Exp. 3-29-2032

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

JOHN ELIAS BALDACCI
GOVERNOR

DECD

DANN H. LEWIS
ACTING COMMISSIONER

March 31, 2003

Timothy J. King
City Manager
City of Ellsworth
PO Box 586
Ellsworth, ME 04605

Dear Mr. King:

The Maine Department of Economic and Community Development ("the department") has reviewed and approved the City of Ellsworth's designation of the first amendment to the Beckwith Hill Municipal Development Tax Increment Financing (TIF) District ("the district"), effective May 13, 2002.

Based on details provided in the City of Ellsworth's amendment, it is the department's understanding that along with extending the district term by five years, the City changed the physical boundaries by adding certain parcels that increase the original assessed value and acreage of the district. The amended district includes all property in the original district plus Beechland Road, Union River Waterfront, the Business Park and several sections of nearby roads.

In addition, the schedule for determining the captured assessed value and tax increment of the district has changed to reflect the decision by a potential commercial entity not to invest in the district. And several new project costs have been included. Aside from the addition of parcels to the district and the changes described above, all other material aspects of the original Beckwith Hill TIF proposal, including its development program, its financial plan and the department's approval letter of June 26, 2002, remain unchanged.

If at any time tax increment revenues derived from the district are deposited into the City's general fund, and not available for the Development Program, the incremental property values generating those revenues must be included with the City's equalized assessed value, and cannot be captured.

The district designation is in effect for twenty (20) years or until the authorized project costs are expended. If for any reason the City decides to forfeit this designation, it must promptly notify the department.

If you have questions regarding this approval, or the applicability of the economic development incentive reporting requirements, please do not hesitate to contact Jim Nimon at 624-9804.

Sincerely,

Dann H. Lewis

Dann H. Lewis
Acting Commissioner

cc: Jerome Gerard, Acting State Tax Assessor
Larry Record, Director of Property Tax

TIF: DISTRICT SYNOPSIS FOR COMMISSIONER'S CONSIDERATION

District Data

Municipality: Ellsworth County: Hancock Term: 20
District Name: Beckwith Hill
Company Name and Address: N/A
Original District: ☐Yes ☑No Amended: ☑Yes ☐No #: 1
Paper Mill Exclusion: ☐Yes ☑No Downtown District: ☐Yes ☑No
Project Description: Amendment submitted to reflect the decision by Walmart not to go ahead with their investment in the district. Incremental revenues are reduced throughout the development program, term increased by 5 years. drop from $4.6MM to $3.0MM

Job Goals N/A

Full-Time Jobs Created: ________ Average Annual Wage: $____________
Full-Time Jobs Retained: ________ Average Annual Wage: $____________

Statutory Requirements

Acreage Limit Met:	☑Yes	☐No	Value Limit Met:	☐Yes	☐No
Municipal Bonds Issued:	☐Yes	☐No	Five Year Limit:	☐Yes	☐No
Below Debt Cap:	☐Yes	☐No	Suitable Property:	☐Yes	☐No
OAV Certified:	☐Yes	☐No	Tax Shifts:	☐Yes	☐No
Public Hearing:	☐Yes	☐No	Majority Vote:	☐Yes	☐No

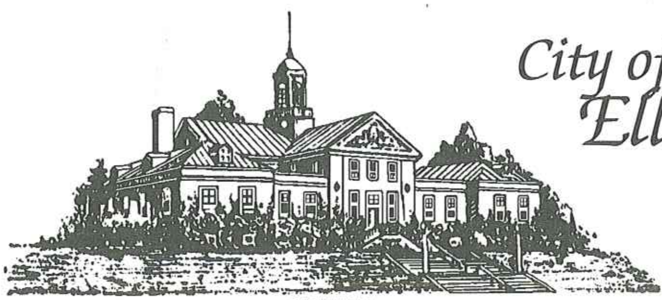
TIF Revenue Distribution

General Fund: ☐Yes ☐No $__________________
Credit Enhancement: ☐Yes ☐No $__________________
Reimbursement Schedule:
Economic Development: ☐Yes ☐No $__________________
Brief description of municipal activities/projects planned and associated costs:

The **Program Manager** has reviewed the municipal TIF application and provides this advice to assist the Commissioner:

Commissioner Approval Recommended: ☐Yes ☐No Initials: _______

Date Received: Date Approval Letter Prepared:


CITY HALL

City of Ellsworth P.O. BOX 586, ELLSWORTH, MAINE 04605

Tel. 667-2563
Fax 667-4908

OFFICE OF THE CITY MANAGER

January 24, 2003

James Nimon
Maine Dept. of Economic &
Community Development
59 State House Station
Augusta, ME 04333-0059

RE: Beckwith Hill Municipal Development Tax Increment Financing District

Dear Mr. Nimon,

I write with respect to the Beckwith Hill Municipal Development Tax Increment Financing District in the City of Ellsworth. This TIF district submitted pursuant to a vote by the Ellsworth City Council on September 10, 2001 was approved by DECD on June 26, 2002.

On May 17, 2002 the city submitted a revised Tax Increment Finance Program for the Beckwith Hill Tax Increment Finance District. We had some discussion about this revision and submitted some additional materials. At this time we are still awaiting a further comment or approval from the department.

Please review your information and contact me at your earliest convenience.

Respectfully,

Timothy J. King
City Manager

Enc.

CITY OF ELLSWORTH, MAINE

Beckwith Hill MUNICIPAL DEVELOPMENT AND

TAX INCREMENT FINANCING DISTRICT

DEVELOPMENT PROGRAM

REVISED 5/13/02

A TRUE COPY
ATTEST: Martha K. Bayer
MARTHA K. BAYER, CITY CLERK, ELLSWORTH, MAINE
MAY 17, 2002

Beckwith Hill Municipal Development and Tax Increment Financing District

Table of Contents

<u>Exhibits</u>

Beckwith Hill Development Program
Municipal Development and Tax Increment Financing District

Article I. Introduction and Summary of Benefits:

This Development Program and Financial Plan provides for the creation of a Municipal Development and Tax Increment Financing District in order to pay costs of certain economic development projects. These projects will significantly expand the City's tax base, create certain important new employment opportunities, and generally improve the economy of the City of Ellsworth. By facilitating new commercial development, the City will create important public benefits for its citizens. For the purpose of this section, quality jobs means jobs with wage and benefit levels targeted at or above the Hancock County median. Any value to city assets directly resulting from the Development Program will not be passed through to entities not meeting the quality jobs objective.

Article II. Development Program Narrative

Section 2.01: Statement of Means and Objectives

The City of Ellsworth (the "City") desires to facilitate the economic development projects described herein in order to expand and diversify the tax base of the City in a significant way, to create new employment opportunities and to improve its economy. By attracting quality jobs and creating a healthy tax base, the City will promote the community well being.

In order to fulfill these goals, the property described in Exhibit A is hereby designated as the Beckwith Hill Municipal Development and Tax Increment Financing District (the "District"). The District consists of all real property now or hereafter located in the District. The Development Program described herein will serve the purpose of administering the District as a Municipal Tax Increment Financing District pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended (the "Development Program"). Upon approval by the City of Ellsworth designating the District and adoption of this Development Program by the City at a City Council Meeting, the designation of the District and adoption of the Development Program will become final immediately, subject only to approval by the Maine Department of Economic and Community Development. The Development Program provides for economic development incentives called municipal tax increment financing (TIF) similar to that previously adopted by numerous other Maine municipalities. A TIF involves creation of a geographically defined district in the City and the "capture" or reinvestment of some of the new or "incremental" tax revenues generated by new development and business expansion in the District to pay certain costs described in this Development Program.

The Development Program, as described herein, consists of projects described in Section 2.03 hereof (the "Development Program"). The District is designed to stimulate new investment in the City by allocating a portion of the new or incremental tax revenues generated by new development in the District to the Development Program. Sixty Seven percent (67%) of the municipal tax increment revenues on the new or increased assessed value from the District will be retained by the City under the Development Program to pay costs of the Development Program described herein. The remaining new taxes from the District will be transferred to the general fund of the City.

The existing property in the District currently produces over $50,000 in real estate taxes for the City. The anticipated new development in the District is expected to generate on average over the term of the District of approximately an additional $150,000 annually in additional tax revenues, a portion of which will be captured or retained pursuant to this Development Program by the City to pay for costs of the Development Program described herein. The means and objectives of the Development Program thus are to provide significant economic benefit to the City by using a portion of the new taxes from the District to pay the costs of this Development Program in order to expand and diversify the tax base and creating new employment opportunities. By creating the District and paying the costs of the Development Program, thereby expanding and diversifying the tax base and creating new jobs, a public benefit results.

Section 2.02: Brief Discussion of Financial Plan:

The following is a brief summary of the Financial Plan. The Financial Plan of the District is set forth in greater detail in Article III below. A portion of the incremental tax revenues resulting from the District will be captured by the City under the Development Program to pay costs of the Development Program as set forth in Section 3.04 hereof and Exhibits B and C hereof. The development costs and sources and uses of funds associated with the Development Program are further described in Sections 2.01, 2.03 and 3.01 hereof and in Exhibits B and C hereto. All tax revenues generated on the original assessed value of existing property in the District will continue to be paid to the General Fund of the City. The costs of this Development Program will be paid from 67% of the tax increment produced by new development in the District.

Section 2.03: Development Program.

The City will retain a portion of the tax increment revenues from the District as described in Section 3.04 and Exhibit C to finance, in part, some or all of the costs of the following projects (the "Development Program"):

(i) Ellsworth Business Park: The City of Ellsworth has been dependent on a narrow group of business segments for much of the local economy. The community has recognized the need to broaden the industry base. One of the City's major priorities is to provide prepared sites for new or expanding businesses. The City has acquired a 25-acre piece of land adjacent to Route 1A on the north edge of the Commercial Business District proximate to municipal services. The City has completed and received approval by the local planning board for a 10-lot business park on this parcel. The City anticipates that this development will provide a substantial direct impact on job creation. The projected development will include the construction of roads, electric, water, sewer, and storm water utilities to serve the new business park. Also included is the potential to construct one or more buildings in the park to attract businesses that need available buildings to relocate. The estimated cost for this project is $937,390. The Ellsworth Business Park will create substantial new employment opportunities and expand and diversify the City's tax base.

(ii) Economic Development Marketing Program: Key to the sustained growth of the Ellsworth area is an active business attraction and retention program. The City of Ellsworth has coordinated with Coastal Acadia Development Corporation to provide an active program to market the City as a business location and to create new economic development. The estimated City portion of the cost for this project is $600,000.

(iii) Beechland Road Reconstruction: One of the major access routes to the Municipal Development District is Beechland Road. The road is unsuitable for the levels of traffic expected to utilize it. Planned is the reconstruction of the full one-mile length of road. The estimated cost of that road project is $755,000. Construction of the Beechland Road improvements are required due to the improvements in the District that will result in traffic levels that could not be adequately handled on that road without the proposed road improvements. Such road improvements will mitigate the impact of the District upon the City and its citizens.

(iv) Waterfront Improvements: For a number of years the City has realized the potential economic development value of the redevelopment of the waterfront. Close to the downtown area it has the potential to become a significant boost for the local economy. In 2001, after many years of City effort, the Army Corps of Engineers dredged the federal channel of the Union River out to Union River Bay. In FY 2002 the City will dredge the harbor perimeter. The Ellsworth Harbor Committee and the Executive Committee for Waterfront Development is preparing a strategic plan to upgrade the harbor facilities, construct facilities to connect the waterfront to the commercial downtown, and increase public access. A number of the existing uses including an auto dealership, motor vehicle repair, used car sales and fuel oil business should be replaced by new economic development projects. The dredging of the harbor will help marine related businesses, such as Maine Shellfish including delivery of lobsters, clams, and shrimp. The estimate cost of this project is $590,000 for land acquisition and redevelopment and for Harbor improvements including pump facilities and improvement of City owned dock facilities.

The foregoing projects are the primary projects to be undertaken as part of this Development Program. To the extent that available captured tax increment revenues remain from the District, the City will undertake the following pursuant to this Development Program: (a) $100,000 capitalization of a revolving loan program for small businesses in the Downtown Business District that may be adversely affected by large scale retail development in the Beckwith Hill area. The City finds that each of the specific projects described herein, within each of the foregoing categories, will either directly or indirectly provide or encourage new employment opportunities within the City, encourage and promote economic development that will broaden the City's tax base, and/or improve the general economy of the City. The projects included in the Development Program are qualifying "project costs" under Chapter 207 of Title 30A of the Maine Revised Statutes. To the extent that the captured tax increment revenues are not expended for such projects, such funds may be expended for other "project costs" as defined in 30-A M.R.S.A. § 5252(9)-(11) and authorized by the City Council from time to time, subject to any necessary approval by the Maine Department of Economic and Community Development pursuant to such law. The specific public improvement projects to be financed with the captured tax revenues on the captured portion of the increased tax revenues will be approved through subsequent action of the City, and nothing in this Development Program shall be interpreted to authorize, without further City Council authorization, expenditure for any of the projects described herein.

