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CITY OF ELLSWORTH, MAINE

BECKWITH HILL MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT

DEVELOPMENT PROGRAM

REVISED 2/12/08

AMENDED AND RESTATED AUGUST 18, 2008

Beckwith Hill Municipal Development and Tax Increment Financing District
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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 single Municipal Development and Tax Increment Financing District including three separate, non-contiguous tracts (Business Park, Beckwith Hill, and Bucksport Road Tracts) 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 amending the District and adoption of this Development Program by the City at a City Council Meeting, the amendment 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. Article III. Financial Plan sets forth the amount of the municipal tax increment revenues on the new or increased assessed value from the District which 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 $239,150 annually 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, approximately $669,415 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 create 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 the tax increment produced by new development in the District.

Section 2.03: Municipal 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-District Investments

(i) Ellsworth Business Park. Under the original TIF District Municipal Program, the City invested TIF revenues to establish a 10 lot Ellsworth Commerce Park, with complete public infrastructure, for community tax base expansion and quality job creation. Additional public water utility improvements are needed to address business park tenants water pressure needs.

(ii) Beechland Road Reconstruction. One of the major access routes to the Beckwith Hill Tract portion of the Municipal Development District, to 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 $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.

(iii) 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 2002, 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 2005, the City dredged the harbor perimeter. The City's goal is to connect the waterfront to the commercial downtown, and increase public access. The dredging of the harbor will help marine related businesses, such as Maine Shellfish including delivery of lobsters, clams, and shrimp. Harbor improvements including pump facilities and improvement of City owned dock facilities are planned

(iv) Public Infrastructure. Future public infrastructure planning will determine both "In-District" and "Out-of-District, but related" municipal investments which will be required to support business investment.

(v) Buckspport Road TIF District Tract Environmental Planning. The City is planning to undertake a wetland survey in order to maximize the development potential for this growth area.

(vi) Bucksport Road TIF District Tract Public Infrastructure Planning. Following completion of the above environmental planning work, the City is planning to hire consultants to prepare development concept, public infrastructure (roads, water, sewer, storm water management, three phase power, and telecommunication) plans and budgets, working in conjunction with property owners, in order to plan for public infrastructure needs to maximize the development potential of this growth area.

(vii) Myrick Street Infrastructure. Upgrade Myrick Street infrastructure to include installing traffic lights and safety islands in response to support business growth needs.

(viii) Credit Enhancement Agreements. The City will entertain entering into specific credit enhancement agreements with individual businesses and developers to stimulate desired private sector investment and associated quality job creation. The specific terms related to credit enhancements agreements will be negotiated and acted upon by the Ellsworth City Council on a case-by-case basis.

Out-of-District, But Related Investments

(i) Capital Equipment. Investment in public safety and public works vehicles and equipment are needed to address the business service needs of "In-District" business development growth. The cost of vehicles and equipment will be prorated dependent upon usage in the TIF District.

Community Wide Investments

(i) Economic Development Staff. Costs include a full-time Economic Development Coordinator position including position overhead costs.

(ii) Economic Development Consulting. Costs include community economic development planning, business retention/expansion/attraction programs and TIF Administration.

(iii) Business Visitation Program. The City plans to undertake a program to survey existing businesses, City-wide, to identify and respond to business retention and expansion issues and opportunities.

(iv) Storm Water Management Planning. City-wide planning will be undertaken to determine utility design improvements to maximize the commercial development and redevelopment potential of growth areas.

(v) Business Attraction Marketing and Business Recruitment Materials.

Costs include updating community business attraction marketing and business recruitment materials.

(vi) Local Match for Economic Development Grants. TIF revenue will be used to cover the costs of federal and state economic development grant local match requirements.

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 new retail 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 $7,517,224. 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. The City may also issue general obligation bonds to pay 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 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 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 as follows:

Year	Amount Captured
Year 1 to Year 15 (2001-2002 to 2015-2016)	67%
Year 16 (2016-2017)	60%
Year 17 (2017-2018)	50%
Year 18 (2018-2019)	40%
Year 19 (2019-2020)	30%
Year 20 (2020-2021)	20%

The table attached hereto as Exhibit C reflects (i) the estimated Increased Assessed Value per year following implementation of the Development Program, (ii) the estimated Tax Increment Revenues per year on the Increased Assessed Value following implementation of the Development Program, (iii) the Captured Assessed Value Percentage; (iv) the estimated Tax Increment Revenues allocated to the General Fund of the City; and (v) 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.

A Development Program Fund shall be established by the City consisting of the (a) a Municipal 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, (b) a Municipal 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, and (c) Municipal Development Project Cost Account, if any, associated with future credit enhancement agreements approved by the City Council. 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 Municipal 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; and

(2) To the Municipal 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.

(3) To the Developer Project Cost Account, if any, an amount to satisfy City Council approved credit enhancement agreements.

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, 2008 is $938,700,000;

(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 is $17,913,855, and includes a value of $4,137,900 as of March 31, 2001 associated with the original Beckwith Hill TIF Program, and $13,773,955 as of March 31, 2008 associated with the Program amendments;

(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) is 1.90%; and

(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	**$166,511**	**$1,998,132**
County Tax	**$15,341**	**$184,095**
State Revenue Sharing	**$24,376**	**$292,509**

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 _____________, a date at least 10 days prior to the public hearing. The public hearing was held on August 18, 2008 to amend the TIF District Program. 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 August 18, 2008 to amend the District 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 her knowledge.

Dated: August 18, 2008

____
City Manager, City of Ellsworth

EXHIBIT A-1
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 real estate shown on:

- The City's Tax Map 16 as Lots 7, 7-2, 8, 18, 20, 47-1, 47-2, 47-4, 47-7, 53, and 62;
- The City's Tax Map 22 as Lots 1, 3, 5-0, 5-1, 5-1-1, 5-2, 5-3, and 5-4 ;
- The City's Tax Map 25, as Lots 1, 1-4, 1-5, 1-6, 2, 2-1, 3, 4, 4-1, 5, 6, 7, 10, 11, 12, 12-1, 13, 14, 15, and 16;
- The City's Tax Map 26, as Lots 1, 1-1, 1-1-1, 1-2, 1-2-1, 1-2-2, 1-3, 1-4, 1-5, 2, 2-2, 2-3, 3, 3-1, 3-2, 3-3, 3-4, 3-5, 4, 5, 6, 7, 8, and 9;
- The City's Tax Map 31, as Lot 52;
- The City's Tax Map 40, as Lot 4-1;
- The City's Tax Map 41 as Lots 58 and 59;
- The City's Tax Map 42 as Lots 8-1, 8-1-1, 8-1-2, 8-1-3, 8-1-4, 8-1-5, 8-1-6, 8-1-7, 8-1-8, 8-1-8-R, 8-1-9, 8-1-10;
- The City's Tax Map 133, as Lots 14-1, and 15; and
- The City's Tax Map 142 as Lot 133.

The District also includes public rights-of-way associated with Beechland Road, Bangor Road (Route 1A) from Ellsworth High School to Lakes Lane, and the Bucksport Road, originating from approximately where it intersects with the Christian Ridge Road, moving westerly for approximately 2600 linear feet.

