

FINANCE & ADMINISTRATION COMMITTEE MEETING

Monday, February 5th, 2018

6:00 p.m.

Hampden Town Office

1. Meeting Minutes
 - a. January 16th, 2018
2. Review & Sign Warrants
3. Old Business
 - a. Discussion of proposed RSU-22 Bond Referendum regarding replacement of turf athletic field – *request of Mayor McPike*
 - b. Confirmation of date and time of the annual Goals & Objectives session
4. New Business
 - a. Executive Session – pursuant to 1 MRSA § 405(6)(E) – Confidential records
 - b. Executive Session – pursuant to 1 MRSA § 405 (6)(A) – Personnel matters
 - c. Proposed Coldbrook Corners TIF (Tax Increment Financing) Development Program and Credit Enhancement Agreement – recommend Town Council referral to public hearing on Monday, March 5, 2018 – *referral from Planning & Development Committee*
 - d. Recommend Council authorization for the expenditure in the amount of \$7,180.42 from the City Bus Reserve (3-710-00) for the purpose of paying Hampden's share of The Bus rehab project
5. Public Comment
6. Committee Member Comments
7. Adjournment

FINANCE & ADMINISTRATION COMMITTEE MEETING

Tuesday, January 16th, 2018

MINUTES – DRAFT

Hampden Town Office

Attending:

*Councilor, Terry McAvoy Chair
Mayor Ivan McPike
Councilor Mark Cormier
Councilor David Ryder
Councilor Dennis Marble
Councilor Stephen Wilde
Councilor Greg Sirois*

*Town Manager Angus Jennings
GIS/IT Specialist Kyle Severance
Town Attorney John Hamer
Town Clerk Paula Scott
Faye Anderson
Lester French
Joseph Pickering*

Chairman McAvoy called the meeting to order at 6 p.m.

1. Meeting Minutes

- a. December 18th, 2017 – Motion by Mayor McPike seconded by Councilor Ryder to approve the minutes. Approved 6-0.**

- 2. Review & Sign Warrants – Warrants were reviewed and signed. Chairman McAvoy asked for more detail regarding expenses related to DPW vehicle engines in the amounts of approx. \$7,000 and \$3,000 and whether these amounts were for engine repairs or replacements. Manager Jennings said he would provide additional information this week.**

- 3. Old Business – None.**

4. New Business

- a. Interviews for referral to Council the appointment of two Interim RSU 22 Directors – Chairman McAvoy introduced the topic and said the Committee would be asking questions of each person interested in serving the interim appointment.**

1. Faye Anderson – Faye Anderson introduced herself and discussed her background in education, as a teacher and administrator, and expressed her interest in serving on the Board now that she is retired. Chairman McAvoy asked her, if appointed, would she run for the full Board seat in November. Ms. Anderson said she wasn't sure yet. Councilor Marble asked about the overlap or differences between being a teacher, administrator, Board member. Ms. Anderson said the focus is the same: put children first. Councilor Marble asked about funding and Ms. Anderson said we

make do with what we get, and must use funds wisely. Chairman McAvoy thanked her for her interest.

2. James Baines – *Mr. Baines was not present due to a prior commitment but Chairman McAvoy noted that he and Mayor McPike met with Mr. Baines earlier in the day.*

3. Lester French – *Mr. French said he teaches at UMaine and has taught at all levels. He has 2 kids in the schools and has seen some turnaround in terms of the School Board's public communications and believes he could help in this regard. Chairman McAvoy thanked him for his interest.*

4. Joseph Pickering – *Mr. Pickering said he is an attorney and does not work in education, but is interested in bringing openness and transparency to the budget process. He noted improvements in recent years, and would like to go further.*

The Committee discussed the applicants. Councilor Sirois asked if any applicants had been asked by the RSU-22 Administration to serve. Mr. Pickering and Mr. French said they had been asked by the Asst. Superintendent and by a Board member, respectively. Councilor Marble asked how the Committee should consider Mr. Baines based on his earlier meeting with Councilors. Chairman McAvoy said he favors candidates with no prior experience in the school, noting that Mr. Baines has none and that Chairman McAvoy had a favorable impression of his sincerity. Mayor McPike said that Mr. Baines brings the perspective of having 2 children in the system including a special needs student.

Motion by Chairman McAvoy to recommend Council appointment of James Baines as an interim RSU-22 Board member, seconded by Mayor McPike. Motion carried 4-3 with Councilors Wilde, Sirois and Ryder opposed.

Motion by Chairman McAvoy to recommend Council appointment of Joseph Pickering as an interim RSU-22 Board member, seconded by Councilor Marble. Motion carried 7-0.

Motion by Councilor Sirois to recommend Council appointment of Faye Anderson as an interim RSU-22 Board member, seconded by Councilor Ryder. Motion failed 2-5 with Chairman McAvoy, Mayor McPike, Councilor Wilde, Councilor Marble and Councilor Cormier opposed.

- b. Recommend Council authorization for the expenditure in the amount of \$1,270.00 from the Marina Reserve (3-773-00) for the purpose of paying the remaining amount of Hampden's contribution to complete the floating dock – requested by DPW Director, Sean Currier – Motion by Chairman McAvoy seconded by Councilor Marble to recommend Council authorization of the requested reserve funds. Manager Jennings noted that the Council previously authorized \$12,700 in reserve funds for this item and that the amount requested tonight would complete the local match required for the grant. Motion passed 7-0.**
- c. Recommend Council authorization for the expenditure in the amount of \$1,460.00 from the IT Computer Reserve (3-711-00) for the purpose of replacing the LCD projector – requested by IT Specialist, Kyle Severance – Motion by Chairman McAvoy seconded by Mayor McPike to recommend Council authorization of the requested reserve funds. Mr. Severance said the current projector was 7 years old and showing its age with a speckled screen. He proposes to purchase 2 projectors with one dedicated to the Council chambers. He said he sets aside \$400 per year for replacement every 4 years so getting 7 years is good. Motion passed 7-0.**
- d. Renewal of Acceptable iPad Use Agreements for Town Councilor use of publicly funded iPads – requested by IT Specialist, Kyle Severance – Mr. Severance circulated the forms for each Councilor to complete and return.**
- e. Set date for review/rewrite of the Hampden Town Council Rules, or appoint subcommittee to prepare recommendations – Chairman McAvoy said he doesn't see necessary changes in the Rules, and Councilor Ryder asked didn't we just revise them? Manager Jennings said they had been revised. Town Clerk Paula Scott said there had been Councilor comments about potential revisions and she offered to work up a draft that would clarify existing language and the Council could consider amendments. Chairman McAvoy invited the Town Clerk to bring a redlined draft to the next meeting.**
- f. Set date for FY19 Goals & Objectives Session – It was agreed that the Goals Setting session would take place on Saturday, Feb. 10th. The start time was tentatively set for 10 AM but may be earlier.**
- g. Discussion of potential FY19 funding for supplemental resources to Town Council – requested by Councilor McAvoy – Chairman McAvoy said that this would be proposed in the event the Council has need for outside legal or consulting services, noting that**

the Council has no resources of its own. He said there may be a need or a desire to have information that doesn't flow through the Administration. Councilor Sirois asked for an example, and Chairman McAvoy noted that the reorganization of DPW may not be as high on the Manager's priorities as on the Council's. Councilor Sirois asked why would information not flow through the Manager and Chairman McAvoy said we may have other interests. Councilor Sirois said the Town Manager should be 100% involved. Chairman McAvoy said that information received could be used to formulate policy. Councilor Sirois said the Council shouldn't make decisions without involvement of staff. Mayor McPike said that Committee is the right place for consideration of ideas. Chairman McAvoy said that, at the Committee level, there may be information gathered to help decide whether to bring something to Council, and that he doesn't want to waste personnel resources. The Town Clerk noted that the Council has access to MMA as an outside resource, noting that each Councilor was recently provided an updated copy of the MMA Manual. She said a Councilor can call MMA at any time. Chairman McAvoy said he introduced this idea for consideration.

- h. Executive Session – pursuant to 1 MRSA § 405(6)(A) - Personnel matters –** *By unanimous roll call vote, the Committee entered Executive Session at 6:40 PM. The Committee returned to open session at 6:59 PM.*

5. Public Comment – *None.*

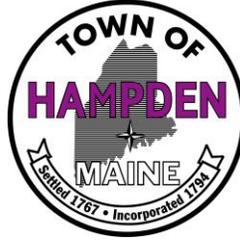
6. Committee Member Comments – *Councilor Sirois said he had observed a Councilor's vehicle bearing the official Town Seal, and asked whether permission was given, noting it appears as an official vehicle and could suggest the Town would insure the vehicle. Chairman McAvoy said he would remove the Town Seal from his vehicle.*

7. Adjournment

There being no further business, the meeting was adjourned at 7:00 PM.

Respectfully submitted –
Angus Jennings, Town Manager

Town of Hampden
106 Western Avenue
Hampden, Maine 04444



Phone: (207) 862-3034
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Email:
townmanager@hampdenmaine.gov

TO: Finance Committee
FROM: Angus Jennings, Town Manager
DATE: February 1, 2018
RE: February 6, 2018 Referendum re RSU-22 Turf Field Replacement

As was initially discussed at the Finance Committee meeting on December 4, RSU-22 is seeking voter authorization to borrow for the purpose of replacing the turf field at Hampden Academy, including new LED lighting. The referendum will be held this Tuesday, February 6th.

Supporting documentation is enclosed. Public forums regarding the proposal have been held, and have been attended by representatives of the Town Council, the Recreation Department, and the Recreation Committee.

Mayor McPike has recommended that the Finance Committee discuss this proposal and take a position regarding whether the Council will recommend support or opposition. It is anticipated that the Committee's recommendation would be announced at the Council meeting later that evening.

Assistant Superintendent Regan Nickels will attend Monday's meetings to present the proposal, and to respond to questions that may arise.

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24 Main Road North, Hampden, ME 04444

January 2018



Assistant Superintendent Regan Nickels discussed the turf replacement project at the January 17th Public Forum.



About 75 people attended the Public Forum at the Hampden Academy Performing Arts Center Balcony on January 17th to learn more about the turf replacement project and the February 6th referendum.

Bond issue for artificial turf replacement in RSU 22 goes to voters in Feb. 6 referendum

Voters in the four RSU 22 towns of Hampden, Newburgh, Winterport, and Frankfort are being asked in a referendum on Tuesday, February 6th, whether they will authorize the School Board to borrow up to \$850,000 to replace the turf field at Hampden Academy and upgrade the field lighting.

Polls will be open from 8 a.m. to 8 p.m. in all four towns.

The turf replacement is needed because the existing artificial turf

is 14 years old—about 4 to 6 years beyond its normal useful life of 8 to 10 years—and the turf has deteriorated to the point where safety is becoming a concern.

Regan Nickels, Assistant Superintendent for Business and Operations, said the turf has gradually become less resilient due to the loss of infill because of use and weather, compaction of the remaining infill, and the breakdown of the synthetic fibers.

In addition, the field is showing wear spots in certain areas, and the lines on the field are sinking, which can cause balls to bounce erratically in field hockey and softball, as well as providing a tripping hazard.

If the bond issue is approved by the voters, the RSU will have until February 14 to file an application for the bonds from the Maine Municipal Bond Bank, which would issue the bonds in May. The turf

replacement project would begin when school is out in June, with the new turf and potential lighting upgrade being installed in July and August.

If the bond issue is rejected by the voters, RSU 22 will continue to evaluate the safe use of the turf field for football, girls soccer, boys soccer, field hockey, and softball. If the field is deemed unfit for play as the 2018-19 seasons unfold, the district would

(Please turn to page 2)



Adie Hughes, girls soccer.



Grace Bennett, Natalie Sicard, and Bailey Anderson, field hockey and softball.



Brady Lobdell, football.



Eliot Small, boys soccer

RSU 22 voters to decide on turf replacement at Feb. 6 bond issue referendum

(Continued from page 1)
need to consider options. Identifying and leasing field space in other districts would be an immediate step. If the turf field isn't replaced, Mrs. Nickels said the district would eventually have to explore potential construction of separate fields for those sports, which would probably require purchasing land on which to locate the new construction. In addition, she said proper maintenance of four grass fields would cost about \$67,000 a year, or about \$900,000 over a 12-year period.

