNOR



GEORGE C. GERVAIS
COMMISSIONER

approval, the Department extends best wishes for the success of your District.

Sincerely,

George C. Gervais
Commissioner

cc: Senator Eric Brakey (SD-20) and Representative Bruce Bickford (HD-63)—127th Legislature; David Ledew, MRS Director Property Tax Division; Diane Jackson, Governor's Account Executive; John Holden, Executive Director Lewiston/Auburn Economic Growth Council



PAUL R. LePAGE
GOVERNOR

STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



GEORGE C. GERVAIS
COMMISSIONER

March 11, 2015

Howard Kroll
City Manager
CITY OF AUBURN
60 Court Street
Auburn, ME 04210

RE: #19 Hartt Transportation Industrial Park Municipal Tax Increment Financing (TIF) District and Development Program

CONDITIONAL APPROVAL

Dear Howard,

The Maine Department of Economic and Community Development (Department) has reviewed your application for above referenced Municipal TIF District and Development Program. The District and Program have CONDITIONAL approval effective today, subject to future Department review. This approval is limited to establishing:

- | | |
|--|---|
| <ul style="list-style-type: none"> a. District term of 20 years starting today, during City FY2014-15 and ending June 30, 2034 coinciding with City FY2033-34; b. District taxable Original Assessed Value of \$1,178,340 as of March 31, 2014 (April 1, 2013)—acreage 43; | <ul style="list-style-type: none"> c. Increased Assessed Value (IAV) capture of up to 40% of real improvements; d. Dedicated Project Cost Account for any and all incremental taxes resulting from IAV capture. |
|--|---|

Auburn does NOT at this time have approval to:

- | | |
|---|--|
| <ul style="list-style-type: none"> e. Execute <u>ANY</u> agreements with reimbursement components; f. Establish dedicated Project Cost accounts to reimburse <u>ANY</u> company or developer; | <ul style="list-style-type: none"> g. Expend funds or incur obligations for any public activity or project; h. Incur public indebtedness <u>OR</u> establish Sinking Fund Account to retire public debt. |
|---|--|

Please note, as always:

- | | |
|---|--|
| <ul style="list-style-type: none"> i. Any non-captured incremental property values resulting in General Fund revenue/deposits <u>MUST</u> be included/reported with City equalized assessed value; | <ul style="list-style-type: none"> j. Any future amendment <u>MUST</u> comply with 30-A M.R.S. §§ 5221-5235 and Department rules; k. When District expires or is terminated <u>CITY MUST NOTIFY DEPARTMENT IN WRITING.</u> |
|---|--|



PAUL R. LEPAGE
GOVERNOR



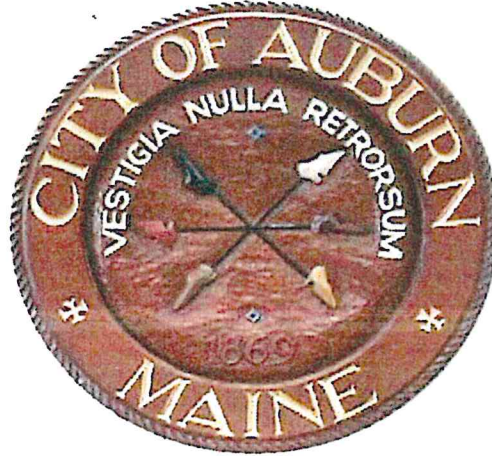
GEORGE C. GERVAIS
COMMISSIONER

MAINE IS OPEN FOR BUSINESS. Please contact Municipal Tax Increment Financing Program Director Laura Santini-Smith with questions about this certification letter or Department review. With this conditional approval, the Department extends best wishes for the future success of your District.

Sincerely,

George C. Gervais
Commissioner

cc: Senator Eric Brakey (SD-20) and Representative Bruce Bickford (HD-63), 127th Legislature; David Ledew, MRS Director Property Tax Division; Diane Jackson, Governor's Account Executive



CITY OF AUBURN, MAINE

#19 HARTT TRANSPORTATION INDUSTRIAL PARK MUNICIPAL TAX INCREMENT FINANCING DISTRICT AND DEVELOPMENT PROGRAM

December 15, 2014

Prepared by:
Jill Cunningham, Economic Development Assistant
Roland Miller, Community & Economic Dev. Director

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City of Auburn, Maine

"Maine's City of Opportunity"

Economic Development

December 15, 2014

Commissioner George Gervais
Maine Department of Economic and Community Development
Burton M. Cross Office Building
59 State House Station
Augusta, ME 04333-0059

**Re: City of Auburn, #19 Hartt Transportation Industrial Park Municipal Tax Increment
Financing District and Development Program**

Dear Commissioner Gervais:

In accordance with Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, I am pleased to submit the application for the Hartt Transportation Industrial Park Municipal Development Tax Increment Financing District and Development Program.

With this letter, I attest and certify all the information provided is true and correct to the best of my knowledge. Should you have any additional questions or concerns, please do not hesitate to contact my office, or the city's Economic Development staff.

Sincerely,

Howard Kroll
City Manager

cc: Roland Miller, Economic Development Director
Jill Cunningham, Economic Development Assistant

60 Court Street • Auburn, ME 04210 • (207) 333-6600
www.auburnmaine.org

Application Cover Sheet

MUNICIPAL TAX INCREMENT FINANCING

A. General Information

1. Municipality Name: City of Auburn		
2. Address: 60 Court St, Auburn, ME 04210		
3. Telephone: 207-333-6601	4. Fax: 207-333-6620	5. Email: JCunningham@auburnmaine.gov
6. Municipal Contact Person: Jill Cunningham & Roland Miller		
7. Business Name: Hartt Transportation Systems, Inc		
8. Address: PO Box 1385; Bangor, ME 04402		
9. Telephone: 207-992-5909	10. Fax:	11. Email: jbradeen@hartt-trans.com
12. Business Contact Person: Joanne Bradeen, MSB		
13. Principal Place of Business:		
14. Company Structure (e.g. corporation, sub-chapter S, etc.):		
15. Place of Incorporation:		
16. Names of Officers:		
17. Principal Owner(s) Name:		
18. Address:		

B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input type="checkbox"/> job creation	<input type="checkbox"/> job retention	<input type="checkbox"/> capital investment
<input type="checkbox"/> training investment	<input checked="" type="checkbox"/> tax base improvement	<input type="checkbox"/> public facilities improvement
<input type="checkbox"/> other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input type="checkbox"/> real estate purchase	<input type="checkbox"/> machinery & equipment purchase	<input type="checkbox"/> training costs
<input type="checkbox"/> debt reduction	<input checked="" type="checkbox"/> <input type="checkbox"/> other (list): public improvements, construction costs	

Statutory Requirements & Thresholds

#19 Hartt Transportation Industrial Park Municipal Tax Increment Financing District

A. ACRE LIMITATION

1. Total Acreage of Municipality	41,430																												
2. Total Acreage of Proposed Municipal TIF District	43																												
3. Total Downtown acres contained in the Proposed Municipal TIF District	0																												
4. Total Transit acres contained in the Proposed Municipal TIF District	0																												
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)	43																												
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1	0.10%																												
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage.	772.59																												
<table border="1"> <thead> <tr> <th>Municipal TIF #</th><th>Acres</th></tr> </thead> <tbody> <tr><td># 4</td><td>40</td></tr> <tr><td># 6</td><td>84</td></tr> <tr><td># 8</td><td>54.00</td></tr> <tr><td># 9</td><td>57.74</td></tr> <tr><td># 10</td><td>266</td></tr> <tr><td># 12</td><td>144</td></tr> <tr><td># 13</td><td>29.67</td></tr> <tr><td># 14</td><td>38.91</td></tr> <tr><td># 15</td><td>1.50</td></tr> <tr><td># 16</td><td>1.4</td></tr> <tr><td># 17</td><td>3.84</td></tr> <tr><td># 18</td><td>8.53</td></tr> <tr><td># 19</td><td>43</td></tr> </tbody> </table>		Municipal TIF #	Acres	# 4	40	# 6	84	# 8	54.00	# 9	57.74	# 10	266	# 12	144	# 13	29.67	# 14	38.91	# 15	1.50	# 16	1.4	# 17	3.84	# 18	8.53	# 19	43
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8. Total acreage of an existing or Proposed Downtown TIF District in the municipality.	266																												
9. Total acreage of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.	0																												
10. Total acreage of all existing or Proposed Transit TIF Districts in the municipality.	0																												
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A8+A9+A10 from A7.	506.59																												
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1.	1.22%																												
13. Total Acreage of all real property in the Proposed Municipal TIF District that is:																													
(Note: a, b, or c must be at least 25%)																													
	Acres																												
a. Blighted (Divide acres by A2)																													
b. In need of rehabilitation/conservation (Divide acres by A2)																													
	%																												

c. Suitable for industrial/commercial site (Divide acres by A2)	43	100%
TOTAL		

B. VALUATION LIMITATION

1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1st</i>	\$2,005,721,383																										
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31st of tax year preceding date of municipal designation</i>	\$1,178,340																										
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. <i>Add b2 to sum of all existing TIF district OAVs</i>	\$113,260,340																										
<table border="1"> <thead> <tr> <th>Municipal TIF #</th><th>OAV</th></tr> </thead> <tbody> <tr><td># 4</td><td>\$1,702,000</td></tr> <tr><td># 6</td><td>\$520,900</td></tr> <tr><td># 8</td><td>\$366,000</td></tr> <tr><td># 9</td><td>\$5,956,300</td></tr> <tr><td># 10</td><td>\$84,411,000</td></tr> <tr><td># 12</td><td>\$334,200</td></tr> <tr><td># 13</td><td>\$5,425,400</td></tr> <tr><td># 14</td><td>\$11,328,400</td></tr> <tr><td># 15</td><td>\$4,900</td></tr> <tr><td># 17</td><td>\$468,800</td></tr> <tr><td># 18</td><td>\$1,564,100</td></tr> <tr><td># 19</td><td>\$1,178,340</td></tr> </tbody> </table>	Municipal TIF #	OAV	# 4	\$1,702,000	# 6	\$520,900	# 8	\$366,000	# 9	\$5,956,300	# 10	\$84,411,000	# 12	\$334,200	# 13	\$5,425,400	# 14	\$11,328,400	# 15	\$4,900	# 17	\$468,800	# 18	\$1,564,100	# 19	\$1,178,340	
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6. OAV of all existing or Proposed Transit TIF Districts in the municipality.	\$0																										
7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap <i>Subtract B4+B5+B6 from B3</i>	\$28,849,340																										
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) <i>Divide B7 by B1</i>	1.44%																										

Development Program

Introduction

Industrial land suitable for development and served by air, rail and highway transportation is in short supply in the City of Auburn (the "City"). The City has been making efforts to encourage and accomplish development of an industrial park to serve that need. The Hartt Transportation Corporation (the "Developer"); in cooperation with the City, have suitable land for industrial development adjacent to Kittyhawk Ave to the north east, Hotel Rd to the north west. This land is conveniently located near the Maine Turnpike.