EXHIBIT A-2: Business Park Tract
Beckwith Hill TIF Development Program

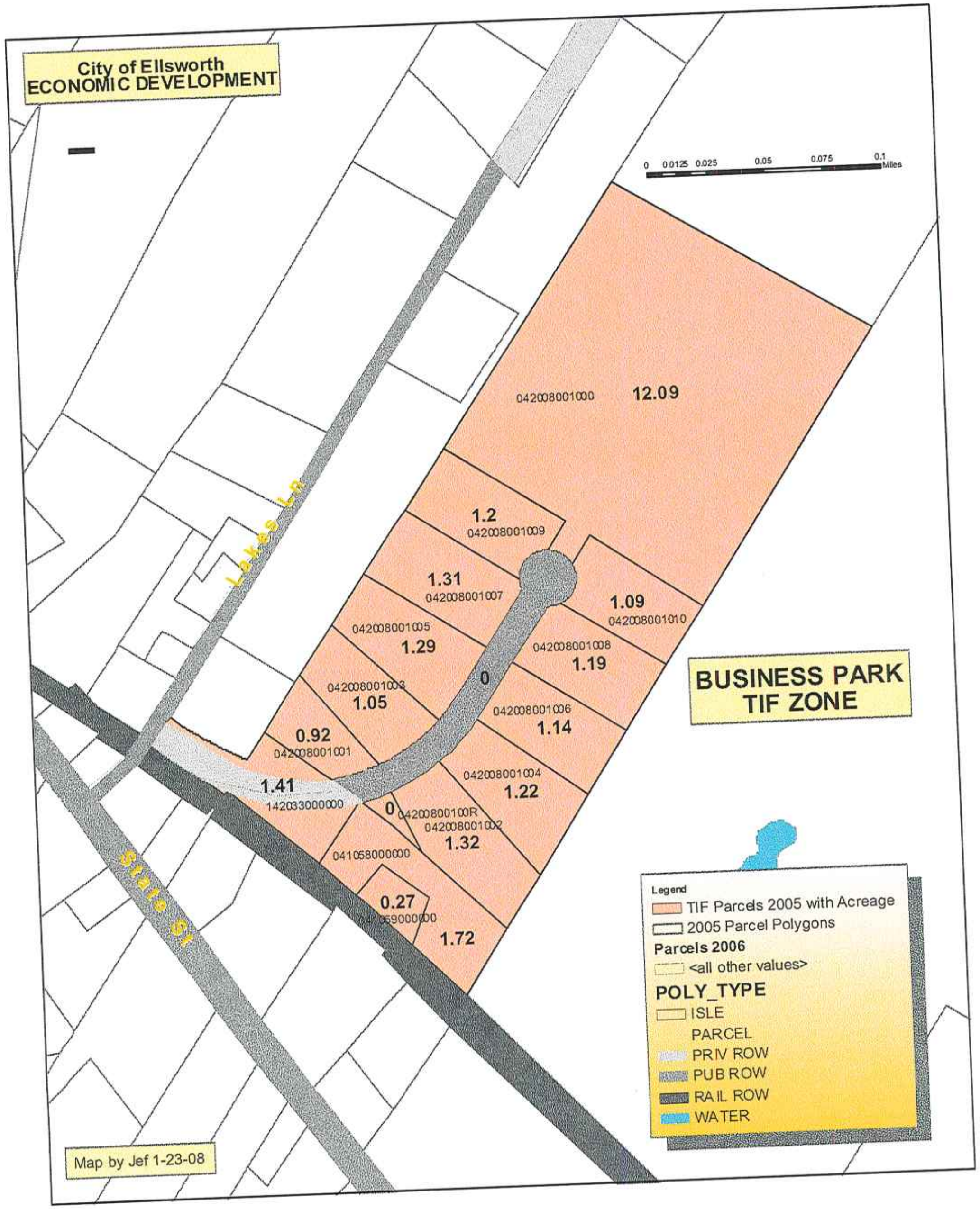

EXHIBIT A-3: Beckwith Hill Tract
Beckwith Hill TIF Development Program

EXHIBIT A-4: Bucksport Road Tract
Beckwith Hill TIF Development Program

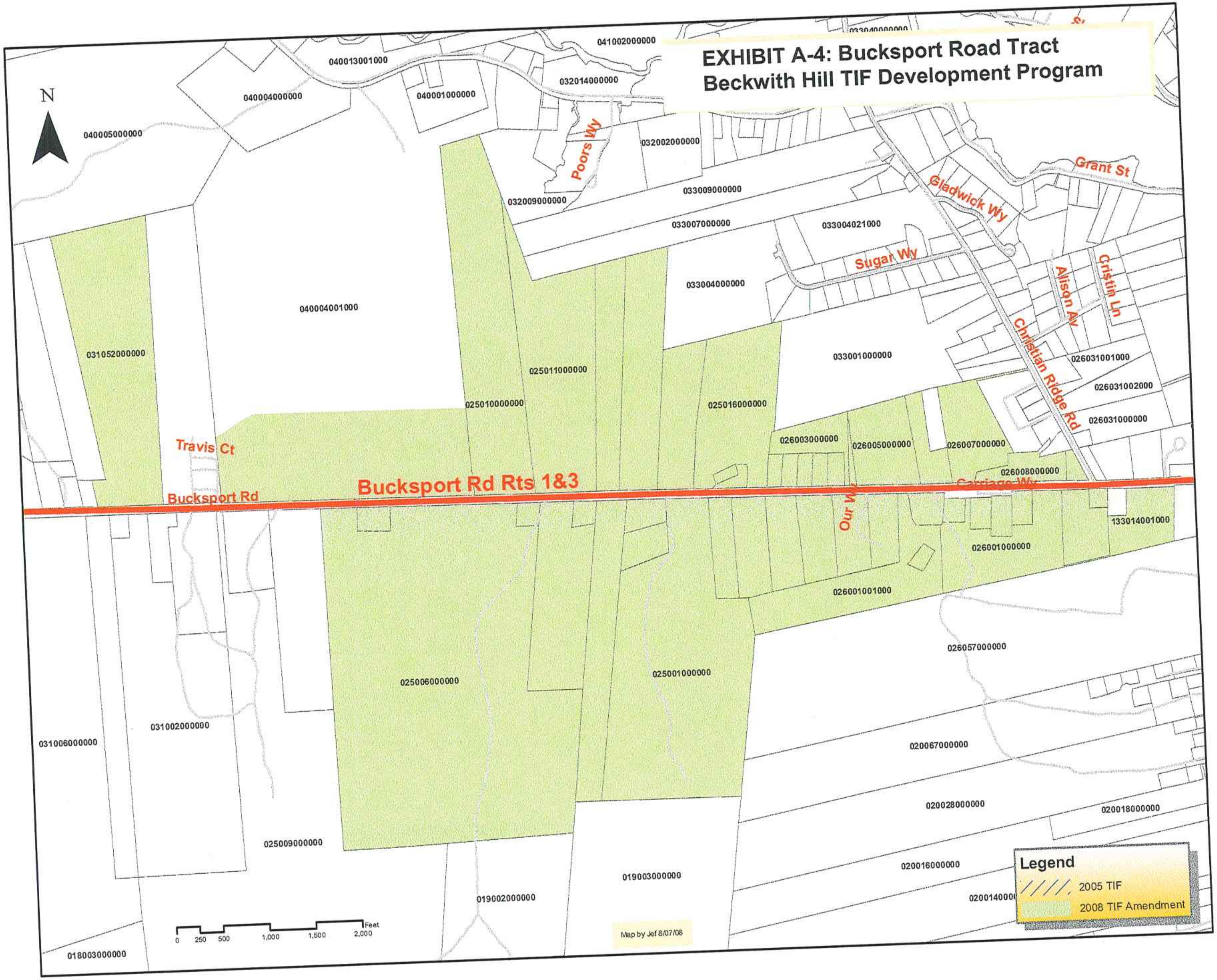

EXHIBIT B
ESTIMATED DEVELOPMENT COSTS

Municipal Activity:

In District

1. Ellsworth Business Park
2. Beechland Road Reconstruction
3. Waterfront Improvements
4. Public Infrastructure
5. Bucksport Road TIF District Tract Environmental Planning
6. Bucksport Road TIF District Tract Public Infrastructure Planning
7. Myrick Street Infrastructure
8. Credit Enhancement Agreements

Out-of-District But Related

1. Capital Equipment

Community Wide

1. Economic Development Staff
2. Economic Development Consulting
3. Business Visitation Program
4. Storm Water Management Plan
5. Business Attraction Marketing and Business Recruitment Materials
6. Local Match for Economic Development Grants

Total Municipal TIF Proceeds:	**$7,517,224**

EXHIBIT C
ALLOCATION OF ESTIMATED TAX INCREMENT REVENUES

				TIF		COMMUNITY			COMPANY	
YR.	Tax Year	Estimated Taxable Investment	Gross New Taxes	Shelter %	Total Revenues	General Fund (unsheltered Gross New Taxes)	TIF Revenues (sheltered Gross New Taxes)	Total Revenues	TIF %	TIF Revenues
base	2007-2008									
8	2008-2009	$ 1,575,000	$ -	-	$ -	$ -	$ -	$ -	-	$ -
9	2009-2010	$ 26,802,000	$ 21,026	67%	$ 14,087	$ 6,939	$ 14,087	$ 21,026	0.0%	$ -
10	2010-2011	$ 6,000,000	$ 378,832	67%	$ 253,817	$ 125,015	$ 253,817	$ 378,832	0.0%	$ -
11	2011-2012	$ 4,000,000	$ 458,932	67%	$ 307,484	$ 151,448	$ 307,484	$ 458,932	0.0%	$ -
12	2012-2013	$ 7,000,000	$ 512,332	67%	$ 343,262	$ 169,070	$ 343,262	$ 512,332	0.0%	$ -
13	2013-2014	$ 4,000,000	$ 605,782	67%	$ 405,874	$ 199,908	$ 405,874	$ 605,782	0.0%	$ -
14	2014-2015	$ 7,000,000	$ 659,182	67%	$ 441,652	$ 217,530	$ 441,652	$ 659,182	0.0%	$ -
15	2015-2016	$ 4,000,000	$ 752,632	67%	$ 504,263	$ 248,369	$ 504,263	$ 752,632	0.0%	$ -
16	2016-2017	$ 6,500,000	$ 806,032	60%	$ 483,619	$ 322,413	$ 483,619	$ 806,032	0.0%	$ -
17	2017-2018	$ 4,000,000	$ 892,807	50%	$ 446,404	$ 446,404	$ 446,404	$ 892,807	0.0%	$ -
18	2018-2019	$ 4,000,000	$ 946,207	40%	$ 378,483	$ 567,724	$ 378,483	$ 946,207	0.0%	$ -
19	2019-2020	$ -	$ 999,607	30%	$ 299,882	$ 699,725	$ 299,882	$ 999,607	0.0%	$ -
20	2020-2021	$ -	$ 999,607	20%	$ 199,921	$ 799,686	$ 199,921	$ 999,607	0.0%	$ -
	Cumulative	$ 74,877,000	$ 8,032,978		$4,078,750	$3,954,228	$4,078,750	$8,032,978		$ -
	Avg. Annual		$ 669,415		$ 339,896	$ 329,519	$ 339,896	$ 669,415		$ -

Notes:
13 YEAR PROJECTION @ MIL RATE
$13.35/1000

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, totals $17,913,855 and includes a value of $4,137,900 as of March 31, 2001 associated with the original Beckwith Hill TIF Program and $13,773,955 as of March 31, 2008 associated with the TIF Program amendment.

IN WITNESS WHEREOF this Certificate has been executed as of this 18th day of August 2008.

Municipal Assessor

EXHIBIT E
PHYSICAL DESCRIPTION

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

2. Total Acreage of amended and restated Municipal TIF District:

129.15 acres	Original TIF District
900.59 acres	Amended TIF District
1,029.74 acres	Total

3. Percentage of total acreage in proposed Municipal TIF Districts (line 2 divided by line 1 cannot exceed 2%): 1.9%.

4. Total acreage of all existing and proposed Municipal TIF Districts in the Municipality: 1,029.74 acres;

5. Percentage of total acreage in all existing and proposed municipal TIF Districts (line 4 divided by line 1 cannot exceed 5%): 1.9%; and

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: 1,029.74 acres (line 6(b) divided by line 2 = 100%); and
   c. area suitable for industrial or commercial sites = 1,029.74 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 SHIFT CALCULATIONS

YR	Tax Year	Education Shift	Revenue Sharing Shift	County Tax Shift	Total Tax Shift
8	2008-2009				
9	2009-2010				
10	2010-2011	$0	$0	$0	$0
11	2011-2012	$6,901	$1,040	$465	$8,406
12	2012-2013	$124,342	$18,396	$8,801	$151,539
13	2013-2014	$150,633	$22,193	$11,218	$184,045
14	2014-2015	$168,160	$24,708	$13,179	$206,047
15	2015-2016	$198,833	$29,074	$16,395	$244,303
16	2016-2017	$216,360	$31,551	$18,774	$266,685
17	2017-2018	$247,033	$35,852	$22,553	$305,438
18	2018-2019	$236,919	$34,439	$22,770	$294,128
19	2019-2020	$218,688	$31,879	$22,127	$272,694
20	2020-2021	$185,414	$27,169	$19,755	$232,338
21	*2021-2022*	*$146,909*	*$21,657*	*$16,483*	*$185,049*
22	*2022-2023*	*$97,939*	*$14,550*	*$11,574*	*$124,063*
	Cumulative	**$1,998,132**	**$ 292,509**	**$184,095**	**$2,474,736**
	Avg. Annual	**$166,511**	**$ 24,376**	**$ 15,341**	**$ 206,228**

Notes:
13 YEAR PROJECTION @ MIL RATE $13.35/1000
Years 21 & 22 are shown for tax shift projection purposes only due to two year lag associated with State funding formulas.

TAX SHIFT FORMULAS

Creation of tax increment financing development district affects a municipality's state education subsidies, state revenue sharing, and county taxes, each of which uses municipal valuation as a basis for calculation. The statute allowing the creation of affordable housing development districts refers to this effect as "tax shifts." Presented below are the formulas used in the calculation of each of these tax shifts resulting from the amendment to the City of Ellsworth Beckwith Hill Municipal Development and Tax Increment Financing District.

STATE EDUCATION SUBSIDY TAX SHIFT

The current state education subsidy formula based on the Essential Programs and Services approach is adjusted each year that the district is in effect to include the increased valuation within the municipality based on the annual Captured Assessed Value (CAV). All other factors affecting the subsidy calculation are held constant. The difference in the actual education subsidy and the adjusted education subsidy represents the projected state education subsidy tax shift for that year.