Section 2.04: Public Facilities Descriptions.

Except to the extent funded by the Development Program and by private investment anticipated as a result of this Development Program, existing public facilities are adequate to serve the District and the new projects anticipated therein.

Section 2.05: Current and Proposed Uses of Private Property

The project will be developed on property within the District that is currently vacant land or under utilized land. The property in the District will be developed as a Home Depot and other commercial development.

Section 2.06: Relocation Plan.

The City will use reasonable efforts to assist businesses or persons who will be displaced or relocated as a result of the development activities proposed in the District in finding suitable new locations.

Section 2.07: Transportation Improvements.

The existing transportation facilities of the City combined with the improvements that will be made as part of the Development Program are adequate to accommodate the anticipated development of the District.

Section 2.08: Environmental Controls.

All environmental controls required by law shall be adhered to, including any applicable requirements of the City of Ellsworth Zoning Ordinance. Appropriate steps will be taken to ensure that the construction and operation of the improvements in the District comply with all State and federal environmental laws and regulations.

Section 2.09: District Operation.

Except to the extent provided for in the Development Program, the day-to-day operations of the District will require no substantial efforts by the City.

Section 2.10: Program Duration.

The duration of the District will be twenty years.

Article III. Financial Plan

Section 3.01: Costs Estimates for the Development Program.

The estimated cost of the Development Program is approximately $3,000,000. Such costs are set forth in greater detail in Exhibit B hereto.

Section 3.02: Amount of Indebtedness to be Incurred.

The City may incur any indebtedness in connection with the Development Program. It is currently anticipated that the City will issue its general obligation bonds to fund most of the costs of the Ellsworth Business Park. The City may also issue general obligation bonds to pay other project costs of the Development Program. To the extent that indebtedness is incurred, the City will deposit a portion of the tax increment revenues necessary to pay principal and interest on such bonds into the development sinking fund account. If any part of this program is financed through bonded indebtedness of the City, such portion of the Development Program must be completed within five (5) years of the designation of the District by the Commissioner of Economic Development described in Section 3.04 hereof.

Section 3.03: Sources and Uses of Anticipated Revenues.

The City will deposit 67% of the Tax Increment Revenues as described in Section 3.04 (which amounts are estimated in Exhibit C) into the Development Program Fund created hereby. The sources of anticipated revenues generated by the District to be used to make the payments under are (i) municipal tax increment revenues on retained captured assessed value, a portion of which tax increment will be deposited as received into the Development Program Fund as described in Sections 3.04 hereof, and (ii) earnings on amounts in the Development Program Fund. The City will use the Tax Increment Revenues deposited in the Development Program Fund as described in Section 3.04 herein for costs of the Development Program.

Section 3.04: Estimates of Captured Assessed Values and Portion of CAV to be Applied to Development Program.

The Tax Increment Revenues of the District are that portion of the real property taxes assessed by the City, in excess of any State, county or special district tax, upon the Increased Assessed Value of property in the District. Increased Assessed Value means the valuation amount by which the assessed value of the District in any year exceeds the Original Assessed Value of the District. The Original Assessed Value of the District means the assessed value of property in the District as of March 31, 2001 as described in Exhibit D hereof. If the current assessed value at the time is equal to or less than the Original Assessed Value there is no Increased Assessed Value for that year. The Captured Assessed Value means the amount, expressed as a percentage or stated sum, of Increased Assessed Value that is utilized from year to year to finance the project costs described in this Development Program. The Captured Assessed Value of this Development Program shall be 67% of the Increased Assessed Value.

The table attached hereto as Exhibit C reflects (i) the Original Assessed Value of all real property within the District, (ii) the estimated Increased Assessed Value per year following implementation of the Development Program, (iii) the estimated Tax Increment Revenues per year on the Increased Assessed Value following implementation of the Development Program, (iv) the Captured Assessed Value Percentage; (v) the estimated Tax Increment Revenues allocated to the General Fund of the City; and (vi) the estimated Tax Increment Revenues from the Captured Assessed Value, which is the estimated percentage of the property taxes on the Increased Assessed Value of the District that will be used to finance the costs of this Development Program, The percentage of the Increased Assessed Value of the

District to be retained as Captured Assessed Value in each year is 67%. Such Captured Tax Increment Revenues will be used by the City each year in the manner described herein.

A Development Program Fund shall be established by the City consisting of the (a) a Project Cost Account pledged to and charged with the payment of project costs that are to be paid other than from proceeds of Bonds issued by the City and (b) a Development Sinking Fund Account that is pledged to and charged with payment of principal and interest, when due, on any notes, bonds or other evidence of indebtedness issued by the City to pay, refund or reimburse the costs of this Development Program. Upon receipt of each payment of real property tax, for each year during the term of the Development Program as described in Section 2.10 hereof, the City shall deposit that payment constituting the Tax Increment Revenues from the Captured Assessed Value into the Development Program Fund. The City shall annually set aside all Tax Increment Revenues on Captured Assessed Values and deposit such revenues to the appropriate Development Program Fund Account in the following priority:

(1) To the Development Sinking Fund Account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual debt service on bonds and notes issued pursuant to this Development Project and the financial plan;

(2) To the Project Cost Account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual project costs to be paid from the account;

The City may make transfers between the Development Program Fund accounts as required, provided that the transfers do not result in a balance in the Development Sinking Fund Account that is insufficient to cover the annual obligations of the account.

The Tax Increment Revenues captured and retained and deposited into the Development Program Fund will be used to pay costs of the Development Program described in Section 2.03 hereof or will be deposited into the reserve fund(s) hereafter described. The City will establish the Development Program Fund or a series of Development Programs Funds for the City, as one or more permanent municipal reserve funds created and administered pursuant to the provisions of Title 30-A Section 5801 of the Maine Revised Statutes, as amended, which funds shall be dedicated to the payment of costs of the Development Program. Upon each payment of real property tax with respect to property in the District, the City shall deposit to the Development Program Fund the Tax Increment Revenues on the Captured Assessed Value. As the deposit and investment of funds in the Development Program Fund accrue and increase to a level which permits funding of the Development Program or as bonds or notes are issued to fund such costs, the Development Program will be undertaken and funded from such reserve fund(s). Accordingly, all Tax Increment Revenues deposited into the Development Program Fund reserve fund(s) shall be deemed to have been expended and used to satisfy the obligations of the City with respect to the Development Program described in the Development Program when deposited into such reserve fund(s).

Section 3.05: Financial and Statistical Data.

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

(a) Total value of equalized taxable property in Ellsworth as of March 31, 2001: $488,200,000.

(b) Aggregate value of equalized taxable property in all existing and proposed tax increment financing district as of April 1st preceding each such District's designation: $3,577,300.

(c) Percentage of total value of equalized taxable property represented by aggregate value of all equalized taxable property in all existing and proposed tax increment financing districts (i.e., item (b) divided by item (a) expressed a percentage): 0.73%

(d) Aggregate original principal amount of principal indebtedness financed by the proceeds from tax increment financing districts within Hancock County, including the District, does not exceed $50,000,000.

Attached hereto as Exhibit D is the anticipated form of certification of original assessed value by the Assessor of the City of Ellsworth in accordance with the requirements of 30-A M.R.S.A. § 5254(2).

Section 3.06: Estimated Impact of Financing Upon Taxing Jurisdiction.

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

Tax Shift Item	Average Annual Amount	Total Undiscounted Amount
Educational Aid	$132,110.73	$2,642,214.60
County Tax	$25,513.25	$510,265.00
State Revenue Sharing	$10,842.31	$216,846.20

Attached hereto as Exhibit F is a summary of the methodology and calculations utilized in calculating tax shifts.

Article IV. Physical Description.

Section 4.01: Physical Description of the District.

Set forth in Exhibit A is a plan depicting the District and a property description of the District.

Article V. Municipal Approvals.

Section 5.01: Public Hearing.

Attached hereto as Exhibit G is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. § 5253. The Notice was published in the Ellsworth Weekly, a newspaper of general circulation in Ellsworth, on May 2, 2002, a date at least 10 days prior to the public hearing. The public hearing was held on May 13, 2002. At the public hearing, interested parties were given a reasonable opportunity to present testimony concerning the District and this Development Program. The City considered any evidence presented at the hearing regarding any detriment to existing business in the City and made the findings set forth herein and in Exhibit H hereto.

Section 5.02: Authorizing Votes.

Attached as Exhibit H is a copy of the City Council authorizing votes and municipal tax increment financing resolution proposed for adoption at a City Council meeting of the City of Ellsworth at a meeting thereof duly called and held on May 13, 2002 designating the District and adopting the Development Plan.

The undersigned, being the City Manager of the City of Ellsworth, certifies that all of the information contained herein is true and correct to the best of his knowledge.

Dated: May 13th, 2002.

