

DRAFT: February 6, 2018

TOWN OF GRAY
VILLAGE AREA IMPROVEMENT DEVELOPMENT DISTRICT
OMNIBUS MUNICIPAL TAX INCREMENT FINANCING DISTRICT
DEVELOPMENT PROGRAM

Town of Gray Village Area Improvement Municipal Development District

Municipal Tax Increment Financing District Development Program

Article I: Introduction and Summary of Benefits.

Section 1.01: Municipal Development District. The Town desires to create a municipal development and tax increment financing district located within and along certain rights of way known as Shaker Road (Route 26), Main Street (Route 202), Portland Road (Route 100), Yarmouth Road (Route 115), West Gray Road (Route 115/202), and Lewiston Road (Route 202), as designated on Exhibit A-1, the District Plan, in order to improve the Town's infrastructure and public utilities within said rights of way and to expand and diversify the Town's tax base in order to improve its economy. This Development Program will provide the infrastructure and planning necessary for commercial development of property within the District, as well as certain public improvements within and outside the District that will enable additional commercial development within the Town, thereby expanding and diversifying the Town's tax base.

Section 1.02. Benefits of the District. A. New Tax Dollars for the Town. Based on the initial planning, the Town estimates that the District has the potential for approximately \$500,000 of investment of new construction within the Town. The District will expand and diversify the tax base of the Town through new commercial development that is expected to generate an average of \$181,911.57 per year in new property tax revenues, which will be used to pay costs of the Public Facilities, Improvements and Programs described herein and/or to encourage development within the District under a Credit Enhancement Agreement as set forth in Section 3.05.

B. Economic Development; New Jobs; Retention of Jobs. The District will facilitate the development of property in the Town, which will result in the creation of new jobs and the retention of existing jobs in the Town. The development within the District will likely result in a need for additional commercial services throughout the Town, which will further enhance the Town's commercial tax base, as well as the job opportunities within the Town. The Public Facilities, Improvements and Programs described herein are also anticipated to create additional economic development and job opportunities within the Town.

C. Savings for Town from Shelter of New Tax Base Growth. Pursuant to the formulas adopted by the State of Maine in connection with Chapter 206 of Title 30-A, as amended, the Increased Assessed Value of a Development District is sheltered from the increased county taxes and loss of State aid to education and municipal revenue sharing that results when new development occurs without the creation of a Development District. Accordingly, the designation of the District and the development that occurs therein will result in more net tax revenue for the Town than would result if such development were to occur without the creation of the District. This is a significant benefit to the Town that enables the construction of the Public Facilities, Improvements and Programs, as well as the economic development initiatives described herein.

D. Public Facilities, Improvements and Programs. The District will provide the Public Facilities, Improvements and Programs described in Table #1 of Section 2.03 hereof, which is expected to further commercial development in the Town.

Article II. Development Program Narrative and Designation of the District.

Section 2.01: Statement of Means and Objectives. The Town of Gray desires to create new employment opportunities and commercial development in the Town, to improve, broaden and maintain a healthy tax base, to improve the economy of the Town and the State, to provide the impetus for new commercial development and to provide the facilities described in this Development Program. The Town has identified the location of this District as a central hub of the community, where commercial development is permitted by the

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Town's Zoning Ordinance, encouraged by its Comprehensive Plan and expected due to the high volumes of traffic within and through the District.

The District is located at the intersection of five arterial roads that travel to and from the neighboring Towns of Cumberland, North Yarmouth, New Gloucester, Poland, Raymond and Windham. Exit 63 of the Maine Turnpike feeds directly into this intersection and these routes provide access to residents of these communities, as well as visitors to destinations beyond the immediately adjacent towns such as Auburn and Lewiston. There are several lakes, such as Little Sebago and Sebago, ski resorts, such as Sunday River, Lost Valley and Shawnee Peak, the Maine Wildlife Park, and the Oxford Casino that attract visitors for recreation year round. Many of those visitors travel through this District to get to these destinations, which presents substantial opportunities for commercial development within the District. There is also a current proposal to extend the Maine Narrow Gauge Railroad through the District, which would attract even more visitors to and through the District.

The Town anticipates that the development within the District will have significant impacts on the Town's infrastructure, such as roads, thereby requiring upgrades and improvements to the same, and create an increased demand for public services, such as public safety and public works. Accordingly, the Town expects that the new taxes generated from the increased assessed value of the development within the District will be used to fund economic development and public improvements related thereto and desires to accomplish the following goals by designating this District and adopting this Development Program:

- Maintain existing tax revenues;
- Enhance future tax revenues generated by new development throughout the Town;
- Create long-term, stable employment opportunities for area residents;
- Attract businesses and promote the economic viability and sustainability of the general economy of the Town; and
- Improve the infrastructure throughout the District and the Town to attract and retain commercial development and business operations.