"We're concerned that if we go too far with the existing turf field, we may see such severe deterioration that we won't be able to have students on the field, because it won't be fit for play," she said. "In football, for example, we have students on the ground on every play because that's the nature of football. We want to have our children playing on a field that's resilient enough so they can do it safely."

The project will include up to \$750,000 for replacement of the artificial turf field, along with a predicted \$150,000 for upgrading of the field lighting at Hampden Academy. A 10% contingency will bring the total budget estimate to \$985,000.

In addition to the bond issue of up to \$850,000, the project will receive funding from the RSU 22 Field Maintenance Reserve Fund, which currently has about \$110,000 (from collecting 50% of athletic gate receipts since 2009). Mrs. Nickels said the district is also looking at the possibility of additional funding from grants and/or naming rights. A total of \$21,000 in field rental income has been contributed to the school district's general fund over the years.

Looking forward, Mrs. Nickels said the district is planning to continue to allocate 50% of gate receipts to the Field Maintenance Reserve Fund, and to raise additional funds for future turf replacement through a combination of an athletic

Referendum Question - Feb. 6, 2018 Hampden, Newburgh, Winterport, Frankfort

Do you favor authorizing the School Board of Regional School Unit No. 22 (the "RSU") to issue bonds or notes in the name of the RSU for minor capital projects in an amount not to exceed \$850,000 for the purpose of a multi-purpose field turf replacement and field lighting upgrade project at Hampden Academy?

The RSU 22 Board of Directors recommends a "YES" vote.

signage campaign, annual service contract revenues, grant funding, and naming rights.

She says there are multiple signage venues in the district, and that the revenue potential from a signage campaign could be \$100,000 per year or more—enough to cover most of the cost of future turf replacement.

The turf field gets a lot of use throughout the year. Hampden Academy schedules 50 to 60 regular season games and 25-30 preseason and/or playoff games. Regular season games include five varsity football games, 36 varsity and JV soccer games, 8 field hockey games, and 16 varsity and JV softball games. In addition, the field is used by Reeds Brook and Wagner middle schools for football and soccer, as well as Bronco Youth Football, Coldbrook Travel Soccer, Hampden Recreation, area youth soccer groups, and local high schools that need a dry field on which to play games.

Since 2011, Hampden Academy has hosted at least 44 state or regional championship soccer and field hockey games on the turf field. No other outdoor facility in the state comes close to supporting the Maine Principals Association to that extent during that time frame.

Mrs. Nickels noted that the turf field is used for five sports—football, girls soccer, boys soccer, field hockey, and softball—and that a grass field wouldn't be able to support the wear and tear of that

degree of continuous use, especially given the added use by all of the outside groups that use the field.

About 75 area residents attended the referendum public hearing on the evening of Wednesday, January 17th at the Hampden Academy Performing Arts Center Balcony. Among those who spoke at the forum were several residents who wondered why the district hadn't set aside funds for the turf replacement and whether another bond issue will be required after the new turf field wears out, along with several Hampden Academy students who said what playing on the turf field meant to them.

One of the speakers said that when the turf field was originally installed in 2003, the project was spearheaded by two local businessmen and Hampden Academy graduates—Danny Lafayette and Herb Sargent—along with a group of parents who made multi-year pledges to support the project. She pointed out that the Lafayette-Sargent group had proposed taking 50% of gate receipts and setting them aside in a fund for field maintenance and eventual turf replacement. The Field Maintenance Reserve fund was created in 2009.

Adie Hughes, a member of the

HA girls soccer team, told the public forum that playing on the turf field brings people together and gives HA teams an advantage.

"The turf field brings us together when we play on the field and when we watch other teams play," she said. "It brings teams from all over the state to Hampden."

She said she plays on several travel soccer teams, and "they all want to play on the turf at Hampden Academy."

Grace Bennett, Natalie Sicard, and Bailey Anderson spoke on behalf of the field hockey and softball teams. Grace said the turf field gives the field hockey team the luxury of being able to play when other fields aren't ready due to weather. She said it also generates a much faster game.

Bailey said the lines on the field have sunk over the years, which creates a safety issue. "When the ball hits the line, it can bounce in different directions," she said. "This is dangerous for the players in both field hockey and softball."

Boys soccer player Eliot Small said the soccer teams are very proud of the sports facilities at Hampden Academy, and the community as a whole benefits, because everyone can use the fields and "generate memories to last a lifetime."

Brady Lobdell said he had been playing football on the turf field since he was in 3rd grade, but in the last couple years it's gotten harder—something he's noticed because "in football you tend to be on the ground a lot." He said new turf would be great for football. "I would appreciate it, and the other members of the team would appreciate it."

The RSU #22 Board of Directors recommends a "Yes" vote on Tuesday February 6th.



Link-22

RSU 22 • Hampden • Newburgh • Winterport • Frankfort 24 Main Road North, Hampden, ME 04444

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Richard A. Lyons, Superintendent of Schools

David C. Wollstadt, Editor (www.SchoolNewsletters.net)

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RSU 22 Kindergarten and Pre-K Registration

Hampden/ Newburgh Kindergarten and Pre K registration @ McGraw School, February 6 from 4-6:30 and February 9 from 9:30-2:30.

Winterport/Frankfort Kindergarten and Pre-K Registration @ Smith School, February 8 from 12:00-5:00.

* * *

**Children do not need to be present on this day, but must be five years old on or before October 15, 2018, in order to attend kindergarten for the 2018 - 2019 school year.

* * *

**Children must be four years old on or before October 15, 2018 to be eligible for Pre-K for the 2018-2019 school year. Students must be a resident of Hampden, Newburgh, Winterport or Frankfort to register.

Please bring the following to registration: Certification of Vital Record (hospital birth certificate is no longer acceptable), Immunization Record, Proof of Residency, and Recent Photograph of Student (if available)

* * *

Please call McGraw 862-3830 or Smith School 223-4282 with any questions.



Angus Jennings <townmanager@hampdenmaine.gov>

Million Dollar HA Field

1 message

dynatec@midmaine.com <dynatec@midmaine.com>

Sat, Jan 27, 2018 at 9:55 PM

Million Dollar HA Field - Are You Kidding Me ? ! ! !

<http://bangordailynews.com/2018/01/10/news/bangor/rsu-22-towns-to-vote-whether-to-buy-new-hampden-academy-athletic-field/>

(Check out the Comments section, there are Some ideas the school Finance Committee could use.)

So RSU-22 wants \$850,000 Bonded, Plus Interest, Plus \$110,000 "reserves" for a new "carpet."

You All Know this will run well Over a Million Dollars before it's all said and done.

News Flash; This is ALL Taxpayer money.

Here are Comments from others found on some of the blogs as well as some simple math;

- "This will bring in more revenue." Q. So what happened to all the "revenue" from the past 14 Years?

- Does administration plan ahead for any Maintenance or just for their defense lawyers?

- \$960,000 for a 10 year life, \$96,000 per year, divided by 90 "events" per year yields \$1,067 per "event."

CHARGE \$1,100* per event to pay for the carpet wear & tear. Pay to Play, No, it's Not "Free."

* The "extra" 33 bucks goes into the Administrations Future Maintenance Plan Training Fund.

- Was an RFQ issued out to the numerous companies that perform this service? If unacceptable, request a re-quote, seek other service providers.

- Can it be Patched?

- Did anyone consider, plan, or even try to organize a Fund Raiser and Donation Drive for this "unexpected" expense?

I never got a request.

- If you want to spend more, just Tax them more. Citizens are such Useful Fools.

- ##### ##### ##### #####!

(Comment deleted due to extent of expletives. Not happy. Yes, more was said.)

- It's So Easy to spend Other peoples money.

We need to pull the reins in on this RSU poor management money pit.

Jeremy W. Jones, Esq.

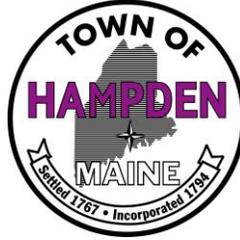
A Landed Gentleman of the Partridge Road

EXECUTIVE SESSION STATUTES

The eight subjects permitted to be discussed in Executive Session are as follows:

- PERSONNEL MATTERS:** 1 M.R.S.A. § 405(6)(A)
- SCHOOL STUDENT SUSPENSIONS/EXPULSIONS: 1 M.R.S.A. § 405(6)(B)
- REAL ESTATE; ECONOMIC DEVELOPMENT: 1 M.R.S.A. § 405(6)(C)
- LABOR CONTRACTS/NEGOTIATIONS: 1 M.R.S.A. § 405(6)(D)
- ATTORNEY-CLIENT CONSULTATIONS: 1 M.R.S.A. § 405(6)(E)
- CONFIDENTIAL RECORDS:** 1 M.R.S.A. § 405(6)(F)
- EMPLOYMENT EXAMINATIONS: 1 M.R.S.A. § 405(6)(G)
- CODE ENFORCEMENT CONSULTATIONS: 1 M.R.S.A. § 405(6)(H)

Town of Hampden
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Hampden, Maine 04444



Phone: (207) 862-3034
Fax: (207) 862-5067
Email:
townmanager@hampdenmaine.gov

TO: Finance Committee and Town Council
FROM: Angus Jennings, Town Manager
DATE: February 1, 2018
RE: Proposed Coldbrook Corners TIF Development Program and CEA

At its January 17 meeting, the Planning & Development Committee referred the proposed Coldbrook Corners Tax Increment Financing (TIF) Development Program and Credit Enhancement Agreement (CEA) to the Finance Committee.

At the time of referral, two material items in the Development Program were incomplete. Having resolved to its satisfaction other aspects of the proposal, the P&D Committee deferred recommendation on these items to the Finance Committee, specifically:

- 1) Projection of “sheltered” TIF revenue to be available to the Town, for eligible purposes, over the proposed 30-year life of the District; and
- 2) Proposed allocation of such revenue among the eligible purposes.

The enclosed Development Program projects an estimated \$9.25M over the life of the District, based on the projected Increased Assessed Value to result from the Tradewinds project, and an additional assumed \$4.5M in Increased Assessed Value within the District. Actual revenues may be greater than or less than this amount, but this represents a reasonable projection based on what is known. This also reflects that, after the proposed 13-year term of the CEA, 100% of the Tax Increment would be “sheltered” and made available for eligible purposes.

My recommended allocation of projected revenues is included in Table 1 of the Development Program, and is summarized in the attached 1-page table (which is an exhibit to this memo – not an official part of the Development Program). However, this is included to illustrate for the Council’s benefit the proposed allocation by percentage. In preparing these recommendations, I reviewed eligible uses and amounts in pre-existing TIF Districts in Hampden, and have recommended an allocation that I think complements the other TIF Districts. For example, I’m recommending a higher percentage allocation (10%) toward matching grants (Item 14), since there is not much funding available for this purpose in other TIFs, and this could be helpful to leverage State or Federal monies that may become available toward infrastructure or economic development purposes.

At its discretion, the Finance Committee may refer a different proposed allocation to the Town Council, and the Town Council may – either in its referral on Monday, or at its public hearing anticipated for March 5, propose (and approve) a different allocation.

Since the P&D referral, the TIF District maps have also been updated based on the P&D Committee’s recommendations.