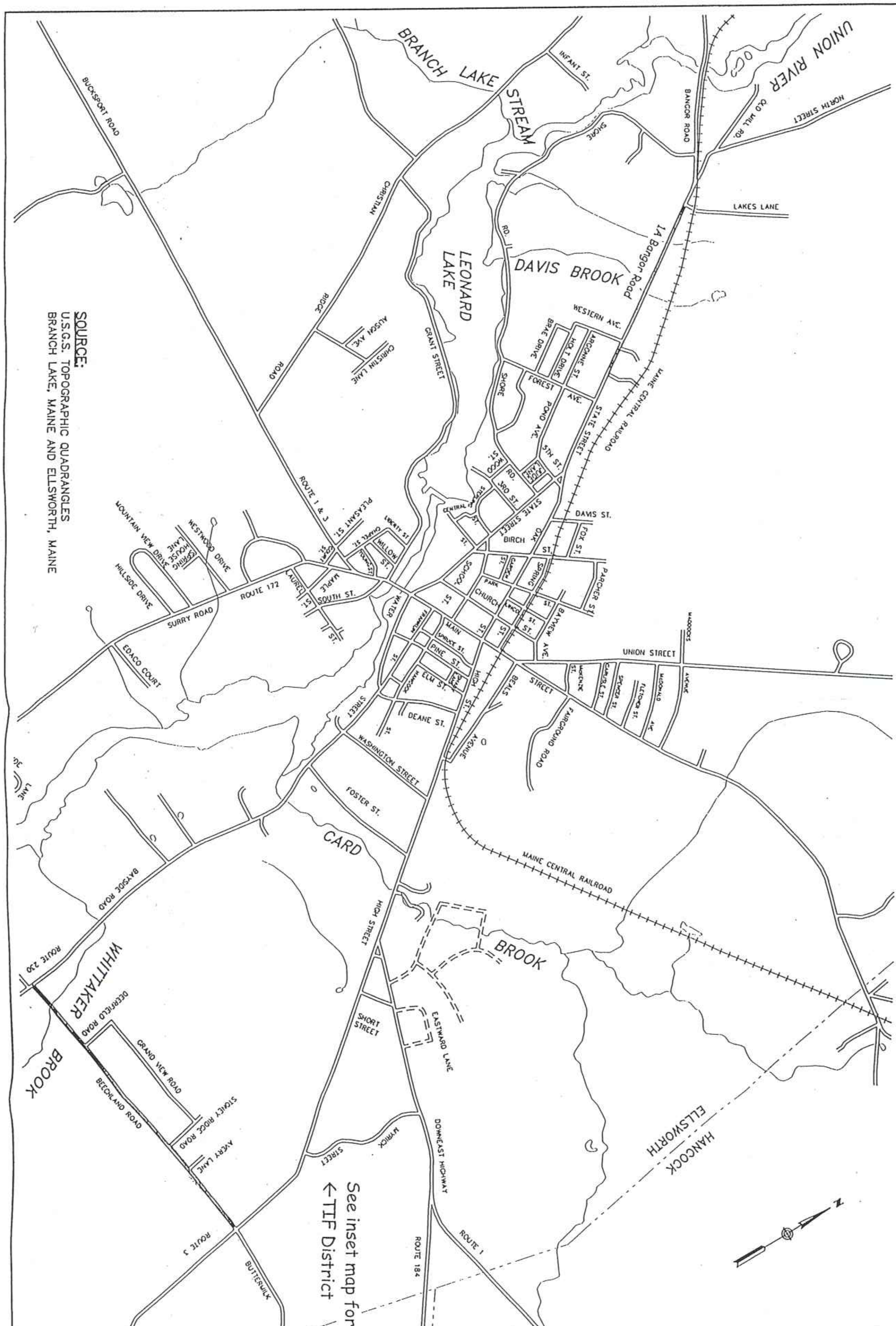
City Manager, City of Ellsworth

EXHIBIT A

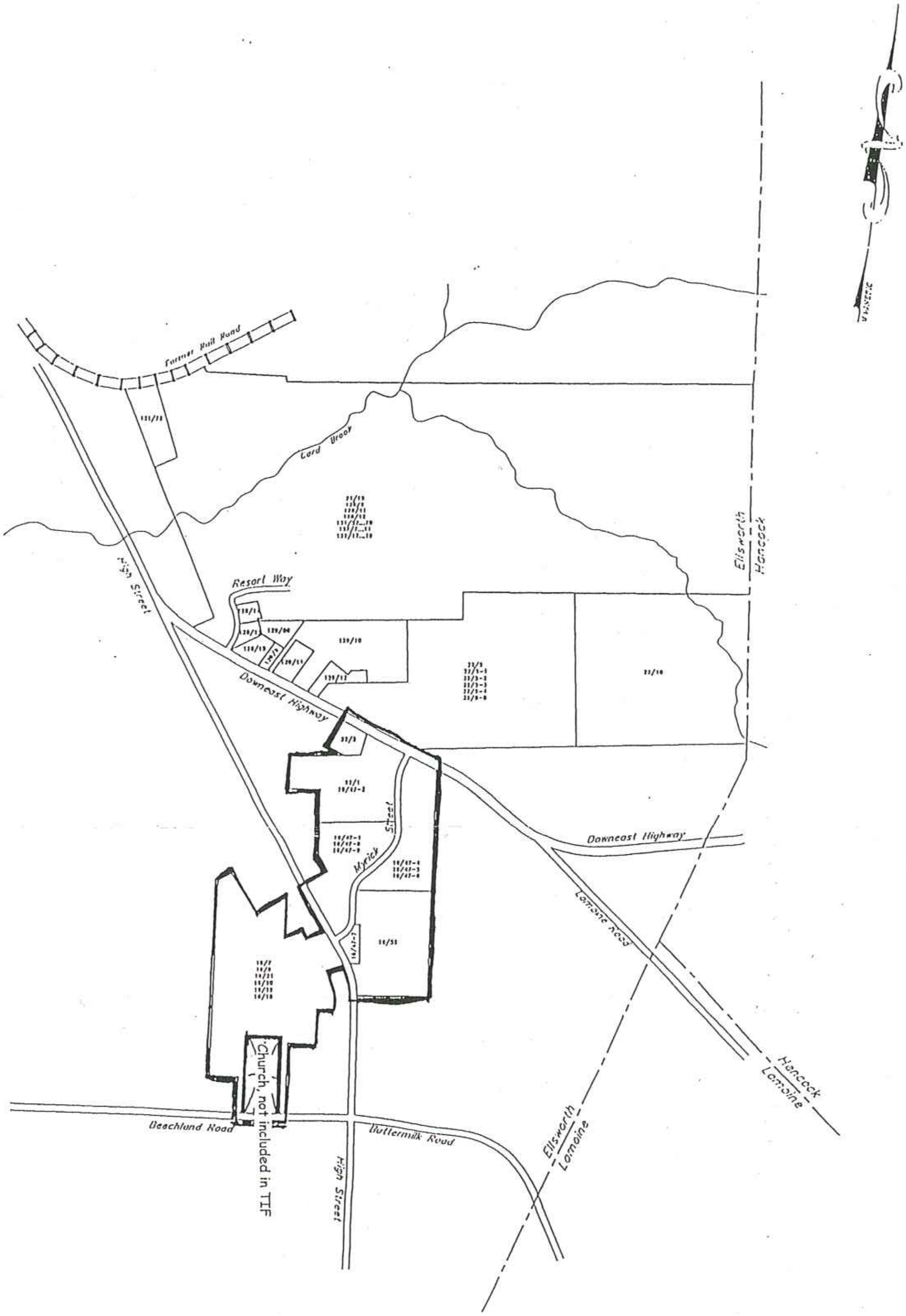
PROPERTY DESCRIPTION AND CONFIGURATION OF DISTRICT

The Beckwith Hill Municipal Development and Tax Increment Financing District is located in the City of Ellsworth, Hancock County, Maine and consists of the real estate shown on the City's Tax Map 16 as Lots 7, 8, 18, 20, 47-1, 47-2, 47-4, 47-5, 47-6, 47-7, 47-8, 47-9, 53, and on the City's Tax Map 22 shown as Lots 1, 3, and the portion of Route One between such lots, all as shown on the Map or Plan of the District attached hereto.

The district also includes Beechland Road and the Bangor Road (Rte 1A) from Ellsworth High School to Lakes Lane.



JOB NO: 203050.01 DATE: FEB. 2002 SCALE: 1"=1500' FIGURE 1	CITY OF ELLSWORTH ELLSWORTH, MAINE	URBAN AREA	WOODARD & CURRAN Engineering · Science · Operations
	MAPPING	DESIGNED BY: KRV DRAWN BY: JDE CHECKED BY: JDW FILE: 20305001-U001-RPT	BANGOR, MAINE 800-504-2333



Plan Of Proposed :

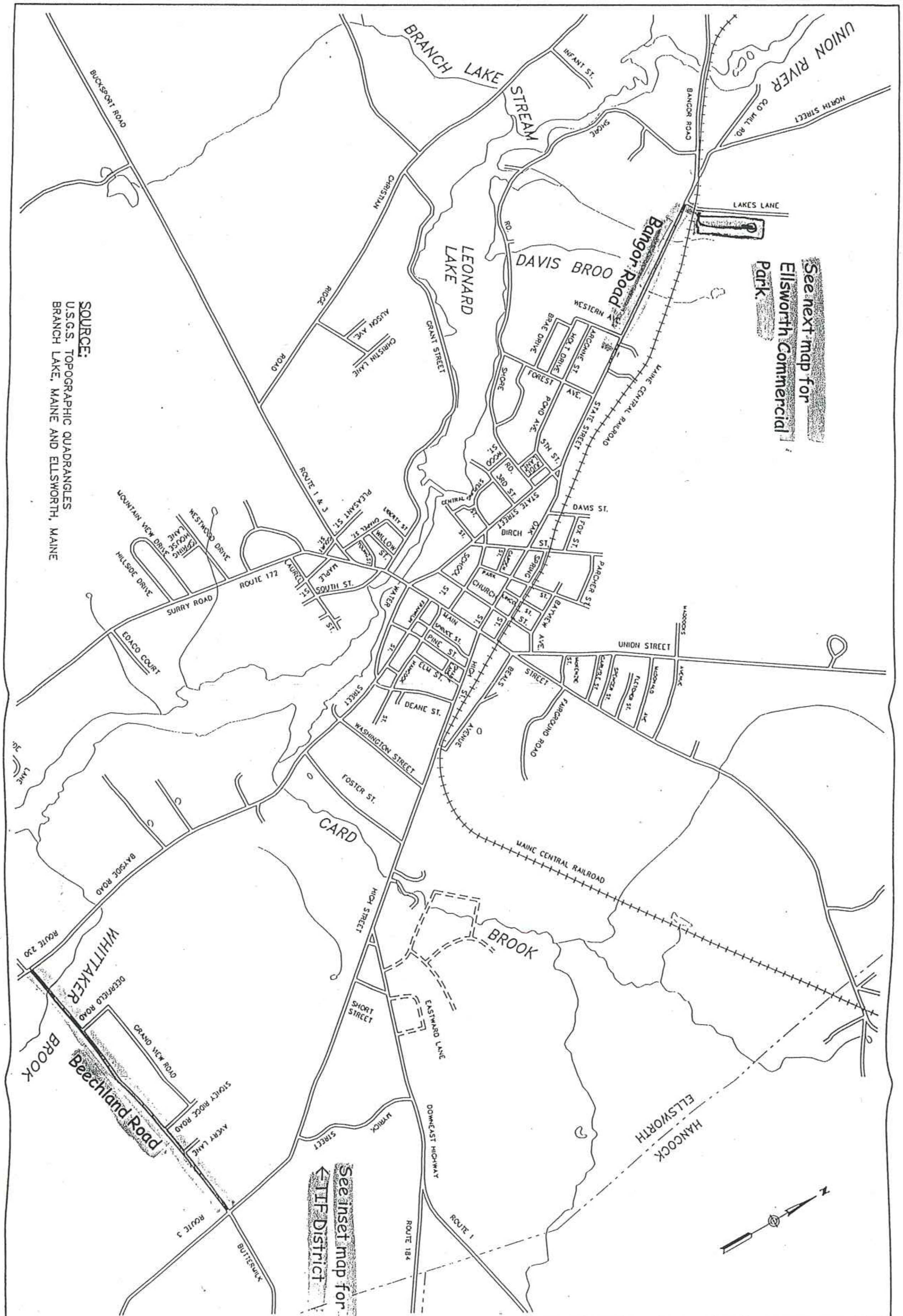
Tax Increment Finance Zone

Ellsworth (Hancock County) Maine

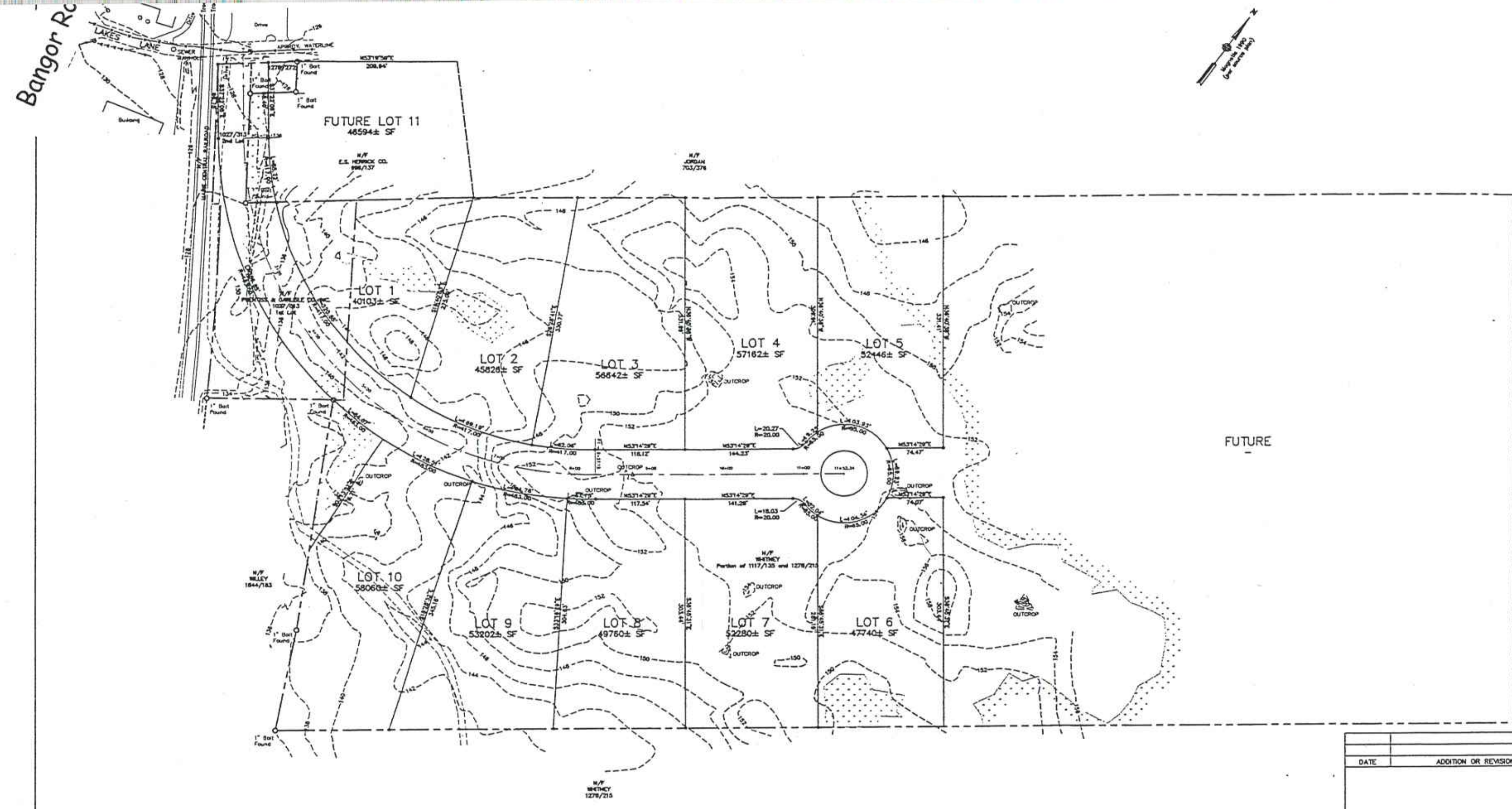
Scale : 1" = 500' October 27, 2000

Graphic Scale in Feet

\\Bangor\Projects\203050 Ellsworth Hydraulic Modeling\01 Digital Systems Map\CAD Drawings\Town Map\20305001-U001-RPT.dwg