A tax increment financing development district involves creation of a geographically defined district in the Town and the "capture" or reinvestment of some of the new increased or "incremental" tax revenues generated by new development and business expansion in the District to pay certain costs of development and certain costs of new public facilities, improvements and programs. In order to fulfill the goals outlined above, certain property as depicted on Exhibit A-1, the District Plan, has been proposed as Development District #3, the Village Area Improvement Municipal Tax Increment Financing District (the "District"). The Development Program described herein will serve the purpose of administering the District as a Municipal Development District and Tax Increment Financing District pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the "Development Program"). The Development Program provides for economic development incentives called municipal tax increment financing similar to that previously adopted by a number of municipalities in the State. Upon approval by the Town (by Town Meeting vote) of the designation of this District and adoption of this Development Program, the designation of the District and adoption of the Development Program will become final immediately, subject only to approval by the Maine Department of Economic and Community Development.

The Development Program will also provide for the Public Facilities, Improvements and Programs described in Section 2.03 hereof. Costs of the Public Facilities, Improvements and Programs described in Section 2.03 hereof will be financed by the tax increment revenues from the District. Adoption of this Development Program will lead to creation of the necessary public facilities within and directly related to the Development District that will provide appropriate infrastructure for development of the District. The Development Program thus will provide significant economic benefit to the Town by providing new public

infrastructure that will facilitate additional commercial development. Such infrastructure and programs will help to expand and diversify the commercial tax base of the Town and to provide new employment opportunities in the Town.

The means and objectives of the Development Program thus are to promote development within the District and to provide financing for the Public Facilities, Improvements and Programs made necessary by such development. The Town by adopting this Development Program finds that the Development Program described herein, consisting of the Public Facilities, Improvements and Programs, will significantly improve and broaden the Town's tax base, will provide substantial new employment opportunities, and will improve the general economy of the Town.

Section 2.02: Brief Discussion of Financial Plan. The Financial Plan, as set forth in Article III hereof, consists of the cost estimates for the Development Program, the amount of public indebtedness to be incurred, the sources of anticipated revenues, a description of the terms and conditions of any agreements, contracts or other obligations related to the development program, estimates of increased assessed values of the District, the portion of the increased assessed value to be applied to the Development Program as captured assessed values and resulting tax increments in each year of the program and a calculation of the tax shifts resulting from designation of the tax increment financing district.

The District is expected to generate certain incremental or additional tax revenues, which will be captured or retained to pay the costs of this Development Program. The real property taxes assessed upon the Increased Assessed Value of property in the District (the "Tax Increment") will be captured or used by the Town under the Development Program to pay costs of the Public Facilities, Improvements and Programs described in Section 2.03 hereof. All tax revenues presently generated on existing property in the District will continue to be paid to the General Fund of the Town. The Development Program costs will be paid only from the Tax Increment on the increased assessed value in the District.

Adoption of this Development Program will lead to creation of the necessary public facilities within and directly related to the Development District that will provide appropriate infrastructure for development of the District.

Section 2.03: Public Facilities Descriptions. The Town finds that each of the Public Facilities, Improvements and Programs (the "Public Facilities, Improvements and Programs") described below, and the Project Costs thereof, will either directly or indirectly provide or encourage new employment opportunities within the Town or encourage and promote economic development that will broaden the Town's tax base and improve the general economy of the Town. The Development Program thus will provide financing for certain important Public Facilities, Improvements and Programs currently under consideration by the Town that are either related to the Development Program or are otherwise qualifying projects under Chapter 206 of Title 30-A of the Maine Revised Statutes. The Town will retain 100% of the Tax Increment from the District to finance some or all of the costs of the following Public Facilities, Improvements and Programs:

TABLE NO. 1: POTENTIAL PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS

<u>Project</u>	<u>Estimated Cost Over 30 Years</u>	<u>Statutory Citation</u>
(a) Acquisition, construction, repair, widening and improvement of and to public ways, including, but not limited to, pavement and reconstruction of roads, sidewalks and intersections, bicycle lanes, and pedestrian safety measures, within the District and outside the	\$1,230,000	30-A M.R.S.A. § 5225(1)(A)(1)(a), § 5225(1)(B)(1) and/or 30-A M.R.S.A. § 5230