Coldbrook Corners TIF Development Program, Authorized Expense Allocation (recommended)

| | \$ | % | Per year (30 year term) |
|--|---------------------|---------------|----------------------------|
| <u>Investments Within the District</u> | | | |
| 1 Capital Costs | \$ 2,960,000 | 32.0% | \$ 98,667 |
| 2 Financing Costs | \$ 92,500 | 1.0% | \$ 3,083 |
| 3 Administrative Costs | \$ 740,000 | 8.0% | \$ 24,667 |
| 4 Organizational Costs | \$ 92,500 | 1.0% | \$ 3,083 |
| <i>Category sub-total:</i> | <i>\$ 3,885,000</i> | | |
| <u>Investments Made Necessary by District</u> | | | |
| 5 Infrastructure Costs | \$ 1,480,000 | 16.0% | \$ 49,333 |
| 6 Public Safety | \$ 555,000 | 6.0% | \$ 18,500 |
| <i>Category sub-total:</i> | <i>\$ 2,035,000</i> | | |
| <u>Investments Related to Economic Development</u> | | | |
| 7 Costs of funding economic development programs and/or events | \$ 185,000 | 2.0% | \$ 6,167 |
| 8 Economic Development Program Support | \$ 92,500 | 1.0% | \$ 3,083 |
| 9 Costs of funding environmental improvement projects | \$ 462,500 | 5.0% | \$ 15,417 |
| 10 Costs of funding to establish permanent economic development revolving loan funds, investment funds and grants | \$ 925,000 | 10.0% | \$ 30,833 |
| 11 Costs of services and equipment to provide skills development and training | \$ 277,500 | 3.0% | \$ 9,250 |
| 12 Costs relating to planning, design, construction, maintenance, grooming and improvements to new or existing recreational trails | \$ 277,500 | 3.0% | \$ 9,250 |
| 13 Costs associated with a new or expanded transit service | \$ 185,000 | 2.0% | \$ 6,167 |
| 14 TIF revenues to be used as match for applicable State and Federal Economic Development Grant Programs | \$ 925,000 | 10.0% | \$ 30,833 |
| <i>Category sub-total:</i> | <i>\$ 3,330,000</i> | | |
| | <u>\$ 9,250,000</u> | <u>100.0%</u> | |

**ECONOMIC DEVELOPMENT
HAMPDEN, MAINE**

An Application for a Municipal Development and Tax Increment Financing District

**HAMPDEN COLDBROOK CORNERS OMNIBUS
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT**

Presented to:

TOWN OF HAMPDEN

DATED:

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EXHIBITS:

- A-1 TIF District Map Showing District in Relation to Municipal Boundaries**
- A-2 Map Showing TIF District Boundary**
- B Statutory Requirements & Thresholds**
- C Assessor's Certification of Original Assessed Value**
- D-1 TIF Revenue/Captured Assessed Values Projections**
- D-2 Tax Shift Calculations**
- E Public Hearing Notice**
- F Public Hearing Minutes**
- G Town Council Resolution**

DRAFT

I. Introduction

A. The Coldbrook Corners Project

Coldbrook Corners is an important intersection in Hampden. Traffic volumes are relatively high, reflecting travel going to or from Interstate Routes 95 or 395. Route 202, one of the roads comprising this intersection, carries traffic to and from Route 395, Bangor, and provides access to the Hampden Business Park and other industrial and commercial sites to the north. Coldbrook Road, the other road comprising the intersection, runs from Route 1A near the Penobscot River northwest to I-95. Given these major roadways, this intersection is busy and the land area around it is becoming more attractive for development.

The town's 2010 comprehensive plan recognizes this area as having growth potential, and most of the land in the proposed district is zoned for commercial use. Currently, one quadrant of the intersection is the site of a major trucking trailer company and a popular seafood restaurant, and another is used for a small auto dealership and repair facility. One quadrant is the 76-acre site of a former concrete plant, which is ripe for redevelopment, and an adjacent 77-acre parcel of undeveloped land. The fourth quadrant is the site where Southstreet Development, LLC ("the Company") is interested in constructing a gasoline station with convenience store and other retail, as well as a stand-alone bank (the "Project"). High visibility and relatively high traffic volumes at this intersection are key to the Project. Hampden expects that development of this use in this location will anchor this area, and help spur development on other parcels within the District and along Coldbrook Road, heading toward I-95.

B. Tax Increment Financing – Coldbrook Corners Project

To make the Project investment financially viable, the Company has requested a credit enhancement agreement made possible through the creation of a Municipal Tax Increment Financing ("TIF") district. The establishment of a TIF district, together with the execution of a credit enhancement agreement between the Town and the Company, will help ensure the economic viability, allow the envisioned scale of the Project, and bring investment and jobs to the Town.

The Town seeks to support the Project as it is anticipated to bring attention to the value of this high traffic intersection, and undeveloped land along Coldbrook Road between Coldbrook Corner and I-95, thus motivating new commercial investment on land in an area identified as a growth area for development by the Town. The proximity to the interstate makes this an attractive area for development. In the past year public water service was extended from its prior terminus at 202 northwesterly along Coldbrook Road. However, the lack of sewer infrastructure along Coldbrook Road has limited the opportunities for development, and will continue to constrain opportunities.

The Town can designate the proposed TIF District consistent with the provisions of 30-A M.R.S.A. § 5223, adopt this Development Program, authorize a credit enhancement agreement, and accomplish the following goals:

- Maintain the existing tax revenues generated within the Town;
- Support the development of mixed use commercial development within a designated growth area thus enhancing the future tax revenues generated within the TIF District;
- Provide resources (i.e. TIF revenues) for municipal economic development investments;
- Encourage new commercial development;
- Create employment opportunities for area residents; and
- Improve the general economy of the Town as well as the Bangor Region and the State of Maine.

In addition, by creating a TIF District, the Town can “shelter” the increase in valuation that this Project will bring about. This tax shelter will mitigate the impacts that the District’s increased assessed property value would have on the Town’s share of state aid to education, municipal revenue sharing and its county tax assessment. An estimate of the tax shelter benefit is shown as Exhibit D-2 attached hereto.

In order to fulfill these goals, the Company property (a portion of Map-Lot 33-0-011-B) on the corner of Route 202 and Coldbrook Road along with thirteen other parcels (Map-Lots 22-0-004, 22-0-004-1, 22-0-005, 22-0-005-A, 9-0-020, 9-0-020-A, 9-0-028-A, 9-0-030, 17-0-001, 17-0-002, 33-0-002, 33-0-002-1 and 33-0-002-B), and the public right-of-way extending from this location northwesterly along Coldbrook Road to its intersection with I-95, have been proposed as the **“Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District”** (the **“District”**). Through the creation of the District, together with a credit enhancement agreement (the **“Credit Enhancement Agreement”**) between the Town and the Company, a portion of the projected tax revenue generated from the real property taxes paid on the captured assessed value of the improvements made within the Company Tract (as described herein) of the TIF District will be allocated to and used by the Company to fund the Project and to pay eligible expenses which may include debt service associated with the improvements. These eligible expenses and potential investments are described more fully herein.

Additional credit enhancement agreements may be approved within the Town Tract of the business park through an Omnibus feature of the District described herein.

C. Tax Increment Financing – Hampden Economic Development Program

The Town intends to use its portion of tax revenue generated from the taxes on real property paid on the captured assessed value of the improvements made within the District

(the “TIF Revenues”) to finance some or all of the costs of public improvement projects and future economic development programs and initiatives which collectively will improve the Town’s economy and increase the Town’s ability to stand out in a competitive marketplace as a dynamic place in which to grow a business. Anticipated Town Projects are described in Table 1 below, such costs being authorized as project costs as defined under 30-A M.R.S.A. § 5225 and § 5230.

**TABLE 1
Town of Hampden Coldbrook Corners TIF District Project Costs**

| Project Description | Cost Estimate | Statutory Cite |
|--|--------------------|---|
| Investments Within the District | | |
| <p>1. <u>Capital Costs including but not limited to:</u></p> <ul style="list-style-type: none"> • The acquisition or construction of land, improvements, public ways, infrastructure, buildings, structures, fixtures and equipment for public or commercial development district use, including, but not limited to: <ul style="list-style-type: none"> ○ sewer, water or stormwater utilities, electric lines, and roadway improvements. ○ public ways include the Coldbrook Road public right-of-way extending from Route 202 northwesterly to I-95 • Public safety measures including but not limited to turning lanes, road widening installation of turning lanes, signalization, or other traffic control; signal preemption for emergency response; • The demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures; • Site preparation and finishing work; • Fees and expenses including but not limited to licensing, permitting expenses, project design and planning, engineering, architectural, legal and accounting expenses. | <p>\$2,960,000</p> | <p>30-A M.R.S.A. § 5225(1)(A)(1)(a),(b), (c), and (d)</p> <p>30-A M.R.S.A. § 5225(1)(A)(5)</p> |
| <p>2. <u>Financing Costs:</u> TIF Revenues may be used to finance any of the other projects listed herein. Such costs may include, but are not limited to, closing costs, issuance costs and interest paid to holders of evidences of indebtedness issued to pay</p> | <p>\$92,500</p> | <p>30-A M.R.S.A. § 5225(1)(A)(2)</p> |

| Project Description | Cost Estimate | Statutory Cite |
|--|---------------|-------------------------------|
| for project costs and any premium paid over the principal amount of that indebtedness because of the redemption of the obligations before maturity. | | |
| 3. <u>Administrative Costs</u> : A dedication of reasonable reimbursement from District revenues to defray administrative costs in connection with the implementation of the development program, including pro-rated municipal staff salaries. | \$740,000 | 30-A M.R.S.A. § 5225(1)(A)(5) |
| 4. <u>Organizational Costs</u> : relating to the establishment or amendment of the district, including, but not limited to, the costs of conducting environmental impact and other studies and the costs informing the public about the creation of the District and implementation of the project plans. | \$92,500 | 30-A M.R.S.A. § 5225(1)(A)(7) |
| Investments Made Necessary by District | | |
| 5. <u>Infrastructure Costs</u> : Improvements directly related to and made necessary by the District including, but not limited to sewer, water or stormwater utilities, electric lines, and roadway improvements. Use of TIF Revenues for such improvements will be limited to improvements within the District and improvements outside the District pro-rated to include only the portion of improvements made necessary by the Project. | \$1,480,000 | 30-A M.R.S.A. § 5225(1)(B)(1) |
| 6. <u>Public Safety</u> : As development occurs within the District, significant increases in traffic may require measures to address safety concerns outside the District boundaries. TIF Revenues will be made available to address those concerns through measures which may include, but are not limited to, installation of turning lanes, signalization, or other traffic control; signal preemption for emergency response; communications infrastructure: or fire protection equipment | \$555,000 | 30-A M.R.S.A. § 5225(1)(B)(2) |

| Project Description | Cost Estimate | Statutory Cite |
|--|---------------|---------------------------|
| & maintenance if development requires equipment not currently owned by the municipality. | | |
| Investments Related to Economic Development | | |
| <p>7. * # % <u>Costs of funding economic development programs and/or events including, but not limited to:</u></p> <ul style="list-style-type: none"> • Municipal economic development programs marketing the municipality as a business location, • Events that will attract visitors to the municipality, • Planning for economic development within the Town of Hampden, including but not limited to, Economic Development Strategic Planning, Feasibility Studies for a Downtown Development District, Downtown Redevelopment Plan, Transportation Planning, Broadband Feasibility Study, Utilities expansion feasibility etc. <p>Pro-rated costs of staff salary or consultant fees to oversee the TIF program and to promote economic development within the Town.</p> | \$185,000 | 30-A MRSA §5225 (1)(C)(1) |
| <p>8. * # % <u>Economic Development Program Support</u></p> <p>Pro-rated share of dues to organizations that provide economic development support to the Town, such as the Eastern Maine Development Corporation. Such funding may include additional economic development services and contracts.</p> | \$92,500 | 30-A MRSA §5225 (1)(C)(1) |
| <p>9. # % <u>Costs of funding environmental improvement projects</u> related to commercial activities in Hampden. Such projects could include impact studies and watershed management in areas that affect, or are affected by, commercial development in Hampden.</p> | \$462,500 | 30-A MRSA §5225 (1)(C)(2) |

| Project Description | Cost Estimate | Statutory Cite |
|--|--------------------|----------------------------------|
| 10. # % <u>Costs of funding to establish permanent economic development revolving loan funds, investment funds, loan guarantee programs, and/or grants.</u> | \$925,000 | 30-A MRSA §5225 (1)(C)(3) |
| 11. # % <u>Costs of services and equipment to provide skills development and training</u> , including scholarships to in-state educational institutions or to online learning entities when in-state options are not available, for jobs created or retained within Hampden. Equipment may include broadband service to improve access to training and educational opportunities. | \$277,500 | 30-A MRSA §5225 (1)(C)(4) |
| 12. * # % <u>Costs relating to planning, design, construction, maintenance, grooming and improvements to new or existing recreational trails</u> determined by the department to have significant potential to promote economic development, including bridges that are part of a trail corridor, used all or in part for all-terrain vehicles, snowmobiles, hiking, bicycling, cross-country skiing or other related multiple uses. Trail systems are prevalent and active in Hampden, drawing visitors from surrounding communities. | \$277,500 | 30-A M.R.S.A. § 5225(1)(C)(6) |
| 13. % <u>Costs associated with a new or expanded transit service</u> , limited to transit service capital costs, including but not limited to: transit vehicles such as buses, ferries, vans, rail conveyances and related equipment; bus shelters and other transit-related structures; and benches, signs and other transit-related infrastructure. | \$185,000 | 30-A M.R.S.A. § 5225(1)(C)(7)(a) |
| 14. # % <u>TIF revenues to be used as match for applicable State and Federal Economic Development Grant Programs</u> To be used for purposes identified as authorized project costs in 30-A M.R.S.A. § 5225. | \$925,000 | 30-A M.R.S.A. § 5230 |
| Total Municipal Investment Plan Costs: | \$9,250,000 | |

- * Projects identified with an asterisk (*) share funding with Dennis Paper & Foodservice TIF, a currently active TIF District within the Town of Hampden.
- # Projects identified with a hash tag (#) share funding with Coldbrook Road & Emera Maine Hampden TIF, a currently active TIF District within the Town of Hampden.
- % Projects identified with an asterisk (*) share funding with Hampden Business Park TIF, a currently active TIF District within the Town of Hampden.