STATE REVENUE SHARING TAX SHIFT

To determine the state revenue sharing tax *shift,* we collected the following information (available from the office of the Maine State Treasurer and at http://www.maine.gov/treasurer/revenue.htm):

1. Projected total municipal revenue sharing pool for the current fiscal year;
2. The City of Ellsworth's "current factor;"
3. The City of Ellsworth's "computed number," and the three figures used to calculate the current computed number: The City of Ellsworth's population, local assessment, and State valuation;

With this information in hand, we proceeded through the steps outlined below:

- STEP ONE
  Calculate the *Aggregate Computed Number*:

  $$\frac{\text{Computed Number}}{\text{Current Factor}}$$

- STEP TWO
  Calculate the *Adjusted Local Computed Number*: (CAV=Captured Assessed Value)
  Municipal Population x Local Assessment
  State Local Valuation + Projected Annual CAV

- STEP THREE
  Calculate the *Adjusted Aggregate Computed Number*:

  $$\frac{\text{Aggregate Computed Number — Computed Number + Adjusted Local}}{\text{Computed Number}}$$

- STEP FOUR
  Calculate the *State's Adjusted Current Factor:*

  $$\frac{\text{Adjusted Local Computed Number}}{\text{Adjusted Aggregate Computed Number}}$$

- STEP FIVE
  Calculate *Municipality's Current Projected Revenue Sharing*:

  Projected Total Municipal Revenue Sharing Pool
  x Municipality's Adjusted Current Factor

- STEP SIX
  Calculate the Projected Municipal Revenue Sharing for each year:

  Step 5 in given TIF District year — Step 5 in the Base Year

This process was repeated for each year's Projected Annual CAV.

Note that the Projected Municipal Revenue Sharing calculation for the base year should be the same as the Municipality's Current Projected Revenue Sharing.

COUNTY TAX SHIFT

We determined the county tax shift by obtaining information from Maine Revenue Services and from the Hancock County offices.

From Maine Revenue Services, we obtained the most recent State County Valuation and the State Local Valuation. From the Hancock County offices, we obtained the County Tax Levy and the County budget for the current year and five or more years past.

- STEP ONE
  Calculate the Current Municipal Percent of County Value:

  $$\frac{\text{Current State Local Valuation}}{\text{Current State County Valuation}}$$

- STEP TWO
  Calculate the Projected County Budget:
  Using the current County budget and historic County budgets, calculate the average annual increase in the county budget. Using the average annual increase, project the annual budget for each year of the TIF District.

- STEP THREE
  Calculate the Municipal Share of County Tax without CAV (Captured Assessed Value):

  Current Percent of County Value x Projected County Budget

- STEP FOUR
  Adjust the projected State County Valuation and the State Municipal Valuation to include the projected CAV.

- STEP FIVE
  Using values from Step Four, calculate the Adjusted Municipal Percent of County Value.

- STEP SIX
  Calculate the average Municipality Share of County Tax with the CA V:

  Adjusted Municipal Percent of County Value x Projected County Budget

- STEP SEVEN
  Calculate the County Tax Shift:

  Municipal Share of County Tax with CAV — Municipal Share of County Tax without CAV

This process was repeated for each year's Projected Annual CAV.

EXHIBIT G
LEGAL ADVERTISEMENT
CITY OF ELLSWORTH
PUBLIC NOTICE

Notice is hereby given that the City of Ellsworth will hold a public hearing on August 18, 2008 at 7:00 p.m. at City Hall in Ellsworth for purposes of receiving public comments on a proposed amendment to its Beckwith Hill Municipal Development District and Tax Increment Financing District and the adoption of an amended and restated Development Program for 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 amended 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.

Public Notice

ATTENTION LOBSTERMEN
Lobster Zone Council C Meeting
August 14, 2008
6:00 p.m.
Deer Isle-Stonington
High School

PUBLIC HEARING NOTICE

The municipal officers of the City of Ellsworth will hold a public hearing on Monday, August 18, 2008 at 7:00 p.m. in the Ellsworth City Hall Council Chambers to hear comment on the application of:

Mahlon K. Goodrich
d/b/a Peppers Pub Inc.
20 Water Street

for renewal of a City Class B License (food, liquor, and amusement) and a State Malt, Spirituous and Vinous Class XI Restaurant/Lounge Liquor License.

All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noel Grindle, City Clerk

PUBLIC SALE BY SEALED BID

At Gouldsboro Self Storage Rte. 186 and Rte. 1, on behalf of owners, of presumed abandoned property.

#12 Donna Eklund
#41 [illegible] Vincent
#20 Chris Watkins
#21 Dick Timmons
#48 Anthony [illegible]
#74 Judith Nelson

Contents may be viewed on Saturday, August 16 at the Rte. 1 location at 9:00 a.m. and at 9:30 a.m. of the same day at the Rte. 186 storage facility. Bids will be opened immediately following. Owners may redeem property by full payment before the sale. It is advised to call 963-5500 before bidding date in case properties have been redeemed.

PUBLIC HEARING NOTICE

The municipal officers of the City of Ellsworth will hold a public hearing on Monday, August 18, 2008 at 7:00 p.m. in the City Hall Council Chambers to hear comment and act on the request of the Finance Director to encumber $50,000 from the 2007-2008 balance forward for the purpose of installing lights at the new EHS soccer field.

All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noel Grindle, City Clerk

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All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noel Grindle, City Clerk

NOTICE OF PUBLIC SALE

NOTICE OF LIEN SALE

Operator: E-Z Self Storage LLC, Route 1A, 295 Bucksport Road, Ellsworth
Occupant: Evelyn Casanova
Contents: Table
Viewing/Auction: Sunday August 24, 2008 at 10 a.m.
Contents to be sold as a group at the above address.

IN THE COURT OF COMMON PLEAS OF THE 39TH JUDICIAL DISTRICT OF PENNSYLVANIA FULTON COUNTY BRANCH
IN RE: ADOPTION OF K.M.B.
ORPHANS' COURT DIVISION
ADOPTION DOCKET ____
D.O.B.: 03/12/2002
VOLUME ____ PAGE ____

To: Joseph M. Bradley

NOTICE

A petition has been filed asking the Court to put an end to all rights you have to your child K.M.B. The Court has set a hearing to consider ending your rights to your child. The hearing will be held in the Fulton County Court House, McConnellsburg, Fulton County, Pennsylvania, on Thursday, the 14th day of August, 2008, at 10:30 a.m. If you do not appear at this hearing, the court may decide that you are not interested in retaining your rights to your child and your failure to appear may affect the Court's decision on whether to end your rights to your child. You are warned that even if you fail to appear at the scheduled hearing, the hearing will go on without you and the Court may end your rights to your child without your being present. You have a right to be represented at the hearing by a lawyer. You should take this paper to your lawyer at once. If you do not

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PUBLIC HEARING NOTICE

The municipal officers of the City of Ellsworth will hold a public hearing on Monday, August 18, 2008 at 7:00 p.m. in the City Hall Council Chambers to hear comment and act on the request of the Finance Director to encumber $55,000 from the 2007-2008 balance forward for the purpose of purchasing movable equipment for the new K-8 facility.

All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noel Grindle, City Clerk

NOTICE OF PUBLIC SALE
14 M.R.S.A. § 6323

Notice is hereby given that in accordance with an Order and Judgment of Foreclosure entered by the Maine District Court (at Ellsworth) dated March 17, 2008 and entered in the action entitled Bar Harbor Bank & Trust vs. Scott A. Dyer, et al., Docket No. ELL-RE-2007-146, and wherein the Court adjudged a foreclosure of a mortgage deed dated December 29, 2004 and recorded in the Hancock Registry of Deeds in Vol. 4090, Page 121, the period of redemption from said judgment having expired, a public sale will be conducted on August 20, 2008 commencing at 10:00 a.m. at 57 [illegible] Road, Hancock, Maine. The property is also described on the Hancock Tax Maps as Map 23, Lot 21D. Reference should be had to the said mortgage deed for a more complete legal description of the property to be conveyed.

Terms of Sale: The property will be sold subject to all outstanding municipal assessments, whether or not of record in the Hancock Registry of Deeds, as well as all real estate

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ATTENTION LOBSTERMEN
Lobster Zone Council B Meeting
August 12, 2008
6:00 p.m.
Mount Desert Elementary
School

NOTICE

Harold MacQuinn, Inc. will be blasting in our Hancock Quarry on the Henderson Road for the month of August, 2008, Monday through Friday between the hours of 8 a.m. and 4 p.m.

Access to the "Henderson Road" is gated at Route 1 and before and after the "MacQuinn Quarry."

Warning:

Three whistles - blasting in five minutes.

Two whistles - blasting in one minute.

One whistle - blasting is complete - all clear.

No home(s) within one-half mile.

Any questions can be directed to the office of Harold MacQuinn, Inc. at 667-4653.

STATE OF MAINE
PROBATE COURT
60 STATE STREET
HANCOCK COUNTY
ELLSWORTH, ME 04605
NOTICE TO CREDITORS
18-A MRSA 3-801

The following Personal Representatives have been appointed in the estates noted. The first publication date of this Notice is August 7, 2008. If you are a creditor of an estate listed below, you must present your claim within four months of the first publication date of this Notice to Creditors or be forever barred.

You may present your claim

6:00 p.m.
Deer Isle-Stonington
High School

BLIC HEARING NOTICE

he municipal officers of the
of Ellsworth will hold a pub-
earing on Monday, August 18,
at 7:00 p.m. in the Ellsworth
Hall Council Chambers to
comment on the application

Maison K. Goodrich
d/b/a Peppers Pub Inc.
20 Water Street

renewal of a City Class B
ise (food, liquor and amuse-
) and a State Malt, Spirituous
Vinous Class XI
aurant/Lounge Liquor
ise.

ll persons may appear to
cause, if any, why the above
ication should not be ap-
ed.

Heidi-Noël Grindle, City Clerk

PUBLIC SALE BY SEALED BID

At Gouldsboro Self Storage,
186 and Rte. 1, on behalf of
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#12 Donna Eklund
#41 Melissa Vincent
#26 Chris Watkins
#21 Dick Timmons
#48 Anthony Leighton
#74 Judith Nelson
Contents may be viewed on
urday, August 16, at the Rte. 1
tion at 9:00 a.m. and at 9:30
. of the same day at the Rte.
storage facility. Bids will be
ned immediately following.
ners may redeem property by
payment before the sale. It is
ised to call 963-5500 before bid-
date in case properties have
n redeemed.

WN OF MOUNT DESERT:
VERTISEMENT FOR BIDS

Separate sealed BIDS for the
nstruction of Seal Harbor
& Waste Water Treatment
nt Parking Area will be re-
ed by the Owner at the office
Town of Mount
ert, 21 Sea Street, Northeast
bor, ME 04662 until 2:00 p.m.
cal Time) August 29, 2008, and
n at said office publicly
ned and read aloud. A (non)
ndatory pre-bid meeting will
held on August 15, 2008 at
0am. The meeting will be held
he Town of Mount Desert mu-
ipal office (see address
ve).
Project Descriptions:
Seal Harbor Pier: Recon-
uction of parking area associ-
d with pier including new
ch basins, piping, earthwork,
ing and re-building of stone
l.
Waste Water Treatment Plant
king Area: Demolition of ex-
ng parking area and rebuild-
with geogrid, aggregate and
n paving.
Projects will be separate con-
cts.

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public hearing on Monday, August 18, 2008 at 7:00 p.m. in the City Hall Council Chambers to hear comment and act on the request of the Finance Director to encumber $50,000 from the 2007-2008 balance forward for the purpose of installing lights at the new EHS soccer field.