JOB NO: 20305001 DATE: FEB. 2002 SCALE: 1"=1500' FIGURE 1	CITY OF ELLSWORTH ELLSWORTH, MAINE MAPPING	URBAN AREA DESIGNED BY: KRV — CHECKED BY: JDW DRAWN BY: JDE — FILE: 20305001-U001-RPT	WOODARD & CURRAN Engineering · Science · Operations BANGOR, MAINE 800-564-2333



PLAN REDUCED
DO NOT SCALE

SOURCE:
TOPOGRAPHICAL INFORMATION OBTAINED FROM PLAN BY THOMAS W. BOYSON, LAND SURVEYOR ENTITLED "TOPOGRAPHICAL PLAN FOR CITY OF ELLSWORTH, LAKES LANE, ELLSWORTH, MAINE" DATED APRIL 18, 2000

DATE	ADDITION OR REVISION

DES.BY:	JDW	DR.BY:	NTD	CK.BY:	BMB

CITY OF ELLSWORTH
ELLSWORTH, MAINE
ELLSWORTH INDUSTRIAL PARK

CONCEPTUAL SITE PLAN
OPTION 2

SCALE:	AS NOTED	JOB NO.:	203001.01
DATE:	JULY 2000	SHEET:	CONCEPT 2

WOODARD & CURRAN
Engineering · Science · Operations

EXHIBIT B
ESTIMATED DEVELOPMENT COSTS

Activity	Municipal TIF Proceeds
1. Land Acquisition	$250,000
2. Building Acquisition	
3. Relocation of Persons and Businesses	
4. Clearance & Demolition	
5. Street & Site Improvements (on site and off site	$2,032,390
6. Water & Sewer Improvements	
7. Building Construction	
8. Parking Facilities	
9. Capital Equipment	
10. Preferred Fees	
11. Administrative Costs	$700,000
12. Discretionary Payments	
13. Training Costs	
14. Other Costs	

Exhibit C						
Allocation of Estimated Tax Increment Revenues						
Year	Original Assessed Value	Estimated Increased Assessed Value	Estimated Tax Increment Revenues on Estimated Increased Assessed Value	Captured Assessed Value Percentage	Estimated Tax Increment Revenues for General Fund	Estimated Tax Increment Revenues Captured Assessed Value for Development Program
1	3,483,600	8,132,500	136,883	67%	49,693	87,180
2	3,483,600	8,132,500	136,883	67%	49,693	87,180
3	3,483,600	8,132,500	136,883	67%	49,693	87,180
4	3,483,600	8,882,500	148,883	67%	49,628	99,255
5	3,483,600	9,882,500	154,883	67%	51,628	103,255
6	3,483,600	9,882,500	154,883	67%	51,628	103,255
7	3,483,600	10,382,500	162,883	67%	53,752	109,131
8	3,483,600	12,382,500	192,883	67%	63,652	129,231
9	3,483,600	12,382,500	192,883	67%	63,652	129,231
10	3,483,600	12,882,500	200,883	67%	66,292	134,591
11	3,483,600	12,882,500	200,883	67%	66,292	134,591
12	3,483,600	12,882,500	200,883	67%	66,292	134,591
13	3,483,600	13,382,500	216,883	67%	71,572	145,311
14	3,483,600	13,382,500	216,883	67%	71,572	145,311
15	3,483,600	13,382,500	216,883	67%	71,572	145,311
16	3,483,600	13,882,500	224,883	67%	74,212	150,671
17	3,483,600	13,882,500	224,883	67%	74,212	150,671
18	3,483,600	13,882,500	224,883	67%	74,212	150,671
19	3,483,600	14,382,500	232,883	67%	76,852	156,031
20	3,483,600	14,382,500	232,883	67%	76,852	156,031
			3,811,659		1,272,951	2538,679

NOTES: 1. Assumes a level tax rate of 16 mils as effective July 1, 2001; 2. Assumes no appreciation or depreciation; 3. Estimated Tax Increment Revenues on Captured Assessed Value are the estimated amounts to be applied to pay costs of this Development Program.

EXHIBIT D
CERTIFICATE OF ASSESSOR

The undersigned assessor of the City of Ellsworth, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. Section 5254 that the assessed value of the Beckwith Hill Municipal Development and Tax Increment Financing District, as described in the Development Program for the District, was $3,577,300 as of March ~~31~~, 2002.

In Witness Whereof this Certificate has been executed as of this 13 day of May 2002.

Municipal Assessor

EXHIBIT E
PHYSICAL DESCRIPTION

1. Total Acreage of Municipality: 54,000 acres.

2. Total Acreage of proposed Municipal TIF District: 95.73 acres.

3. Percentage of total acreage in proposed Municipal TIF Districts (line 2 divided by line 1 cannot exceed 2%): 0.18%.

4. Total acreage of all existing and proposed Municipal TIF Districts in the Municipality: 95.73 acres

5. Percentage of total acreage in all existing and proposed municipal TIF Districts (line 4 divided by line 1 cannot exceed 5%): 0.18%

6. Total acreage of all real property in proposed Municipal TIF District, that is:

   a. blighted: 0 acres (line 6(a) divided by line 2 = 0%).

   b. acreage in need of rehabilitation, redevelopment or conservation: 95.73 acres (line 6(b) divided by line 2 = 100%).

   c. area suitable for industrial or commercial sites = 95.73 acres (line 6(c) divided by line 2 = 100%).

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

EXHIBIT F
TAX INCREMENT FINANCING TAX SHIFT FORMULAS

A tax increment financing district will result in certain tax shifts which result because the retained captured assessed value of the District will be excluded from the State Valuation of the property in the City. These tax shifts are noted in three basis formulae which use local property tax valuation as a basis for calculation. These three formulas are: (1) State Aid to Education; (2) Municipal Share of County Taxes; and (3) Revenue Sharing to the extent applicable.

"Tax Shifts" means the sum of the following amounts as calculated under the Tax Shift Formulas (a) the difference between the county tax payable by the City if the Captured Assessed Value that under the then existing Tax Shift Formulas is not included in the actual calculation of County Tax were included in the City's valuation in calculating the county tax, and the county tax payable by the City to the extent that the Captured Assessed Value is excluded from the City's valuation in calculating the county tax; plus (b) the difference between the State aid to education that would be received by the City if the Captured Assessed Value that under the then existing Tax Shift Formulas is not included in the actual calculation of State aid to education were included in the City's valuation in calculating State aid to education, and the State aid to education that received by the City to the extent that the Captured Assessed Value is excluded from the City's valuation in calculating such amounts of State aid to education; plus (c) the difference between the State revenue sharing that would be received by the City if the Captured Assessed Value that under the then existing Tax Shift Formulas is not included in the actual calculation of State revenue sharing were included in the City's valuation in calculating the amount of State revenue sharing, and the State revenue sharing received each year to the extent that the Captured Assessed Value is excluded in the City's valuation in calculating such amounts of revenue sharing. Examples of the calculation of the estimated Tax Shifts based on the current Tax Shift Formulas are attached as Exhibit F to the Development Program.

"Tax Shift Formulas" mean the formulas utilized by the State of Maine in calculating (a) the county tax payable in accordance with 30-A M.R.S.A. § 706 and 36 M.R.S.A. §§ 305(1), 381, as amended, and any successor provisions; (b) the municipal revenue sharing distribution of the Local Government Fund in accordance with 30-A M.R.S.A. §5681, as amended, and any successor provision, provided, however, that distribution of the Disproportionate Tax Burden Fund (the Revenue II fund) shall not be taken into consideration in such calculation since taxes assessed on captured value within a tax increment financing district are included in the amounts of the property assessed in determining allocations of such Disproportionate Tax Burden Fund; and (c) State aid to education, including aid for total operating costs, total program cost allocation (taking into account the maximum local share or circuit breaker) and total debt service cost allocation (taking into account the maximum local share or circuit breaker), but not taking into account the hold harmless or hardship cushion that results in additional State aid to education to the prior years level even through the calculation would have resulted in a reduction, all as computed in accordance with Maine Department of Education Form ED 261 or any successor form.

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

EDUCATION TAX SHIFT: Computed by comparing State Department of Education Form ED 261 for the City with and without retained CAV, but not taking into account the hold harmless or hardship cushion that results in additional State aid to education to the prior years level even through the calculation would have resulted in a reduction.

COUNTY TAX SHIFT: In order to compute this shift, we first obtained the most recent County State Valuation from the State Bureau of Taxation. We then determined the average Captured Assessed Value for the District over the life of the District. We then determined the City's current share of the County Tax by dividing the current City Valuation by the Current County Valuation. We then determined what the City's Share of the County Tax would be if the new value from the District were added by the City's Valuation without the creation of the District by dividing the sum of the current City Valuation plus the average new value by the sum of the current County Valuation plus the average new value. The difference is the factor representing the percentage of the County Tax Shift.

Next, we determined the estimated average annual county tax over the life of the District. To arrive at this number, the average change in County Tax for the last five years was determined and the percentage increase projected to the middle of the district's life. This projected tax was then multiplied by the factor developed above to determine the County Tax Shift.

REVENUE SHARING SHIFTS: The first step in determining the Revenue Sharing Tax Shifts was to obtain the total Municipal Revenue Sharing Amount from the State Treasurer. The five steps outlined in the following formula were then applied:

STEP ONE: $\dfrac{\text{Municipal Population X Local Property Tax Levied}}{\text{State Local Valuation}}$ = Current Factor

STEP TWO: $\dfrac{\text{Municipal Population X Local Property Tax Levied}}{\text{State Local Valuation + Captured Assessed Value}}$ = Adjusted Factor

STEP THREE: $\dfrac{\text{Current Factor}}{\text{Adjusted Factor}}$ = 1.X

STEP FOUR: 1.X - 1.0 = .X

STEP FIVE: .X (Total Municipal Revenue Sharing Amount) = Revenue Sharing Shift

The relevant computations are attached.

EXHIBIT F
COUNTY TAX SHIFT

$5,569,600,000	County Valuation	
$11,870,000	Average Retained CAV	

County Tax 2001	$3,787,324.80	30.72%
2000	$2,897,376.30	17.15%
1999	$2,473,240	6.07%
1998	$2,331,724.45	1.14%
1997	$2,305,354.70	
Average Increase		13.77%

Midpoint Increase - 8 years $10,630,522.62
City Valuation = $488,200,000
Average CAV = $11,870,000
Projected County Tax = $10,630,522.62
Projected City Share (w/o CAV) = 8.76%
Projected City Share (w/CAV) = 9.00%
Difference (w/CAV) = 0.24% x 10,630,522 = 25,513.25
Average Annual County Tax Shift = $25,513.25/year
x 20 years
$510,265.00

EDUCATIONAL AID TAX SHIFT

From ED261	Current Local Allocation	Revised ED261 if $11,870,000 in unsheltered valuation were added
Operating Costs (Line 30):	$3,641,371.83	$3,722,839.56
Program Costs (Line 39):	$679,750.50	$724,458.40
Debt Service (Line 47):	$237,675.00	$243,610.00
	$4,558,797.33	$4,690,908.06

Estimated Local Allocation of Costs if Valuation added without TIF:	$4,690,908.06
Current Local Allocation:	-$4,558,797.33
	$ 132,110.73
	20 years
	$2,642,214.60

EXHIBIT F
REVENUE SHARING TAX SHIFTS

Population = 6456
Total local tax levied = \$8,025,340
State Valuation = \$488,200,000
Average CAV = \$11,870,000
Revenue Sharing Amount =\$446,185.75

Step One: $\frac{6456 \times \$8{,}025{,}340}{488{,}200{,}000} = 106.1278$ (Current Factor)

Step Two: $\frac{6456 \times 8{,}025{,}340}{488{,}200{,}000 + 11{,}870{,}000} = 103.609$ (Adjusted Factor)

Step Three: $\frac{106.1278}{103.609} = 1.0243$

Step Four: 1.0243 - 1.0000 = 0.0243

Step Five:

0.0243 x 446,185.75= \$10,842.31/year or \$216,846.20 over 20 years

EXHIBIT G
LEGAL ADVERTISEMENT
CITY OF ELLSWORTH
PUBLIC NOTICE

Notice is hereby given that the City of Ellsworth will hold a public hearing on September 10, 2001 at 7:00 p.m. at City Hall in Ellsworth for purposes of receiving public comments on the designation of its proposed Beckwith Hill Municipal Development District and Tax Increment Financing District and the adoption of a Development Program for the said District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

A copy of the proposed Development Program for the new District is on file with the City Clerk of the City of Ellsworth and may be obtained from and reviewed at the offices of the City Clerk of the City of Ellsworth during normal business hours. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at the hearing.