The City 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 and improvements to facilitate economic development. In order to fulfill these goals, certain properties are being designated as the Hartt Transportation Industrial Park Municipal Development and Tax Increment Financing District, an area consisting of approximately 43 +/- acres, comprising a portion of the City, as shown on Exhibit A attached hereto and incorporated herein by reference (the "District"). This district will be bounded by Kittyhawk Ave to the north east and Hotel Rd to the north west.

The Development Program described herein is proposed for the purpose of administering the District as a municipal tax increment financing ("TIF") district pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes. Upon resolution of the Auburn City Council designating the District and adopting this Development Program on December 15, 2014, the designation of the District and adoption of the Development Program become final subject to approval by the Commissioner of the Maine Department of Economic Community Development ("DECD").

The purpose of the District is reimburse Hartt's costs associated with certain public improvements within or in support of the District, such as streets, access roads, bridges, street lights, storm drains, intersections, sidewalks, wetland mitigation and utilities such as power, water, sewer, natural gas, communications and data transmission (the "Public Improvements").

The City will use the captured tax increment revenues from the District to finance the Project as permitted under 30-A M.R.S.A. § 5225, (the "Project Costs"), including the cost of Public District Improvements. The estimated Project Costs to be included, as part of this Development Program.

Financial Plan

The proposed municipal TIF district will encompass approximately 43 acres of taxable property with a total assessed land value as of April 1, 2013 in the amount of \$1,178,340. This development Program requires the establishment of a Development Program Fund consisting of a Sinking Fund Account pledged to and charged with payment of debt service on any Public Indebtedness and a Project Cost Account pledged to and charged with payments of Public Project Costs.

The Development program Fund is established consisting of a project cost account ("Project Cost Account") pledged to and charged with payment of project costs outlined in the financial plan.

The Project Cost Account shall consist of one or more City cost subaccounts (the "City Project Cost Subaccount") pledged to and charged with the payment of costs of the City's project costs, and one or more developer cost subaccounts (the "Developer Project Cost Subaccounts") pledged to and charged with payment of the costs of reimbursement consistent with an approved individual credit enhancement agreements.

All project Costs will be funded directly or reimbursed from incremental tax revenues of the District.

Cost Estimated for Development Program

Reference # for reference only—does not indicate any prioritization.

Development Program Projects			
Ref #	Project	Eligibility under Title 30-A	Estimated Cost
Tier 1: Costs within the District			
1	Capital costs consisting of improvements to public road ways and structures	5225 (1) (A) (1) (a)	\$970,000
2	Capital costs consisting of designing, permitting, and license expenses.	5225 (1) (A) (1) (d)	\$190,000
3	Development district capital costs for public ways, like signs, and other related improvements.	5225 (1) (A) (1) (a)(iii)	\$40,000
			\$1,200,000

Public Indebtedness

Except as determined by further action of the City Council, none of the costs of any private development within the District will be financed through issuance of any municipal indebtedness.

Anticipated Revenues

The anticipated municipal TIF Revenues will be generated by real property improvements made within the district. Investment by District developers in the City of Auburn is estimated to result in a collective municipal assessed value of \$1,178,340. See Exhibit B for more detail.

Description of the terms and conditions of any agreements, contracts or other obligations related to the development program

The City anticipates entering into CEAs with developers within the District to reimburse up to 40% of the property taxes paid on the Increased Assessed Value (IAV) in the District for twenty (20) years, or a recovery threshold not to exceed \$1.2 million, whichever comes first. This is to reimburse Hartt for building infrastructure consistent with Development Agreement signed on June 16, 2014.

Duration of Development Program

The duration of the District will begin after designation of the District by the Auburn City Council and the effective date of its approval by the Commissioner of Maine Department of Economic and Community

Development (the original assessed value is based on the valuation as of March 31, 2014 (April 1, 2013) with the first payment during the 2014-2015 fiscal year and end in 20 years.

Physical Description of District

The District consists of 10 parcels adding up to 43 acres. The District is delineated on Exhibit A hereto.

Description of Public Facilities to be constructed

There are public facilities to be constructed with this project. There are public infrastructure to be completed and financed by the developer, such as streets, access roads, bridges, street lights, storm drains, intersections, sidewalks, wetland mitigation and utilities such as power, water, sewer, natural gas, communications and data transmission.

Relocation of Displaced Persons

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

Proposed Regulations and Facilities to Improve Transportation

Developer agrees to produce the final engineered designs (for both on-site and off-site improvements necessary to service development projects), and obtain all required permits and manage project to develop the subdivision, and surrounding transportation network. Developer agrees to construct and equip a 30,000 sq. ft. trucking terminal office and garage.

Environmental Controls

The improvements contemplated by this Development Program will comply with all federal, state and local environmental and land development laws, rules, regulations, and ordinances.

Plan of Operation after Completion

The improvements in the District will at all times be owned by the Developers, its successors or assigns, which will be responsible for payment of all maintenance expenses, insurance and taxes on said improvements.

During the life of the District, the City Manager or the Manager's designee will be responsible for all administrative matters concerning the implementation and operation of the District. The Developers shall be solely responsible for implementation of the Project in the District.

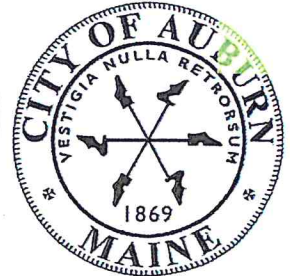
Public Hearing

Attached hereto as Exhibit E is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. § 5226(1). The Notice was published in the Lewiston Sun Journal, a newspaper of general circulation in Auburn on December 4, 2014 a day at least ten (10) days prior to the public hearing. A public hearing was held at the City Council meeting on December 15, 2014.

Authorizing Votes

Attached as Exhibit G are copies of the votes by the City Council of the City of Auburn meeting thereof duly called and held on December 15, 2014 approving the designation of the District and adoption of this Development Program.

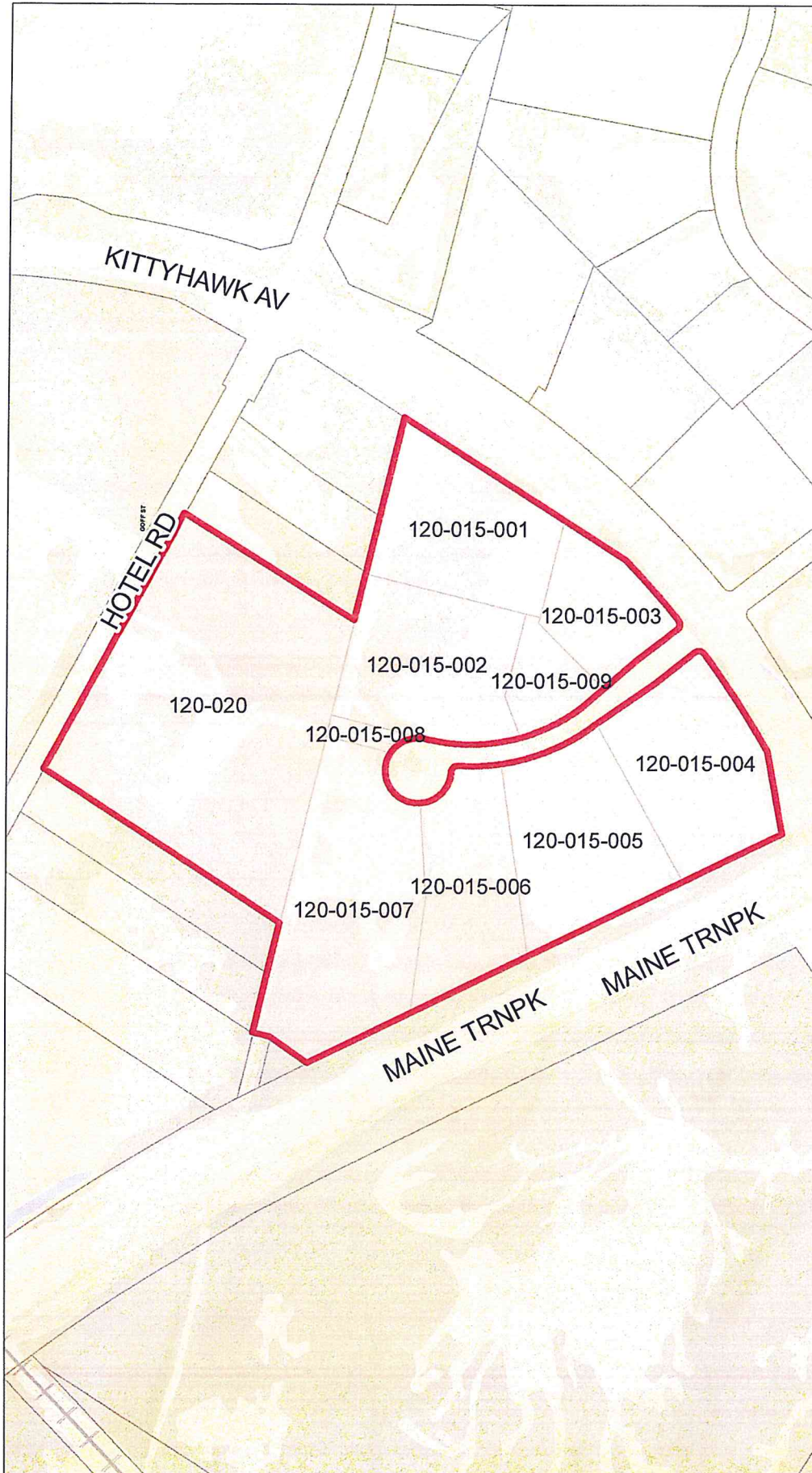
TIF #19 Hartt Transportation Industrial Park Municipal TIF District



City of Auburn

60 Court St
Auburn, ME 04210
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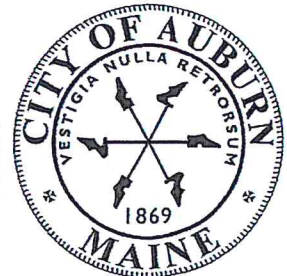
 TIF #19



The data used in these applications were derived from Auburn's digital databases. While every effort has been made to ensure that these data are accurate and reliable, the City of Auburn cannot accept any responsibility for any errors, omissions, or positional accuracy, and therefore, there are no warranties which accompany this product. Users of the information displayed on this map are strongly cautioned to verify all information before making any decisions.