All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noël Grindle, City Clerk

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A copy of the proposed Development Program for the amended 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 parties are invited to attend the public hearing and will be given an opportunity to be heard at the hearing.

All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noël Grindle, City Clerk

NOTICE OF PUBLIC SALE

Notice is hereby given that in accordance with the Judgment of Foreclosure and Sale entered April 25, 2008 in the action entitled Bayview Loan Servicing, LLC v. Penobscot Harbor Trading Company, Inc. and Michael Provost by the Maine Superior Court, Docket No. RE-07-044, wherein the court adjudged the foreclosure of a mortgage granted by Penobscot Harbor Trading Company, Inc to Creative Financial Services of Tampa Bay, Inc., dated May 19, 2006 and recorded in the Hancock County Registry of Deeds in Book 4495, Page 300, and assigned to Bayview Loan Servicing, LLC., by assignment dated June 12, 2006 to Bayview Loan Servcing LLC and recorded in said Registry in Book 4572 page 156, the period of redemption having expired, a public sale of the property described in the mortgage will be conducted at 10:00 a.m. on September 9, 2008, at the office of James L. Audiffred, 374 Main Street, Saco, Maine.

The property is located at 96 Main St, Bucksport, Maine, Tax

Road, Ellsworth

Occupant: Evelyn Casanova

Contents: Tools

Viewing/Auction: Sunday, August 24, 2008, at 10 a.m.

Contents to be sold as a group at the above address.

IN THE COURT OF COMMON PLEAS OF THE
39TH JUDICIAL DISTRICT
OF PENNSYLVANIA
FULTON COUNTY BRANCH
IN RE: ADOPTION OF K.M.B.
ORPHANS COURT DIVISION

ADOPTION DOCKET ______
D.O.B. 03/12/2002
VOLUME_____, PAGE _____

To: Joseph M. Bradley

NOTICE

A petition has been filed asking the Court to put an end to all rights you have to your child, K.M.B. The Court has set a hearing to consider ending your rights to your child. The hearing will be held in the Fulton County Court House, McConnellsburg, Fulton County, Pennsylvania, on Thursday, the 14th day of August, 2008, at 10:30 a.m. If you do not appear at this hearing, the court may decide that you are not interested in retaining your rights to your child, and your failure to appear may affect the Court's decision on whether to end your rights to your child. You are warned that even if you fail to appear at the scheduled hearing, the hearing will go on without you and the Court may end your rights to your child without you being present. You have a right to be represented at the hearing by a lawyer. You should take this paper to your lawyer at once. If you do not have a lawyer or cannot afford one, telephone the office set forth below to find out where you can get legal help.

PENNSYLVANIA BAR
ASSOCIATION
LAWYER REFERRAL
SERVICE
P.O. BOX 186
HARRISBURG, PA 17108
TELEPHONE: 1-800-692-7375
(PA ONLY) OR 717-238-6807

The Court of Common Pleas of Fulton County is required by law to comply with the Americans With Disabilities Act of 1990. For information about accessible facilities and reasonable accommodations available to disabled individuals having business before the Court, please contact the Office of the Court Administrator (717) 261-3848. All arrangements must be made at least 72 hours prior to a hearing or business before the Court. You must attend the scheduled hearing.

NOTICE OF SALE

By virtue of and in execution of a Judgment of Foreclosure and Sale entered in the

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public hearing on Monday, August 18, 2008 at 7:00 p.m. in the City Hall Council Chambers to hear comment and act on the request of the Finance Director to encumber $50,000 from the 2007-2008 balance forward for the purpose of purchasing movable equipment for the new K-8 facility.

All persons may appear to show cause, if any, why the above application should not be approved.

Heidi-Noël Grindle, City Clerk

NOTICE OF PUBLIC SALE
14 M.R.S.A. § 6323

Notice is hereby given that in accordance with an Order and Judgment of Foreclosure entered by the Maine District Court (at Ellsworth) dated March 17, 2008 and entered in the action entitled *Bar Harbor Bank & Trust vs. Scott A. Dyer, Jr. et al.*; Docket No. ELL-RE-2007-145, and wherein the Court adjudged a foreclosure of a mortgage deed dated December 23, 2004 and recorded in the Hancock Registry of Deeds in Vol. 4098, Page 238, the period of redemption from said judgment having expired, a public sale will be conducted on August 26, 2008 commencing at 10:00 a.m. at 57 Pomroy Road, Hancock, Maine. The property is also described on the Hancock Tax Maps as Map 23, Lot 21D. Reference should be had to said mortgage deed for a more complete legal description of the property to be conveyed.

Terms of Sale: The property will be sold subject to all outstanding municipal assessments, whether or not of record in the Hancock Registry of Deeds, as well as all real estate transfer taxes assessed on the transfer. The sale will be by public auction. The deposit to bid, non-refundable as to the highest bidder, is $5,000.00 in certified funds. The deposit to bid should be made payable to Bar Harbor Bank & Trust. The highest bidder will be required to execute a purchase and sale agreement with Bar Harbor Bank & Trust. The balance of the sale price will be due and payable within 30 days of the public sale. Conveyance of the property will be by release deed. All other terms will be announced at the public sale. For further information please contact Stacie Alley at 207-667-8466 or download a bid package from www.haennlaw.com.

Michael S. Haenn, Esq.
Attorney for
Bar Harbor Bank & Trust
P.O. Box 915
Bangor, Maine

NOTICE OF SALE

By virtue of and in execution of a Judgment of Foreclosure and Sale entered in the

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6:00 p.m.
Mount Desert Eleme
School

NOTICE

Harold MacQuinn, I
be blasting in our
Quarry on the Henders
for the month of Augu
Monday through Fri
tween the hours of 9 a.
p.m.
Access: the "He
Road" is gated at Rou
before and after the "M
Quarry."
Warning:
Three whistles - bl
five minutes
Two whistles - bla
one minute
One whistle - bla
complete - all clear
No home(s) within
mile.
Any questions can
rected to the office
MacQuinn, Inc. at 667-4

STATE OF MAIN
PROBATE COU
50 STATE STRE
HANCOCK COUN
ELLSWORTH, ME
NOTICE TO CREDI
18-A MRSA 3-80

The following Perso
resentatives have b
pointed in the estate
The first publication
this Notice is August 7
you are a creditor of
listed below, you mus
your claim within fou
of the first publicatio
this Notice to Credito
forever barred.
You may present y
by filing a written sta
your claim on a pro
with the Register of
this Court by deliverin
ing to the Personal R
tive listed below at th
published by his nam
ten statement of the
cating the basis ther
name and address
claimant and the
claimed, or in such o
ner as the law may p
18-A MRSA 3-804.
2007-380 ELLIE
RICH, late of Ells
ceased. Bradley B. B
Tremont Road, Bas
ME 04653, appointed
Representative.
2008-204 PENE
WHITE, late of East
ceased. Sarah Ha
Sugar Hill Road,
ME 04634, appointe
Representative.
2008-205 CLAYTO
LACE, late of Ells
ceased, Deanna W
North Bend Road,
ME 04605, appointe
Representative.
2008-206 HU
DORIS, late of Ha

EXHIBIT H
ELLSWORTH CITY COUNCIL

VOTED THAT: The City of Ellsworth, Maine (the "City") hereby amends 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: amendment 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 amended as a Municipal Development District and Tax Increment Financing District and such amendment 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 amendment 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 her 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.

CITY OF ELLSWORTH, MAINE

BECKWITH HILL MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT

DEVELOPMENT PROGRAM

REVISED 2/12/08

AMENDED AND RESTATED AUGUST 18, 2008

Beckwith Hill Municipal Development and Tax Increment Financing District

TABLE OF CONTENTS

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 single Municipal Development and Tax Increment Financing District including three separate, non-contiguous tracts (Business Park, Beckwith Hill, and Bucksport Road Tracts) 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.

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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 amending the District and adoption of this Development Program by the City at a City Council Meeting, the amendment 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.

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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. Article III. Financial Plan sets forth the amount of the municipal tax increment revenues on the new or increased assessed value from the District which 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.

Deleted: Sixty seven percent (67%)

The existing property in the District currently produces $239,150 annually 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, approximately $669,415 annually, in additional tax

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Deleted: an additional

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Deleted: , on average,

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 create 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 the tax increment produced by new development in the District.

Section 2.03: Municipal 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-District Investments

(i) Ellsworth Business Park. Under the original TIF District Municipal Program, the City invested TIF revenues to establish a 10 lot Ellsworth Commerce Park, with complete public infrastructure, for community tax base expansion and quality job creation. Additional public water utility improvements are needed to address business park tenants water pressure needs.

(ii) Beechland Road Reconstruction. One of the major access routes to the Beckwith Hill Tract portion of the Municipal Development District, to 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 $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.

(iii) 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 2002, 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 2005, the City dredged the harbor perimeter. The City's goal is to connect the waterfront to the commercial downtown, and increase public access. The dredging of the harbor will help marine related businesses, such as Maine Shellfish including delivery of lobsters, clams, and shrimp. Harbor improvements including pump facilities and improvement of City owned dock facilities are planned

(iv) Public Infrastructure. Future public infrastructure planning will determine both "In-District" and "Out-of-District, but related" municipal investments which will be

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Deleted: 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, telecommunication, 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 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.¶

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Economic Development Marketing Program. Key to the sustained growth of the Ellsworth area is an active business attraction and retention program. The estimated City portion of the cost for this project is $600,000.¶
¶

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Deleted: The Ellsworth Harbor Committee and the Executive Committee for Waterfront Development is preparing a strategic plan to upgrade the harbor facilities, construct facilities

Deleted: 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.

Deleted: The estimated cost of this project is $590,000 for public land acquisition and redevelopment and for required to support business investment.

(v) Bucksport Road TIF District Tract Environmental Planning. The City is planning to undertake a wetland survey in order to maximize the development potential for this growth area.

(vi) Bucksport Road TIF District Tract Public Infrastructure Planning. Following completion of the above environmental planning work, the City is planning to hire consultants to prepare development concept, public infrastructure (roads, water, sewer, storm water management, three phase power, and telecommunication) plans and budgets, working in conjunction with property owners, in order to plan for public infrastructure needs to maximize the development potential of this growth area.

(vii) Myrick Street Infrastructure. Upgrade Myrick Street infrastructure to include installing traffic lights and safety islands in response to support business growth needs.

(viii) Credit Enhancement Agreements. The City will entertain entering into specific credit enhancement agreements with individual businesses and developers to stimulate desired private sector investment and associated quality job creation. The specific terms related to credit enhancements agreements will be negotiated and acted upon by the Ellsworth City Council on a case-by-case basis.

Out-Of-District, But Related Investments

(i) Capital Equipment. Investment in public safety and public works vehicles and equipment are needed to address the business service needs of "In-District" business development growth. The cost of vehicles and equipment will be prorated dependent upon usage in the TIF District.

Community Wide Investments

(i) Economic Development Staff. Costs include a full-time Economic Development Coordinator position including position overhead costs.

(ii) Economic Development Consulting. Costs include community economic development planning, business retention/expansion/attraction programs and TIF Administration.