470 For Sale

2 TV's, 19", color, works good, $25/each. 13" B&W TV, $15. Quick sale. 667-4787.

3 SETS of binoculars. Must see to appreciate. 667-4417.

4 BURNER General Electric stove, electric, gold colored, clean. $65. 667-7245.

50,000 BTU Sears Torpedo kerosene heater with thermostat. Excellent. $75. Call 667-9667.

AB/DOER II, 7 months old. $60. 664-2588.

AIR COMPRESSORS 5-7 1/2- 10-30 and 50HP, HYD, presses 50 and 100 ton, 1 %-30 KVA Spot welders, pierce all punch with dro, Niagra shear and pressbrake, 42" power roll. (603) 382-5671 (9-5PM)

B&D 12" Electric yard saw $18.; 4" 2.0 electric chain saw $40. 667-3477.

BEAUTIFUL solid bronze. Sept. 11 WTC/Pentagon commemorative coin w/case and stand $10. 537-5500 Jeff.

CAST iron cookware. 244-9005, Mount Desert.

CD-ROM DRIVE PCGA-CD5 designed exclusively for the VAIO 505 Super Slim Notebook. 1 year old in original box. $100. 244-9167.

DEPTH sounder, fish finder, Huminbird, 100SX, almost new, $75. Call 244-3495 evenings, 266-2917 days.

DRIED pine shavings for your pet. .50/bag. Come to Monroe & Goodwin, 255 Molyneaux Road, Camden.

ECLIPSE 6 fish tank, used but in good condition. Comes with archway, 5 new filters. $50. 422-8213.

ELECTRIC Out-board motor. Like new, used once, $100. 667-1056.

470 For Sale

GIRLS 10 speed bike, needs two tires, other than that good condition. $40/BO. 422-8213.

HOCKEY skates, men's size 10 1/2, only used 5 or 6 times. Asking $50. 288-9499.

JFK, collection headline news, memorial issues, MIS special issues, 30+ items. $50. 288-3580, azfinder@acadia.net

KAYAK/BIKE GEAR: Tandem fiberglass sea kayaks. Wilderness Systems Seascapes, $500. Used Mt. Bikes, over 100 to chose from at or below wholesale! Car racks, Yakima inventory sell off. All in stock Yakima is 50% off! Electric bikes $300 each or all 6 for $1500. Call Acadia Bike and Coastal Kayaking Tours in Bar Harbor for details, 288-9605.

LARGE closet type coldspot freezer. $30. Call 667-2280.

LITTLE TYKES Game Table. Play basketball, hockey, football, soccer or plain table top. $35. 667-8250.

O'BRIEN Windsurfer $75/BO. Good condition Nordic Trak NT Challenger cross country ski machine $65/BO includes performance computer. 862-4434.

OLYMPUS Infinity superzoom 300, 38-105mm, $50, Eyeglass frames, black, Toscani, flex hinge, T1016, $50. 667-1881.

ONLY $30 for both; Alpin\e tracker exercise machine and weight bench. Weights not included. 667-0083.

ORIGINAL Scott Moore landscape. 24 1/2" by 18 1/2". Framed, $450. Not a print. 236-8834.

OUTFIT your summer apt.! Couch, coffee table, desk, file cabinet, bookshelf - - all for $150. More stuff available. 288-8004.

470 For Sale

WOMEN'S mountain bike $50., desk $20., 2 white wrought iron chairs, $15/each. 244-9005.

WOOD STOVE, Franklin style. $100. 244-9005.

WOOD STOVE, parlor stove, front or side loading, nickel plating. $100. 244-9005.

WURLITZER organ: 3 Keyboard, $500, china cabinet, $250. Call 567-4040.

SNOWBOARD FLITE with bindings. Great for serious beginner. $75. 667-9667.

TASCO 8x30 waterproof binoculars, new, still in box, "Offshore 20" model. List $199, sell $80/BO. 288-3400.

TRADING cards for sale, all sports, all prices 667-7218.

TRUCK BOX , black heavy duty plastic. 37"L,x 21"Wx20"H. Good condition. $25. 422-8213.

WATERFORD woodstove, Model 100B, cast iron, brown enamel with window in door, used very little, new $1000, sell for $600/BO. Sears Kenmore window air conditioner, 12,000 BTU, old but still works, make offer. Call Alan 288-6000 ext. 1186 or 565-2711.

WOMAN'S mountain bike, nearly new. $100. 244-3676.

471 Appliances

1974 BROWN CO. stove. Propane Gas. Four burners. Harvest Gold. Oven and Broiler. Clean and in Good condition. Just replaced. Perfect for camp or cottage. FREE Call 667-4009.

4-BURNER electric stove, clean inside and out. gold tone. $50. Call 667-7245.

GE refrigerator 17.2 cu. ft. frostless, good con-

586 Legal Ads

586 Legal Ads

LEGAL ADVERTISEMENT
CITY OF ELLSWORTH
PUBLIC NOTICE

Notice is hereby given that the City of Ellsworth will hold a public hearing on May 13, 2002 at 7:00pm at City Hall in Ellsworth for the purpose of receiving public comments on a major amendment to the Beckwith Hill Municipal Tax Increment Finance Development Program adopted by the Ellsworth City Council on September 10, 2001, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statuses, as amended.
A copy of the proposed revision in the Development Program for the District is on file with the City Clerk of the City of Ellsworth during normal business hours. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at the meeting.

PUBLIC HEARING NOTICE

The municipal officers of the City of Ellsworth will hold a public hearing on Monday, May 13, 2002 at 7:00pm in the City Hall Council Chambers to hear comment on the application of: Erin Company, d/b/a the Holiday Inn, Union River Yacht Club 215 High Street for a city Class A License (food, liquor, amusement and lodging) and a state malt, spiritous and vinous liquor license.
All persons may appear to show cause, if any, why the above applications should not be approved.

Martha K. Bayer,
City Clerk .

PUBLIC HEARING NOTICE

The municipal officers of the City of Ellsworth will hold a public hearing on Monday, May 13, 2002 at 7:00pm in the City Hall Council Chambers to hear comment on the application of: Bruce Wardwell d/b/a The Max, Inc. 191 Main Street for a City C License (food and liquor) and a state malt, spiritous and vinous liquor restaurant license. All persons may appear to show cause, if any, why the above application should not be approved.

Martha K Bayer,
City Clerk

ELLSWORTH PLANNING BOARD
PUBLIC HEARING NOTICE
MAY 22, 2001

A special meeting of the Ellsworth Planning Board will be held on Wednesday, May 22, 2002, at 7:00 pm in the City Council Chambers, City Hall, to hear public comment and/or consideration on the following requests:
Request of John Dunn for a discussion on changes to the Ellsworth Subdivision Ordinance.

MEETING NOTICE

The regular monthly meeting of the Ellsworth City Council will be held on Monday, May 13, 2002 at 7:00PM in the City Hall Council Chambers

AGENDA

1. Call to Order.
2. Prayer of Invocation
3. Pledge of Allegiance
4. Rules of Order
5. Adoption of minutes from the April 8, 2002 regular monthly meeting of the Ellsworth City Council and the April 29, 2002 special meeting of the Ellsworth City Council.
6. City Manager's Report
7. Committee Reports
8. Citizens' Comments

NEW BUSINESS

590 Yard Sales

ELLSW[illegible] [illegible]er of Church [illegible]te Street [illegible]e. Fri., May [illegible]n., Sat. May 11, [illegible]m. First Cong[illegible]nal Church.

LOO[illegible] [illegible]ace to bring your [illegible]over yard sale [illegible] MDI Housing is [illegible] for good condit[illegible]ems for their an[illegible]und-raiser Yard Sale June 1. Items can be dropped off at the Malvern Belmont, 80 Mt. Desert St., Bar Harbor, or at Union River Estates, Water St., Ellsworth.

MANSET multi-family yard sale: Sat., May 11, 8am, 206 Seawall Road. Household, adult and children clothes, toys, many more good things. Rain or shine.

NORTHEAST HARBOR yard sale, Saturday, May 11, 8am-12noon, 83 Summit Rd. Rugs, wingback, wicker, shelves, blue glass, household items, etc. No clothes.

OLD TOOLS and antiques for sale. Liberty Tool Co. open every day Thurs.-Sun. 9am-5pm; Captain Tinkhams (Searsport) and Hulls Cove Tool Barn. Open Sat. 9am-5pm, Sun. 11am-5pm. Tools wanted: 888-405-2007.

SEAL COVE: Sat. May 11, 10am, near Seal Cove Post Office. Everything must go.

SOUTHWEST HARBOR: yard sale, Sat. May 11, at 9am-1pm. 7 Marshall Brook Road. No early birds please.

SOUTHWEST HARBOR moving sale, Saturday, May 11, 9am-3pm, 73 Bass Harbor Rd. Sailing punt, furniture, various household items, books, bedding, clothing, some children's items.

SOUTHWEST HARBOR: yard sale, Sat. May 11 9am., 6 Maple Ave. Letting go spring yardie. Cooking and

EXHIBIT H
ELLSWORTH CITY COUNCIL

VOTED THAT: The City of Ellsworth, Maine (the "City") hereby designates the Beckwith Hill Municipal Development and Tax Increment Financing District and adopts the Development Program for the District presented at this City Council Meeting, such designation and adoption to be pursuant to the following terms and provisions:

1. That, under and pursuant to the provisions of Title 30-A, Chapter 207 of the Maine Revised Statutes, as amended, the development program and financial plan entitled "Beckwith Hill Municipal Development and Tax Increment Financing District Development Program" as presented to this meeting and a copy of which is hereby incorporated herein by reference and as part of the minutes to this meeting, is hereby approved as the Development Program for the District and for the reasons set forth therein, the City finds and determines that: designation of the District and pursuit of the Development Program will make a contribution of the economic growth or well-being of the City and to the betterment of the health, welfare or safety of its inhabitants, including employment opportunities, broadened and improved tax base and economic stimulus, constituting good and valid public purposes and any adverse economic effect on any existing business is outweighed by the contribution made by the District and the Development Program to the economic growth or well-being of the City and the betterment of the health, welfare and safety of its inhabitants and the City further makes the other findings and determinations as set forth in said Development Program and the Exhibits thereto; and

2. That the area of the City of Ellsworth entitled "Beckwith Municipal Development and Tax Increment Financing District" as more particularly described in said approved development program is hereby designated as a Municipal Development District and Tax Increment Financing District and such designation shall automatically become final and shall take full force and effect upon receipt by the City of approval of the District by the Maine Department of Economic & Community Development, without the requirement of any further action by the City, the City Council or any party; and

3. That the portion or percentage of increased assessed value of said District to be retained, as captured assessed value, in accordance with the development program is hereby established as set forth in the Development Program and Financial Plan; and

4. That the City Manager is hereby authorized and directed, on behalf of the City of Ellsworth, Maine to execute and submit to the Commissioner of Economic and Community Development for approval such applications and further documentation as may be necessary or appropriate for final approval and establishment of the Beckwith Hill Municipal Development and Tax Increment Financing District and its development program and financial plan and pursuant to 30-A MRSA §5253; and the City Manager be, and hereby is, authorized and empowered, at his discretion, from time to time, to make such technical revisions to the Development Program for the District as DECD or the City Manager deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Commissioner of the Department of Economic and Community Development, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

RECORD OF MEETING
ELLSWORTH CITY COUNCIL

DATE: MAY 13, 2002
TIME: 7:00 P.M.
PLACE: ELLLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEAL, BUCKMINSTER, CICIOTTE, CROSTHWAITE, KING, LOUNDER AND REEVE

Councilor Buckminster questioned if the downstairs portion would be opened and if smoking would be allowed.

Mr. Parker responded that the downstairs would open in a few months and that smoking would not be permitted.

On a motion by Buckminster, seconded by Reeve it was unanimously

RESOLVED to approve the request of Matthew J. Parker d/b/a Turriglio's, 59 Franklin Street, Ellsworth, Maine, for issuance of a City Class B license (food, liquor and amusement) and a State restaurant liquor license.

Approved – Turrigilio's City and State liquor license

A public hearing was held for the purpose of receiving public comments on a major amendment to the Beckwith Hill Municipal Tax Increment Finance Development District and Development Program.

The City Manager provided an overview of the proposal. He explained that the City adopted the initial proposal in September 2001. Shortly thereafter changes were made in the expected development plans for the Beckwith Hill area, sharply decreasing the revenue stream to be generated by the TIF. The amendment reflects a more realistic revenue stream and program. The program itself is increased in term from ten to twenty years.

Councilor King questioned if the listing of the TIF projects suggested their priority.

The City Manager responded that the listing did not suggest priority.