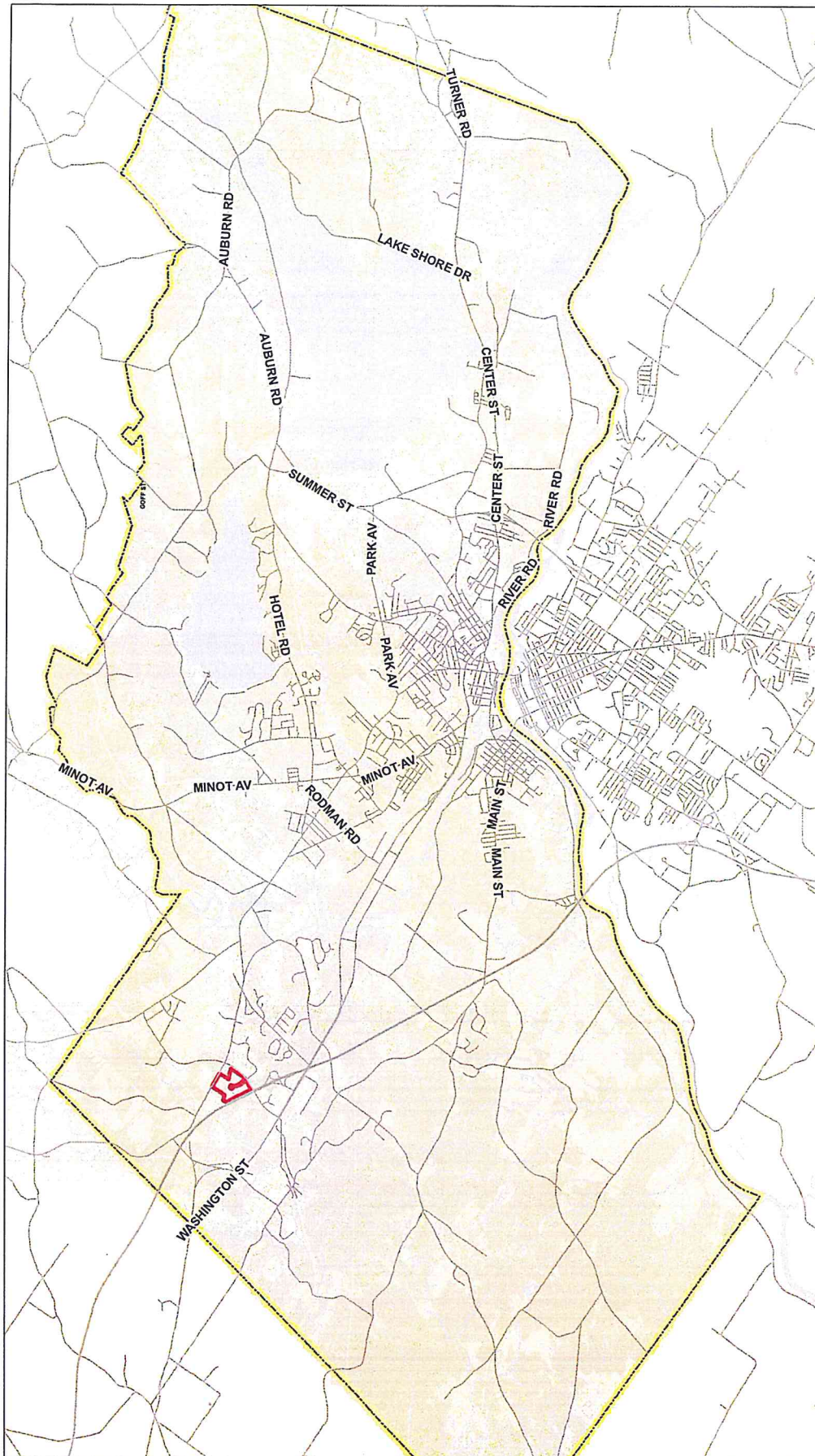
0 250 500 Feet

TIF #19 Hartt Transportation Industrial Park Municipal TIF District



City of Auburn

60 Court St
Auburn, ME 04210
207-333-6601
www.auburnmaine.gov



0 0.5 1 2 Miles



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#19 HARTT TRANSPORTATION INDUSTRIAL PARK MUNICIPAL DEVELOPMENT AND TAX
INCREMENT FINANCING DISTRICT
DEVELOPMENT PROGRAM
EXHIBIT B

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. § 5227 (2) that the taxable real property value of the Hartt Transportation Industrial Park Municipal Development and Tax Increment Financing District #19, as described in the development program is \$1,178,340 as of March 31, 2014 (April 1, 2013).


A list of all parcels in listed below, which shows each individual parcel's value as of March 31, 2014 (April 1, 2013).

Taxable Real Property:

Map/Lot	Acres	Taxable Real Property
120-020	12.19	\$ 208,800.00
120-015-001	4.04	\$ 180,300.00
120-015-002	4.2	\$ 122,500.00
120-015-003	2.26	\$ 94,600.00
120-015-004	4.31	\$ 124,000.00
120-015-005	4.3	\$ 123,900.00
120-015-006	3.42	\$ 11,140.00
120-015-007	6.45	\$ 154,300.00
120-015-008	0.29	\$ 3,400.00
120-015-009	1.16	\$ 155,400.00

IN WITNESS HEREOF, this certificate has been executed this 24th day of November, 2014.

CITY OF AUBURN, MAINE
CITY ASSESSOR:



Print Name: Karen Scammon

City of Auburn
#19 Hartt Transportation Industrial Park District
Exhibit C - Financial Projections

Inputs

FY13-14 Valuation	\$ 1,178,340
Term	20 years

Tax Year	Projected Mill Rate	Original Base Value	Projected Annual Assessed Value	Tax Incremental Revenue	Hartt Transportation Credit Enhancement Agreement	IAV Capture	Projected Tax Increment Revenue to General Fund	IAV Capture
FY14-15	0.02095	\$ 1,178,340	\$ 1,178,340	\$ -			\$ -	
FY15-16	0.02095	\$ 1,178,340	\$ 6,178,340	\$ 104,750	\$ 51,774	40%	\$ 52,976	60%
FY16-17	0.02095	\$ 1,178,340	\$ 6,178,340	\$ 104,750	\$ 51,774	40%	\$ 52,976	60%
FY17-18	0.02095	\$ 1,178,340	\$ 12,178,340	\$ 230,450	\$ 102,054	40%	\$ 128,396	60%
FY18-19	0.02095	\$ 1,178,340	\$ 18,178,340	\$ 356,150	\$ 152,334	40%	\$ 203,816	60%
FY19-20	0.02095	\$ 1,178,340	\$ 26,178,340	\$ 523,750	\$ 219,374	40%	\$ 304,376	60%
FY20-21	0.02095	\$ 1,178,340	\$ 32,178,340	\$ 649,450	\$ 269,654	40%	\$ 379,796	60%
FY21-22	0.02095	\$ 1,178,340	\$ 32,178,340	\$ 649,450	\$ 269,654	40%	\$ 379,796	60%
FY22-23	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150	\$ 83,379	40%	\$ 691,771	60%
FY23-24	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY24-25	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY25-26	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY26-27	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY27-28	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY28-29	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY29-30	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY30-31	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY31-32	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY32-33	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
FY33-34	0.02095	\$ 1,178,340	\$ 38,178,340	\$ 775,150		40%	\$ 775,150	60%
Totals:					\$ 1,200,000		\$ 10,720,550	

Investment Assumptions

FY13-14	
FY14-15	
FY15-16	\$ 5,000,000
FY16-17	
FY17-18	\$ 6,000,000
FY18-19	\$ 6,000,000
FY19-20	\$ 8,000,000
FY20-21	\$ 6,000,000
FY21-22	
FY22-23	\$ 6,000,000
Total	\$ 37,000,000

TAX SHIFT FORMULAS*

It is required during any application for designation as a tax increment financing district to calculate tax shifts that result from the creation of the District. These tax shifts are noted in the following basic formulae that use local property tax valuation as a basis for calculations. These formulae provided by DECD are:

- Municipal Share of County Taxes
- Revenue Sharing
- Education Costs

The following is the process used to derive these tax shifts.

County Tax Shift

In order to produce this result, information must be obtained from the Maine Revenue Services and the County government of which the District will reside in. First, the most recent County State Valuation should be obtained. The averaged Captured Assessed Value for the District for the life of the project will then be determined. The averaged Captured Assessed Value is then divided by the Current County State Valuation. To find the estimated average county tax over the life of the District, you must obtain the County Tax for the Town for the last five years. The average change is then determined and projected to the middle of the districts life. This projected tax was multiplied by the factor developed above to arrive at the County Tax Shift.

$$\frac{(\text{Captured Assessed Value})}{(\text{Captured Assessed Value} + \text{Current County State Valuation})} \times \text{Estimated Average Annual County Tax}$$

Revenue Sharing Shift

The total Municipal Revenue Sharing amount was obtained from the State Treasurer in order to complete the following formula:

Step 1:

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

Step 2:

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

Step 3:

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

Step 4:

$$1.X - 1.0 = .X$$

Step 5:

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

Education Tax Shift

State law requires that an estimate be made of how much of a loss in State aid to education a community would experience had the TIF District not been created. The premise for this requirement is that if the TIF did not exist and the development still occurred, other taxing jurisdictions would benefit by the (TIF) Town paying more and receiving less.