District made necessary by the establishment and operation of the District.		
(b) Acquisition of land or buildings and construction of improvements, buildings or structures for public use – community center	\$270,000	30-A M.R.S.A. 5225 (1)(A)(1)(a)
(c) Acquisition of land and construction or improvements for new or existing recreational trails and open space, including but not limited to trails, bridges, signage and crosswalks.	\$92,000	30-A M.R.S.A. 5225 (1)(A)(1)(a), (1)(C)(6)
(d) Expenses related to planning, permitting, licensing, surveying, design and engineering of the acquisition or construction of land or buildings and improvements to public ways, sidewalks and trails.	\$70,000	30-A M.R.S.A. 5225(1)(A)(1)(d)
(e) Costs associated with professional services rendered for projects within the District, including, but not limited to, engineering, planning, licensing, permitting, surveying, design, legal and accounting, and administrative expenses of staff time related to establishing and implementing the District and Development Program.	\$70,000	30-A M.R.S.A. 5225(1)(A)(4), (5), (7)
(f) Construction, alteration or expansion of infrastructure, including, but not limited to, water, sewer, stormwater, electrical, telephone, cable, broadband, and natural gas, that are located within the District or outside the District to the extent they are required due to improvements or activities within the District.	\$2,950,000	30-A M.R.S.A. 5225(1)(B)(1)
(g) Public safety improvements to include the acquisition of additional equipment or personnel, or improvements to fire stations outside the District as made necessary by the establishment and operation of the District.	\$250,000	30-A M.R.S.A. §§ 5225(1) (B)(1), (2) and/or 30-A M.R.S.A. § 5230
(h) Financing costs, including, but not limited to, closing costs, issuance costs and interest paid to holders of evidences of bonds and indebtedness issued to pay for project costs	\$92,000	30-A M.R.S.A. §§ 5225(1)(A)(2)
(i) Costs, including prorated municipal staff salaries and/or consultant fees, related to Town economic development activities directed at business retention and attraction.	\$200,000	30-A MRSA §5225(1)(C)(1)
(j) Funding of environmental improvement projects related to the activities of the commercial District, including improvements to the Town's recycling center and stream/river crossings.	\$230,000	30-A MRSA §5225(1)(C)(2)

The projects currently under consideration to be undertaken pursuant to the Development Program are identified in Table No. 1 above. The Town recognizes that it needs to expand and diversify its tax base. In order

to achieve these goals, the Town must provide new public infrastructure within the Town to facilitate new commercial development. This Development Program will provide revenues to fund only a portion of such costs. The specific Public Facilities, Improvements and Programs to be financed with the tax increment financing revenues will be approved through subsequent or separate action of the Town.

Section 2.04: Current and Proposed Uses of Private Property. The District consists of 124 parcels, only fourteen of which are public properties. Therefore, the majority of the property within the District is privately owned and subject to independent development consistent with the Town's Zoning Ordinance and Comprehensive Plan. A significant portion of the District has been identified as a growth area in the Town's Comprehensive Plan and the Town's Zoning Ordinance permits several types of commercial development on the properties in the District. There is existing commercial development such as McDonald's and Dunkin Donuts within the District, and Hannaford Supermarket just outside the District, and a pending proposal for the redevelopment of Cumberland Farms within the District. The District has significant potential for additional development of this nature on the private property included therein.

Section 2.05: Relocation Plan. No businesses or persons will be displaced or relocated as a result of the development activities proposed in the District.

Section 2.06: Transportation Improvements. Except for the Public Improvements contemplated by this Development Program, the existing transportation facilities of the Town will be adequate to accommodate the improvements contemplated by this Development Program.

Section 2.07: Environmental Controls. All environmental controls required by law shall apply to development in the District, including any applicable requirements of the Town of Gray Zoning Ordinance and all applicable State and federal environmental laws and regulations.

Section 2.08: District Operation. The day-to-day operations of the District will require no substantial efforts by the Town other than staffing and programming of the Planning and Economic Development office and supporting staff funded by this Development Program to the extent described in Table 1 of Section 2.03 hereof.

Section 2.09: Program Duration. The duration of the District will be 30 years from the beginning of the first tax year (April 1, 2018) after designation of the District and the effective date of the approval of the District by the Commissioner of the Maine Department of Economic and Community Development requested to be granted by April 1, 2018.

Section 2.10: Approval Considerations and Characteristics of the District.

A. Statutory Considerations for Approval. Before designating the District and before establishing this Development Program, the Town held a public hearing at which interested parties were given a reasonable opportunity to present testimony concerning the District and Development Program. The Town has considered any evidence presented at such public hearing. Notice of the hearing was given as evidenced by Exhibit E to this Development Program. Before designating the District and before establishing this Development Program, the Town determined and hereby finds and determines that the District created hereunder and this Development Program will contribute to the economic growth or well-being of the Town and to the betterment of the health, welfare or safety of the inhabitants of the Town, including employment opportunities, broadened and improved tax base and economic stimulus, constituting good and valid public purposes and any adverse economic effect on or detriment to 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 Town and the betterment of the health, welfare and safety of its inhabitants, and the Town further makes the other findings and determinations as set forth in this Development Program and the Exhibits hereto.