II. Development Program Narrative

A. The Development District

The District consists of real property and facilities within the identified boundaries and will exist for a total of thirty (30) years. The Development Program described herein will serve the purpose of administering the District as a Municipal Development and Tax Increment Financing District pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the “Development Program”). Subsequent to the Town Council vote designating the District and adopting the Development Program, the designation of the District and adoption of this Development Program will become effective on July 1, 2018, following approval by the Commissioner of the Maine Department of Economic and Community Development (“DECD”) and end on June 30, 2048. The District is more fully described below in this Development Program and is depicted on the maps attached as Exhibit A. The Town plans to capture one-hundred percent (100%) of the increased assessed value of taxable real property located within the District. The Town will use the property taxes paid on such captured real property value to fund a Credit Enhancement Agreement with the Company of the Project, any subsequent CEAs with companies or developers of property within the District boundaries, and to fund municipal projects described in detail in Table 1 herein.

1. Physical Description

The District will encompass a total of 303.05+/- acres of property with a Company Tract and a Town Tract.

Company Tract: The Company Tract is a 24.2+/- acre parcel within the Coldbrook Corners District found on Town tax map 33-0-011-B.

Town Tract: The Town Tract is a collection of parcels within the Coldbrook Corners District found on Town tax maps 09, 17, 22, 33 and the Coldbrook Road public right of way from Route 1A to I-95 (303.05+/- acres). Maps of the proposed District are presented in Exhibit A-1, a Locational Map and A-2, which provides detail of individual sections of the District.

2. Statutory Requirements and Thresholds

The Statutory Requirements and Thresholds form addressing the acreage and valuation conditions for approval mandated by 30-A M.R.S.A. § 5223(3) is set forth in Exhibit B.

3. Duration of the Program

The District will be designated for a total of thirty (30) years, becoming effective on July 1, 2018, following approval by the Commissioner of the Maine Department of Economic and Community Development (“DECD”) and ending on June 30, 2048.

4. Certification of Original Assessed Value

The Original Assessed Value (“OAV”) of the District was \$2,675,200 as of March 31, 2017, (April 1, 2016). The Assessor’s Certificate of Original Assessed Value is included as Exhibit C.

B. The Project

The Project, as described herein, consists of the construction of a “Tradewinds” retail food (small grocery) and gasoline establishment and other retail, as well as infrastructure improvements for the Project. The District is designed to assist in financing of improvements put into place within the District.

The Town intends to use tax increment financing to support the Project by allocating certain tax revenues generated by future new development within the District to the Project. Under the Development Program, the Town will make a portion of the incremental tax revenues from real property investments within the Company Tract of the District available to the Company pursuant to a Credit Enhancement Agreement, which Agreement will be consistent with the allocation of incremental tax revenue as detailed below in the Financial Plan section of this document and reflected in Exhibit D-1 attached. These revenues will be used by the Company to pay costs of the Project directly or to pay debt service on funds borrowed privately by the Company to finance the cost of the Project. By means of a Credit Enhancement Agreement between the Town and the Company, a portion of the TIF Revenue generated solely from the property taxes paid on the captured assessed value of real property improvements made within the Company Tract of the District will be allocated to and used by the Company to fund Project costs. The TIF Revenues will provide financial assistance for the Project itself, making it a more viable endeavor for the Company, including addressing significant up-front costs to develop the site due to existing topography, infrastructure and environmental constraints.

C. The Development Program

The Town’s designation of the District and adoption of this Development Program creates a single municipal TIF district in order to capture the value of the taxable real property improvements to be made within the District and enable the use of a portion of the TIF Revenues to assist the Company through a Credit Enhancement Agreement. It will also permit a portion of the TIF revenues be used to finance various municipal economic development projects as set forth in Table 1 above.

This Development Program will run for a term of 30 years and will capture one-hundred percent (100%) of the increased assessed taxable real property value of the District. The Town will retain the tax revenues generated by the captured assessed taxable real property value for designated economic development purposes.

The Town will enter into a Credit Enhancement Agreement with the Company, which will allocate to the Company a portion of the TIF Revenues generated from the captured assessed value resulting from site improvements and building investment within the Company Tract. The credit enhancement allocation to the company will begin in Fiscal Year 2020 and shall continue for a total of thirteen (13) years, as set forth below in Section IV—Financial Plan. The Company will use such TIF Revenues to offset the cost of its investment in the Project, as more fully discussed in this Development Program. Any TIF Revenues not allocated to the Credit Enhancement Agreement will be retained by the Town to fund municipal economic projects as described in this document.

Through the Omnibus feature of this TIF District, the Town reserves the right to negotiate and execute one or more future credit enhancement agreements for up to the balance of the term of the District with up to one-hundred percent (100%) reimbursement of the TIF Revenues to a company or developer making investments within the Town Tract of the TIF District. Approval of such future credit enhancement agreements is at the sole discretion of the Hampden Town Council.

The Town will retain any portion of the TIF Revenues not designated to a credit enhancement agreement for municipal programs and projects as discussed in Table 1 above. By adopting this Development Program, the Town will underscore Hampden’s commitment to business retention and growth; supporting its growing reputation as a desirable community in which to locate a business.

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. Subsequent to a public hearing and Town Council vote, and following approval by the Commissioner of the Maine Department of Economic and Community Development, adoption of this Development Program will be effective on July 1, 2018.

D. Operational Components

1. Public Facilities

Please refer to Table 1 for the various public infrastructure improvements that TIF Revenues will support. The Town will be responsible for these improvements as it deems necessary to accommodate future development.

2. Commercial Improvements Financed Through Development Program

The Company is responsible for costs and compliance related to the Project which consists of planning, permitting and construction of building and infrastructure improvements within the Company Tract of the District.

By means of an Omnibus structure, the Town will have the flexibility to negotiate and execute future credit enhancement agreements with a company or developer of property within the Town Tract of the District. Such credit enhancement agreements will be executed at the sole discretion of the Town Council and may provide a reimbursement of up to one hundred percent (100%) of the TIF Revenue generated for a term not to exceed the balance of the District term remaining at the time of approval.

3. Relocation of Displaced Persons

Not applicable.

4. Transportation Improvements

Please refer to Table 1. The Town will fund roadway and traffic improvements within the District and/or outside the District that are made necessary by the investments within the District.

5. Environmental Controls

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

6. Plan of Operation

The Company shall be responsible for securing needed permits and for completion of all improvements it will make within the proposed Project area. All of the personal property improvements made by the Company and located within the District are planned to be owned by the Company. The Company will be responsible for maintenance expenses, insurance and taxes on all Project improvements.

Any company or developer of private parcels within the District will be responsible for securing needed permits and for completion of all improvements to those parcels and for maintenance expenses, insurance and taxes on their project improvements.

During the term of the District, the Town Manager or his/her designee will be responsible for all matters related to public ways and all administrative matters within the purview of the Town concerning implementation and operation of the District.

III. Financial Plan

A. Increased Assessed Values & Credit Enhancement Agreements

Estimates of the increased assessed value of the District property, TIF Revenues to be generated by the District, and credit enhancement projections are shown in Exhibit D-1.

The Development Program provides that the Town will “capture” one-hundred percent (100%) of the increased assessed value over the Original Assessed Value on taxable real property of the District beginning on July 1, 2018 after approval of this TIF District and Development Program by the Commissioner of DECD. The TIF Revenues so collected on the Company Tract of the District will fund tax reimbursements to the Company pursuant to a Credit Enhancement Agreement and/or contribute to the funding of the approved municipal projects as described on Table 1 hereof. At the end of the TIF term all taxable real property value captured in the District will be added to the general tax rolls.

A thirteen (13) year period for tax reimbursements to the Company based on the Incremental Assessed Value (“IAV”) of the Company Tract will begin in Fiscal Year (“FY”) 2020. Reimbursement to the Company shall be sixty-five percent (65%) of the taxes on the IAV in year one of the tax reimbursement period, except that the following conditions shall apply: If, in year one of the reimbursement period, sixty-five percent (65%) of the taxes on the Company Tract IAV is less than \$19,500, then, provided District TIF Revenues are available, the Company reimbursement shall be \$19,500, with the remaining portion coming from what would have been Town TIF Revenue. This condition shall continue into subsequent years until the Company has received \$19,500 in reimbursement. If this condition is exercised, the actual dollar value of the Town TIF Revenues used to supplement the Company reimbursement to reach the \$19,500 shall be deducted from the Company reimbursement in the next year those revenues are available. In years two through ten (FY 2021-FY 2029) of the tax reimbursement period, tax reimbursements to the Company shall be forty percent (40%) of the taxes on the IAV. In years eleven, twelve and thirteen (FY 2030, 2031 and 2032) of the tax reimbursement period, reimbursements to the Company shall be thirty-six percent (36%), thirty-two percent (32%), and twenty-eight percent (28%) respectively, of the taxes on the IAV.

Through the Omnibus feature of this TIF District, the Town reserves the right to negotiate and execute one or more future credit enhancement agreements for up to the balance of the term of the District with up to one hundred percent (100%) reimbursement of the TIF Revenues to a company or developer making investments within the Town Tract of the TIF District. Approval of such future credit enhancement agreements is at the sole discretion of the Hampden Town Council.

Any TIF revenues not committed to a credit enhancement agreement will be retained by the Town to fund municipal TIF project costs as outlined in Table 1.

Upon each payment of property taxes by the property taxpayers in the District, the Town will deposit into a development program fund (the "Development Program Fund") the entirety of the property tax payments constituting TIF Revenues. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Development Program Fund consists of two segregated accounts, a sinking fund account ("Sinking Fund Account") and a project cost account (the "Project Cost Account"). The Town will deposit the TIF Revenues necessary to pay debt service on any bonds issued to pay for District improvements, if any, into the Sinking Fund Account. The money in this account is pledged to and charged with the payment of interest and principal on municipal indebtedness related to the improvements in the District. The Town will deposit any additional TIF Revenues into (a) a subaccount or subaccounts of the Project Cost Account to be used for credit enhancement payments to the Company and (b) to a subaccount of the Project Cost Account for other approved municipal projects outlined in this Development Program and not financed with Town indebtedness. Additional dedicated Development Program subaccounts will be created with each Omnibus credit enhancement agreement approved by the Town Council.

The Town has agreed to enter into a Credit Enhancement Agreement with the Company over a period of thirteen (13) years as reflected in Exhibit D. Estimates of the increased assessed values of the District, the anticipated TIF Revenues generated by the District, that portion of the TIF Revenues to be applied to the District each year, and the estimated tax shifts are shown in Exhibit D.

B. Sources of Revenues

The Company will finance the Project through private funds. The Company will be responsible for making all arrangements for, and payments with respect to, any additional indebtedness incurred to fund the Project.

Town Public Improvements that are not part of the Project will be financed with municipal resources including TIF revenues. The Town will be responsible for making all arrangements for, and payments with respect to, any additional indebtedness incurred to fund the Public Improvements.

C. Public Indebtedness

The Town does not anticipate funding municipal project costs through public indebtedness. The Town, however, reserves the right to incur bonded indebtedness for approved projects in the future, provided that the timing and funding of any bonded projects complies with all statutory requirements for paying bonded indebtedness with TIF Revenues.

D. Original Assessed Value

Certification by the Town's Tax Assessor of the Original Assessed Value of the District is set forth in Exhibit C.

IV. Statutory Requirements and Thresholds

The Statutory Requirements and Threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. § 5223(3) are set forth in Exhibit B.