Historically, the methodology used to determine the fiscal impact from the establishment of a TIF District was to multiply the Captured Assessed Value by the constant .009. The result would be an annual and cumulative "Education Tax Shift" for the proposed district. Changes in the distribution of State funding for education have required TIF applicants to develop other methodologies that more accurately reflect the "Education Shift".

**From Department of Economic and Community Development – Municipal Tax Increment Financing Manual 11-20-2011*

City of Auburn
#19 Hartt Transportation Industrial Park District
Exhibit D - Tax Shift Projections

Tax Year	Avoided Loss in State Allocation For Education	Avoided Loss in Revenue Sharing	Avoided Increase In County Tax	Total Tax Shifts
FY14-15	10,605.06	994.49	303.09	\$ 11,887.35
FY15-16	10,605.06	994.49	303.09	\$ 11,887.35
FY16-17	10,605.06	994.49	303.09	\$ 11,887.35
FY17-18	10,605.06	994.49	303.09	\$ 11,887.35
FY18-19	10,605.06	994.49	303.09	\$ 11,887.35
FY19-20	10,605.06	994.49	303.09	\$ 11,887.35
FY20-21	10,605.06	994.49	303.09	\$ 11,887.35
FY22-23	10,605.06	994.49	303.09	\$ 11,887.35
FY23-24	10,605.06	994.49	303.09	\$ 11,887.35
FY24-25	10,605.06	994.49	303.09	\$ 11,887.35
FY25-26	10,605.06	994.49	303.09	\$ 11,887.35
FY26-27	10,605.06	994.49	303.09	\$ 11,887.35
FY27-28	10,605.06	994.49	303.09	\$ 11,887.35
FY28-29	10,605.06	994.49	303.09	\$ 11,887.35
FY29-30	10,605.06	994.49	303.09	\$ 11,887.35
FY30-31	10,605.06	994.49	303.09	\$ 11,887.35
FY31-32	10,605.06	994.49	303.09	\$ 11,887.35
FY32-33	10,605.06	994.49	303.09	\$ 11,887.35
FY33-34	10,605.06	994.49	303.09	\$ 11,887.35
Totals:	\$ 201,496.14	\$ 18,895.31	\$ 5,758.71	

Mayor LaBonté called the meeting to order at 7:04 P.M. in the Council Chambers of Auburn Hall and led the assembly in the salute to the flag. All Councilors were present.

I. Consent Items

1. Order 100-12152014*

Accepting the 2014 Audit.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to accept the 2014 Audit as presented. Passage 7-0.

II. Minutes

- November 24, 2014 Special Council Meeting
- December 1, 2014 Regular Council Meeting

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to accept the minutes of November 24, 2014 and December 1, 2014 as presented. Passage 6-0-1 (Councilor Young abstained as he was not present at those meetings).

III. Reports

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to suspend the rules to move item III. Reports on the agenda to immediately after item VIII. Executive Session. Passage 5-2 (Councilors Crowley and Walker opposed).

IV. Communications, Presentations and Recognitions

Communication – Letter from the Sabattus Selectmen to the Androscoggin County Commissioners regarding Commissioner's compensation. With support from the City Council, the Interim City Manager and the Mayor will be co-signing a letter joining other communities in Androscoggin County to weigh in and support the Androscoggin County Budget Committee's authority to set County Commissioner's compensation.

V. Open Session

- Peter Letourneau, 38 Field Avenue – County Commissioner compensation issue
- Joe Gray, Sopers Mill Road – Thank you to the Fire Department who escorted Santa into Rolly's Diner and for leading the parade in New Auburn.

VI. Unfinished Business

2. Ordinance 10-12012014

Approving the proposed ordinance amendment in Chapter 2, Article VI, section 2-485 (Council action on budget increase). Second reading.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to approve the proposed ordinance amendment in Chapter 2, Article VI, section 2-485 (Council action on budget increase) as presented.

Public comment – Joe Gray, Sopers Mill Road spoke in opposition of this amendment.

Motion was made by Councilor Crowley and seconded by Councilor Gerry to amend under part B, *Exception* with the provision that it may be waived by a super majority vote of 5 City Councilors. Passage of amendment 4-3 (Councilors Lee, Young, and LaFontaine opposed).

Passage of Ordinance 10-12012014 as amended 6-1 (Councilor Young opposed). A roll call vote was taken.

VII. New Business

3. Order 101-12152014

Approving the Special Amusement Permit for Jasmine Café, located at 730 Center Street. Public hearing.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to approve the Special Amusement Permit for Jasmine Café, located at 730 Center Street.

Public hearing – Joe Gray, Sopers Mill Road had questions regarding the security requirements on the application.

Passage 7-0.

4. Order 102-12152014

Approving the Hartt Transportation TIF (Tax Increment Financing). Public hearing.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to approve the Hartt Transportation TIF as presented.

Public hearing – Joanna Bradeen, CFO for Hartt Transportation regarding their facility and investment in Auburn, Dan Herrick 470 Hatch Road questioned whether or not they registered their trucks in Auburn.

Passage 7-0. A roll call vote was taken.

5. Order 103-12152014

Approving an Auto Graveyard/Junkyard permit for Morris Auto Parts located on 940 Washington Street. Public hearing.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to approve the Auto Graveyard/Junkyard permit for Morris Auto Parts located at 940 Washington Street North.

Public hearing – no one from the public spoke.

Passage 6-1 (Councilor Gerry opposed).

VIII. Executive Session

- Discussion regarding real estate matter, pursuant to 1 M.R.S.A. 405(6)(C) with possible action to follow.

IN COUNCIL REGULAR MEETING DECEMBER 15, 2014 VOL. 34 PAGE 88

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to enter into executive session to discuss a real estate matter. Passage 6-1 (Councilor Crowley opposed), time 7:48 PM.

Council was declared out of executive session at 7:54 PM with no action to follow.

- Discussion regarding labor contracts, pursuant to 1 M.R.S.A. 405(6)(D) with possible public presentation and action to follow.

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to enter into executive session to discuss labor contracts. Passage 4-1-2 (Councilor Crowley opposed, Councilors Walker and Gerry were not in the room during the vote), time 7:56 PM.

Council was declared out of executive session at 7:59 PM. Chief of Police Phil Crowell and Human Resource Director Deb Grimmig gave an update of what is before Council.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to authorize the Interim City Manager to execute the Collective Bargaining Agreement with MAP (Maine Association of Police) Patrol Unit for July 1, 2013 through June 30, 2014 and for July 1, 2014 through June 30, 2017. This becomes order 104-12152014.

Public comment – Joe Gray, Sopers Mill Road asked why there would be an extra 16% in the retirement every year.

Passage 5-2 (Councilors Crowley and Gerry opposed). A roll call vote was taken.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to approve the new retirement plan from the current 2C Plan (25 year/50% pension/no minimum age plan) to the 3C Plan (25 year/67%/no minimum age plan) effective January 1, 2015 for uniformed law enforcement personnel hired after December 31, 1989. The 3C Plan applies to service rendered on January 1, 2015 or later. Service rendered prior to January 1, 2015 remains under the Special 2C Plan. All Police Officers hired January 1, 2015 or after shall be covered by the 3C Plan. The City Council authorizes the Interim City Manager to sign the contract between the City of Auburn and the Maine Public Employees Retirement System to implement the 3C Plan. This becomes order 105-12152014.

Public comment – no one from the public spoke.

Passage 5-2 (Councilors Crowley and Gerry opposed). A roll call vote was taken.

Mayor's Report – A workshop will take place on December 18th on solid waste with a recommendation to pay as you throw. He also thanked the folks in New Auburn for a phenomenal neighborhood Christmas event that took place on Sunday.

City Councilor Reports

Councilor Hayes – no report.

Councilor LaFontaine – requested a meeting with the School Committee before budget discussions begin to talk about process between the School Committee and Council.

Councilor Lee – Citizens Advisory Committee meeting update.

Councilor Walker – gave thanks to the United New Auburn Association for a successful tree lighting event and thanks to Tim Horton's.

Councilor Gerry – Androscoggin County Budget Committee update.

Councilor Young – no report.

Councilor Crowley – gave thanks to the Community organizations that helped to make December special and went over dates to watch (Hanukkah, Auburn Water and Sewer budget, public meeting on recycling, winter solstice, United New Auburn Association meeting change, New Years Eve, visiting hours at the Library, the Winter Festival, calls regarding reports, concerns regarding energy costs, and the ice arena shortfall).

City Manager – Budget meeting discussion of the snowmobile clubs, County budget increase, gave thanks to all involved in the Christmas parade, and read a letter received recognizing various employees (Police and Fire), and the workshop that was planned for December 22 has been rescheduled to January 12th, 2015.

Finance Director, Jill Eastman - November 2014 Monthly Finance Report

Motion was made by Councilor Crowley and seconded by Councilor LaFontaine to accept and place on file the November 2014 monthly finance report. Passage 7-0.

IX. Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is not on this agenda.

Priscilla Miller, 211 Summer Street – changes to police departments retirement, County Commissioners pay and benefits, recommended putting less salt and sand on the roads and sidewalks, recycling comments, and the Norway Savings Bank Arena.

Bob Cavanagh, 127 Field Avenue - gave recognition to the Public Services Department for their sidewalk maintenance.

Joe Gray, Sopers Mill Road – Norway Savings Bank Arena finances, urged Council to take tighter control that and other spending, on the County Budget, suggested hiring a private negotiator for labor contracts, twin city community logo, and recognized the Public Works drivers who are doing a good job when plowing.