(iii) Business Visitation Program. The City plans to undertake a program to survey existing businesses, City-wide, to identify and respond to business retention and expansion issues and opportunities.

(iv) Storm water Management Planning. City-wide planning will be undertaken to determine utility design improvements to maximize the commercial development and redevelopment potential of growth areas.

(v) Business Attraction Marketing and Business Recruitment Materials. Costs include updating community business attraction marketing and business recruitment materials.

(vi) Local Match for Economic Development Grants. TIF revenue will be used to cover the costs of federal and state economic development grant local match requirements.

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

Deleted: 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.

Section 3.02: Amount of Indebtedness to be Incurred

The City may incur any indebtedness in connection with the Development Program. The City may also issue general obligation bonds to pay 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.

Deleted: It is currently anticipated that the City will issue its general obligation bonds to fund most of the costs of the Ellsworth Business Park.

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Section 3.03: Sources and Uses of Anticipated Revenues

The City will deposit 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.

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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 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 as follows:

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Year	Amount Captured
Year 1 to Year 15 (2001-2002 to 2015-2016)	67%
Year 16 (2016-2017)	60%
Year 17 (2017-2018)	50%
Year 18 (2018-2019)	40%
Year 19 (2019-2020)	30%
Year 20 (2020-2021)	20%

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The table attached hereto as Exhibit C reflects (i) the estimated Increased Assessed Value per year following implementation of the Development Program, (ii) the estimated Tax Increment Revenues per year on the Increased Assessed Value following implementation of the Development Program, (iii) the Captured Assessed Value Percentage; (iv) the estimated Tax Increment Revenues allocated to the General Fund of the City; and (v) 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.

Deleted: the Original Assessed Value of all real property within the District, (ii)

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Deleted: , 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 Municipal 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, (b) a Municipal 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, and (c) Municipal Development Project Cost Account, if any, associated with future credit enhancement agreements approved by the City Council. 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:

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(1) To the Municipal 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; and

(2) To the Municipal 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.

(3) To the Developer Project Cost Account, if any, an amount to satisfy City Council approved credit enhancement agreements.

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, 2008 is $938,700,000;

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(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 is $17,913,855, and includes a value of $4,137,900 as of March 31, 2001 associated with the original Beckwith Hill TIF Program, and $13,773,955 as of March 31, 2008 associated with the Program amendments;

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(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) is 1.90%; and

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(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	$166,511	$1,998,132
County Tax	$15,341	$184,095
State Revenue Sharing	$24,376	$292,509

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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 ________________, a date at least 10 days prior to the public hearing. The public hearing was held on August 18, 2008 to amend the TIF District Program. 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.

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EXHIBIT A-1

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 real estate shown on:

- The City's Tax Map 16 as Lots 7, 7-2, 8, 18, 20, 47-1, 47-2, 47-4, 47-7, 53, and 62;
- The City's Tax Map 22 as Lots 1, 3, 5-0, 5-1, 5-1-1, 5-2, 5-3, and 5-4 ;
- The City's Tax Map 25, as Lots 1, 1-4, 1-5, 1-6, 2, 2-1, 3, 4, 4-1, 5, 6, 7, 10, 11, 12, 12-1, 13, 14, 15, and 16;
- The City's Tax Map 26, as Lots 1, 1-1, 1-1-1, 1-2, 1-2-1, 1-2-2, 1-3, 1-4, 1-5, 2, 2-2, 2-3, 3, 3-1, 3-2, 3-3, 3-4, 3-5, 4, 5, 6, 7, 8, and 9;
- The City's Tax Map 31, as Lot 52;
- The City's Tax Map 40, as Lot 4-1;
- The City's Tax Map 41 as Lots 58 and 59;
- The City's Tax Map 42 as Lots 8-1, 8-1-1, 8-1-2, 8-1-3, 8-1-4, 8-1-5, 8-1-6, 8-1-7, 8-1-8, 8-1-8-R, 8-1-9, 8-1-10,;
- The City's Tax Map 133, as Lots 14-1, and 15;and
- The City's Tax Map 142 as Lot 133.

The District also includes public rights-of-way associated with Beechland Road, Bangor Road (Route 1A) from Ellsworth High School to Lakes Lane, and the Bucksport Road, originating from approximately where it intersects with the Christian Ridge Road, moving westerly for approximately 2600 linear feet.

Deleted: <#>The City's Tax Map 16 as Lots 7, 7-2, 8, 18, 20, 47-1, 47-2, 47-4, 47-7, and 53;¶
<#>The City's Tax Map 22 as Lots 1 and 3;¶
<#>The City's Tax Map 41 as Lots 58 and 59; ¶
<#>The City's Tax Map 42 as Lots 8-1, 8-1-1, 8-1-2, 8-1-3, 8-1-4, 8-1-5, 8-1-6, 8-1-7, 8-1-8, 8-1-8-R, 8-1-9, 8-1-10, and;¶
<#>The City's Tax Map 142 as Lot 133.¶
¶
The District also includes public rights-of-way associated with Beechland Road and the Bangor Road (Route 1A) from Ellsworth High School to Lakes Lane.¶

EXHIBIT B
ESTIMATED DEVELOPMENT COSTS

Municipal Activity:

In District

1. Ellsworth Business Park
2. Beechland Road Reconstruction
3. Waterfront Improvements
4. Public Infrastructure
5. Bucksport Road TIF District Tract Environmental Planning
6. Bucksport Road TIF District Tract Public Infrastructure Planning
7. Myrick Street Infrastructure
8. Credit Enhancement Agreements

Out-of-District But Related

1. Capital Equipment

Community Wide

1. Economic Development Staff
2. Economic Development Consulting
3. Business Visitation Program
4. Storm Water Management Plan
5. Business Attraction Marketing and Business Recruitment Materials
6. Local Match for Economic Development Grants

Total Municipal TIF Proceeds:	**$7,517,224**

EXHIBIT C
ALLOCATION OF ESTIMATED TAX INCREMENT REVENUES

				TIF		COMMUNITY			COMPANY	
YR.	Tax Year	Estimated Taxable Investment	Gross New Taxes	Shelter %	Total Revenues	General Fund (unsheltered Gross New Taxes)	TIF Revenues (sheltered Gross New Taxes)	Total Revenues	TIF %	TIF Revenu
base	2007-2008									
8	2008-2009	$ 1,575,000	$ -	-	$ -	$ -	$ -	$ -	-	$
9	2009-2010	$ 26,802,000	$ 21,026	67%	$ 14,087	$ 6,939	$ 14,087	$ 21,026	0.0%	$
10	2010-2011	$ 6,000,000	$ 378,832	67%	$ 253,817	$ 125,015	$ 253,817	$ 378,832	0.0%	$
11	2011-2012	$ 4,000,000	$ 458,932	67%	$ 307,484	$ 151,448	$ 307,484	$ 458,932	0.0%	$
12	2012-2013	$ 7,000,000	$ 512,332	67%	$ 343,262	$ 169,070	$ 343,262	$ 512,332	0.0%	$
13	2013-2014	$ 4,000,000	$ 605,782	67%	$ 405,874	$ 199,908	$ 405,874	$ 605,782	0.0%	$ -
14	2014-2015	$ 7,000,000	$ 659,182	67%	$ 441,652	$ 217,530	$ 441,652	$ 659,182	0.0%	$ -
15	2015-2016	$ 4,000,000	$ 752,632	67%	$ 504,263	$ 248,369	$ 504,263	$ 752,632	0.0%	$ -
16	2016-2017	$ 6,500,000	$ 806,032	60%	$ 483,619	$ 322,413	$ 483,619	$ 806,032	0.0%	$ -
17	2017-2018	$ 4,000,000	$ 892,807	50%	$ 446,404	$ 446,404	$ 446,404	$ 892,807	0.0%	$ -
18	2018-2019	$ 4,000,000	$ 946,207	40%	$ 378,483	$ 567,724	$ 378,483	$ 946,207	0.0%	$ -
19	2019-2020	$ -	$ 999,607	30%	$ 299,882	$ 699,725	$ 299,882	$ 999,607	0.0%	$ -
20	2020-2021	$ -	$ 999,607	20%	$ 199,921	$ 799,686	$ 199,921	$ 999,607	0.0%	$ -
	Cumulative	$ 74,877,000	$ 8,032,978		$4,078,750	$3,954,228	$4,078,750	$8,032,978		$ -
	Avg. Annual		669,415		$ 339,896	$ 329,519	$ 339,896	$ 669,415		$ -

Notes:

13 YEAR PROJECTION @ MIL RATE $13.35/1000

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¶
<#>Land Acquisition . $250,000¶
<#>Building Acquisition¶
<#>Relocation of Persons and Businesses¶
<#>Clearance & Demolition¶
<#>Street & Site Improvements (on site and off site) . $2,032,390¶
<#>Water & Sewer Improvements¶
<#>Building Construction¶
<#>Parking Facilities¶
<#>Capital Equipment¶
<#>Preferred Fees¶
<#>Administrative Costs . $700,000¶
<#>Discretionary Payments¶
<#>Training Costs¶
<#>Other Costs¶
<#>........Section Break (Next Page)........

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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, totals $17,913,855 and includes a value of $4,137,900 as of March 31, 2001 associated with the original Beckwith Hill TIF Program and $13,773,955 as of March 31, 2008 associated with the TIF Program amendment.

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IN WITNESS WHEREOF this Certificate has been executed as of this ___ day of August 2008.

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____
Municipal Assessor

EXHIBIT E
PHYSICAL DESCRIPTION

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

2. Total Acreage of amended and restated Municipal TIF District:

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129.15 acres	Original TIF District
900.59 acres	Amended TIF District
1,029.74 acres	Total

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3. Percentage of total acreage in proposed Municipal TIF Districts (line 2 divided by line 1 cannot exceed 2%): 1.9%.

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4. Total acreage of all existing and proposed Municipal TIF Districts in the Municipality: 1,029.74 acres;

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5. Percentage of total acreage in all existing and proposed municipal TIF Districts (line 4 divided by line 1 cannot exceed 5%): 1.9%; and

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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: 1,029.74 acres (line 6(b) divided by line 2 = 100%); and
    c. area suitable for industrial or commercial sites = 1,029.74 acres (line 6(c) divided by line 2 = 100%).

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

EXHIBIT F
TAX SHIFT CALCULATIONS

YR	Tax Year	Education Shift	Revenue Sharing Shift	County Tax Shift	Total Tax Shift
8	2008-2009				
9	2009-2010				
10	2010-2011	$0	$0	$0	$0
11	2011-2012	$6,901	$1,040	$465	$8,406
12	2012-2013	$124,342	$18,396	$8,801	$151,539
13	2013-2014	$150,633	$22,193	$11,218	$184,045
14	2014-2015	$168,160	$24,708	$13,179	$206,047
15	2015-2016	$198,833	$29,074	$16,395	$244,303
16	2016-2017	$216,360	$31,551	$18,774	$266,685
17	2017-2018	$247,033	$35,852	$22,553	$305,438
18	2018-2019	$236,919	$34,439	$22,770	$294,128
19	2019-2020	$218,688	$31,879	$22,127	$272,694
20	2020-2021	$185,414	$27,169	$19,755	$232,338
21	*2021-2022*	*$146,909*	*$21,657*	*$16,483*	*$185,049*
22	*2022-2023*	*$97,939*	*$14,550*	*$11,574*	*$124,063*
	Cumulative	**$1,998,132**	**$ 292,509**	**$184,095**	**$2,474,736**
	Avg. Annual	$166,511	$ 24,376	$ 15,341	$ 206,228

Notes:
13 YEAR PROJECTION @ MIL RATE $13.35/1000
Years 21 & 22 are shown for tax shift projection purposes only due to two year lag associated with State funding formulas.