V. TIF Projections and Tax Shifts

In accordance with 30-A M.R.S.A. § 5224(4), the tables set forth in Exhibit D-1 and Exhibit D-2 show, based on planned investment within the Company Tract, for each year of the term of the District: (1) estimates of the increased assessed values of the District; (2) the portion of increased assessed values to be applied to the Development Program as captured assessed values; (3) the resulting tax increments (i.e., the TIF Revenues); and (4) the estimated tax shifts that are expected to result from the designation of the District. There is no reliable way to project investment value or timing of full development of the District.

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit E is a copy of the Notice of Public Hearing regarding the establishment of the Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District and adoption of this Development Program for the District, published in the Bangor Daily News, a newspaper of general circulation in the Town, on _____, 2018 a date at least ten (10) days prior to the public hearing.

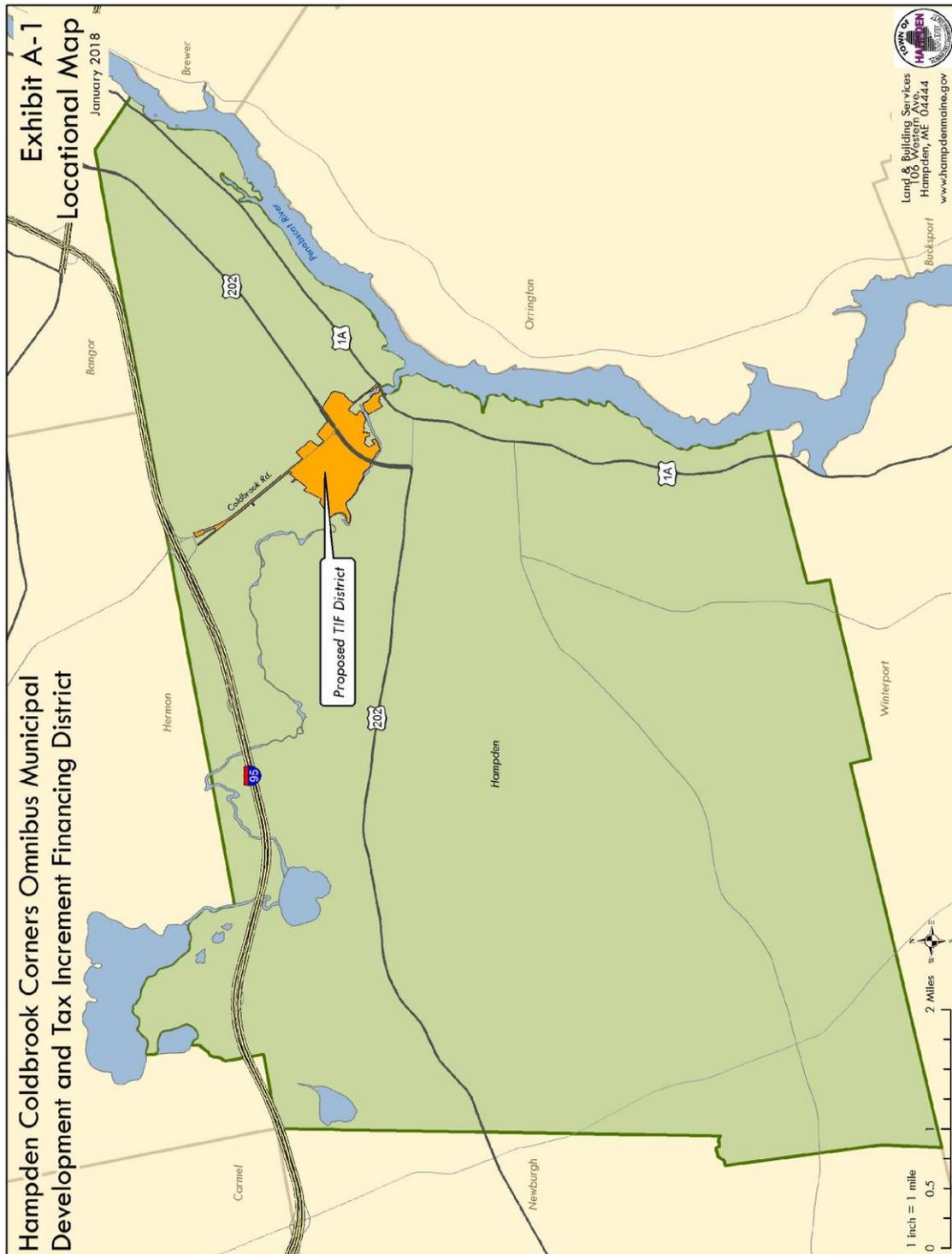
B. Minutes of Public Hearing Held by Town Council

Attached as Exhibit F is a certified copy of the minutes of the public hearing held on _____, 2018 at which time the proposed District and Development Program were discussed by the public.

C. Authorizing Votes

Attached as Exhibit G is a copy of the Hampden Town Council Resolution designating the District and adopting this Development Program, which Resolution was adopted by the Council at a meeting of the Council duly called and held on _____, 2018.

EXHIBIT A-1
TIF DISTRICT MAP SHOWING DISTRICT IN RELATION TO MUNICIPALITY BOUNDARIES



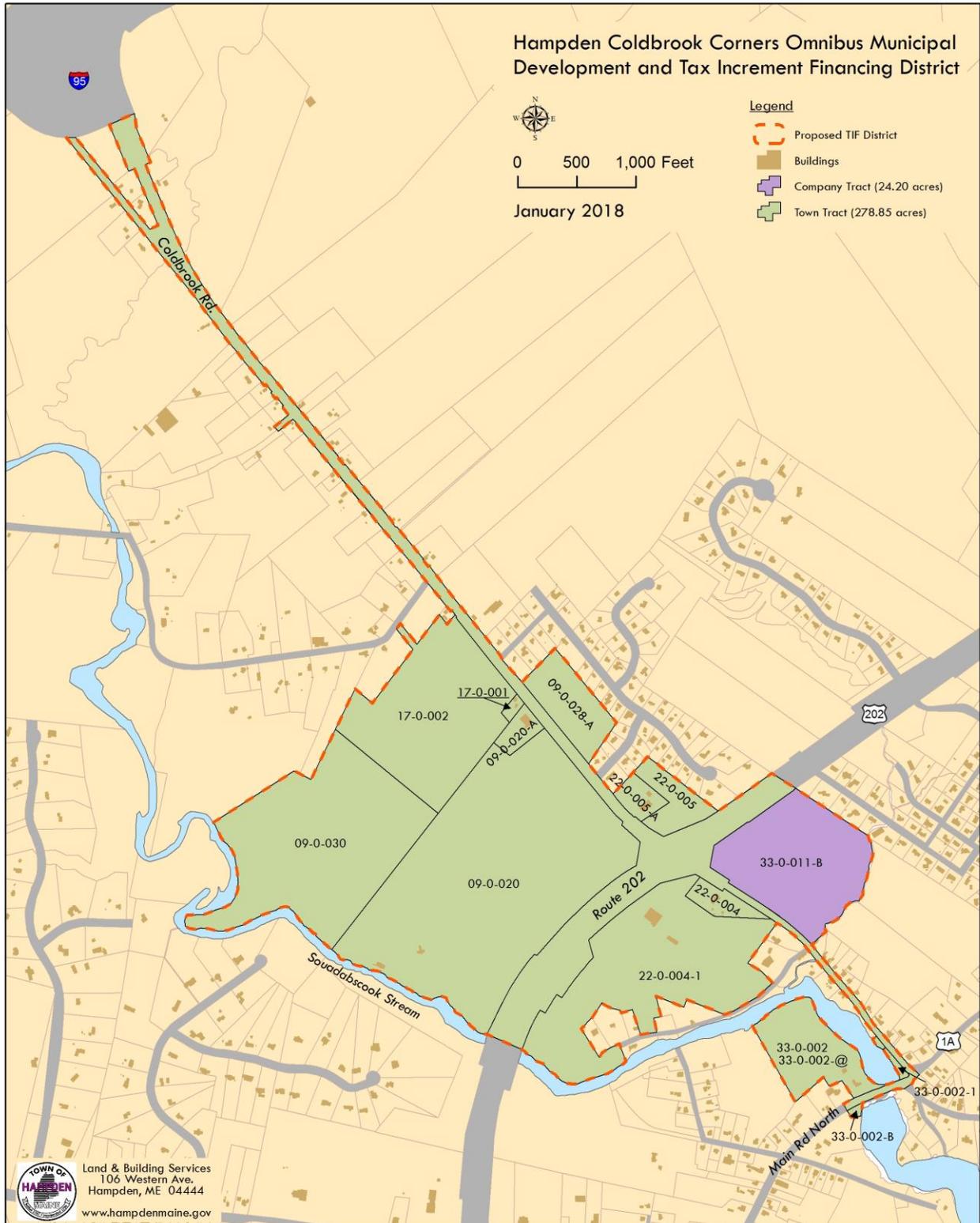


EXHIBIT B
STATUTORY REQUIREMENTS & THRESHOLDS

| A. ACRE LIMITATION | | |
|---|--------------|---------------|
| 1. Total Acreage of Municipality | | 24,000 |
| 2. Total Acreage of Proposed Municipal TIF District | | 303.05 |
| 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) | | 303.05 |
| 6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1 | | 01.26. % |
| 7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage. (See Stat Req Backup, next page) | | 672.42 |
| 8. Total acreage of an existing or Proposed Downtown TIF District in the municipality. | | 0 |
| 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. | | 672.42 |
| 12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1. | | 02.80% |
| 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 | - | - |
| b. In need of rehabilitation/conservation (Divide acres by | - | - |
| c. Suitable for industrial/commercial site (Divide acres by | 254 | 83.88% |
| TOTAL | 254 | 83.88% |
| B. VALUATION LIMITATION | | |
| 1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1st</i> | | 653,375,903 |
| 2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31st of tax year preceding date of municipal designation</i> | | 2,675,200 |
| 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 (See Stat Req Backup, next page)</i> | | 12,680,700 |
| 4. OAV of an existing or proposed Downtown TIF District in the municipality. | | 0 |
| 5. OAV of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality. | | 0 |
| 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. Subtract B4+B5+B6 from B3 | | 12,680,700 |
| 8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%). Divide B7 by B1 | | 1.94% |

Statutory Requirements Backup Data

Hampden Business Park

| District | Year Established | Acreage | OAV | Expiration FY |
|-----------------------|------------------|---------------|-------------------|---------------|
| HEC | 2008 | 1.64 | 87,400 | 2017-18 |
| Dennis Paper | 2012 | 13.00 | 1,378,300 | 2027-28 |
| Coldbrook Rd/Emera | 2015 | 224.39 | 1,582,200 | 2038-39 |
| Hampden Business Park | 2017 | 130.34 | 6,957,600 | 2046-47 |
| TOTAL: | | 369.37 | 10,005,500 | |

Coldbrook Corners

| District | Year Established | Acreage | OAV | Expiration FY |
|-----------------------|------------------|---------------|-------------------|---------------|
| HEC | 2008 | 1.64 | 87,400 | 2017-18 |
| Dennis Paper | 2012 | 13.00 | 1,378,300 | 2027-28 |
| Coldbrook Rd/Emera | 2015 | 224.39 | 1,582,200 | 2038-39 |
| Hampden Business Park | 2017 | 130.34 | 6,957,600 | 2046-47 |
| Coldbrook Corners | 2018 | 303.05 | 2,675,200 | 2047-48 |
| TOTAL: | | 672.42 | 12,680,700 | |

ASSESSOR'S CERTIFICATE OF ORIGINAL ASSESSED VALUE

TOWN OF HAMPDEN

COLDBROOK CORNERS OMNIBUS MUNICIPAL DEVELOPMENT & TAX INCREMENT FINANCING DISTRICT

ASSESSOR'S CERTIFICATE

The undersigned Tax Assessor for the Town of Hampden, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. §5254 that the taxable assessed value of taxable real property in the Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District, as delineated on a map included in the Development Program to which this Certificate is included, was \$ 2,675,200 as of March 31, 2017, (April 1, 2016).

As of the Original Assessed Value date, there was \$-0- personal property which was exempt from taxation pursuant to the business equipment tax exemption within the Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District.

IN WITNESS WHEREOF, This Certificate has been executed as of this XXth day of Month, 2018.