X. Adjournment – Motion was made by Councilor LaFontaine and seconded by Councilor Walker to adjourn. Passage 7-0 and the meeting adjourned at 9:00 P.M.

A True Copy.

ATTEST Susan Clements-Dallaire
Susan Clements-Dallaire, City Clerk 3-24-15

Mayor LaBonté called the meeting to order at 7:00 P.M. in the Council Chambers of Auburn Hall and led the assembly in the salute to the flag. All Councilors were present.

I. Consent Items*

1. **Order 45-06162014***
Accepting the transfer of Forfeiture Asset (Darnell Robinson).
2. **Order 46-06162014***
Accepting the transfer of Forfeiture Asset (Paul Robinson).
3. **Order 47-06162014***
Setting the date for the Special Municipal Election to fill the vacant Ward 4 School Committee seat for November 4, 2014.
4. **Order 48-06162014***
Appointment of Karen Scammon as the interim City Assessor.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to approve the consent item as presented. Passage 7- 0.

II. Minutes

- June 2, 2014 Regular Council Meeting

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to approve the minutes of June 2, 2014 as presented. Passage 6-0-1 (Councilor Crowley abstained as she was not present for the meeting due to an excused absence).

III. Reports

Reports

Mayor's Report – Reported on possible development of the Great Falls Art Center Site (Community Little Theater).

City Councilors' Reports – Councilor LaFontaine reported on the Business to Business Trade Show and the School Budget passing, Councilor Walker reported on the Flag Day ceremony that was held at Mt. Auburn Cemetery, Councilor Gerry reported on the Business to Business Trade Show, and Councilor Crowley reported on the Community Little Theater item, Decoration Day, Flag Day, Visiting hours at the Library, Auburn Community Band Concerts, and the Downtown Auburn Walk with Alan Manoian.

City Manager Report – Reported on Community Little Theater, the Business to Business Trade Show, the Joint Charter Commission recount, and provided an update on the Assessing Department.

Finance Director, Jill Eastman

- May 2014 Monthly Finance Report

Motion was made by Councilor Crowley and seconded by Councilor LaFontaine to accept and place on file the May 2014 monthly finance report as presented. Passage 7-0.

IV. Communications, Presentations and Recognitions

- Recognition was given to the Junior Youth of the Year and Youth of the Year from the Boys and Girls Club

V. Open Session – Joe Gray, Sopers Mill Road on recreation facilities, creating a walking trail with markers, and thanked staff involved in the “Adopt-A-Park” program.

VI. Unfinished Business

1. Resolve 06-05052014

Adopting the Appropriations Resolve for Fiscal Year 2015. Second reading.

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to take Resolve 06-05052014 as included in the Council packet (which was postponed at the 6/2/2014 City Council Meeting) off table. Passage 7-0.

Motion was made by Councilor Lee and seconded by Councilor Crowley to amend by placing an immediate priority on implementing complete streets on targeted downtown streets, including, but not limited to, safe, highly visible crosswalks for pedestrians of all abilities, travel lanes of a width necessary for speed limits, bicycle lanes well marked for that use, on-street parking striped to a standard expected within our downtown development plans and that this targeted plan shall be assessed for completion where striping and/or signage in addition to proper law enforcement measures would allow its implementation. And that the plan for immediate implementation shall be brought to the Council for review within 30 days of final budget adoption, and that staff present its recommendation for funding out of existing sources, with CDBG, Downtown TIF and existing Public Services budgets as possible options. Passage 7-0.

Motion was made by Councilor Gerry and seconded by Councilor Crowley to amend by allocating \$3000 from other revenue into the recreation budget to be held as matching funds for snowmobile club grants as authorized by the City Manager or his designee. Passage 7-0.

Public comment – Joe Gray Sopers Mill Road, stated that the budget is based on fictitious numbers for revenues and based on assessments that are too high. Asked about the Library budget, and commented on the amendment on Veteran grave markers and flags; and Larry Pelletier, 129 Seventh Street expressed thanks to City staff and Council for working with the School Department this year in drafting a budget that the Citizens of Auburn agreed to.

Passage 5-2 (Councilors Gerry and Crowley opposed). A roll call vote was taken.

2. **Ordinance 04-06022014**

Approving the Spring Street zoning amendment. Public hearing and second reading.

Motion was made by Councilor LaFontaine and seconded by Councilor Crowley. Public hearing - no one from the public spoke. Passage 7-0. A roll call vote was taken.

VII. New Business

3. **Order 49-06162014**

Approving the Mass Gathering permit for the 2014 Liberty Festival. Public hearing.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to approve the Mass Gathering permit for the 2014 Liberty Festival.

Public hearing – no one from the public spoke. Passage 7-0.

4. **Order 50-06162014**

Adopting the FY2015 Capital Improvement Plan (CIP).

Motion was made by Councilor LaFontaine and seconded by Councilor Lee.

Public comment – Joe Gray Sopers Mill Road.

Motion was made by Councilor Crowley and seconded by Councilor Gerry to strike one million dollars from the School facility improvements and all public works capital improvement projects and to remove the Festival Plaza canopies. Motion failed 2-5 with Councilors Young, Hayes, LaFontaine, Lee, and Walker opposed.

Passage of Order 50-06162014 adopting the FY2015 Capital Improvement Plan (CIP) as presented. Passage 5-2 (Councilors Crowley and Gerry opposed). A roll call vote was taken.

5. **Resolve 08-06162014**

Supporting the Green and Healthy Homes Initiative.

Motion was made by Councilor LaFontaine and seconded by Councilor Lee to support the Green and Healthy Homes Initiative as presented.

Public comment – no one from the public spoke. Passage 7-0.

6. **Order 51-06162014**

Approving the Joint Development Agreement with Hartt Transportation.

Motion was made by Councilor LaFontaine and seconded by Councilor Walker to approve the Joint Development Agreement with Hartt Transportation.

Public comment, Joe Gray Sopers Mill Road. Passage 7-0.

7. **Order 52-06162014**

Approving the two-year Memo of Understanding with Lewiston Auburn Economic Growth Council (LAEGC) and the City of Lewiston.

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to approve the two-year Memo of Understanding with Lewiston Auburn Economic Growth Council (LAEGC) and the City of Lewiston. Public comment – no one from the public spoke. Passage 4-3 (Councilors Crowley, Gerry, and Walker opposed).

VIII. Open Session – the last open session was taken out of order and placed before the Executive Session. No one from the public spoke.

IX. Executive Session

- Discussion regarding economic development (Industrial Park TIFS), pursuant to 1 M.R.S.A. §405(6)(C).

Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to enter into Executive Session. Passage 5-2 (Councilors Crowley and Walker opposed). Time 8:29 P.M.

Council was declared out of Executive Session at 9:00 P.M.

- X. Adjournment** – Motion was made by Councilor LaFontaine and seconded by Councilor Hayes to adjourn, with all Councilors present were in favor (Councilors Walker and Gerry were out of the room), time 9:01 P.M.

A True Copy.

ATTEST Susan Clements Dallaire
Susan Clements-Dallaire, City Clerk

3-26-15



Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

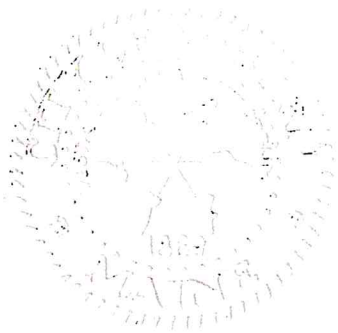
ORDER 51-06162014

ORDERED, that the City Manager is hereby authorized to sign the attached Development Agreement with Hartt Transportation Systems, Inc. and/or BBW & R Properties, LLC and have prepared, for City Council action, documents referenced therein.

A TRUE COPY

ATTEST Susan Clements-Dallaire
Susan Clements-Dallaire, City Clerk

3-26-15



Passage on 06/16/2014 5-2 (Councilors Crowley and Gerry opposed).

Tizz E. H. Crowley, Ward One
Robert Hayes, Ward Two
Mary Lafontaine, Ward Three
Adam Lee, Ward Four



Leroy Walker, Ward Five
Belinda Gerry, At Large
David Young, At Large

Jonathan P. LaBonte, Mayor

IN CITY COUNCIL

ORDER 102-12152014

ORDERED, that the City Manager is authorized to execute all documents and submit #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Finance District to the State of Maine Department of Economic & Community Development.

A TRUE COPY

ATTEST *Susan Clements Dallaire*
Susan Clements-Dallaire, City Clerk

Passage on 12/15/2014 7-0.

Hartt Transportation Industrial Park
Development Agreement

This development agreement is made and entered into this 16th day of June, 2014, 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 St., Auburn, Maine 04210 (hereinafter called the "City") and Hartt Transportation Systems, Inc., a Maine Corporation, having a mailing address of 262 Bomarc Road, Bangor, Maine 04401 and/or BBW & R Properties, LLC, a Maine limited liability company having a mailing address of 262 Bomarc Road, Bangor, Maine 04401 (hereinafter collectively called the "Developer").

Witnesseth:

WHEREAS, the City has adopted a comprehensive land-use plan for the development of the area around Turnpike Interchange #75; and

WHEREAS, that plan recommends concentrated commercial and industrial development to be located in this area; and

WHEREAS, the City is desirous of attracting new investment in the form of commercial and industrial projects; and

WHEREAS, the Developer has acquired a strategically located parcel of land for the purpose of accommodating mixed-use industrial and commercial development projects; and

WHEREAS, the Developer has subdivided the land and is ready to make a significant investment to complete the utility extensions, modify Kitty Hawk Ave. and construct a new transportation terminal on the property; 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 have, in this document, set forth the business terms and responsibilities 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. Location

The parcels of land, subject to this agreement, are located on the south side of Kitty Hawk Ave., Auburn, Maine, between the Maine Turnpike and Hotel Road as shown on the attached map. The property tax identification numbers are as follows: 120-020, 120-015-001, 120-015-002, 120-015-003, 120-015-004, 120-015-005, 120-015-006, 120-015-007 and 120-015-009 as depicted on the Auburn, Maine tax maps. Additional land, shown on the subdivision plan as dedicated space for public utilities and public road, is also subject to this agreement.