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TAX SHIFT FORMULAS

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Creation of tax increment financing development district affects a municipality's state education subsidies, state revenue sharing, and county taxes, each of which uses municipal valuation as a basis for calculation. The statute allowing the creation of affordable housing development districts refers to this effect as "tax shifts." Presented below are the formulas used in the calculation of each of these tax shifts resulting from the amendment to the City of Ellsworth Beckwith Hill Municipal Development and Tax Increment Financing District.

STATE EDUCATION SUBSIDY TAX SHIFT

The current state education subsidy formula based on the Essential Programs and Services approach is adjusted each year that the district is in effect to include the increased valuation within the municipality based on the annual Captured Assessed Value (CAV). All other factors affecting the subsidy calculation are held constant. The difference in the actual education subsidy and the adjusted education subsidy represents the projected state education subsidy tax shift for that year.

STATE REVENUE SHARING TAX SHIFT

To determine the state revenue sharing tax *shift*, we collected the following information (available from the office of the Maine State Treasurer and at http://www.maine.gov/treasurer/revenue.htm):

1. Projected total municipal revenue sharing pool for the current fiscal year;
2. The City of Ellsworth's "current factor;"
3. The City of Ellsworth's "computed number," and the three figures used to calculate the current computed number: The City of Ellsworth's population, local assessment, and State valuation;

With this information in hand, we proceeded through the steps outlined below:

- STEP ONE
  Calculate the *Aggregate Computed Number*:

  Computed Number
  Current Factor

- STEP TWO
  Calculate the *Adjusted Local Computed Number*: (CAV=Captured Assessed Value)
  Municipal Population x Local Assessment
  State Local Valuation + Projected Annual CAV

- STEP THREE
  Calculate the *Adjusted Aggregate Computed Number*:

  Aggregate Computed Number — Computed Number + Adjusted Local Computed Number

- STEP FOUR
  Calculate the *State's Adjusted Current Factor*:

  Adjusted Local Computed Number
  Adjusted Aggregate Computed Number

- STEP FIVE
  Calculate *Municipality's Current Projected Revenue Sharing*:

  Projected Total Municipal Revenue Sharing Pool
  x Municipality's Adjusted Current Factor

- STEP SIX
  Calculate the Projected Municipal Revenue Sharing for each year:

  Step 5 in given TIF District year — Step 5 in the Base Year

This process was repeated for each year's Projected Annual CAV.

Note that the Projected Municipal Revenue Sharing calculation for the base year should be the same as the Municipality's Current Projected Revenue Sharing.

COUNTY TAX SHIFT

We determined the county tax shift by obtaining information from Maine Revenue Services and from the Hancock County offices.

From Maine Revenue Services, we obtained the most recent State County Valuation and the State Local Valuation. From the Hancock County offices, we obtained the County Tax Levy and the County budget for the current year and five or more years past.

- STEP ONE
  Calculate the Current Municipal Percent of County Value:

  Current State Local Valuation
  Current State County Valuation

- STEP TWO
  Calculate the Projected County Budget:
  Using the current County budget and historic County budgets, calculate the average annual increase in the county budget. Using the average annual increase, project the annual budget for each year of the TIF District.

- STEP THREE
  Calculate the Municipal Share of County Tax without CAV (Captured Assessed Value):

  Current Percent of County Value x Projected County Budget

- STEP FOUR
  Adjust the projected State County Valuation and the State Municipal Valuation to include the projected CAV.

- STEP FIVE
  Using values from Step Four, calculate the Adjusted Municipal Percent of County Value.

- STEP SIX
  Calculate the average Municipality Share of County Tax with the CA V:

  Adjusted Municipal Percent of County Value x Projected County Budget

- STEP SEVEN
  Calculate the County Tax Shift:

  Municipal Share of County Tax with CAV — Municipal Share of County

Tax without CAV

This process was repeated for each year's Projected Annual CAV.

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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 ... [1

EXHIBIT G

LEGAL ADVERTISEMENT
CITY OF ELLSWORTH
PUBLIC NOTICE

Notice is hereby given that the City of Ellsworth will hold a public hearing on August 18, 2008 at 7:00 p.m. at City Hall in Ellsworth for purposes of receiving public comments on a proposed amendment to its Beckwith Hill Municipal Development District and Tax Increment Financing District and the adoption of an amended and restated Development Program for 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 amended 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.

Deleted: 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.

EXHIBIT H
ELLSWORTH CITY COUNCIL

VOTED THAT: The City of Ellsworth, Maine (the "City") hereby amends 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:

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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: amendment 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

Deleted: designation

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 amended as a Municipal Development District and Tax Increment Financing District and such amendment 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

Deleted: designated

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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 amendment 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 her 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.

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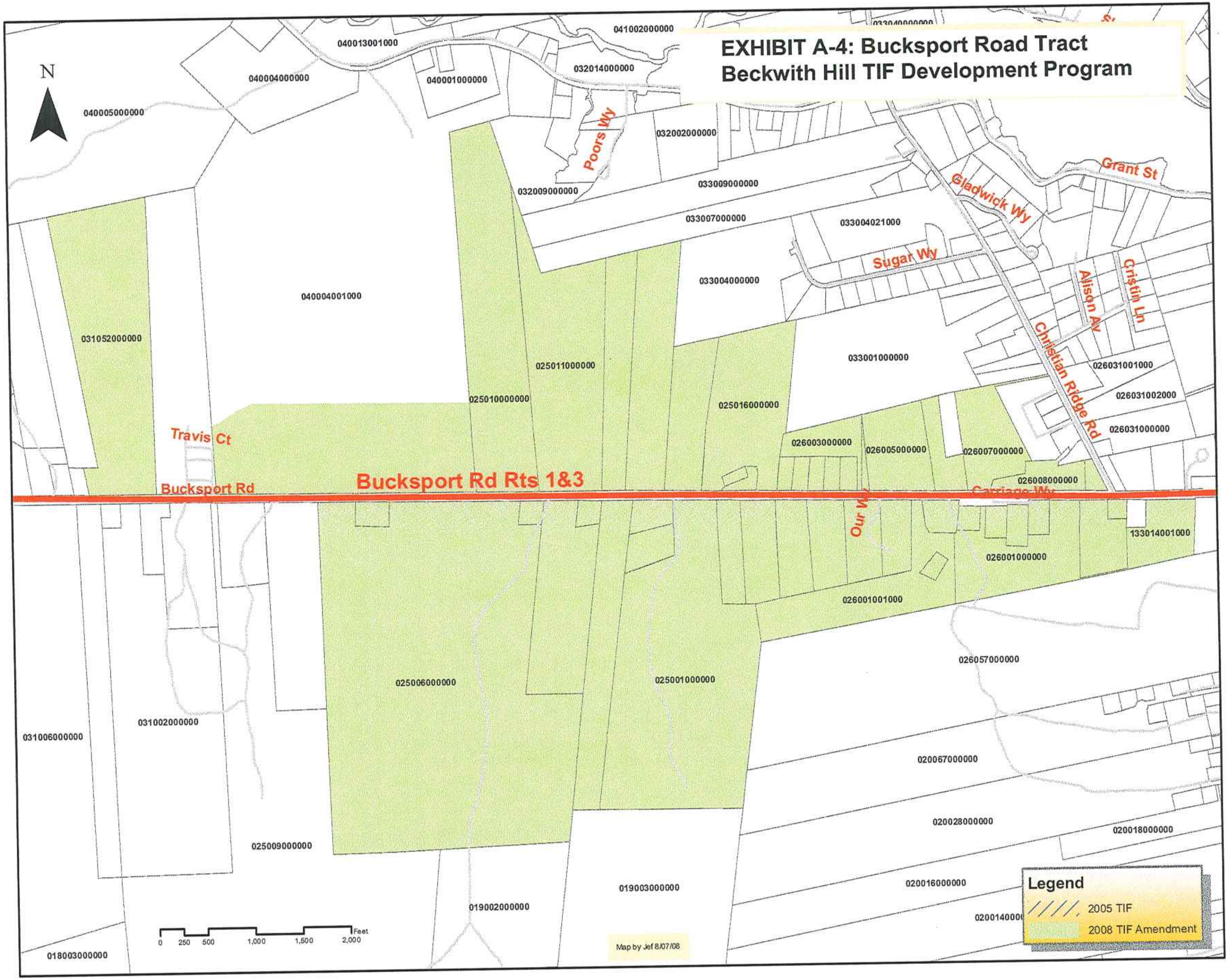
EXHIBIT A-3: Beckwith Hill Tract
Beckwith Hill TIF Development Program

EXHIBIT A-4: Bucksport Road Tract
Beckwith Hill TIF Development Program



lights at the new EHS soccer field.

A vote was taken on the above motion with 4 members voting in favor (Fortier, Moore, Mahon and Phillips) and 2 members voting in opposition (Beathem and Foster).

Council Order #080800, Request of the Finance Director to withdraw $35,000 from the School District Reserve account to fund the air-conditioning installation for the K-8 school construction project.

On a motion by Mahon, seconded by Fortier, it was

RESOLVED ***to approve the Request of the Finance Director to encumber $35,000 from the 2007-2008 School Fund balance forward for the purpose of funding the air-conditioning for the new K-8 school construction.***

The motion was amended and seconded to read encumber rather than withdraw. The wording was also amended and seconded to read School Fund balance rather than just Fund balance.

A vote was taken on the above motion with both amendments being made and seconded. The motion was approved unanimously.

Approved - Request of the Finance Director to encumber $35,000 from the 2007-2008 School Fund balance forward for the purpose of funding the air-conditioning for the new K-8 school construction.

Public hearing and action on a proposed amendment to the Beckwith Hill Municipal Development District and Tax Increment Financing District and the adoption of an amended and restated Development Program for said District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

City Manager Beal explained that this was the final draft of the proposal, at this time Beal is asking for permission to send this copy to the State for approval to change the T.I.F district. All of the comments from the workshop as well as two meetings have been implemented into this document. The most important pieces to this document for the public's information this evening is a review of the municipal development programs and the projects that will be paid for with T.I.F funds. The unique piece is how the captured percentages decrease over time. The council has two versions in the package, one shows all the changes to the development

Approved - Revised and amended Beckwith Hill Municipal Development and Tax Increment Financing District Development Program as presented by the City Manager this evening. (Attachment #1)

RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL

DATE: AUGUST 18, 2008
TIME: 7:00 PM
PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEATHEM, FORTIER, FOSTER, MAHON, MOORE, AND PHILLIPS.
CITY COUNCIL ABSENT: PERKINS
KEY SPEAKERS PRESENT: CITY MANAGER MICHELLE BEAL, MICKI SUMPTER, MIKE HARRIS, WAYNE ENMAN, RICHARD GRAY, TAMMY MOTE, LEANN BEAL, AND TERI DANE

Call to Order.