TOWN ASSESSOR

By: _____

Original Assessed Value for Individual Tax Map Lots

| Tax Map and Lot Number | Acreage | Original Assessed Value as of March 31, 2017 (April 1, 2016) |
|------------------------|---------|--|
| Town Tract | - | - |
| 09-0-020 | 76 | 330,700 |
| 09-0-020-A | 2 | 566,300 |
| 09-0-028-A | 8.2 | 73,400 |
| 09-0-030 | 45 | 41,600 |
| 17-0-001 | .5 | 113,800 |
| 17-0-002 | 32 | 49,900 |
| 22-0-004 | 2.7 | 330,900 |
| 22-0-004-1 | 43 | 878,200 |
| 22-0-005 | 4.7 | 48,500 |
| 22-0-005-A | 2.5 | 185,600 |

DRAFT Coldbrook Corners Omnibus TIF Development Program

| | | |
|----------------------------|---------------|--------------------|
| 33-0-002 | 11.75 | -0- |
| 33-0-002-1 | 1.2 | -0- |
| 33-0-002-B | 1.1 | -0- |
| 33-0-002-@ | -0- | -0- |
| Rights of Way/Roads | 48.2 | -0- |
| Total Town Tract | 278.85 | \$2,618,900 |
| Company Tract | | |
| 33-0-011-B | 24.2 | 56,300 |
| Total Company Tract | 24.2 | 56,300 |
| Total: | 303.05 | \$2,675,200 |

DRAFT

INCREASED ASSESSED VALUE AND TIF REVENUE PROJECTIONS

TOWN OF HAMPDEN
COLDBROOK CORNERS OMNIBUS TIF DISTRICT

| Fiscal Year 7/1-6/31 | Cumulative Increased Assessed Value | Percent Value Captured | Projected Captured Assessed Value | Mil Rate | Gross New Taxes | Taxes on Captured Assessed Value | TIF Revenues to Company % | TIF Revenues to Town % |
|-------------------------------|-------------------------------------|------------------------|-----------------------------------|----------|--------------------|----------------------------------|---------------------------|------------------------|
| 1 2018-2019 | \$ - | 100% | \$ - | 18.40 | \$ - | \$ - | 0.0% | 0.0% |
| 2 2019-2020 | \$ 951,050 | 100% | \$ 951,050 | 18.40 | \$ 17,499 | \$ 17,499 | 65.0% | 0.0% |
| 3 2020-2021 | \$ 2,103,050 | 100% | \$ 2,103,050 | 18.40 | \$ 38,696 | \$ 38,696 | 40.0% | 60.0% |
| 4 2021-2022 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 5 2022-2023 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 6 2023-2024 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 7 2024-2025 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 8 2025-2026 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 9 2026-2027 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 10 2027-2028 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 11 2028-2029 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 40.0% | 60.0% |
| 12 2029-2030 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 36.0% | 64.0% |
| 13 2030-2031 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 32.0% | 68.0% |
| 14 2031-2032 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 28.0% | 72.0% |
| 15 2032-2033 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 16 2033-2034 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 17 2034-2035 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 18 2035-2036 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 19 2036-2037 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 20 2037-2038 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 21 2038-2039 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 22 2039-2040 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 23 2040-2041 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 24 2041-2042 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 25 2042-2043 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 26 2043-2044 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 27 2044-2045 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 28 2045-2046 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 29 2046-2047 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 30 2047-2048 | \$ 2,453,150 | 100% | \$ 2,453,150 | 18.40 | \$ 45,137 | \$ 45,137 | 0.0% | 100.0% |
| 31 2048-2049 | | | | | | | | |
| 32 2049-2050 | | | | | | | | |
| 33 2050-2051 | | | | | | | | |
| Cumulative Avg. Annual | \$2,309,638 | | \$2,309,638 | | \$1,274,894 | \$1,274,894 | \$214,623 | \$ 1,060,271 |
| | | | | | \$42,496 | \$42,496 | \$7,154 | \$35,342 |

Years 31 through 33 shown for tax shift purposes only.

EXHIBIT D-2
TAX SHIFT PROJECTIONS

| | | State/County Projected Tax Shift | | | |
|--------------------|-----------|----------------------------------|-----------------------------|------------------------|-----------------------|
| | | EPS Education Shift | Revenue Sharing Shift | County Tax Shift | Total Tax Shift |
| 1 | 2018-2019 | \$ - | \$ - | \$ - | \$ - |
| 2 | 2019-2020 | \$ - | \$ - | \$ - | \$ - |
| 3 | 2020-2021 | \$ 2,596 | \$ - | \$ - | \$ 2,596 |
| 4 | 2021-2022 | \$ 8,338 | \$ 803 | \$ 1,288 | \$ 10,429 |
| 5 | 2022-2023 | \$ 15,035 | \$ 1,773 | \$ 2,928 | \$ 19,736 |
| 6 | 2023-2024 | \$ 19,136 | \$ 2,067 | \$ 3,511 | \$ 24,714 |
| 7 | 2024-2025 | \$ 20,091 | \$ 2,067 | \$ 3,610 | \$ 25,768 |
| 8 | 2025-2026 | \$ 20,091 | \$ 2,067 | \$ 3,711 | \$ 25,869 |
| 9 | 2026-2027 | \$ 20,091 | \$ 2,067 | \$ 3,815 | \$ 25,974 |
| 10 | 2027-2028 | \$ 20,091 | \$ 2,067 | \$ 3,922 | \$ 26,081 |
| 11 | 2028-2029 | \$ 20,091 | \$ 2,067 | \$ 4,032 | \$ 26,191 |
| 12 | 2029-2030 | \$ 20,091 | \$ 2,067 | \$ 4,146 | \$ 26,304 |
| 13 | 2030-2031 | \$ 20,091 | \$ 2,067 | \$ 4,262 | \$ 26,421 |
| 14 | 2031-2032 | \$ 20,091 | \$ 2,067 | \$ 4,382 | \$ 26,540 |
| 15 | 2032-2033 | \$ 20,091 | \$ 2,067 | \$ 4,505 | \$ 26,664 |
| 16 | 2033-2034 | \$ 20,091 | \$ 2,067 | \$ 4,632 | \$ 26,790 |
| 17 | 2034-2035 | \$ 20,091 | \$ 2,067 | \$ 4,762 | \$ 26,920 |
| 18 | 2035-2036 | \$ 20,091 | \$ 2,067 | \$ 4,895 | \$ 27,054 |
| 19 | 2036-2037 | \$ 20,091 | \$ 2,067 | \$ 5,033 | \$ 27,191 |
| 20 | 2037-2038 | \$ 20,091 | \$ 2,067 | \$ 5,174 | \$ 27,333 |
| 21 | 2038-2039 | \$ 20,091 | \$ 2,067 | \$ 5,320 | \$ 27,478 |
| 22 | 2039-2040 | \$ 20,091 | \$ 2,067 | \$ 5,469 | \$ 27,627 |
| 23 | 2040-2041 | \$ 20,091 | \$ 2,067 | \$ 5,623 | \$ 27,781 |
| 24 | 2041-2042 | \$ 20,091 | \$ 2,067 | \$ 5,781 | \$ 27,939 |
| 25 | 2042-2043 | \$ 20,091 | \$ 2,067 | \$ 5,943 | \$ 28,101 |
| 26 | 2043-2044 | \$ 20,091 | \$ 2,067 | \$ 6,110 | \$ 28,268 |
| 27 | 2044-2045 | \$ 20,091 | \$ 2,067 | \$ 6,281 | \$ 28,440 |
| 28 | 2045-2046 | \$ 20,091 | \$ 2,067 | \$ 6,458 | \$ 28,616 |
| 29 | 2046-2047 | \$ 20,091 | \$ 2,067 | \$ 6,639 | \$ 28,798 |
| 30 | 2047-2048 | \$ 20,091 | \$ 2,067 | \$ 6,826 | \$ 28,984 |
| 31 | 2048-2049 | \$ 20,091 | \$ 2,067 | \$ 7,017 | \$ 29,176 |
| 32 | 2049-2050 | \$ 20,091 | \$ 2,067 | \$ 7,215 | \$ 29,373 |
| 33 | 2050-2051 | \$ 20,091 | | | \$ 20,091 |
| Cumulative | | \$ 567,478 | \$ 58,392 | \$ 143,288 | \$ 769,158 |
| Avg. Annual | | \$ 18,306 | \$ 1,946 | \$ 4,776 | \$ 25,639 |

Years 31 through 33 shown for tax shift purposes only.

**NOTICE OF PUBLIC HEARING
TOWN OF HAMPDEN MAINE
Regarding**

**A Municipal Tax Increment Financing Development Program for the District Known as the
“Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District”**

Notice is hereby given that the Hampden Town Council will hold a public hearing on

_____, 2018

at the

**Council Chambers, Hampden, Maine,
The Public Hearing will be at 7:00 p.m.**

The purpose of the public hearing is to receive public comments on the designation of the proposed Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District (the “District”), the Development Program and Financial Plan for said District, and a proposed credit enhancement agreement with the Company, Southstreet Development Company LLC, all pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The proposed Municipal Development and Tax Increment Financing District consists of approximately 303 acres of property located at the intersection of Route 202 and Coldbrook Road known as the Coldbrook Corners, portions of Route 202, and Coldbrook Road from Route 1A to I-95.

A copy of the proposed development program for the District will be on file at the Town Office 10 days prior to the Public Hearing.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time. Verbal and written comments received prior to the close of the public hearing will be included in the public hearing record.

EXHIBIT F
MINUTES OF PUBLIC HEARING AND TOWN COUNCIL MEETING

DRAFT

HAMPDEN TOWN COUNCIL
ORDER # _____

WHEREAS, the Town of Hampden, Maine (the "Town") is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes as amended (the "Act"), to designate a specified area within the Town as the Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District (the "District") and to adopt a development program (the "Development Program") for the District pursuant to the Act; and

WHEREAS, there is a need for economic development in the Town, in the surrounding region, and in the State of Maine; and

WHEREAS, there is a need to improve and broaden the tax base of the Town; and

WHEREAS, designation of the District and adoption of the Development Program will help to improve and broaden the tax base in the Town and improve the economy of the Town and the region by attracting business development to the District; and

WHEREAS, there is a need to implement continued economic development initiatives in the planned District through the establishment of the District in accordance with the provisions of Act; and

WHEREAS, the Town desires to designate the District and adopt the Development Program; and

WHEREAS, it is expected that approval will be obtained from the State of Maine Department of Economic and Community Development (the "Department"), approving the designation of the District and adoption of the Development Program.

ORDERED AS FOLLOWS:

Section 1. The Town Council of the Town of Hampden Maine, as the legislative body of said Town pursuant to Article II, section 205 of the Hampden Town Charter, hereby designates the Coldbrook Corners Omnibus Municipal Development and Tax Increment Financing District and hereby adopts the Development Program for said District; such designation and adoption to be pursuant to the following findings, terms, and provisions:

Section 2. The Town Council hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for commercial uses; and

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

c. The original assessed value of all existing and proposed tax increment financing districts (including the proposed District) does not exceed five percent (5%) of the total value of equalized taxable property within the Town as of April 1, 2016 (March 31, 2017); and

d. The designation of the District and adoption of the related Development Program will make a contribution to the economic growth and well being of the Town and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of the Town, including a broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose. The Town has considered all evidence, if any, presented to them with regard to any adverse economic effect on or detriment to any existing business and has found and determined that such adverse economic effect on or detriment to any existing business, if any, is outweighed by the contribution expected to be made through the District and the Development Program.

Section 3. The Town Manager, or his duly appointed representative, is hereby authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the Department for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226.

Section 4. The Town Manager, or his appointed representative, is hereby authorized and directed to enter into the Credit Enhancement Agreement contemplated by the Development Program with Southstreet Development Company LLC, in the name of and on behalf of the Town, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the said Town Manager or his duly-appointed representative, may approve, his approval to be conclusively evidenced by his execution thereof.

Section 5. The foregoing designation of the District and approval of the Development Program shall automatically become final upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department, without requirement of further action by the Town, the Town or any other party, and shall take effect in accordance with Title 30-A M.R.S. section 5224(2)(H) for the tax year subsequent to the Department's approval, beginning July 1, 2018.