B. Statutory Conditions for Approval; Physical Characteristics. The Town hereby finds and determines that the District satisfies the conditions imposed under Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, as a prerequisite to designation of the District, including those relating to the physical description of the District and to certain financial and statistical information as more particularly described in Exhibit A hereof:

(i) All of the properties in the District are located in zoning districts (“Village Center Proper,” “Village Center,” “Business Development-1,” “Business Development-2,” and “Commercial”) that permit a variety of commercial uses. The majority of the land in the District is suitable for commercial uses and/or is in need of rehabilitation or redevelopment, and therefore at least 25%, by area, of the real property within the District meets at least one of the following statutory criteria: (1) must be a blighted area; (2) must be in need of rehabilitation, redevelopment or conservation work; or (3) must be suitable for commercial uses;

(ii) The total area of the District is 543 acres and thus such area represents 1.97% of the total acreage of the Town (which total acreage is approximately 27,520 acres) and does not exceed 2% of the total acreage of the Town. The total area of the District and the total area of all other development districts in the Town (which combined total is 926.98 acres) is 3.37% of the total acreage of the Town and thus does not exceed 5% of the total acreage of the Town;

(iii) The taxable Original Assessed Value of the District is \$22,181,400 and the taxable Original Assessed Value of all existing tax increment financing districts within the Town is \$8,653,206 and such combined amounts of taxable Original Assessed Values thus represent 3.47% of the total value of taxable real property within the Town as of April 1st preceding the date of the designation of the District (\$888,850,000) and thus do not exceed 5% of the total value of taxable property within the Town as of April 1st preceding the date of the designation of the District (April 1, 2017).

Section 2.11: Designation of the District. The Town hereby designates Development District #3, the Village Area Improvement Municipal Tax Increment Financing District as a Municipal Development District and a Tax Increment Financing District. The area of the Town of Gray shown as the Village Area Improvement Municipal Tax Increment Financing District on Exhibit A and as more particularly described in this Development Program is hereby designated as a development district and a tax increment financing district and such designation shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the District by the Maine Department of Economic & Community Development, without the requirement of any further action by the Town, the Municipal Officers or any party. Plans depicting the District are attached hereto as Exhibit A-1 and Exhibit A-2, and the District is further described in Exhibit B.

Article III. Financial Plan.

Section 3.01: Cost Estimates for the Development Program. The estimated costs of the Public Facilities, Improvements and Programs are set forth in Section 2.03, Table No. 1.

Section 3.02: Amount of Indebtedness to be Incurred. The Town will not incur any indebtedness at this time in connection with the Development Program. The Town, however, anticipates that it may elect at a future date to incur indebtedness to finance a portion of the Public Facilities, Improvements and Programs but no such additional indebtedness is authorized at this time. The Town may also elect to enter into a Credit Enhancement Agreement pursuant to Section 3.05 hereof and the amounts to be paid thereunder shall be limited to reimbursements of taxes paid on incremental tax revenues.

Section 3.03: Sources of Anticipated Revenues. The source of the revenue to be used to pay the costs of this Development Program is the Tax Increment on the Increased Assessed Value of the District. Tax Increment means all Property Taxes assessed by the Town, in excess of any state, county or special district tax, upon the Increased Assessed Value of all real property in the District. Increased Assessed Value means the

valuation amount by which the Current Assessed Value of the District exceeds the Original Assessed Value of the taxable real property in the District. Current Assessed Value means the taxable assessed value of the real property in the District certified by the municipal assessor as of April 1st of each year that the District remains in effect. Property Taxes means any and all ad valorem property taxes levied, charged or assessed against real property by the Town. Original Assessed Value means the taxable assessed value of the real property in the District as of March 31, 2017 (April 1, 2016). Attached hereto as Exhibit B is the anticipated form of certification of Original Assessed Value by the Assessor of the Town of Gray in accordance with the requirements of Title 30-A § 5227 of the Maine Revised Statutes. All Property Tax on the Original Assessed Value shall continue to be deposited in the general fund of the Town.

Section 3.04: Estimated Increased Assessed Value; Portion Applied to Development Program. The Town hereby designates, as Captured Assessed Value, 100% of the Increased Assessed Value as the portion of the Increased Assessed Value to be applied or retained each year to pay costs of the Public Facilities, Improvements and Programs and any other costs authorized by this Development Program. The amount of the total Tax Increment that may be used each year to pay or reimburse the Town's costs of the Public Facilities, Improvements and Programs is the entire Tax Increment of the entire District.

Exhibit D-1 sets forth: (i) the annual estimates of the Increased Assessed Value of the District resulting from implementation of the Development Program; and (ii) the estimated annual Tax Increment per year on the Increased Assessed Value following implementation of the Development Program, that will be used to finance the Public Facilities, Improvements and Programs.