Call to Order.

Chairman Phillips called the regular monthly meeting of the Ellsworth City Council to order at 7:00 p.m.

Pledge of Allegiance.

Pledge of Allegiance.

At this time Chairman Phillips asked for a moment of silence in honor of Rebecca Black who passed away unexpectedly. Rebecca Black served as Election Warden in Ward 3 for approximately 35 years. Immediately following the moment of silence all stood for the Pledge of Allegiance.

Rules of Order.

Rules of Order.

The meeting was conducted under Robert's Rules of Order and other rules adopted at the November 13, 2007 Annual Organizational Meeting of the Ellsworth City Council. Any Ellsworth resident will be allowed to speak at least three minutes on any agenda item after being recognized.

Approved - Minutes from the July 21, 2008 Regular Monthly Meeting as presented.

Adoption of minutes from the following meeting of the Ellsworth City Council:

07/21/2008 Regular Monthly Meeting.

On a motion by Fortier, seconded by Moore, it was unanimously

RESOLVED *to approve the minutes from the July 21, 2008 Regular Monthly Meeting as presented.*

City Manager's Report.

City Manager's Report.

City Manager Michelle Beal reminded the public as well as the council that the entrance from High Street to Beal's Avenue will be closed this Thursday through Sunday. The only entrance available to Beal's Avenue will be from Main Street. The Downeast Railroad Heritage Trust will be conducting work on the railroad crossing during this time. Beal further explained that the traffic light, which is part of the State Street Fork in the Road project, should be working by Thursday. Some final work on the part of Bangor Hydro must be completed before that light can go on service. Beal explained that the maple trees in various parts of the City have been affected by a fungus due to the extreme amount of rain received this summer. If the residents in the affected areas rake their leaves, the fungus should not return next year. A letter will be sent to the residents residing in the neighborhoods affected, letting them know what measures are required so that the fungus doesn't do more damage. Beal announced that RT 3 from the McDonald's intersection to Myrick Street will be turned one-way on September 3, 2008 at approximately 6:00 AM. The media as well as businesses on Mt. Desert Island and Trenton have been notified, and by Wednesday the electronic signs will be up notifying motorist that this portion of the road will be turning one-way. If the RT 1 traffic light is not complete by September 3 than the road will not be turned one-way until that light is completed. The lights will not be synchronized when they first go on line due to the construction work, the substantial completion for the project is expected October 15 and by that time the lights will be programmed and synchronized.

Committee Reports.

Committee Reports.

Councilor John Moore gave an update from the Harbor Commission. They are pleased to report that they have had great sales in the fuel department. The Harbor Commission is still waiting for Proc Marine to assess the damage to the docks. Moore extended a special thank you to Jack from Jack's Barber Shop for the donation of several picnic tables to the Harbor Park. Jack has made this same donation in years past as well.

Citizens' Comments.

Citizens' Comments.

Dr. John Foreman, who works with the Downeast Aids Network located in Ellsworth, was present to explain that the Board of Directors is launching an annual appeal to the citizens of Washington and Hancock Counties to help them raise $10,000 to be used exclusively to give heating oil to people with HIV.

Presentation of Awards.

Presentation of Awards.

Proclamation declaring October 15, 2008 as Community Health and Counseling Services Day in recognition of the agency's 125 Anniversary.

A representative from Community Health and Counseling Services was present to accept the proclamation following Chairman Phillips reading it aloud to the public.

UNFINISHED BUSINESS

Unfinished Business.

There was no unfinished business this month.

CONSENT AGENDA

Consent Agenda.

CONSENT AGENDA: All items with an asterisk (*) are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event, the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

There were no items under the consent agenda this month.

Before new business was heard Chairman Phillips asked for an item to be added to the agenda. That being a request to amend the first tax installment due date of September 11, 2008 to September 18, 2008.

Approved – Adding an item to the agenda this evening as (8 ½).

On a motion by Foster, seconded by Beathem, it was unanimously

RESOLVED ***to approve adding an item to the agenda this evening (8 ½) to read Request to amend the first tax installment due date of September 11, 2008 to September 18, 2008.***

NEW BUSINESS

New Business.

Request to amend the first tax installment due date of September 11, 2008 to September 18, 2008.

Approved - Request of the tax collector to amend the first tax installment due date from September 11, 2008 to September 18, 2008.

Tammy Mote, Finance Director explained that there had been some unforeseen circumstances that caused the Tax Collector to not receive the commitment until August 14, 2008. This is approximately two weeks behind schedule, the tax payers are normally given 4-6 weeks to pay the taxes before the due date. If the tax bills are sent out tomorrow or Wednesday this would only give tax payers three weeks before taxes are due. Mote is asking for an extension in order to give tax payers four weeks to pay the first installment.

RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL

DATE: AUGUST 18, 2008
TIME: 7:00 PM
PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEATHEM, FORTIER, FOSTER, MAHON, MOORE, AND PHILLIPS.
CITY COUNCIL ABSENT: PERKINS
KEY SPEAKERS PRESENT: CITY MANAGER MICHELLE BEAL, MICKI SUMPTER, MIKE HARRIS, WAYNE ENMAN, RICHARD GRAY, TAMMY MOTE, LEANN BEAL, AND TERI DANE

On a motion by Mahon, seconded by Moore, it was unanimously

RESOLVED ***to approve the request of the tax collector to amend the first tax installment due date from September 11, 2008 to September 18, 2008.***

Public hearing and action on the application for renewal for the following licenses:

Approved - Maison K. Goodrich d/b/a Peppers Pub, 20 Water Street, for renewal of a City Class B License (food, liquor, and amusement) and renewal of a State Malt, Spirituous and Vinous Class XI Restaurant/Lounge Liquor License.

Maison K. Goodrich d/b/a Peppers Pub, 20 Water Street, for renewal of a City Class B License (food, liquor, and amusement) and renewal of a State Malt, Spirituous and Vinous Class XI Restaurant/Lounge Liquor License.

The staff reports the premises are in compliance with required codes and ordinances necessary to issue the requested licenses and that no delinquent tax or utility bills exist.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Fortier, seconded by Beathem, it was unanimously

RESOLVED ***to approve Maison K. Goodrich d/b/a Peppers Pub, 20 Water Street, for renewal of a City Class B License (food, liquor, and amusement) and renewal of a State Malt, Spirituous and Vinous Class XI Restaurant/Lounge Liquor License.***

Approved - Request of the Finance Director to encumber $50,000 from the 2007-2008 School Fund balance for the purpose of purchasing movable

Public hearing and action on the request of the Finance Director to encumber $50,000 from the 2007-2008 balance forward for the purpose of purchasing movable equipment for the new K-8 facility.

Tammy Mote, Finance Director introduced Wayne Enman, Superintendent of Ellsworth Schools as the presenter for this request as well as the next two items on the agenda. Enman requested that $50,000 be encumbered from the 2007-2008 balance forward for the purpose of purchasing movable equipment for the new K-8

equipment for the new K-8 facility.

facility. He stated that with the cost of everything going up dramatically the new project will not have enough funds available to purchase all of the new moveable equipment that should be placed in the facility. There were talks of putting some funds in the reserve last year, however at the last minute were decided not to do that. With the 6th -8th grades returning to the building on July 1, 2009, Enman believes there is an opportunity this year to encumber those funds for that purpose. Enman stated even with the encumbrances there should be approximately $600,000 as a fund balance to carry over to next year. The budget was frozen in late February, not totally but to make sure that there were ample funds left at the end of the year to go into the coming year not knowing what the situation would be with the cost of materials, fuel etc. These are not funds over and above the construction of the school; this is only for moveable equipment which is purchased every year. This is over and above the amount they allow you in the budget approved by the State, every district has had to add additional money for movable equipment. The need for this is dictated by the new facility. Some of the equipment that was taken out of the old Middle School can be put back in the new facility, but in many instances that equipment has limped along far too long already. There was a concern addressed with the amount of money that was approved through referendum, and how this may appear that the council is extending the cost of the school without going back to referendum. This would only be the case if you were adding to the structure, but it is not the case for moveable equipment or something similar. This item as well as the next two items will be heard as separate items with separate votes and public hearings; however some discussions will include all three requests as they relate to one another. Part of the excessive fund balance forward is due to a lot more revenue being brought into the schools. Contributing factors are more attention being given to the billing for special education services, the school is allowed to bill through Medicaid and to other funding sources, significantly more money was brought in through tuition from other students, and the enrollment is up from prior years. The revenues were underestimated in the prior budget cycles. Chairman Phillips explained that item 12 which is Council Order #080800; Request of the Finance Director to withdraw $35,000 from the School District Reserve account to fund the air-conditioning installation for the K-8 school construction project will also be brought into this discussion because the Council may wish to see the requested money be taken from somewhere else. Based on emails received from members of the building committee there is unanimous agreement that is important to install the air conditioning at the current time. The cost if done now is $35,000; if it is done ten months from now the cost will increase to between $70,000 and $75,000. With the geothermal system the air conditioning in the gymnasium, some computer rooms, and some other classrooms will put heat back into the water in the ground making the system more efficient and sustaining it over time. The council appeared to be in favor of the air conditioning at the time is will be most cost efficient; however they appeared to be concerned with the money coming from the district reserve. The question of whether it could come from the $600,000 reserve was discussed extensively. Enman stated when he spoke with Valerie Chang from the Bureau of General Services and Scott Brown from the School Construction division in the Department of Education; he only spoke to them in regards to the reserve account. Enman said he could ask them if they are willing to allow them to do that. Enman is comfortable taking the $35,000 out of the Fund Balance rather than the District Trustee Reserve Account if it is allowable by the Department of Education. There were brief discussions with regards to the different reserves and how those are allocated when the RSU goes into effect. The moveable equipment and lights were already discussed with the Department of Education and are allowable expenses to be funded from Fund Balance. The lights can be added because it is not part of the construction piece, by doing the lights now the price will be approximately half of the original estimate. The School Committee cannot vote to encumber the funds from Fund Balance for the air conditioning because it is part of the school construction project. The only reason they may allow it is because it is a local only piece of the project. Enman reminded the Council there is $58,000 + dollars in the local only contingency project and if that money or a portion of that money is not used than where ever that money came from, can be repaid from that local only contingency. The local only contingency is designated for the geothermal system. The contingency cannot be used so soon into the project for the air conditioning since $58,000 is not a lot of money in the event something comes up. For grades 6-8 the completion date is June 30, 2009, for grades Pre K- 5 the anticipated finish date is June 30, 2010. Since when the time comes to refund the $35,000 back will be after the RSU is established, therefore there is a possibility that Enman may not be in charge of the budget. Enman stated he would correspond with the Department of Education and the Bureau of General Services so that it would be laid out in writing, that if there is money left to be returned, that money would come back as a balance forward or back to the reserve account. The decision tonight is important because the contractors are waiting to order the units and will need to know whether to order them with the coils or without the coils. The budget process will begin the same way it did last year, carrying forward into the Spring, but if a new RSU comes into existence it will do so within a referendum vote projected for the first week in December. Once that comes into effect than new school board members will be elected for the RSU, those school board members will have the responsibility of hiring an interim Superintendent of Schools and developing with the separate communities a budget for the upcoming school year. The plan is very clear that any monies set aside such as balance forward, goes to reduce the assessment to the City of Ellsworth or anything in special reserve accounts, stays in those special reserve accounts, going toward whatever they were designated to fund.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Mahon, seconded by Moore, it was

RESOLVED ***to approve the request of the Finance Director to encumber $50,000 from the 2007-2008 School Fund balance for the purpose of purchasing movable equipment for the new K-8 facility.***

A vote was taken on the above motion with 5 members voting in favor (Beathem, Fortier, Mahon, Moore and Phillips) and 1 member abstaining (Foster).