The public hearing was opened.

Citizen, Gary Fortier questioned if the zone of the TIF area had been increased.

The City Manager replied that it had been increased only to include the physical boundaries of Beechland Road, the public way and Route 1A, near the Business Park.

→ wads only?

There were no further public comments.

The public hearing was closed.

RECORD OF MEETING
ELLSWORTH CITY COUNCIL

DATE: MAY 13, 2002
TIME: 7:00 P.M.
PLACE: ELLLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEAL, BUCKMINSTER, CICIOTTE, CROSTHWAITE, KING, LOUNDER AND REEVE

Councilor Buckminster question the requirements for the small business loan program.

The City Manager replied those criteria would be set by the City Council.

Chairman Lounder reviewed the changes in the development program funding. Lounder stated that it was his understanding that as conditions changed over time the City could respond to those changes with relative ease.

The City Manager concurred.

On a motion by King, seconded by Buckminster, it was unanimously

RESOLVED to approve the Beckwith Hill Municipal Tax Increment Finance Development District and Development Program as revised, dated 5/13/02.

Approved – Beckwith Hill Municipal Tax Increment Finance Development District and Development Program as revised, dated 5/13/02

On a motion by Beal, seconded by Ciciotte, it was unanimously

RESOLVED to approve Council Order #050200, request of the City Clerk for approval of Wardens and Ward Clerks for the June 11, 2002 Primary and Referendum Election.

Approved – CO#050200- appointment of Wardens & Ward Clerks for June 11, 2002 Primary

Title: Appointment of Warden and Ward Clerks for the four voting districts

* * * * *

WHEREAS, Title 21A provides that the City Clerk shall appoint Wardens and Ward Clerks with the approval of the municipal officers; and

WHEREAS, these appointments are made in each general election year; it is hereby

RESOLVED, to appoint the following persons to their respective Wards:

A TRUE RECORD
ATTEST: Martha K. Bayer
MARTHA K. BAYER, CITY CLERK
ELLSWORTH, MAINE
MAY 17, 2002

CITY OF ELLSWORTH, MAINE

Beckwith Hill MUNICIPAL DEVELOPMENT AND

TAX INCREMENT FINANCING DISTRICT

DEVELOPMENT PROGRAM

REVISED 5/13/02

Beckwith Hill Municipal Development and Tax Increment Financing District

Table of Contents

<u>Exhibits</u>

Beckwith Hill Development Program
Municipal Development and Tax Increment Financing District

Article I. Introduction and Summary of Benefits:

This Development Program and Financial Plan provides for the creation of a Municipal Development and Tax Increment Financing District in order to pay costs of certain economic development projects. These projects will significantly expand the City's tax base, create certain important new employment opportunities, and generally improve the economy of the City of Ellsworth. By facilitating new commercial development, the City will create important public benefits for its ~~citizens.~~ citizens. For the purpose of this section, quality jobs means jobs with wage and benefit levels targeted at or above the Hancock County median. Any value to city assets directly resulting from the Development Program will not be passed through to entities not meeting the quality jobs objective.

Article II. Development Program Narrative

Section 2.01: Statement of Means and Objectives

The City of Ellsworth (the "City") desires to facilitate the economic development projects described herein in order to expand and diversify the tax base of the City in a significant way, to create new employment opportunities and to improve its economy. By attracting quality jobs and creating a healthy tax base, the City will promote the community well being.

In order to fulfill these goals, the property described in Exhibit A is hereby designated as the Beckwith Hill Municipal Development and Tax Increment Financing District (the "District"). The District consists of all real property now or hereafter located in the District. The Development Program described herein will serve the purpose of administering the District as a Municipal Tax Increment Financing District pursuant to Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended (the "Development Program"). Upon approval by the City of Ellsworth designating the District and adoption of this Development Program by the City at a City Council Meeting, the designation of the District and adoption of the Development Program will become final immediately, subject only to approval by the Maine Department of Economic and Community Development. The Development Program provides for economic development incentives called municipal tax increment financing (TIF) similar to that previously adopted by numerous other Maine municipalities. A TIF involves creation of a geographically defined district in the City and the "capture" or reinvestment of some of the new or "incremental" tax revenues generated by new development and business expansion in the District to pay certain costs described in this Development Program.

The Development Program, as described herein, consists of projects described in Section 2.03 hereof (the "Development Program"). The District is designed to stimulate new investment in the City by allocating a portion of the new or incremental tax revenues generated by new development in the District to the Development Program. Sixty Seven percent (67%) of the municipal tax increment revenues on the new or increased assessed value from the District will be retained by the City under the Development Program to pay costs of the Development Program described herein. The remaining new taxes from the District will be transferred to the general fund of the City.

The existing property in the District currently produces over ~~$53,000~~$50,000 in real estate taxes for the City. The anticipated new development in the District is expected to generate on average over the term of the District of approximately an additional ~~$380,000~~$150,000 annually in additional tax revenues, a portion of which will be captured or retained pursuant to this Development Program by the City to pay for costs of the Development Program described herein. The means and objectives of the Development Program thus are to provide significant economic benefit to the City by using a portion of the new taxes from the District to pay the costs of this Development Program in order to expand and diversify the tax base and creating new employment opportunities. By creating the District and paying the costs of the Development Program, thereby expanding and diversifying the tax base and creating new jobs, a public benefit results.

Section 2.02: Brief Discussion of Financial Plan:

The following is a brief summary of the Financial Plan. The Financial Plan of the District is set forth in greater detail in Article III below. A portion of the incremental tax revenues resulting from the District will be captured by the City under the Development Program to pay costs of the Development Program as set forth in Section 3.04 hereof and Exhibits B and C hereof. The development costs and sources and uses of funds associated with the Development Program are further described in Sections 2.01, 2.03 and 3.01 hereof and in Exhibits B and C hereto. All tax revenues generated on the original assessed value of existing property in the District will continue to be paid to the General Fund of the City. The costs of this Development Program will be paid from 67% of the tax increment produced by new development in the District.

Section 2.03: Development Program.

The City will retain a portion of the tax increment revenues from the District as described in Section 3.04 and Exhibit C to finance, in part, some or all of the costs of the following projects (the "Development Program"):

in ?

(i) Ellsworth Business Park: The City of Ellsworth has been dependent on a narrow group of business segments for much of the local economy. The community has recognized the need to broaden the industry base. One of the City's major priorities is to provide prepared sites for new or expanding businesses. The City has acquired a 25-acre piece of land adjacent to Route 1A on the north edge of the Commercial Business District proximate to municipal services. The City has completed and received approval by the local planning board for a 10-lot business park on this parcel. The City anticipates that this development will provide a substantial direct impact on job creation. The projected development will include the construction of roads, electric, water, sewer, and storm water utilities to serve the new business park. Also included is the potential to construct one or more buildings in the park to attract businesses that need available buildings to relocate. The estimated cost for this project ~~to $1,350,000.~~is $937,390. The Ellsworth Business Park will create substantial new employment opportunities and expand and diversify the City's tax base.

(ii) Economic Development Marketing Program: Key to the sustained growth of the Ellsworth area is an active business attraction and retention program. The City of Ellsworth has coordinated with Coastal Acadia Development Corporation to provide an active program to market the City as a business location and to create new economic development. The estimated City portion of the cost for this project is $600,000.

— in?

(iii) Beechland Road Reconstruction: One of the major access routes to the Municipal Development District~~will include a Super Walmart and a major retail shopping center (200,000 sq. ft.) called Acadia Crossing~~ is Beechland Road. The road is unsuitable for the levels of traffic expected to utilize it. Planned is the reconstruction of the full one-mile length of road. The estimated cost of that road project is ~~$600,000.~~$755,000. Construction of the Beechland Road improvements are required due to the improvements in the District that will result in traffic levels that could not be adequately handled on that road without the proposed road improvements. Such road improvements will mitigate the impact of the District upon the City and its citizens.

— in?,

(iv) Waterfront Improvements: For a number of years~~of~~ the City has realized the potential economic development value of the redevelopment of the waterfront. Close to the downtown area it has the potential to become a significant boost for the local economy. In 2001, after many years of City effort, the Army Corps of Engineers dredged the federal channel of the Union River out to Union River Bay. In FY 2002 the City will dredge the harbor perimeter. The Ellsworth Harbor Committee and the Executive Committee for Waterfront Development is preparing a strategic plan to upgrade the harbor facilities, construct facilities to connect the waterfront to the commercial downtown, and increase public access. A number of the existing uses including an auto dealership, motor vehicle repair, used car sales and fuel oil business should be replaced by new economic development projects. The dredging of the harbor will help marine related businesses, such as Maine Shellfish including delivery of lobsters, clams, and shrimp. The estimate cost of this project is ~~$1,200,000 including $500,000 for dredging to enhance commercial enterprises; $500,000~~$590,000 for land acquisition and redevelopment and~~$250,000~~ for Harbor improvements including pump facilities and improvement of City owned dock facilities.

The foregoing projects are the primary projects to be undertaken as part of this Development Program. To the extent that available captured tax increment revenues remain from the District, the City will undertake the following pursuant to this Development Program: (a) ~~improvement to City wastewater treatment plant to~~$100,000 capitalization of a revolving loan ~~eliminate infiltration and inflow, in order to accommodate increased economic development at an estimated cost of $250,000; (b) other environmental improvement projects including improvements to drainage facilities; (c) improvements to the East Main Street water main to serve commercial development purposes (industrial land) including an enlarged water main and a new pump station at an estimated cost of $600,000.~~program for small businesses in the Downtown Business District that may be adversely affected by large scale retail development in the Beckwith Hill area. The City finds that each of the specific projects described herein, within each of the foregoing categories, will either directly or indirectly provide or encourage new employment opportunities within the City, encourage and promote economic development that will broaden the City's tax base, and/or improve the general economy of the City. The projects included in the Development Program are qualifying "project costs" under Chapter 207 of Title 30A of the Maine Revised Statutes. To the extent that the captured tax increment revenues are not expended for such projects, such funds may be expended for other "project costs" as defined in 30-A M.R.S.A. § 5252(9)-(11) and authorized by the City Council from time to time, subject to any necessary approval by the Maine Department of Economic and Community Development pursuant to such law. The specific public improvement projects to be financed with the captured tax revenues on the captured portion of the increased tax revenues will be approved through subsequent action of the City, and nothing in this Development Program shall be interpreted to authorize, without further City Council authorization, expenditure for any of the projects described herein.

Section 2.04: Public Facilities Descriptions.

Except to the extent funded by the Development Program and by private investment anticipated as a result of this Development Program, existing public facilities are adequate to serve the District and the new projects anticipated therein.

Section 2.05: Current and Proposed Uses of Private Property

The project will be developed on property within the District that is currently vacant land or under utilized land. The property in the District will be developed as a~~Walmart,~~ Home Depot and other commercial development.

Section 2.06: Relocation Plan.

The City will use reasonable efforts to assist businesses or persons who will be displaced or relocated as a result of the development activities proposed in the District in finding suitable new locations.

Section 2.07: Transportation Improvements.

The existing transportation facilities of the City combined with the improvements that will be made as part of the Development Program are adequate to accommodate the anticipated development of the District.

Section 2.08: Environmental Controls.

All environmental controls required by law shall be adhered to, including any applicable requirements of the City of Ellsworth Zoning Ordinance. Appropriate steps will be taken to ensure that the construction and operation of the improvements in the District comply with all State and federal environmental laws and regulations.

Section 2.09: District Operation.

Except to the extent provided for in the Development Program, the day-to-day operations of the District will require no substantial efforts by the City.

Section 2.10: Program Duration.

The duration of the District will be ~~fifteen~~twenty years.

Article III. Financial Plan

Section 3.01: Costs Estimates for the Development Program.

The estimated cost of the Development Program is approximately ~~$4,600,000.~~$3,000,000. Such costs are set forth in greater detail in Exhibit B hereto.

Section 3.02: Amount of Indebtedness to be Incurred.

The City may incur any indebtedness in connection with the Development Program. It is currently anticipated that the City will issue its general obligation bonds to fund most of the costs of the Ellsworth Business Park. The City may also issue general obligation bonds to pay other project costs of the Development Program. To the extent that indebtedness is incurred, the City will deposit a portion of the tax increment revenues necessary to pay principal and interest on such bonds into the development sinking fund account. If any part of this program is financed through bonded indebtedness of the City, such portion of the Development Program must be completed within five (5) years of the designation of the District by the Commissioner of Economic Development described in Section 3.04 hereof.

Section 3.03: Sources and Uses of Anticipated Revenues.