A Development Program Fund shall be established by the Town consisting of a Project Cost Account and a Sinking Fund. The Development Program Fund Project Cost Account shall consist of the Town's Project Cost Account (the "Town's Project Cost Account"). All funds deposited into the Town's Project Cost Account will be used to pay costs of the Public Facilities, Improvements and Programs described in Section 2.02 hereof or will be deposited into the reserve fund(s) hereafter described. The Town will establish the Town Project Cost Account or a series of Town Project Cost Accounts for the Town, 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 financing and payment of costs of the Public Facilities, Improvements and Programs. Upon each payment of Property Tax with respect to property in the District, the Town shall deposit to the Town Project Cost Account all of the Tax Increment. As the deposit and investment of funds in the Town Project Cost Account accrue and increase to a level which permits implementation of a portion of the Public Facilities, Improvements and Programs, the Public Facilities, Improvements and Programs will be undertaken and funded from such reserve fund(s). Accordingly, all Tax Increment deposited into the Town's Project Cost Account reserve fund(s) shall be deemed to have been expended and used to satisfy the obligations of the Town's Project Cost Account with respect to the Public Facilities, Improvements and Programs described in the Development Program when deposited into such reserve fund(s). If the Town determines to issue any bonds or indebtedness to pay for costs of the Public Facilities, Improvements and Programs, a development Sinking Fund account shall be created and amounts sufficient to satisfy all annual debt service on such bonds and indebtedness shall be transferred to such Sinking Fund from the Town's Project Cost Account.

In the event of a revaluation of taxable property within the Town, the Captured Assessed Value may be adjusted in proportion to the change in taxable assessed property values within the District in the year of the revaluation resulting from such revaluation pursuant to an amendment to this Development Program.

Section 3.05: Description of Terms and Conditions of Agreements. The District shall be considered an "omnibus" district whereby the Town shall have the option to approve credit enhancement agreements for properties or projects within the District. A Credit Enhancement Agreement for any specific property or development project within the District may only be executed by the Town following a public hearing and

express authorization of the Town Council; provided, however, that this provision shall not be deemed a promise to execute or a guarantee that a Credit Enhancement Agreement shall be offered to any developer or owner of property within the District. The Town may also enter into construction contracts and similar agreements relating to construction of the Public Facilities and Improvements described in Section 2.03 hereof. Prior to and during the negotiation of any Credit Enhancement Agreement or other private benefit derived under this Development Program, all agents and representatives involved in the negotiation of a Credit Enhancement Agreement or other benefit on behalf of a business to which such a benefit may be assigned or granted shall be required to disclose any interest in said business that will result in a direct or indirect personal benefit to the agent or representative negotiating on behalf of the business.

Section 3.06: Calculation of Tax Shifts. In accordance with Maine statutes governing the establishment of tax increment financing districts, the table set forth below identifies the estimated tax shifts, as more particularly described in Exhibit D-2 hereto, which will result during the term of the District from the establishment of the District.

<u>Tax Shift Item</u>	<u>Estimated Average Annual Amount</u>	<u>Estimated Total Amount</u>
Educational Aid	\$ 66,165	\$ 1,984,961
County Tax	\$ 11,196	\$ 335,884
Revenue Sharing	\$ 3,242	\$ 97,256
Total	\$ 80,603	\$ 2,418,102

Article IV: Municipal Approvals.

Section 4.01: Public Hearing. Before designating the District and adopting the Development Program, the Town Council, as the legislative body of the Town, held a public hearing. Notice of the hearing was published on January 26, 2018, a date that was at least 10 days before the hearing, in the *Lakes Region Weekly*, a newspaper of general circulation within the Town. A copy of the Notice of Public Hearing is attached hereto as Exhibit E. The Public Hearing was held in accordance with the requirements of 30-A M.R.S.A. § 5226 on February 6, 2018. At the public hearing, interested parties were given a reasonable opportunity to present testimony concerning the District and the Development Program. Minutes of the Public Hearing are attached hereto as Exhibit F.