2. Off-site Infrastructure Impacts

As major projects are developed within the subdivision, capacity of the surrounding transportation network is absorbed. Traffic study data, that was a part of the original subdivision review, has documented the need to create a protected left turn for West bound traffic on Kitty Hawk Ave. This improvement is needed because the volume of traffic on Kitty Hawk Ave. continues to increase.

3. Development Program

In an effort to induce the Developer to incur the costs enumerated below the parties agree as follows:

Developer --

A. Agrees to produce the final engineered designs (for both the on-site and off-site improvements necessary to service development projects), secure the necessary financing to construct improvements, obtain all required permits and manage the project (estimated cost \$1.2 million), subject to any deadlines set out in the TIF or the CEA.

B. Agrees to finance, construct and equip a 30,000 ft. sq. ft. trucking terminal office and garage (estimated cost \$3.8 million), subject to any deadlines set out in the TIF plan or the CEA, and also subject to Planning Staff approval.

City --

A. Agrees to execute a Tax Increment Financing (TIF) plan and credit enhancement agreement (CEA) that will provide for the recovery of a portion of the costs noted above. The recovery of cost will include only those costs associated with providing public infrastructure and off-site improvements. The amount to be recovered will be done by providing a tax payment reimbursement on all the new real estate investment that occurs within the subdivision as determined by the City. Payment under the CEA shall be 40% of the tax revenues generated by new development (real estate only). The term of this agreement will be 20 years or a recovery threshold not to exceed \$1.2 million, whichever ever comes first.

All obligations of the City are conditioned on the Parties entering into a CEA and Developer performing all of its obligations under the TIF, CEA, and this Agreement.

4. Design Review Consultation

The Developer will review and consult with the City concerning the design of the off-site and on-site public infrastructure improvements, which shall be subject to Auburn Planning Staff approval.

5. Regulatory Compliance

The Developer will construct the public improvements in conformance with all federal, state and local regulatory requirements.

6. Miscellaneous

a. This Agreement and any documents or exhibits which may be described herein or attached hereto set forth the entire Agreement and understanding of the parties in respect to the transactions contemplated hereby and supersedes all prior agreements, arrangements, and understandings related to the subject matter hereof.

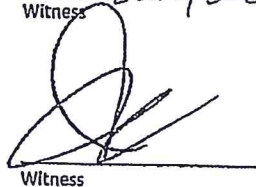
b. This Agreement shall be governed by and construed in accordance of the laws of the State of Maine applicable to agreements made and to be performed therein. Except to the extent the parties may mutually agree to the contrary, all disputes arising on this Agreement shall be brought in the state or federal courts of the State of Maine and each party to this Agreement hereby submits to the jurisdiction of the state and federal courts of the State of Maine, and agrees that service of process may be made upon each party by certified mail, return receipt requested, to the current addresses of the parties, or to such address as may be changed from time to time. The prevailing party in any such dispute shall be entitled to recover, in addition to the claim for damages, indemnification or expense, all costs and expenses of proceeding with such claim, including reasonable attorney's fees.

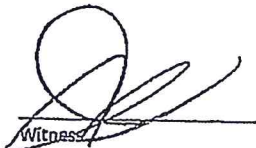
c. Any amendment to this Agreement shall be in writing, signed by all parties.

d. Any waiver of a term or condition of this Agreement shall be a waiver of that term or condition only and shall not be deemed a waiver of any other term or condition.

IN WITNESS WHEREOF, the City and the Developer have executed this Development Agreement the 16th day of June, 2014.


Witness

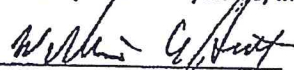

Witness


Witness

City of AUBURN

By: 
Its City Manager

Hartt Transportation Systems, Inc.

By: 
Its President

BBW & R Properties, LLC

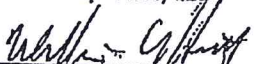
By: 
Its Member

Exhibit J

Auburn Planning Board Meeting Minutes

November 18, 2008

Roll Call - Present:

Dan Moreno, Rob Farrington; Acting Chair, Tim Goss, Preston Chapman Richard Whiting, and William Skelton.

Minutes:

A motion was made by Tim Goss, seconded by Dan Moreno and voted unanimously to approve the minutes of the July 8, 2008, August 12, 2008, September 9, 2008 and October 14, 2008 Planning Board meetings.

Public Hearings:

Kittyhawk Business Park – Final Major Subdivision - 565 Kittyhawk Avenue - Joe Casalinova of Building Solutions, LLC., Agent for Hartt Transportation Systems Inc is seeking Final Major Subdivision Review for the proposed Kittyhawk Commercial Subdivision, a seven (7) Lot Subdivision of 30+/- acres, to be located at 565 Kittyhawk Avenue, (PID # 120-015), Pursuant to Section 7.3 of Chapter 29.

Eric Cousens went over the staff report.

Joseph Casalinova of Building Solutions said the biggest change was going from a 6-lot to a 7-lot subdivision and felt they had addressed all of the technical aspects of all of the department's requirements.

Open Public Hearing

No Comments.

A motion was made by Tim Goss, seconded by Dan Moreno and all voted unanimously to close the public hearing. (5-0-0)

A motion was made by Richard Whiting, seconded by Preston Chapman and all voted unanimously to approve. (5-0-0)

Pine Tree Pellet Fuels Inc – Special Exception - 512 Trapp Road - Request of David Kidwell agent for Pine Tree Pellett Fuels LLC. to establish a new use of the property at 512 Trapp Road as a wood pellet manufacturer pursuant to Section 3.31.B.2.a of Chapter 29.

Eric Cousens read the staff report.

The applicant, David Kidwell of Pine Tree Pellet Fuels, submitted for Public Record a document comparing the noise levels of a similar type operation.

Open Public Hearing

Kenneth Bellefleur of 100 Royal River Road stated the following:

- Concerned about the raw material delivery; said he was skeptical that they can run a business with just 1 load of 20 tons of pellets per week.
- Stated that roads were usually posted in the winter and wondered what the business would do at that time.
- Questioned the 4 persons employed limitation.
- Said he had an issue of the proposed timeline that was outlined in the staff report for the previous business.
- Stated vandalism had stopped after all items of value had been taken and was concerned about new business not being monitored and vandals returning.
- Said he had an issue with the term "incidental" in the Zoning Ordinance. He said the saw mill should be going along with a wood harvesting operation that's also located onsite by the letter of the intent of the ordinance.
- Said he didn't see any evidence that this building was ever legally non-conforming. He said there was nothing documenting when the building was constructed or when Maine Pride took it over and began operating that it was legally non-conforming.

A motion was made by Tim Goss, seconded by Dan Moreno and all voted unanimously to close the public hearing. (5-0-0)

A motion was made by Richard Whiting, seconded by Tim Goss and all voted unanimously to table the public hearing. (5-0-0)

Gendron Distribution Center - Special Exception & Site Plan & PUD-I. - Approval request of Sebago Technics Inc. agent for Gendron and Gendron Inc. to modify the Gendron Distribution Center Plans to include a new property line at 55 Logistics Drive (Portion of ID# 119-004) pursuant to Section 3.51, 3.71.B.1.I. & Section 3.71.B.2.gg of Chapter 29.

Eric Read the staff report.

Michael Gotto of Sebago Technics explained the proposal.

Open Public Hearing

No Comments.

A motion was made by Tim Goss, seconded by Dan Moreno and all voted unanimously to close the public hearing. (5-0-0)

A motion was made by Tim Goss, seconded by Preston Chapman and all voted unanimously to approve. (5-0-0)

Old Business: None

New Business: Eric mentioned there would be 2 items on the agenda for the December meeting.

Miscellaneous: None

Adjournment

CREDIT ENHANCEMENT AGREEMENT

Between

CITY OF AUBURN, MAINE

And

Hartt Transportation Systems, Inc

Dated as of December 15, 2014

City of Auburn

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CREDIT ENHANCEMENT AGREEMENT
BETWEEN THE
CITY OF AUBURN
AND
Hartt Transportation Systems, Inc

This **Credit Enhancement Agreement** dated as of December 15, 2014 between the **City of Auburn, Maine** (the "City"), a municipal body corporate and politic and a political subdivision of the State, and **Hartt Transportation Systems, Inc** (the "Developer").

WITNESSETH THAT:

Whereas, the City designated the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes by action of the Auburn City Council on December 15, 2014 (the "Vote"), and pursuant to the same Vote adopted a Development Program and Financial Plan for the District (the "Development Program"); and

Whereas, the City submitted the Development Program to Department of Economic and Community Development for the Department's review and approval of the District and a Development Program on December 2014; and

Whereas, the Development Program contemplates the execution and delivery of this Agreement by the City and the Developer; and

Whereas, the execution and delivery of this agreement by the City has been authorized and approved pursuant to a resolution and vote of the City Council on December 15, 2014; and

Now therefore, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

ARTICLE 1: DEFINITIONS

Section 1.1. Definitions.

The terms defined in this Article 1 shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

"Act" means Chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted hereunder, as amended from time to time.

"Administrative expense(s)" means the costs incurred by the City in administering the Development Program and this Agreement.

"Agreement" means this Credit Enhancement Agreement between the City and the Developer

City of Auburn

dated as of the date set forth above.

"City" means the City of Auburn, Maine.

"Department" means Department of Economic and Community Development.

"Developer" means Hartt Transportation Systems, Inc, their successors and assigns.

"Developer's Share" means 40% of the tax revenues derived from the new added value of the project in tax fiscal years 2015-34 or a recovery threshold not to exceed \$1.2 million, which ever comes first.

"Development Program" means the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District Development Program, which was approved by the Department on December 2014.

"Development Program Fund" means the development program fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article III hereof.

"District" means the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District more particularly described in the Development Program and to be designated by the City pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote at the City Council meeting.

"Effective Date" means the date hereof.

"Financial Plan" means a financial plan described in the "Financial Plan" section of the Development Program.

"Original Assessed Value" means \$1,178,340.