Section 6. The Town Manager or his duly appointed representative is hereby authorized and empowered, at his discretion, from time to time, to make such revisions to the Development Program as the Town Manager, or his duly appointed representative, deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District and/or the Development Program by the Department, or for any other reason, so long as such

revisions are not inconsistent with these resolutions or the basic structure and intent of the District and the Development Program.

Dated: _____, 2018.

TOWN OF HAMPDEN, MAINE

(By) _____
Ivan P. McPike, Mayor

Terry McAvoy, Deputy Mayor

Mark S. Cormier, Councilor

Dennis R. Marble, Councilor

David I. Ryder, Councilor

Gregory J. Sirois, Councilor

Stephen L. Wilde, Councilor

**CREDIT ENHANCEMENT AGREEMENT
BETWEEN
TOWN OF HAMPDEN, MAINE
AND
SOUTHSTREET DEVELOPMENT, LLC**

THIS CREDIT ENHANCEMENT AGREEMENT, dated this _____ day of _____, 2018, is made by and between the **TOWN OF HAMPDEN**, a municipal corporation organized and existing under the laws of the State of Maine (hereinafter the “Town”), **SOUTHSTREET DEVELOPMENT, LLC**, a for profit Limited Liability Company organized and existing under the laws of the State of Maine (hereinafter “Southstreet Development”).

WITNESSETH

WHEREAS, the Town has designated certain properties within the Town as the Coldbrook Corners Omnibus Municipal Development District and Tax Increment Financing District (the “District”) in accordance with Chapter 206 of Title 30-A, Maine Revised Statutes, as amended, by vote of the Hampden Town Council (the “Vote”) on _____, 2018;

WHEREAS, a certain property owned by Southstreet Development is located in the District;

WHEREAS, on the same date, the Council adopted a development program and financial plan (the “Development Program”) for the District; and

WHEREAS, on the same date, the Council approved the execution and delivery of a credit enhancement agreement with Southstreet Development; and

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

WHEREAS, the Town and Southstreet Development desire and intend that this Credit Enhancement Agreement be and constitute the credit enhancement agreement contemplated and described in the Development Program;

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows.

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. For the purposes of this Credit Enhancement Agreement, the following terms shall have the meanings specified in herein unless the context clearing requires otherwise:

"Agreement" shall mean this Credit Enhancement Agreement between the Town and Southstreet Development.

"Assessment Date" means April 1st of each calendar year, the date fixed by Maine law for valuation and municipal tax liability with respect to the ensuing Tax Year.

"Development Program" means the development program for the District adopted by the Hampden Town Council on _____, 2018.

"Captured Assessed Value" means that portion of the Increased Assessed Value that is annually retained within the District for the purpose of funding the District Development Program, as provided in the approved Development Program for the District. Provided, however, that "Captured Assessed Value" for the purpose of funding the District's Development Program shall not include the taxable value of any new personal property or equipment to be located within the District. As provided in the Financial Plan of the Development Program, the Captured Assessed Value shall be equal to one hundred percent (100%) of the Increased Assessed Value for each of the thirty (30) Tax Years beginning July 1, 2018 and ending June 30, 2048.

"Current Assessed Value" means the taxable value of all real estate located within the District (excluding personal property and equipment) as of the annual Assessment Date.

"Development Program" means the development program for the District adopted by the Hampden Town Council on _____, 2018.

"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 II hereof.

"District" means the Coldbrook Corners Omnibus Municipal Development District and Tax Increment Financing District designated by the Town pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, adopted by the Hampden Town Council on _____, 2018. The District consists of the property described in **Exhibit A** attached hereto.

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

"Fiscal Year" (sometimes abbreviated "FY") means July 1 to June 30 each year or such other fiscal year as the Town may establish from time to time.

“Increased Assessed Value” means the amount, in any Tax Year, by which the Current Assessed Value in the District exceeds the Original Assessed Value. If the Current Assessed Value within the District does not exceed the Original Assessed Value in any Tax Year, there is no Increased Assessed Value for that Tax Year.

"Original Assessed Value" means \$2,675,200.00, the assessed value of taxable real property located within the District, as of March 31, 2017 (= April 1, 2016).

"Project" means the design, planning, development, acquisition, construction and installation of capital improvements at Southstreet Development’s facilities located now and hereafter within the District and as described as the Project in the Development Program Narrative.

"Project Cost Account" means the Project Cost Account described in the Financial Plan Section of the Development Program and established and maintained pursuant to Article IV hereof.

"Property Taxes" means any and all ad valorem property taxes in excess of any county, state or special district taxes, levied, charged or assessed against real estate located in the District by the Town or on its behalf.

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

"Retained Tax Increment Revenues" means, in each Tax Year this Agreement remains in effect, the amount of Property Taxes assessed and collected with respect to the Captured Assessed Value in the District pursuant to the terms of the Development Program, for the purpose of funding the Development Program.

“Retained Tax Increment Revenues – Company Share” means, in each Tax Year this Agreement remains in effect, the percentages of Retained Tax Increment Revenues on property designated by the Town as Map/Lot 33-0-011-B (the “Company Tract”), to be returned to the Southstreet Development in accordance with this Credit Enhancement Agreement, for the purpose of defraying the Developer’s costs of developing and building the Project, which may include Company financing costs.

As provided in section III.A of the Development Program, “Retained Tax Increment Revenues – Company Share” shall be as set forth in the following table, except that that the following conditions shall apply: If, in year one of the reimbursement period, sixty-five percent (65%) of the Retained Tax Increment Revenues on the Company Tract is less than \$19,500, then, provided District Retained Tax Increment Revenues are available, the Company reimbursement shall be \$19,500, with the remaining portion coming from what would have been Town Retained Tax Increment Revenue. This condition shall continue into subsequent years until the Company has received \$19,500 in reimbursement. If this condition is exercised, the actual dollar value of the Town Retained Tax Increment Revenues

used to supplement the Company reimbursement to reach the \$19,500 shall be deducted from the Company reimbursement in the next year those revenues are available.

| District Year | Company Reimbursement Period | | |
|---------------------|------------------------------|----------------------|-----|
| Year 1 | N/A | N/A | N/A |
| Year 2 | Year 1 | FY 2020 | 65% |
| Years 3 through 11 | Years 2 through 10 | FY 2021 through 2029 | 40% |
| Year 12 | Year 11 | FY 2030 | 36% |
| Year 13 | Year 12 | FY 2031 | 32% |
| Year 14 | Year 13 | FY 2032 | 28% |
| Years 15 through 30 | N/A | FY 2033 through 2048 | N/A |

"Tax Payment Date" means the later of the date(s) on which Property Taxes assessed by the Town against Real Estate located in the District are due and payable or are actually paid.

"Tax Year" means the Town's annual July 1st through June 30th fiscal year.

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

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

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

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

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

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

(f) 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.

ARTICLE II
DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1 Creation of Development Program Fund. The Town hereby confirms the creation and establishment of a segregated fund in the name of the Town designated as the "Coldbrook Corners Omnibus Tax Increment Financing District Development Program Fund" (the "Development Program Fund") pursuant to, and in accordance with, the terms and conditions of the Development Program. The Development Program Fund shall consist of a single Project Cost Account, which shall include a Developer Project Cost Sub-account and a Town Project Cost Sub-account.

Section 2.2 Deposits into Development Program Fund. The Town shall deposit into the Developer Project Cost Sub-account of the Development Program Fund within ten (10) days after each payment of Property Taxes with respect to Real Estate located in the District, an amount equal to that portion thereof constituting Retained Tax Increment Revenues - Company Share for the period to which the payment relates. The Town shall allocate the amounts so deposited to fund fully and pay the payments due to Southstreet Development under Article III of this Credit Enhancement Agreement, both past due, if any, and coming due within the following 12 months. After payment by the Town of the amount(s) due to Southstreet Development for each fiscal year, any revenue resulting from the investment of monies in the Developer Project Cost Sub-account that remains in the Sub-account at the end of the applicable fiscal year shall be transferred by the Town to the Town Project Cost Sub-account.

Section 2.3 Use of Monies in Developer Project Cost Sub-account. Monies deposited in the Developer Project Cost Sub-account shall be used and applied exclusively to fund the Town's payment obligations described in Article III hereof.

Section 2.4 Monies Held in Trust. All monies required to be deposited with or paid into the Developer Project Cost Sub-account of Development Program Fund to fund payments to Southstreet Development under the provisions hereof and the provisions of the Development Program, but excluding any investment earnings thereon, shall be held by the Town in trust, for the benefit of the Southstreet Development.

Section 2.5 Investments. The monies in the Developer Project Cost Sub-account not immediately paid to Southstreet Development shall be invested and reinvested in Qualified Investments as determined by the Town. The Town shall have discretion regarding the investment of such monies, provided such monies are invested in Qualified Investments. As and when any amounts thus invested may be needed for disbursements, the Town shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of such account. The Town 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 Developer Project Cost Sub-account.

Section 2.6 Liens. The Town shall not create any liens, encumbrances, or other interests of any nature whatsoever, nor shall it hypothecate the Developer Project Cost Sub-account of the

Development Program Fund or any funds therein, other than the interest granted to Southstreet Development hereunder in and to the amounts on deposit.

ARTICLE III PAYMENT OBLIGATIONS

Section 3.1 Credit Enhancement Payments. The Town agrees to pay to Southstreet Development within thirty (30) days following each Tax Payment Date all amounts then on deposit in the Developer Project Cost Sub-account, excluding earnings thereon; provided however, that all payments made hereunder shall be used only to pay Company Project Costs directly or to reimburse Southstreet Development for payment of Project Costs (including payment or reimbursement of debt service on indebtedness incurred to finance such Project Costs).

Such reimbursement payments shall be made by the Town in each Tax Year beginning with the Tax Year starting July 1, 2019 and ending with at the conclusion of the Tax Year ending June 30, 2032. The Town shall make all such payments with respect to the District to Southstreet Development, its successors and assigns. The obligation of the Town to make such payments shall be a limited obligation payable solely out of monies actually on deposit in the Developer Project Cost Sub-account of the Development Program Fund and shall not constitute a general debt or obligation on the part of the Town or a general obligation or charge against or pledge of the faith and credit or taxing power of the Town, the State of Maine or any political subdivision thereof.

Section 3.2 Failure to Make Payment. In the event the Town should fail to or be unable to make any of the payments required under Section 3.1 hereof, the item or installment so unpaid shall continue from year-to-year as a limited obligation of the Town under the terms and conditions hereinafter set forth until the unpaid amount shall have been fully paid. In the event of such default by the Town, Southstreet Development shall also have the right to initiate and maintain an action to specifically enforce the Town's obligations hereunder, including without limitation, the Town's obligation to deposit all Retained Tax Increment Revenues – Company Share to the Developer project Cost Sub-account of the Development Program Fund and to make payments to Southstreet Development.

Section 3.3 Manner of Payments. The payments provided for in this Article III shall be paid in immediately available funds directly to Southstreet Development in the manner provided hereinabove for its own use and benefit.

Section 3.3A Company Payment Obligations. Southstreet Development agrees that during the term of this Agreement it shall pay, when due, all amounts lawfully assessed by the Town as Property Taxes against Real Estate located in the District.

In the event that Southstreet Development shall fail, for any reason, to pay the full amount of any such lawful Property Tax assessment when due, amounts actually paid by Southstreet Development shall be applied as follows:

First, to payment of Property Taxes assessed against that portion of Real Estate located in the District constituting the Original Assessed Value of the District;

Second, to payment the Town's portion of Retained Tax Increment Revenues on Real Estate located in the District; and

Third, to payment of Retained Tax Increment Revenues – Company Share.

Section 3.3B Property Tax Valuation Appeals. Nothing in this Agreement shall be deemed to waive Southstreet Development's right to appeal the Town's valuation or assessment of its Real Estate or other Property located in the District for tax purposes, in the same manner as provided by law for assessment and valuation appeals. Provided however, that in the event of a successful valuation appeal with respect to Real Estate located in the District, all amounts due to Southstreet Development under this Agreement as property tax reimbursements shall be based upon the final valuation and tax amount actually paid for the Tax Year concerned, as determined through the appeals process.

Section 3.4 Obligations Unconditional. Except as directly provided herein, the obligations of the Town to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against Southstreet Development. Except as otherwise expressly provided herein, the Town shall not suspend or discontinue any such payment or terminate this Agreement for any cause, including without limitation, any acts or circumstances that may constitute failure of consideration or frustration of purpose or any damage to or destruction of the Project or any change in the tax or other laws of the United States, the State of Maine 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 or the Development Program.