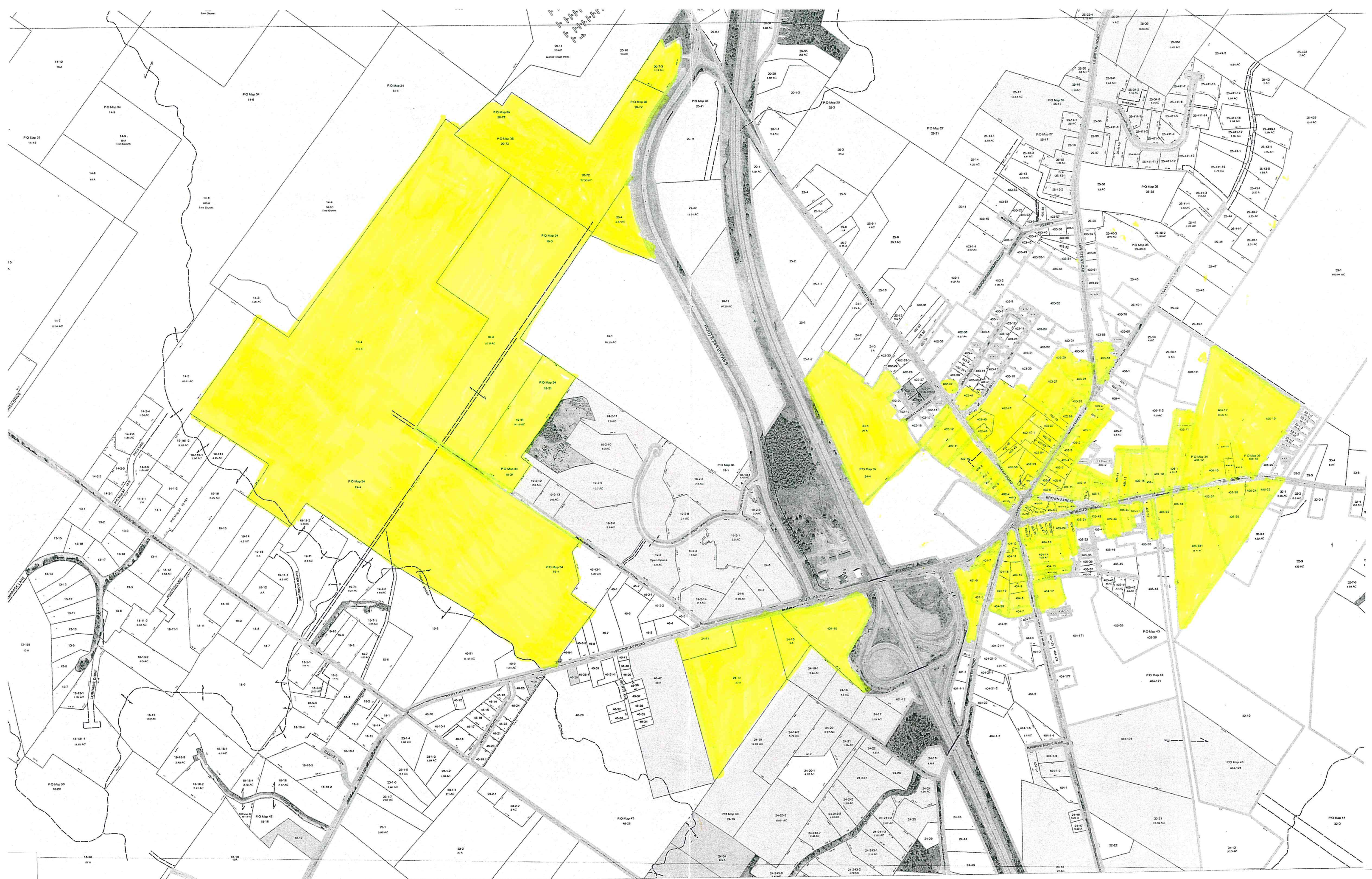
Section 4.02: Authorizing Votes. The Warrant calling the February 14, 2018 Town Meeting and the minutes of said Town Meeting, indicating the voter approval of the District and this Development Program, as proposed for adoption by the Town Council of the Town following its public hearing at a meeting thereof duly called and held on February 6, 2018, are attached hereto as Exhibit G and Exhibit H. The Town Manager is thereby authorized and directed, on behalf of the Town to execute and submit to the Commissioner of Economic and Community Development for approval such applications and further documentation as may be necessary or appropriate for final approval and establishment of this Development Program and financial plan pursuant to 30-A M.R.S.A. Chapter 206. The Town Manager be, and hereby is, authorized and empowered, in her discretion, from time to time, to make such technical revisions to this Development Program for the District as she deems reasonably necessary or convenient in order to facilitate the process for review and approval by the Department of Economic and Community Development, so long as such revisions are not inconsistent with the basic structure and intent of this Development Program.