"Project" means the road development costs and Hartt Terminal project as described in the Development Program.

"Property" means all real property located within the District.

"Property Taxes" means any and all valorem property taxes assessed against the Property within the District by the City or on its behalf.

"Qualified Investments" means any and all securities, obligations or accounts in which municipalities may invest their funds pursuant to 30-A MRSA subsections, as amended from time to time.

"Regulations" means the regulations enacted by the Department pursuant to the Act.

"State" means the State of Maine.

"Tax Increment Revenues" means the portion of all real property taxes assessed in any Tax Year by the City, in excess of any state, county or special district tax, upon the captured assessed value of property in the District.

"Tax Payment Date" means the date(s), as determined by the City from time to time, on which property taxes assessed by the City are due and payable without interest from owners of property located within the City.

"Tax Year" means the twelve-month period beginning July 1 and ending June 30 or any other tax year hereafter adopted by the City.

Section 1.2. Interpretation and Construction.

In this Agreement unless the context otherwise requires:

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

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

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

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

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

If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof except as expressly provided in Section 3.5.

Any term used herein and in the Act or the Regulations and not defined herein shall have the meaning ascribed to such term in the Act or the Regulations.

ARTICLE II: DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

Within thirty (30) days after the Effective Date, the City shall create and establish a segregated sub-account in the name of the City designated as the "Hartt Transportation Systems, Inc Fund" within the #19 Hartt Transportation Industrial Park Omnibus Municipal Tax Increment Financing District Development Program Fund" or "Development Program Fund" pursuant to, and in accordance with the terms and conditions of, the Development Program and within the Development Program Fund will establish a segregated account for the benefit of the Developer "Hartt Transportation Systems, Inc Project Cost Account".

Section 2.2. Liens.

Except as provided in this Agreement, the City shall not create any lien or encumbrance on, or create or transfer any other interest of any nature whatsoever in, nor shall it hypothecate, the Hartt Transportation Systems, Inc Project Cost Account or any funds therein or revenues resulting from investment of funds therein, other than the interest of the Developer hereunder; provided, however, nothing herein shall prohibit creation of real and personal property tax liens on the Developer's property in accordance with, and, entitled to the priority provided under, State law.

Section 2.3. Deposits into Development Program Fund.

Starting with the 2014-2015 tax year and for each year thereafter until 2034-2035 there shall be deposited into the Development Program Fund contemporaneously with each payment of property tax by the Developer during the term of this Agreement an amount equal to 40% of the property tax payment constituting Tax Increment Revenues from within the District for the period to which the payment relates; provided, however that such deposits to the Development Program Fund shall be due and payable solely from such property tax payments. The term of this agreement will be 20 years or a recovery threshold not to exceed \$1.25 million, whichever comes first. The City shall retain any and all revenues resulting from investment of moneys on deposit in the Development Program Fund and shall be reimbursed for the City's Administrative Expense in administering the Program and this Agreement, which sum shall not exceed \$10,000 per year from the Development Program Fund out of the City's share. Contemporaneously with the deposit into the Development Program Fund, the City shall deposit into the Hartt Transportation Systems, Inc Cost Account, an amount equal to the Developer's Share, provided that the aggregate amount paid under this agreement shall not exceed the total Project Cost incurred by the Developer for the term of the Development Program within the District.

Section 2.4. Use of Monies in Development Program Fund.

Monies deposited in the Hartt Transportation Systems, Inc exclusive of investment earnings thereon, shall be used and applied exclusively to fund the City's payment obligation described in Article III hereof. All investment earnings shall be for the benefit of the City and free of any

City of Auburn

interest of the Developer under this Agreement.

Section 2.5. Monies Held for Benefit of Developer.

All monies actually paid into the Development Program Fund under the provisions hereof and the provisions of the Development Program and all investment earnings thereon shall be held by the City for the benefit of the Developer and the City as their interest may appear.

All monies actually paid into the Hartt Transportation Systems, Inc Project Cost Account under the provisions hereof and the provisions of the Development program shall be held by the City, in trust, for the benefit of the Developer.

Cost paid by the developer and subject to reimbursement include:

1) Road, sewer and underground	\$702,000
2) Power	\$208,000
3) Design & Permitting	\$140,000
4) Fees & Contingencies	\$60,000
	<hr/>
	\$1,110,000
Kitty Hawk modifications*	\$140,000
Total Reimbursement	<hr/>
	\$1,250,000

*(To be completed within the first five years)

Section 2.6. Investments.

The monies in the Development Program Fund shall be invested and reinvested in Qualified Investments as determined by the City. The City shall have discretion regarding the investments of such monies, provided such monies are invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the City shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of the Development Program Fund. The City shall have the sole and exclusive right to designate the investments to be sold and to otherwise direct the sale or conversion to cash of investments made with monies in the Development Program Fund. The City shall not be liable on account of its investment decisions as long as such decisions are made in accordance with this section.

Section 2.7. Administrative Expenses.

Annually the City shall be reimbursed from the Development Program Fund, from interest earned on the deposited funds, its administrative costs and administering the Program and this Agreement up to the maximum sum per year of \$10,000. Such Administrative Expense shall not be paid from the Developer's Share.

ARTICLE III: PAYMENT OBLIGATIONS

City of Auburn

Section 3.1. Developer Payments.

The Developer shall pay, when due, all amounts due pursuant to this Agreement. The City may withhold from any payment to be made by the City pursuant to this Agreement at any time any amount due from the Developer pursuant to this Agreement that is due and unpaid.

Section 3.2. Credit Enhancement Payments.

Within thirty (30) days following the date of receipt of each tax payment with respect to property within the District, the City shall pay to the Developer all amounts then on deposit in the Hartt Transportation Systems, Inc Project Cost Account, exclusive of investment earnings thereon. Such payments shall be used to satisfy debt service on indebtedness incurred to finance qualified "Project Costs" incurred by the Developer as that term is defined under Chapter 206 of Title 30-A. of the Maine Revised Statutes and as described in the Development Program or used to pay directly, or reimburse Developer for payment of, such Project Costs. Said payments shall commence with respect to tax payments made in the 2014-2015 tax year and continue for the period described in Section 2.3 hereof.

If, with respect to any tax payment date, Developer fails to pay any portion of the Property Taxes assessed by the City, because of a valuation dispute or otherwise, the Property taxes actually paid by Developer with respect to such tax payment date shall, first, be applied to taxes due on account of Original Assessed Value and, second constitute Retained Tax Increment Revenues.

The Developer (and its successors and assigns, as owners of property in the District) shall pay to the City, when due, all Property Taxes and assessments with respect to property of the Developer in the City of Auburn. If such Property Taxes and assessments are not paid when due, the City may withhold and suspend all payments under this Agreement until such Property Taxes and assessments and all interest thereon and other costs relating thereto are paid in full. In addition, if the Developer institutes any tax abatement proceedings with respect to any Property in the district, the City may withhold and suspend all payments of the Developer's Share of the Tax Increment with respect to the items of Property subject to the abatement proceedings, and shall deposit the withheld amount into a separate interest-bearing escrow account. Upon final action and completion of such abatement proceedings, the proper amount (based on the results of the abatement proceedings plus an allocable share of the interest accrued thereon) held in escrow account shall be paid to the Developer.

Section 3.3. Failure to Make Payment.

If the City should fail to, or be unable to, make any payment pursuant to this agreement, any such payments shall continue as a limited obligation of the City as provided in this Agreement. The Developer shall have the right to initiate and maintain an action to specifically enforce the City's obligation hereunder, including without limitation, the City's obligation to deposit Tax Increment Revenues to the Development Program Fund and thereafter to the Hartt Transportation Systems, Inc Project Cost account and its obligation to make payment to the Developer.

City of Auburn

Section 3.4. Manner of Payments.

The payments provided for in this Article III shall be paid directly to the Developer in the manner provided hereinabove for its own use and benefit. A City of Auburn check will be acceptable.

Section 3.5. Obligations Unconditional.

Except as otherwise expressly provided in this Agreement, the obligations of the City to make the payments from the Development Program Fund described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any right of set off, recoupment or counterclaim it might otherwise have against the Developer. Except as otherwise expressly provided in this agreement, the City shall not suspend or discontinue any such payment or terminate this agreement for any cause, including without limitation, any act or circumstance that may constitute failure of consideration or frustration of purpose or any damage to our destruction of the Project or any change in the tax or other laws of the United States, the State or any political subdivision of either thereof, or any failure of the Developer to perform and observe any agreement or covenant, whether expressed or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Notwithstanding the above, the City and the Developer each reserve the right to terminate this Agreement (except section 8.11 pertaining to indemnification) upon a final judgment by a court of competent jurisdiction that the Agreement or Development Program adopted in connection herewith is illegal or invalid. In such event, the termination shall be effective as of the date of such decision and neither party shall have any obligation or liability hereunder, under the Development Program or in respect of any of the transactions contemplated hereby, and shall be left in whatever positions, financial or otherwise, they may be in as of the date of termination. Such termination shall not, however, affect the Developer's obligation to defend and indemnify the City, which obligation shall survive any such termination.

Section 3.6. Limited Obligation.

The City's obligation to make payment in accordance with this Agreement shall be a limited obligation of the City payable solely from the Development Program Fund, excluding any earnings thereon, pledged therefore under this Agreement. The City's obligation hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State, or any municipality or political subdivision thereof, but shall be payable solely from the Development Program Fund, excluding any earnings thereon. This Agreement shall not directly or indirectly or contingently obligate the City, the State, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefore or to make any appropriation for payment due pursuant to this Agreement, except in the City's obligation to assess Property taxes upon the Project and the pledge of the Developer's Hartt Transportation Systems, Inc Project Cost Account, excluding earnings thereon, established under this Agreement.

ARTICLE IV: PLEDGE AND SECURITY INTEREST

City of Auburn

Section 4.1. Pledge of Hartt Transportation Systems, Inc Project Cost Account.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Developer by the City, according to the terms and conditions contained herein, and subject to the City's right pursuant to this agreement, the City does hereby grant a security interest in and pledge the Developer the Hartt Transportation Systems, Inc Project Cost Account and sums of money and other securities and investments therein, excluding earnings thereon.