The City will deposit 67% of the Tax Increment Revenues as described in Section 3.04 (which amounts are estimated in Exhibit C) into the Development Program Fund created hereby. The sources of anticipated revenues generated by the District to be used to make the payments under are (i) municipal tax increment revenues on retained captured assessed value, a portion of which tax increment will be deposited as received into the Development Program Fund as described in Sections 3.04 hereof, and (ii) earnings on amounts in the Development Program Fund. The City will use the Tax Increment Revenues deposited in the Development Program Fund as described in Section 3.04 herein for costs of the Development Program.

Section 3.04: Estimates of Captured Assessed Values and Portion of CAV to be Applied to Development Program.

The Tax Increment Revenues of the District are that portion of the real property taxes assessed by the City, in excess of any State, county or special district tax, upon the Increased Assessed Value of property in the District. Increased Assessed Value means the valuation amount by which the assessed value of the District in any year exceeds the Original Assessed Value of the District. The Original Assessed Value of the District means the assessed value of property in the District as of March 31, 2001 as described in Exhibit D hereof. If the current assessed value at the time is equal to or less than the Original Assessed Value there is no Increased Assessed Value for that year. The Captured Assessed Value means the amount, expressed as a percentage or stated sum, of Increased Assessed Value that is utilized from year to year to finance the project costs described in this Development Program. The Captured Assessed Value of this Development Program shall be 67% of the Increased Assessed Value.

The table attached hereto as Exhibit C reflects (i) the Original Assessed Value of all real property within the District, (ii) the estimated Increased Assessed Value per year following implementation of the Development Program, (iii) the estimated Tax Increment Revenues per year on the Increased Assessed Value following implementation of the Development Program, (iv) the Captured Assessed Value Percentage; (v) the estimated Tax Increment Revenues allocated to the General Fund of the City; and (vi) the estimated Tax Increment Revenues from the Captured Assessed Value, which is the estimated percentage of the property taxes on the Increased Assessed Value of the District that will be used to finance the costs of this Development Program, The percentage of the Increased Assessed Value of the District to be retained as Captured Assessed Value in each year is 67%. Such Captured Tax Increment Revenues will be used by the City each year in the manner described herein.

A Development Program Fund shall be established by the City consisting of the (a) a Project Cost Account pledged to and charged with the payment of project costs that are to be paid other than from proceeds of Bonds issued by the City and (b) a Development Sinking Fund Account that is pledged to and charged with payment of principal and interest, when due, on any notes, bonds or other evidence of indebtedness issued by the City to pay, refund or reimburse the costs of this Development Program. Upon receipt of each payment of real property tax, for each year during the term of the Development Program as described in Section 2.10 hereof, the City shall deposit that payment constituting the Tax Increment Revenues from the Captured Assessed Value into the Development Program Fund. The City shall annually set aside all Tax Increment Revenues on Captured Assessed Values and deposit such revenues to the appropriate Development Program Fund Account in the following priority:

(1) To the Development Sinking Fund Account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual debt service on bonds and notes issued pursuant to this Development Project and the financial plan;

(2) To the Project Cost Account, an amount sufficient, together with estimated future revenues to be deposited to the account and earnings on the amount, to satisfy all annual project costs to be paid from the account;

The City may make transfers between the Development Program Fund accounts as required, provided that the transfers do not result in a balance in the Development Sinking Fund Account that is insufficient to cover the annual obligations of the account.

The Tax Increment Revenues captured and retained and deposited into the Development Program Fund will be used to pay costs of the Development Program described in Section 2.03 hereof or will be deposited into the reserve fund(s) hereafter described. The City will establish the Development Program Fund or a series of Development Programs Funds for the City, as one or more permanent municipal reserve funds created and administered pursuant to the provisions of Title 30-A Section 5801 of the Maine Revised Statutes, as amended, which funds shall be dedicated to the payment of costs of the Development Program. Upon each payment of real property tax with respect to property in the District, the City shall deposit to the Development Program Fund the Tax Increment Revenues on the Captured Assessed Value. As the deposit and investment of funds in the Development Program Fund accrue and increase to a level which permits funding of the Development Program or as bonds or notes are issued to fund such costs, the Development Program will be undertaken and funded from such reserve fund(s). Accordingly, all Tax Increment Revenues deposited into the Development Program Fund reserve fund(s) shall be deemed to have been expended and used to satisfy the obligations of the City with respect to the Development Program described in the Development Program when deposited into such reserve fund(s).

Section 3.05: Financial and Statistical Data.

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

(a) Total value of equalized taxable property in Ellsworth as of March 31, 2001: $488,200,000.

(b) Aggregate value of equalized taxable property in all existing and proposed tax increment financing district as of April 1st preceding each such District's designation: $3,577,300.

(c) Percentage of total value of equalized taxable property represented by aggregate value of all equalized taxable property in all existing and proposed tax increment financing districts (i.e., item (b) divided by item (a) expressed a percentage): 0.73%

(d) Aggregate original principal amount of principal indebtedness financed by the proceeds from tax increment financing districts within Hancock County, including the District, does not exceed $50,000,000.

Attached hereto as Exhibit D is the anticipated form of certification of original assessed value by the Assessor of the City of Ellsworth in accordance with the requirements of 30-A M.R.S.A. § 5254(2).

Section 3.06: Estimated Impact of Financing Upon Taxing Jurisdiction.

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

Tax Shift Item	Average Annual Amount	Total Undiscounted Amount
Educational Aid	~~$209,242.73~~	~~$3,138,640.95~~$132,110.73
$2,642,214.60		
County Tax	~~$41,459.04~~	~~$621,885.60~~
~~State Revenue Sharing~~	~~$21,720.32~~	~~$325,804.80~~$25,513.25
$510,265.00		
State Revenue Sharing	$10,842.31	$216,846.20

Attached hereto as Exhibit F is a summary of the methodology and calculations utilized in calculating tax shifts.

Article IV. Physical Description.

Section 4.01: Physical Description of the District.

Set forth in Exhibit A is a plan depicting the District and a property description of the District.

Article V. Municipal Approvals.

Section 5.01: Public Hearing.

Attached hereto as Exhibit G is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. § 5253. The Notice was published in the Ellsworth Weekly, a newspaper of general circulation in Ellsworth, on ~~August 30 ____, 2001,~~May 2, 2002, a date at least 10 days prior to the public hearing. The public hearing was held on ~~September 10, 2001.~~May 13, 2002. At the public hearing, interested parties were given a reasonable opportunity to present testimony concerning the District and this Development Program. The City considered any evidence presented at the hearing regarding any detriment to existing business in the City and made the findings set forth herein and in Exhibit H hereto.

Section 5.02: Authorizing Votes.

Attached as Exhibit H is a copy of the City Council authorizing votes and municipal tax increment financing resolution proposed for adoption at a City Council meeting of the City of Ellsworth at a meeting thereof duly called and held on ~~September 10, 2001~~May 13, 2002 designating the District and adopting the Development Plan.

The undersigned, being the City Manager of the City of Ellsworth, certifies that all of the information contained herein is true and correct to the best of his knowledge.

Dated: ~~September ____, 2001.~~May ____, 2002.

____

City Manager, City of Ellsworth

EXHIBIT A

PROPERTY DESCRIPTION AND CONFIGURATION OF DISTRICT

The ~~Route One~~Beckwith Hill Municipal Development and Tax Increment Financing District is located in the City of Ellsworth, Hancock County, Maine and consists of the real estate shown on the ~~City's~~City's Tax Map 16 as Lots 7, 8, 18, 20, 47-1, 47-2, 47-4, 47-5, 47-6, 47-7, 47-8, 47-9, 53~~,~~ and on the City's Tax Map 22 shown as Lots 1, 3~~,~~ and the portion of Route One between such lots. The district also includes Beechland Road.

The district as it relates to improvements along the Union River Waterfront include real estate shown on the City's Tax Map 130 Lot 10 and Map 134 Lots 179, 180, 181, 182, 182-1, 183, 184, 185, 186, 188, and 189.

The district as it relates to improvements for the Ellsworth Business Park includes Bangor Road (Route 1A) from Ellsworth High School to Lakes Lane, a 300 foot section of Lakes Lane, and the Business Park consisting of real estate shown on the City's Tax Maps as Map 42 Lot 8-1.

~~lots, all as~~ These are all shown on the Map or Plan of the District attached hereto~~-~~.

EXHIBIT B
ESTIMATED DEVELOPMENT COSTS

Activity	**Municipal TIF Proceeds**
~~1. Land Acquisition~~	~~$500,000~~
1. Land Acquisition	$250,000
2. Building Acquisition	
3. Relocation of Persons and Businesses	
4. Clearance & Demolition	
~~5. Street & Site Improvements (on site and off site~~	~~$1,950,000~~
5. Street & Site Improvements (on site and off site	$2,032,390
~~6. Water & Sewer Improvements~~	~~$1,550,000~~
6. Water & Sewer Improvements	
7. Building Construction	
8. Parking Facilities	
9. Capital Equipment	
10. Preferred Fees	
~~11. Administrative Costs~~	~~$600,000~~
11. Administrative Costs	$700,000
12. Discretionary Payments	
13. Training Costs	
14. Other Costs	

Exhibit C

Allocation of Estimated Tax Increment Revenues

Year	Original Assessed Value	Estimated Increased Assessed Value	Estimated Tax Increment Revenues on Estimated Increased Assessed Value	Captured Assessed Value Percentage	Estimated Tax Increment Revenues for General Fund	Estimated Tax Increment Revenues Captured Assessed Value for Development Program
~~1~~	~~3,577,300~~	~~9,500,000~~	~~152,000~~	~~67%~~	~~50,160~~	~~101,840~~
~~2~~	~~3,577,300~~	~~23,000,000~~	~~368,000~~	~~67%~~	~~121,440~~	~~246,560~~
~~3~~	~~3,577,300~~	~~24,000,000~~	~~384,000~~	~~67%~~	~~126,440~~	~~257,280~~
~~4~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~5~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~6~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~7~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~8~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~9~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~10~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~11~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~12~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~13~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~14~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
~~15~~	~~3,577,300~~	~~25,000,000~~	~~400,000~~	~~67%~~	~~132,000~~	~~268,000~~
1	3,483,600	8,132,500	136,883	67%	49,693	87,180
2	3,483,600	8,132,500	136,883	67%	49,693	87,180
3	3,483,600	8,132,500	136,883	67%	49,693	87,180
4	3,483,600	8,882,500	148,883	67%	49,628	99,255
5	3,483,600	9,882,500	154,883	67%	51,628	103,255
6	3,483,600	9,882,500	154,883	67%	51,628	103,255
7	3,483,600	10,382,500	162,883	67%	53,752	109,131
8	3,483,600	12,382,500	192,883	67%	63,652	129,231
9	3,483,600	12,382,500	192,883	67%	63,652	129,231
10	3,483,600	12,882,500	200,883	67%	66,292	134,591
11	3,483,600	12,882,500	200,883	67%	66,292	134,591
12	3,483,600	12,882,500	200,883	67%	66,292	134,591
13	3,483,600	13,382,500	216,883	67%	71,572	145,311
14	3,483,600	13,382,500	216,883	67%	71,572	145,311
15	3,483,600	13,382,500	216,883	67%	71,572	145,311
16	3,483,600	13,882,500	224,883	67%	74,212	150,671
17	3,483,600	13,882,500	224,883	67%	74,212	150,671
18	3,483,600	13,882,500	224,883	67%	74,212	150,671
19	3,483,600	14,382,500	232,883	67%	76,852	156,031
20	3,483,600	14,382,500	232,883	67%	76,852	156,031

NOTES: 1. Assumes a level tax rate of 16 mils as effective July 1, 2001; 2. Assumes no appreciation or depreciation; 3. Estimated Tax Increment Revenues on Captured Assessed Value are the estimated amounts to be applied to pay costs of this Development Program.

EXHIBIT D
CERTIFICATE OF ASSESSOR

The undersigned assessor of the City of Ellsworth, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. Section 5254 that the assessed value of the ~~Route One~~Beckwith Hill Municipal Development and Tax Increment Financing District, as described in the Development Program for the District, was $3,577,300 as of March 31, 2001.

In Witness Whereof this Certificate has been executed as of this ___ day of ~~September 2001.~~May 2002.

____
Municipal Assessor

EXHIBIT E
PHYSICAL DESCRIPTION

1. Total Acreage of Municipality: 54,000 acres.

2. Total Acreage of proposed Municipal TIF District: 95.73 acres.

3. Percentage of total acreage in proposed Municipal TIF Districts (line 2 divided by line 1 cannot exceed 2%): 0.18%.

4. Total acreage of all existing and proposed Municipal TIF Districts in the Municipality: 95.73 acres

5. Percentage of total acreage in all existing and proposed municipal TIF Districts (line 4 divided by line 1 cannot exceed 5%): 0.18%

6. Total acreage of all real property in proposed Municipal TIF District, that- is:

   a. blighted: 0 acres (line 6(a) divided by line 2 = 0%).

   b. acreage in need of rehabilitation, redevelopment or conservation: 95.73 acres (line 6(b) divided by line 2 = 100%).

   c. area suitable for industrial or commercial sites = 95.73 acres (line 6(c) divided by line 2 = 100%).