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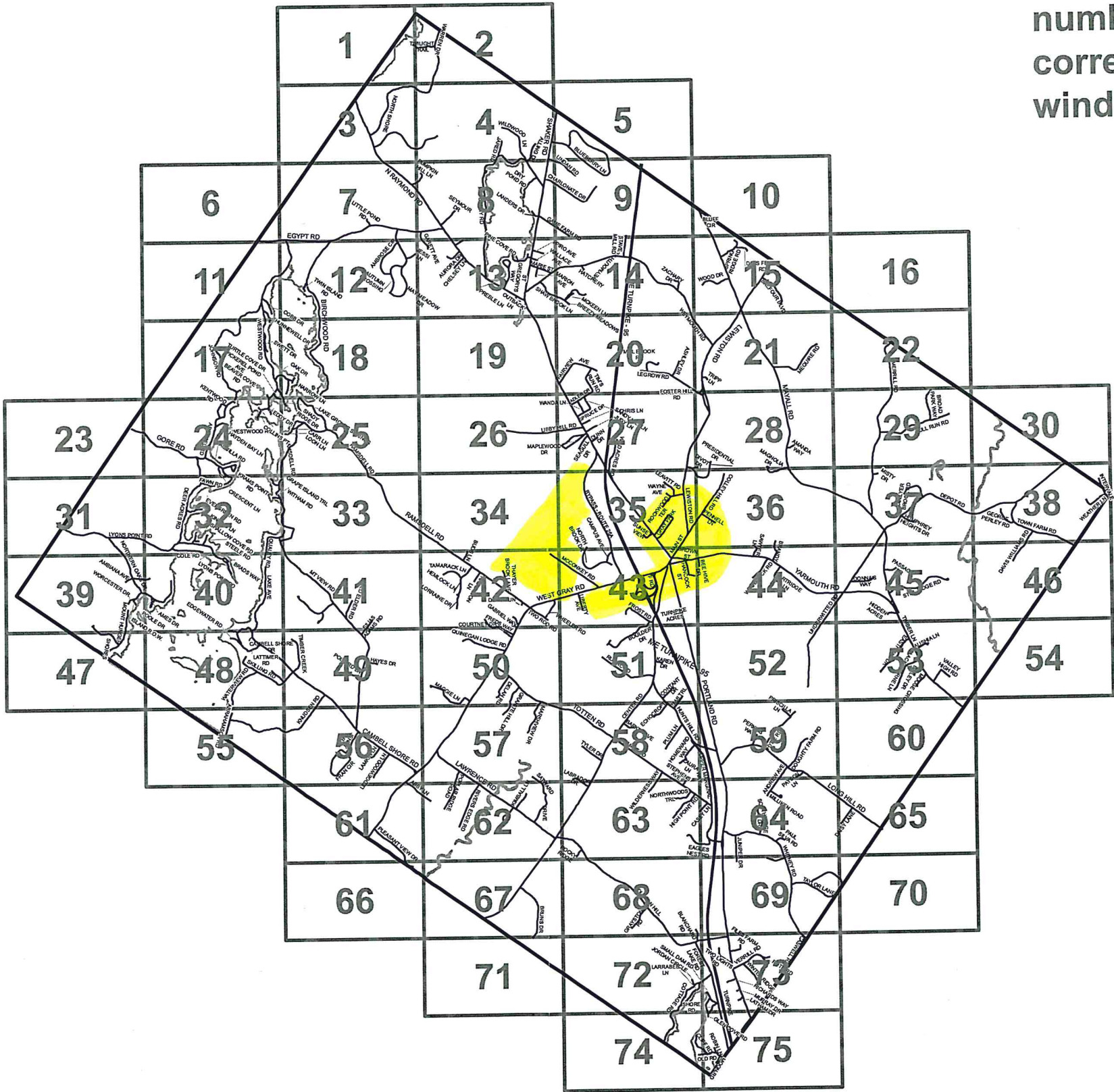
EXHIBIT A

PROPERTY DESCRIPTION AND CONFIGURATION OF DISTRICT

Development District #3, the Village Area Improvement Municipal Tax Increment Financing District is located in Gray, Maine and includes the parcels shown on the maps of the District attached hereto as Exhibit A-1 (close-up) and Exhibit A-2 (Town view), said parcels being further described in the Certificate of the Assessor (Exhibit B to this Development Program).



Use CTRL-click on any number to open the corresponding map in a new window.



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EXHIBIT B

**TOWN OF GRAY
CERTIFICATE OF ASSESSOR**

The undersigned assessor of the Town of Gray, Maine, does hereby certify pursuant to the provisions of Title 30-A M.R.S.A. Section 5227 that the Original Assessed Value of the taxable real property within the boundaries of Development District #3, the Village Area Improvement Municipal Tax Increment Financing District, as described in the Development Program for the District and as identified in Exhibit B-1 attached hereto, was \$22,181,400 as of March 31, 2017 (April 1, 2016).

IN WITNESS WHEREOF this Certificate has been executed as of this ____ day of _____,
2018.