Section 3.5 Limited Obligation. The Town's obligations of payment hereunder shall be limited obligations of the Town payable solely from monies on deposit in the Developer Project Cost Sub-account of the Development Program Fund, pledged therefor under this Agreement. The Town's obligations 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 Town, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from Retained Tax Increment Revenues – Company Share payable to Southstreet Development hereunder, whether or not actually deposited into the Developer Project Cost Sub-account of the Development Program Fund. This Agreement shall not directly or indirectly or contingently obligate the Town, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation or to levy or to make any appropriation for their payment, excepting the Town's obligation to levy property taxes upon the Project and the pledge of the Retained Tax Increment Revenues, and earnings thereon, established under this Agreement.

Section 3.7 Indemnity. Southstreet Development agrees to defend, indemnify, pay, reimburse and hold the Town, its councilors, officers, agents and employees harmless from and against any and all claims, suits, liabilities, actions, proceedings and expenses, including, without limitation, attorneys fees and expenses and accountant's fees and expenses, arising out of this Agreement, the Development Program or any claim or illegality or invalidity of the Agreement or the Development Program or the Town's approval of the District, this Agreement or the Development Program or out of the Town's preparation and participation of this Agreement or the Development. Provided, however, that these indemnification provisions shall apply only to matters directly related to the Tax Increment Financing portion of the Development Program and this Agreement.

ARTICLE IV PLEDGE AND SECURITY INTEREST

Section 4.1 Pledge of Developer Project Cost Sub-account. In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to Southstreet Development by the Town, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the Town's covenants and agreements contained herein, the Town does hereby grant a security interest in and pledge to Southstreet Development the Developer Project Cost Sub-account of the Development Program Fund to the extent of Southstreet Development's rights under this Agreement to receive funds from such Project Cost Account and all sums of money and other securities and investments now or hereafter therein.

Section 4.2 Perfection of Interest. The Town shall cooperate with Southstreet Development in causing appropriate financing statements and continuation statements naming Southstreet Development as pledge of all amounts from time to time on deposit in the Developer Project Cost Sub-account of the Development Program Fund to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder.

Section 4.3 Further Instruments. The Town shall, upon the reasonable request of Southstreet Development, at Southstreet Development's sole expense, 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 impose any obligation or expense on the Town additional to the obligations and expenses contained elsewhere herein or constitute a pledge of the credit of the Town.

Section 4.4 No Disposition of Developer Project Cost Sub-account. Except as permitted hereunder, the Town shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Developer Project Cost Sub-account of the

Development Program Fund and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part hereof not permitted hereby.

Section 4.5 Access to Books and Records. All books, records and documents in the possession of the Town relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Development Program Fund shall at all reasonable times be open to inspection by Southstreet Development, 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:"

- (a) any failure by the Town to pay any amounts due to Southstreet Development when the same shall become due and payable;
- (b) any failure by the Town to make deposits into the Development Program Fund and/or the Project Cost Account as and when due;
- (c) any failure by the Town or Southstreet Development to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the Town or Southstreet Development to be observed or performed, provided, however, that failure of Southstreet Development to pay Property Taxes when due shall not constitute an event of default hereunder; or
- (d) if a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the Town's affairs shall have been entered against the Town or the Town shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Town 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 Town or the failure by the Town to have a petition in banking dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Town.

Section 5.2 Remedies on Default. Whenever any Event of Default referred to in Section 5.1 hereof shall have occurred and be continuing, the non-defaulting party may take any one or more of the following remedial steps:

- (a) The non-defaulting party may take whatever action at law or at equity as may appear necessary or desirable to collect any amount then due and thereafter to become due, to

specifically enforce the performance or observance of any obligations, agreements or covenants of the non-defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder; and

- (b) Southstreet Development shall also have the right to exercise any rights and remedies available to a secured party under the laws of the State of Maine.

Section 5.3 Remedies Cumulative. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any 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 Town with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

Section 5.4 Agreement to Pay Attorneys' Fees and Expenses. Notwithstanding the application of any other provision hereof, in the event any party should default under any of the provisions of this Agreement and the non-defaulting party shall require and employ attorneys or incur other expenses or costs for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Town or Southstreet Development herein contained, the defaulting party shall, on demand thereof, pay to the non-defaulting party the reasonable costs and expenses so incurred by the non-defaulting party.

Section 5.5 Waiver of Sovereign Immunity. The Town hereby waives its sovereign immunity with respect to any actions or suits undertaken by Southstreet Development, its successors or assigns, arising out of, resulting from or involving any alleged default by the Town hereunder or failure by the Town to observe or perform any of its obligations hereunder, it being understood and agreed that such waiver is a material inducement to Southstreet Development entering into this Agreement and continuing its pursuit of the Project.

ARTICLE VI EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1 Effective Date and Term. This Agreement shall become effective upon its execution and delivery by the parties hereto and shall remain in full force from the date hereof and shall expire upon the payment of all amounts due to Southstreet Development hereunder and the performance of all obligations on the part of the Town and Southstreet Development hereunder.

Section 6.2 Cancellation and Expiration of Term. At the termination or other expiration of this Agreement and following full payment of all amounts due and owing to Southstreet Development hereunder or provision for payment thereof and of all other fees and charges having been made in accordance with the provisions to this Agreement, the Town and Southstreet Development 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 COMPANY INTEREST

Section 7.1 Consent to Collateral Pledge and/or Assignment. The Town hereby acknowledges that it is the intent of Southstreet Development 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 Southstreet Development to make such assignment or pledge. Recognizing this intention, the Town does hereby consent and agree to the pledge and assignment of any or all of Southstreet Development's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Southstreet Development hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof. For this purpose, the Town agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective pledge or assignee, including without limitation, recognition of the pledge or assignee as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledge or assignee the position of such assignee or pledge and the irrevocable and binding nature of this Agreement and provide to the pledge or assignee such rights and/or remedies as it may deem necessary for the establishing, perfection and protection of its interests herein.

Section 7.2. Other Assignments.

a. Except to the extent provided in section 7.1, Southstreet Development shall not have the right to transfer or assign all or any portion of its rights in, to and under this Agreement, without the consent of the Town, which consent may be withheld at the sole discretion of the Town.

b. Prior to giving consent to any proposed assignment, the Town must receive documentation in form and substance satisfactory to it, that the proposed assignee accepts and agrees to be bound by the terms and conditions of this Agreement.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Successors. The covenants, stipulations, promises and agreements set forth herein shall bind and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 8.2 Parties in Interest. Except as otherwise expressly provided herein, nothing in this Agreement is intended or shall be construed to confer upon any person, firm or corporation, other than the Town and Southstreet Development any right, remedy or claim; it being intended that this Agreement shall be for the sole and exclusive benefit of the Town and Southstreet Development and their respective successors and assigns.

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

Section 8.4 No Personal Liability of Officials of the Town. No covenant, stipulation, obligation or agreement of the Town contained herein 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 Town in his or her individual capacity and neither the members of the Town Council of the Town nor any official, officer, employee or agent of the Town 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 of Maine shall govern the construction and enforcement of this Agreement.

Section 8.7 Notices. All notices, certificates, requests, requisitions or other communications by the Town or Southstreet Development 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:

If to the Town:

Town Manager
Town of Hampden
106 Western Avenue
Hampden, Maine 04444

If to Southstreet Development:

Claustin "Chuck" Lawrence, Managing Member
Southstreet Development, LLC
59 Kidder Hill Road
Holden, Maine 04429

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

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

Section 8.9 Net Agreement. This Agreement shall be deemed and construed to be a "net agreement," and the Town shall pay absolutely net during the term hereof all payments required hereunder, free of any deductions, and without abatement, deductions or setoffs.

Section 8.10 Benefit of Assignees or Pledges. The Town 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 Town 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 Southstreet Development's right, title and interest herein.

Section 8.11 Valuation Agreement. The Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The Town and Southstreet Development hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program shall in no way (a) prejudice the rights of any party to be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of or abatement proceedings relating to Southstreet Development 's property for purposes of ad valorem property taxation or (b) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

Section 8.12. Development Agreement. The Development Program and Financial Plan for the District as approved by the Town shall be deemed to be part of and incorporated in this Agreement. Provided however, that in the event of any conflict between this Agreement and the Development Program or Financial Plan, this Agreement shall control, to the extent permitted by law, over any such inconsistent provisions of the Development Program or Financial Plan.

Section 8.13 Integration. This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, written or oral, between the Town and Southstreet Development relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

ARTICLE IX RECAPTURE

Notwithstanding any other provision of this Agreement, in the event that:

(i) Southstreet Development, during the term of this Agreement, conveys, assigns, subleases, transfers or otherwise disposes of the Project, other than to a direct corporate successor of Southstreet Development;

(ii) Southstreet Development makes any sale, transfer, conveyance or assignment of this Agreement or its rights hereunder that is not permitted under Article VII hereof;

(iii) Southstreet Development fails to substantially complete the planned Capital Program of the Development Program, by _____, (date); or

(iv) Following issuance of a Certificate of Occupancy, Southstreet Development, for a period of 180 consecutive days during the term of this Agreement, ceases to operate a retail food (small grocery) and gasoline sales establishment and other retail establishment within the District;

then and in such events only, Southstreet Development agrees to repay to the Town all amounts paid to Southstreet Development by the Town pursuant to this Agreement, together with interest on the amounts so paid at 4% per annum computed from the date of each payment by the Town to Southstreet Development, computed as of the date of such conveyance, disposition or relocation.

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

WITNESS

TOWN OF HAMPDEN

By: Angus Jennings
Its: Town Manager

SOUTHSTREET DEVELOPMENT, LLC

By: Claustin "Chuck" Lawrence
Its: Managing Member



INVOICE: 7502000011 PAGE 1
DATE: Nov 29, 2017 OF 1

SERVICE: BUS CAPITAL PROJECTS
CUSTOMER PO:
CUSTOMER PH:
TERMS: 30 DAYS

DUE DATE: Dec 29, 2017

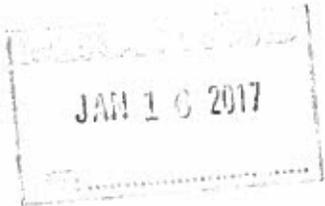
CUSTOMER NO: 0000059109

HAMPDEN, TOWN OF
106 WESTERN AVENUE
HAMPDEN, ME 04444

SERVICE ADDRESS:

HAMPDEN, TOWN OF
106 WESTERN AVENUE
HAMPDEN, ME 04444

| DESCRIPTION | QTY | UNIT PRICE | TOTAL PRICE | TAX |
|-----------------------------------|------|------------|-------------|-----|
| LOCAL SHARE FOR BUS REHAB PROJECT | 1.00 | 7,180.420 | 7,180.42N | |



Acct. No. _____

DEPARTMENT HEAD SIGNATURE

DATE _____

| | |
|----------------|----------|
| TOTAL CHARGES: | 7,180.42 |
| TOTAL TAX: | 0.00 |
| TOTAL INVOICE: | 7,180.42 |
| PAYMENTS: | 0.00 |
| ADJUSTMENTS: | 0.00 |
| TOTAL DUE: | 7,180.42 |

Current Account Status

G 3-710-00 RESERVE ACCT / CITY BUS

-1,153.26 = Beg Bal
0.00 = Adjust

-5,850.00 = YTD Net
0.00 = YTD Enc

-7,003.26 = Balance

| Per | Jrnl | Check | Date | Vendor----- | Description----- | RCB / Type | | Debits | Credits |
|----------------|------|-------|----------|-------------|------------------|------------|----|-------------|-----------------|
| 11 | 0384 | | 11/13/17 | | 11/13/2017 C/R | R | CR | 0.00 | 5,850.00 |
| Totals- | | | | | | | | 0.00 | 5,850.00 |

Monthly Summary

| Month | --Regular Entries-- | | --Balance Entries-- | |
|---------------|---------------------|-----------------|---------------------|-------------|
| | Debits | Credits | Debits | Credits |
| November | 0.00 | 5,850.00 | 0.00 | 0.00 |
| Totals | 0.00 | 5,850.00 | 0.00 | 0.00 |