Section 4.2. Protection of Interest.

The City shall cooperate with the Developer in causing appropriate financing statements and continuation statements setting forth the Developers interest in the Hartt Transportation Systems, Inc Project Cost Account to be duly filed and recorded in the appropriate State offices as required by and permitted under the provisions of the Uniform Commercial Code or other similar law as adopted by the State and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder. To the extent deemed necessary by the Developer, the City will at such time and from time to time as requested by Developer establish the Hartt Transportation Systems, Inc Project Cost Account as a segregated fund under the control of an escrow agent, trustee or other fiduciary so as to perfect Developer's interest therein.

Section 4.3. Further Instruments.

The City shall, upon the reasonable request of the Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the City, materially disadvantage the City, or materially change this Agreement.

Section 4.4. No Disposition of Hartt Transportation Systems, Inc Project Cost Account.

Except as permitted hereunder, the City shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Hartt Transportation Systems, Inc Project Cost Account.

Section 4.5. Access to Books and Records.

All books, records and documents in the possession of the City relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Hartt Transportation Systems, Inc Project Cost Account shall at all reasonable times be open to inspection by the Developer, its agents and employees.

ARTICLE V: DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

Each of the following events shall constitute and be referred to in this Agreement as an "Event of Default":

Any failure by the City to pay any amount from the Hartt Transportation Systems, Inc Project Cost Account to the Developer when the same shall become due and payable;

Any failure by the City to make deposits of Tax Increment Revenues into the Development Program Fund as and when due;

Any failure by the City to make deposits into Hartt Transportation Systems, Inc Project Cost Account as and when due;

Any failure by a party hereto to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the party to be observed or performed; and

If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, both for the winding up or liquidation of a party's affairs shall have been entered against the party or the party shall have consented to the appointment of a conservator or receiver or liquidator and any such proceedings of or relating to the party or of or relating to all or substantially all of its property, including without limitation, the filing of a voluntary petition in bankruptcy by the party or the failure by the party to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing or in the event and order for release has been entered under the Bankruptcy Code with respect to the party.

Section 5.2. Remedies on Default.

Whenever any Event of Default referred to in section 5.1 hereof shall have occurred and be continuing for a period of fifteen (15) days after a party's receipt from the other party of written notice of an Event of Default by the party, the other party may (a) specifically enforce the performance or observance of any obligations, agreement or covenants of the defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or (b) suspend its performance under this Agreement for so long as the Event of Default continues or remains uncured.

Section 5.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to a party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to the remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Event of Default, to insist upon the strict performance of any covenant or Agreement herein set forth or to exercise any right or remedy upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or

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relinquishment for the future of the rights to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the party with all of the covenants and conditions hereof, or of the rights to exercise any such right or remedy, if such Events of Default be continued or repeated.

Section 5.4. Waiver of Governmental Immunity.

To the extent allowed by law, the City hereby waives its governmental immunity (but not any tort immunity) with respect to any action or suit undertaken by Developer, its successors or assigns, arising out of, resulting from or involving any alleged default by the City hereunder or failure by the City to observe or perform any of its obligations hereunder, it being understood and agreed that such waiver is a material inducement to the Developer entering into this Agreement and continuing its pursuit of the Project. The parties agree that in the event of any dispute or disagreement hereunder the City shall continue to make payment of all amounts due hereunder in the manner and at the times specified herein until final resolution of such dispute, whether by mutual agreement or final decision of a court, arbitrator or otherwise dispute resolution mechanism. Except as expressly provided in this Agreement, the City hereby waives any right to withhold, suspend or setoff payments during the pendency of any such dispute. Provided, however, that nothing herein shall be deemed a waiver to the City's tort immunity. The City agrees that it will not in any manner challenge or contest the validity of this Agreement, the Development Plan or the proceedings for the adoption and approval of the same.

Section 5.5. Tax Laws.

The parties acknowledge that all laws of the state now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the City, by entering into this Agreement, is not excusing any nonpayment of taxes by Developer. Without limiting the foregoing, the City and the Developer shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Developer's property.

ARTICLE VI: EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

This agreement shall remain in full force from the Effective Date and shall expire July 1, 2035 or upon the payment of all amounts due to the Developer hereunder and the performance of all obligations on the part of the City hereunder unless sooner terminated pursuant to Section 3.5, this Section 6.1, Section 8.3 or any other applicable provision of this Agreement. Thereafter, all property within the district shall be taxable by the City to the extent provided by law.

Section 6.2. Cancellation and Expiration of Term.

At the termination or other expiration of this Agreement and following full payment of all

City of Auburn

amounts due and owing to the Developer hereunder or provision for payment thereof, the City and the Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

ARTICLE VII: ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST

Section 7.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that it is the intent of the Developer to pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the project, although no obligation is hereby imposed on the Developer to make such assignment or pledge. Recognizing this intention, the City does hereby consent and agree to the pledge and assignment of all the developers right, title and interest in, to and under this Agreement and in and to the payments to be made to Developer hereunder, to third parties as collateral or security for indebtedness, on one or more occasions during the term hereof.

Section 7.2. Pledge, Assignment or Security Interest.

Subject to the limitations set forth in Section 3.3, City agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the protective pledge or assignee, including without limitation recognition of the pledge or assignee as the holder of all right, title and interest herein (to the extent provided by the Act) and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledge or assignee the position of such assignee or pledge and binding nature of this Agreement and provide to the pledge or assignee such rights and/or remedies as the Developer under this Agreement for the establishing, protection and protection of its interest herein.

Section 7.3. Assignment.

The Developer shall have the unrestricted right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as Developer may, in its sole discretion, deem appropriate, provided that the Developer is not in default of this Agreement at the time of such assignment. An assignment to a party which is not an affiliate of the Developer may be made only with the consent of the City, which consent will not unreasonably be withheld.

ARTICLE VIII: MISCELLANEOUS

Section 8.1. Successors.

In the event of the dissolution of the City or the Developer or any sale or other transfer of all or substantially all of the Project, the covenants, stipulations, promises and Agreement set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board,

City of Auburn

commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

Section 8.2. Parties in Interest.

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

Section 8.3. Non-Severability.

In case any one or more of the material provisions of this agreement shall, for any reason, be held to be illegal or invalid, then this Agreement (except Section 8.11 pertaining to indemnification) may, at the option of either party, be terminated as of the date on which such holding becomes final. To exercise such option, the terminating party shall send written notice of termination to the other party within sixty (60) days after the date on which such holding becomes final.

Section 8.4. No Personal Liability of Officials of the City.

No covenant, stipulation, obligation or agreement of the City contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the City in his or her individual capacity and neither any member of the City Council, the City Manager or the Assessor of the City, nor any registered voter of the City nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

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

Section 8.6. Governing Law.

The laws of the State shall govern the construction and enforcement of this agreement in all respects.

Section 8.7. Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Developer pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first-class mail, postage prepaid, addressed as follows:



City of Auburn

If to the City:

Howard Kroll, City Manager City of Auburn
60 Court Street, Suite 243
Auburn, ME 04210 With a copy to:
Roland Miller, Economic Development Director City of Auburn
60 Court Street, Suite 102
Auburn, ME 04210

If to the Developer:

Hartt Transportation Systems, Inc
PO Box 1385
Bangor, ME 04402

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

Section 8.8. Amendments.

Neither this Agreement nor the Development Program may be amended without the express written consent of the parties hereto.

Section 8.9. Integration.

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

Section 8.10. Authority of the City.

The Developer and the City waive any right to which either may have to contest, and shall not take any action to challenge, the other's authority to enter into, perform or enforce the Agreement or to carry out the Development Program or the validity or enforceability of this Agreement, the District or the Development Program. The City and the Developer shall each utilize their respective best efforts to uphold the District, the Development Program, this Agreement and the City's authority to enter into this Agreement and the validity and enforceability of the District, the Development Program and this Agreement, including without limitation opposing, to the extent permitted by law, any litigation or proceeding challenging such authority, validity or enforceability.

Section 8.11. Indemnification.

City of Auburn

Developer shall at its own expense defend, indemnify, and hold harmless the City, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to the District, the Project, the Development Program or this Agreement or arising from injury or death to any person or property damage sustained by anyone in and about the District or the Project or as a result of activities or services at the Project, resulting from any negligent act or omission of Developer, its officers, agents, servants, employees, or persons in privity with Developer, except to the extent that such injury, death, or property damage results from any negligent act or omission of the City, its officers, agents, employees or servants. Developer shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against City upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, material men, and suppliers. In cases in which the City is a party, the City shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the City.

Without limiting the foregoing, the Developer agrees to reimburse any expenses incurred by the City in connection with this Agreement, the Project, the Development Program or any other instrument executed and delivered by the City in connection with this Agreement or the Development Program.

Notwithstanding any other provisions of this Agreement, this section shall survive any termination of this agreement.

The foregoing indemnification shall not apply to any action brought by the Developer to enforce this Agreement or to realize the benefit of this Agreement.

Section 8.12. Net Agreement.

This Agreement shall be deemed and construed to be a "net agreement," and the City shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without abatement, deductions or setoffs; provided, it is understood that the City's payment obligations are to be satisfied solely from Retained Tax Increment Revenues actually paid in by the Developer and received by the City, and earnings thereon.

Section 8.13. Benefit of Assignees or Pledges.

The City agrees that this Agreement is executed in part to induce assignees or pledges to provide financing for the Project and accordingly all covenants and agreements on the part of the City as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledge from time to time of the Developer's right, title and interest herein.

INWITNESS WHEREOF, the City of Auburn and the Developer have executed this Agreement this ____ day of _____, 2014.

Witness By: _____
Its City Manager

State of Maine Androscoggin County

Before me personally appeared _____ who swore that the above was her true fact and deed.

Notary Public
My commission expires: _____

Witness By: _____
Its President
Hartt Transportation Systems, Inc

Date: _____

State of Maine
Androscoggin County

Before me personally appeared _____ who swore that the above was her true fact and deed.

Notary Public
My commission expires: _____