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

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

EDUCATION TAX SHIFT: Computed by comparing State Department of Education Form ED 261 for the City with and without retained CAV, but not taking into account the hold harmless or hardship cushion that results in additional State aid to education to the prior years level even through the calculation would have resulted in a reduction.

COUNTY TAX SHIFT: In order to compute this shift, we first obtained the most recent County State Valuation from the State Bureau of Taxation. We then determined the average Captured Assessed Value for the District over the life of the District. We then determined the City's current share of the County Tax by dividing the current City Valuation by the Current County Valuation. We then determined what the City's Share of the County Tax would be if the new value from the District were added by the City's Valuation without the creation of the District by dividing the sum of the current City Valuation plus the average new value by the sum of the current County Valuation plus the average new value. The difference is the factor representing the percentage of the County Tax Shift.

Next, we determined the estimated average annual county tax over the life of the District. To arrive at this number, the average change in County Tax for the last five years was determined and the percentage increase projected to the middle of the district's life. This projected tax was then multiplied by the factor developed above to determine the County Tax Shift.

REVENUE SHARING SHIFTS: The first step in determining the Revenue Sharing Tax Shifts was to obtain the total Municipal Revenue Sharing Amount from the State Treasurer. The five steps outlined in the following formula were then applied:

STEP ONE: $\dfrac{\text{Municipal Population X Local Property Tax Levied}}{\text{State Local Valuation}}$ = Current Factor

STEP TWO: $\dfrac{\text{Municipal Population X Local Property Tax Levied}}{\text{State Local Valuation + Captured Assessed Value}}$ = Adjusted Factor

STEP THREE: $\dfrac{\text{Current Factor}}{\text{Adjusted Factor}}$ = 1.X

STEP FOUR: 1.X - 1.0 = .X

STEP FIVE: .X (Total Municipal Revenue Sharing Amount) = Revenue Sharing Shift

The relevant computations are attached.

EXHIBIT F
COUNTY TAX SHIFT

$5,569,600,000 County Valuation
~~$23,766,667~~$11,870,000 Average Retained CAV

County Tax	2001	$3,787,324.80	30.72%
	2000	$2,897,376.30	17.15%
	1999	$2,473,240	6.07%
	1998	$2,331,724.45	1.14%
	1997	$2,305,354.70	
	Average Increase		13.77%

Midpoint Increase - 8 years $10,630,522.62
City Valuation = $488,200,000
Average CAV = ~~$23,766,667~~$11,870,000
Projected County Tax = $10,630,522.62
Projected City Share (w/o CAV) = 8.76%
Projected City Share (w/CAV) = ~~9.15%.~~9.00%
Difference (w/CAV) = ~~0.39%~~0.24% x 10,630,522 = ~~41,459.04~~25,513.25
Average Annual County Tax Shift = ~~41,459.04/year~~$25,513.25/year
x ~~15 years~~
~~$621,885.60~~20 years
$510,265.00

EDUCATIONAL AID TAX SHIFT

From ED261 unsheltered	Current Local Allocation	Revised ED261 if ~~$23,766,667~~$11,870,000 in valuation were added
~~Operating Costs (Line 30):~~	~~$3,641,371.83~~	~~$3,804,744.90~~
Operating Costs (Line 30):	$3,641,371.83	$3,722,839.56
~~Program Costs (Line 39):~~	~~$679,750.50~~	~~$713,736.83~~
Program Costs (Line 39):	$679,750.50	$724,458.40
~~Debt Service (Line 47):~~	~~$237,675.00~~	~~$249,558.33~~
Debt Service (Line 47):	$237,675.00	$243,610.00
	~~$4,558,797.33~~	~~$4,768,040.06~~
	$4,558,797.33	$4,690,908.06

EXHIBIT G
LEGAL ADVERTISEMENT
CITY OF ELLSWORTH
PUBLIC NOTICE

Notice is hereby given that the City of Ellsworth will hold a public hearing on ~~September 10, 2001~~May 13, 2002 at 7:00 p.m. at City Hall in Ellsworth for purposes of receiving public comments on the designation of its proposed Beckwith Hill Municipal Development District and Tax Increment Financing District and the adoption of a Development Program for the said District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

A copy of the proposed Development Program for the new District is on file with the City Clerk of the City of Ellsworth and may be obtained from and reviewed at the offices of the City Clerk of the City of Ellsworth during normal business hours. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at the hearing.

EXHIBIT H
ELLSWORTH CITY COUNCIL

VOTED THAT: The City of Ellsworth, Maine (the "City") hereby designates the Beckwith Hill Municipal Development and Tax Increment Financing District and adopts the Development Program for the District presented at this City Council Meeting, such designation and adoption to be pursuant to the following terms and provisions:

1. That, under and pursuant to the provisions of Title 30-A, Chapter 207 of the Maine Revised Statutes, as amended, the development program and financial plan entitled "Beckwith Hill Municipal Development and Tax Increment Financing District Development Program" as presented to this meeting and a copy of which is hereby incorporated herein by reference and as part of the minutes to this meeting, is hereby approved as the Development Program for the District and for the reasons set forth therein, the City finds and determines that: designation of the District and pursuit of the Development Program will make a contribution of the economic growth or well-being of the City and to the betterment of the health, welfare or safety of its inhabitants, including employment opportunities, broadened and improved tax base and economic stimulus, constituting good and valid public purposes and any adverse economic effect on any existing business is outweighed by the contribution made by the District and the Development Program to the economic growth or well-being of the City and the betterment of the health, welfare and safety of its inhabitants and the City further makes the other findings and determinations as set forth in said Development Program and the Exhibits thereto; and

2. That the area of the City of Ellsworth entitled "Beckwith Municipal Development and Tax Increment Financing District" as more particularly described in said approved development program is hereby designated as a Municipal Development District and Tax Increment Financing District and such designation shall automatically become final and shall take full force and effect upon receipt by the City of approval of the District by the Maine Department of Economic & Community Development, without the requirement of any further action by the City, the City Council or any party; and

3. That the portion or percentage of increased assessed value of said District to be retained, as captured assessed value, in accordance with the development program is hereby established as set forth in the Development Program and Financial Plan; and

4. That the City Manager is hereby authorized and directed, on behalf of the City of Ellsworth, Maine to execute and submit to the Commissioner of Economic and Community Development for approval such applications and further documentation as may be necessary or appropriate for final approval and establishment of the Beckwith Hill Municipal Development and Tax Increment Financing District and its development program and financial plan and pursuant to 30-A MRSA §5253; and the City Manager be, and hereby is, authorized and empowered, at his discretion, from time to time, to make such technical revisions to the Development Program for the District as DECD or the City Manager deems reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Commissioner of the Department of Economic and Community Development, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

Exp. 3-29-2032

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

JOHN ELIAS BALDACCI
GOVERNOR

DECD

JOHN RICHARDSON
COMMISSIONER

November 24, 2008

Michelle Beal
City Manager
City of Ellsworth
1 City Hall Plaza
Ellsworth, ME 04605

Dear Ms. Beal:

The Maine Department of Economic and Community Development ("the department") has reviewed and approved the City of Ellsworth's 2nd Amended and restated **Beckwith Hill Municipal Development Tax Increment Financing (TIF) District** ("the district") and **Development Program** effective today.

Based on the City of Ellsworth's application, the department notes and approves the following:

- Acreage of the TIF district is increased by 900.59 acres from 129.15 acres to 1,029.74 acres
- Assessed Value is increased by $13,773,955 from $4,137,900 to $17,913,855
- Development program is amended to include:
    - Bucksport Road TIF district tract for environmental and public infrastructure planning activity costs in support of commercial growth
    - Myrick Street infrastructure costs to support business growth
    - Ability to entertain Credit Enhancement Agreements (CEAs)
    - Pro-rated costs of public safety and public works vehicles
    - Economic development staff and consulting costs
    - Business visitation, attraction, and recruitment costs/materials
    - Storm water management plan costs
    - Local match for economic development grants

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PHONE: (207) 624-9800 (VOICE)

FAX: (207) 287-2861

Approval is subject to the following provision: should any business receive TIF payments from this district that exceed $10,000 in a calendar year, they must submit an annual written report no later than August 1st of the following year, in accordance with 5 MRSA §13070-J(3).

Any changes to this approval including the district, development program or both require an additional amendment that is adopted in the same manner as the initial designation, first amendment, this amendment, and approved by the department.

Please note that all tax increment revenues derived from the district are to be deposited into either a Project Cost Account (for CEA or other TIF-approved costs) or Sinking Fund Account (for approved municipal debt service) and available for the development program as authorized by the department. If any tax increment revenues from the district are instead deposited into the City's general fund for non-TIF purposes, the incremental property values generating "unsheltered" revenues must be included with the City's equalized assessed value and reported as such, since the value cannot be captured.

The district designation remains in effect for 20 years or until the authorized project costs are expended. If for any reason the City decides to forfeit this designation, it must promptly notify the department.

If you have questions regarding this approval, or the applicability of the economic development incentive reporting requirements, please contact Brian Hodges at (207) 624-7415.

Sincerely,

John Richardson

John Richardson
Commissioner

cc: Greg Mitchell, Eaton Peabody Consulting Group
David Ledew, Director of Property Tax

TIF: District Synopsis for Commissioner's Consideration

District Data

Municipality:	Ellsworth	County:	Hancock	Term:	20
District Name:	Beckwith Hill				
Company Name and Address:	N/A				
Original District: Y/N	N	Amended: Y/N	Y	#	2
Downtown Exclusion: Y/N	N	Paper Mill Exclusion: Y/N	N	Pine Tree Zone Exclusion: Y/N	N

Project Description:
This 2nd amendment will expand the TIF district and allow for additional public infrastructure activities in support of commercial growth. In addition, costs have been included for funding economic development programs and marketing Ellsworth as a business location.

Job Goals

Full Time Jobs Created:	N/A	Average Annual Wage:	N/A
Full Time Jobs Retained:	N/A	Average Annual Wage:	N/A

Statutory Requirements

Acreage Limit Met?	Y	Value Limit Met?	Y
Municipal Bonds Issued?	N	Five Year Limit in Effect?	N/A
Below County Debt Cap?	Y	On Suitable Property?	Y
OAV Certified?	Y	Tax Shifts Calculated?	Y
Public Notice & Hearing?	Y	Passed by Majority Vote?	Y

Planned Revenue Distribution

To General Fund (non-TIF)?		$3,954,228
For Municipal Debt?		$0
For Credit Enhancement Agreement?		$0
Reimbursement Schedule:		
For Bona-Fide Economic Development?		$4,078,750

Brief description of municipal activities/projects planned and associated costs: environmental and public infrastructure planning activity costs in support of commercial growth, ability to entertain Credit Enhancement Agreements (CEAs), pro-rated costs of public safety and public works vehicles, economic development staff and consulting costs, business visitation, attraction, and recruitment costs/materials, storm water management plan costs, local match for economic development grants

Staff Recommendation

The **Program Manager** has reviewed the municipal TIF application and provides this advice to assist the Commissioner: full approval, no concerns

Recommend Commissioner Approval?	Y	Initials: BPH	
Date Received:	09/19/2008	Date Approval Letter Prepared:	11/24/2008

Gregory A. Mitchell
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eatonpeabodyconsulting.com

September 19, 2008

John Richardson, Commissioner
Maine Department of Economic and Community Development
59 State House Station
Augusta, ME 04333-0059

Subject: Amended and Restated City of Ellsworth TIF District Development Program

Dear Commissioner Richardson:

Enclosed, for your review and approval, is an amended and restated *City of Ellsworth, Maine Beckwith Hill Municipal Development and Tax Increment Financing District Development Program*. The Ellsworth City Council approved the amended and restated TIF application. Both a redlined version showing all revisions and a clean version are included. The substantive revisions are as follows:

Geographic Boundaries

- The amended TIF district includes the addition of several parcels know as the Bucksport Road tract, the addition of new parcels to the existing Beckwith tract and rights of way associated with Beechland Road and Bangor Road and associated parcels (see Exhibit A-1 and TIF Map).

Municipal TIF Activities

In-District – Tier I

- The district is amended to include a portion of Bucksport Road for environmental and public infrastructure planning activities in support of commercial growth.

- Myrick Street infrastructure including a signalized intersection and safety island to support business growth.

- The City will entertain Credit Enhancement Agreements (CEAs) with individual businesses and developers to stimulate private sector development.

Out-Of-District, But Related Investments – Tier II

- Public safety and public works vehicles and equipment to service "In-district" business growth.

Sincerely,

Gregory A. Mitchell