Public hearing and action on the request of the Finance Director to encumber $50,000 from the 2007-2008 balance forward for the purpose of installing lights at the new EHS soccer field.

Approved - Request of the Finance Director to encumber $50,000 from the 2007-2008 School Fund balance for the purpose of installing lights at the new EHS soccer field.

Public hearing was opened.

There were no comments.

Public hearing was closed.

RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL

DATE: AUGUST 18, 2008
TIME: 7:00 PM
PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEATHEM, FORTIER, FOSTER, MAHON, MOORE, AND PHILLIPS.
CITY COUNCIL ABSENT: PERKINS
KEY SPEAKERS PRESENT: CITY MANAGER MICHELLE BEAL, MICKI SUMPTER, MIKE HARRIS, WAYNE ENMAN, RICHARD GRAY, TAMMY MOTE, LEANN BEAL, AND TERI DANE

On a motion by Fortier, seconded by Moore, it was

RESOLVED ***to approve the request of the Finance Director to encumber $50,000 from the 2007-2008 School Fund balance for the purpose of installing lights at the new EHS soccer field.***

A vote was taken on the above motion with 4 members voting in favor (Fortier, Moore, Mahon and Phillips) and 2 members voting in opposition (Beathem and Foster).

Approved - Request of the Finance Director to encumber $35,000 from the 2007-2008 School Fund balance forward for the purpose of funding the air-conditioning for the new K-8 school construction.

Council Order #080800, Request of the Finance Director to withdraw $35,000 from the School District Reserve account to fund the air-conditioning installation for the K-8 school construction project.

On a motion by Mahon, seconded by Fortier, it was

RESOLVED ***to approve the Request of the Finance Director to encumber $35,000 from the 2007-2008 School Fund balance forward for the purpose of funding the air-conditioning for the new K-8 school construction.***

The motion was amended and seconded to read encumber rather than withdraw. The wording was also amended and seconded to read School Fund balance rather than just Fund balance.

A vote was taken on the above motion with both amendments being made and seconded. The motion was approved unanimously.

Approved - Revised and amended Beckwith Hill Municipal Development and Tax Increment Financing District Development Program as presented by the City Manager this

Public hearing and action on a proposed amendment to the Beckwith Hill Municipal Development District and Tax Increment Financing District and the adoption of an amended and restated Development Program for said District, pursuant to the provisions of Chapter 207 of Title 30-A of the Maine Revised Statutes, as amended.

City Manager Beal explained that this was the final draft of the proposal, at this time Beal is asking for permission to send this copy to the State for approval to change the T.I.F district. All of the comments from the workshop as well as two meetings have been implemented into this document. The most important pieces to this document for the public's

evening. (Attachment #1)

information this evening is a review of the municipal development programs and the projects that will be paid for with T.I.F funds. The unique piece is how the captured percentages decrease over time. The council has two versions in the package, one shows all the changes to the development district and then the other version is a final clean copy. Beal reviewed and described programs that were added as shown on page 2 of the clean copy. See attachment #1 for a complete final copy of the proposal. The only other substantial change that was made is currently 67% of the taxation from that district is for T.I.F projects; that would go through until year 15 (which is actually year 2016). Year 2016 would be reduced to 60%, and then it would be reduced to 50%, 40%, and 30% until Year 2020 which is the final year of the T.I.F and would be reduced to 20%. The reasons for this is to ensure that enough revenue is going into the operating budget and also a slow decrease will prevent that decrease from happening so quickly ultimately affecting the subsidy received from the State for the School and City.

Councilor Fortier inquired about Page 14 in relation to the Chart. The chart will be corrected to reflect the percentage after the sheltered amount, before it is sent on to the State. A colored map will be contained in the final copy to the State.

Public hearing was opened.

There were no comments.

Public hearing was closed.

On a motion by Fortier, seconded by Moore, it was unanimously

RESOLVED ***to approve the revised and amended Beckwith Hill Municipal Development and Tax Increment Financing District Development Program as presented by the City Manager this evening. (Attachment #1)***

Approved - Council Order #080801, request of the City Manager to approve the financing of a

Council Order #080801, Request of the City Manager to approve the proposal for engineering and design of the new wastewater treatment plant.

Chairman Phillips explained this is a proposed contract by Woodard and Curran in a not to exceed amount of $2,065,000 for the design and construction of the new wastewater treatment plant. Manager Beal introduced Brent Bridges from Woodard and Curran who was available to answer any questions the Council might have. The proposal that was submitted to the Council has yet to be approved by USDA-Rural Development and the Maine State Department of Environmental Protection, as funding agencies they must also approve of this contract. Beal is asking that since the approval has not been given from the above two agencies as of this meeting, for permission and approval of a not to exceed $2,065,000. However the final contract will come back to the Council for permission to have Beal sign it. This will give the Council a last chance to review the contract before Beal is authorized to sign the contract. There is a chance that the contract would be done with Woodard and Curran in stages, for example approval would be given on preliminary engineering and then the council would approve engineering etc. At this time it would just be important to approve funding, so that things can start moving forward, demonstrating the council is behind the project as well as the funding of the project. Then the actual contract will come back at a later date for permission to sign it. Brent Bridges explained a few of the line items. The contract has been designed in a way to recognize all the sources of money and the requirements of each of those. They have written the contract from the permitting piece right to the design piece, gathering that information right up through construction, administration, bidding, inspection, startup, closeout, with all the support the City needs as the project moves forward right into completion. There are a couple of unique aspects to this contract, due to the amount of money involved there is a valued engineering component. So that as Woodard and Curran goes through the process one of the first things to be completed is a preliminary design report which will get a peer review, that being a second opinion. The contract covers approximately the next 30 - 36 months worth of work for the project. As part of the contract there is a portion dealing with constructing an operation maintenance manual, a type of guidebook for the Superintendent to use, and also as it is designed paying special attention to how much maintenance is required with each piece. The goal is to use technology and equipment which is not heavy on requiring routine maintenance. Councilor Fortier inquired about Exhibit C in regards to services under A102-A106 costing $1,505,000. The tasks listed here are limited to 18 months; however Brent stated that would be extended so that the $1,505,000 would take care of tasks 1-10. The resident engineer section is also being looked at. The Compensation For Additional Services section relates to expenses that come up over and beyond what is expected and already figured into the contract.

proposal from Woodard and Curran Engineering for a not to exceed $2,065,000; final contract to be approved by Council at a later date.

RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL

DATE: AUGUST 18, 2008
TIME: 7:00 PM
PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEATHEM, FORTIER, FOSTER, MAHON, MOORE, AND PHILLIPS.
CITY COUNCIL ABSENT: PERKINS
KEY SPEAKERS PRESENT: CITY MANAGER MICHELLE BEAL, MICKI SUMPTER, MIKE HARRIS, WAYNE ENMAN, RICHARD GRAY, TAMMY MOTE, LEANN BEAL, AND TERI DANE

On a motion by Fortier, seconded by Beathem, it was unanimously

RESOLVED ***to approve Council Order #080801, request of the City Manager to approve the financing of a proposal from Woodard and Curran Engineering for a not to exceed $2,065,000; final contract to be approved by Council at a later date.***

Council Order #080802, Request of the City Manager to accept the bid for construction of a site access road for the proposed wastewater treatment plant.

Approved - Council Order #080802, Request of the City Manager to accept the bid from Harold MacQuinn Incorporated with a bid of $694,270 for construction of a site access road for the proposed wastewater treatment plant.

Chairman Phillips stated that the apparent low bidder is Harold MacQuinn in the amount of $694,270 with a bid alternate of $104,900. Manager Beal introduced Brent Bridges from Woodard and Curran to explain the alternate price portion of the bid specifications. As part of the overall wastewater treatment plant project, the money received through the CDBG program was to be used to construct the access road. There is a threat of a large ditch at the top of the hill, which is why the alternate price was requested that price would be an illustration of how much it would cost to bridge that ditch. The road has been designed to be more than a private access road, which would force the configuration to be of a higher grade. They would like to award the contract based on the low bid not including the alternate price. The electricity will be underground. The road is being built to standard that would allow it to become a part of the MDOT system at a later date. Councilor Fortier recused himself from the vote since he does a significant amount of electrical work for Harold MacQuinn, he will not perform any work on this project.

On a motion by Moore, seconded by Beathem, it was

RESOLVED ***to approve Council Order #080802, Request of the City Manager to accept the bid from Harold MacQuinn Incorporated with a bid of $694,270 for construction of a site access road for the proposed wastewater treatment plant.***

A vote was taken on the above motion with five members voting in favor (Beathem, Foster, Mahon, Moore, and Phillips) and one member abstaining (Fortier).

Executive Session to discuss acquisition of real properties in accordance with MRSA Title 1, Chapter 13, Section 405, Paragraph 6C.

Approved - Entering Executive Session at

RECORD OF REGULAR MEETING
ELLSWORTH CITY COUNCIL

DATE: AUGUST 18, 2008
TIME: 7:00 PM
PLACE: ELLSWORTH CITY HALL COUNCIL CHAMBERS
CITY COUNCIL PRESENT: BEATHEM, FORTIER, FOSTER, MAHON, MOORE, AND PHILLIPS.
CITY COUNCIL ABSENT: PERKINS
KEY SPEAKERS PRESENT: CITY MANAGER MICHELLE BEAL, MICKI SUMPTER, MIKE HARRIS, WAYNE ENMAN, RICHARD GRAY, TAMMY MOTE, LEANN BEAL, AND TERI DANE

8:12 PM.

On a motion by Fortier, seconded by Foster, it was unanimously

RESOLVED ***to approve entering Executive Session to discuss acquisition of real properties in accordance with MRSA Title 1, Chapter 13, Section 405, Paragraph 6C at 8:12 PM.***

Chairman Phillips stated there would be no action taken except to adjourn after the conclusion of the executive session.

On a motion by Fortier, seconded by Beathem, it was unanimously

RESOLVED ***to approve ending the executive session at 8:43 PM.***

Approved - Ending the executive session at 8:43 PM.

Adjournment.

On a motion by Fortier, seconded by Beathem, it was unanimously

RESOLVED ***to approve adjournment at 8:44 PM.***

Approved - Adjournment at 8:44 PM.

A TRUE COPY

ATTEST: ________________________________
HEIDI-NOËL GRINDLE