Lauren Asselin, CMA, Municipal Assessor

EXHIBIT B-1

<u>Map/Lot</u>	<u>Acreage</u>	<u>Original Assessed Value</u>		<u>Map/Lot</u>	<u>Acreage</u>	<u>Original Assessed Value</u>
027-020-007-003	3.17	168,600		043-024-015-000	3.23	435,700
034-019-003-000	57.75	20,600		043-401-005-000	0.3	98,100
034-019-004-000	218.6	265,500		043-401-006-000	3.65	252,600
034-019-031-000	14.25	125,600		043-401-007-000	0.4	159,900
035-020-004-000	5.47	38,500		043-401-008-000	0.49	253,200
035-020-072-000	37.33	62,900		043-401-009-000	0.38	250,100
035-024-004-000	23	42,100		043-401-010-000	10.1	0
035-402-011-000	1.63	258,900		043-402-001-000	0.13	157,400
035-402-012-000	2.25	0		043-402-002-000	0.07	131,600
035-402-013-000	1.02	163,700		043-402-003-000	0.04	106,400
035-402-037-000	0.55	156,000		043-402-004-000	0.71	384,300
035-402-041-000	0.98	319,100		043-402-005-000	0.6	195,800
035-402-044-000	0.3	348,700		043-402-006-000	0.55	125,900
035-402-045-000	0.63	240,400		043-402-007-000	0.6	140,100
035-402-046-000	0.4	92,000		043-402-008-000	0.78	250,500
035-402-047-000	5.5	0		043-402-010-000	2	522,700
035-402-047-001	1.5	0		043-402-050-000	1.25	0
035-402-048-000	0.43	153,700		043-402-051-000	0.12	0
035-402-049-000	0.46	146,400		043-402-052-000	0.25	264,100
035-402-054-000	1.95	417,000		043-402-053-000	1.2	132,000
035-402-055-000	0.35	254,800		043-404-007-000	0.4	99,900
035-402-056-000	0.45	184,600		043-404-008-000	0.75	158,000
035-402-057-000	1.2	132,900		043-404-009-000	0.35	104,200
035-402-058-000	1.08	194,000		043-404-010-000	0.7	190,200
035-402-059-000	0.4	138,900		043-404-011-000	0.5	234,000
035-403-026-000	0.57	254,400		043-404-012-000	0.48	239,700
035-403-027-000	4.88	96,800		043-404-013-000	1.18	156,800
035-403-028-000	0.7	37,800		043-404-014-000	1.57	597,200
035-403-029-000	1.8	34,000		043-404-015-000	0.8	134,000
035-403-063-000	0.35	100,700		043-404-016-000	0.47	127,100
035-403-066-000	1.7	171,100		043-404-016-001	0.54	23,600
035-405-001-000	0.95	0		043-404-017-000	2.45	358,200
035-405-002-000	6.5	0		043-404-018-000	0.41	21,700
035-405-003-000	0.45	159,400		043-404-019-000	0.94	178,800
035-406-006-000	0.56	132,500		043-404-020-000	0.45	150,900
035-406-007-000	0.5	240,500		043-405-002-001	0.33	0
036-406-019-000	8	165,900		043-405-004-000	0.35	219,900
036-406-012-000	16.1	100,100		043-405-005-000	0.65	157,200
036-406-016-000	1.19	0		043-405-006-000	0.55	188,800
043-024-011-000	4.00	434,700		043-405-007-000	0.16	304,200
043-024-012-000	23.7	536,200		043-405-008-000	0.65	675,100

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<u>Map/Lot</u>	<u>Acreage</u>	<u>Original Assessed Value</u>		<u>Map/Lot</u>	<u>Acreage</u>	<u>Original Assessed Value</u>
043-405-010-000	0.75	0		043-405-049-000	2.6	180,000
043-405-011-000	0.8	175,700		043-405-050-000	0.85	141,800
043-405-012-000	0.2	135,700		044-405-016-000	2	141,500
043-405-013-000	0.6	232,200		044-405-051-000	0.45	104,900
043-405-013-001	0.9	155,100		044-405-054-000	0.85	131,800
043-405-014-000	0.85	171,400		044-405-055-000	2	183,500
043-405-015-000	1	238,800		044-405-056-000	1	197,400
043-405-017-000	0.15	0		044-405-057-000	0.45	113,500
043-405-018-000	0.3	202,200		044-405-058-000	0.9	131,100
043-405-020-000	0.51	570,300		044-405-059-000	6	174,000
043-405-021-000	0.31	0		044-405-561-000	10.3	1,075,700
043-405-022-000	0.19	140,500		044-406-008-000	0.75	124,000
043-405-023-000	0.2	0		044-406-010-000	1.4	136,100
043-405-024-000	0.35	130,900		044-406-011-000	4.01	167,000
043-405-025-000	0.3	332,600		044-406-015-000	0.85	194,500
043-405-026-000	0.33	200,300		044-406-017-000	0.45	89,700
043-405-027-000	0.3	129,700		044-406-018-000	0.5	129,300
043-405-028-000	0.25	139,500		044-406-020-000	0.7	221,900
043-405-029-000	0.75	150,500		044-406-021-000	0.8	152,200
043-405-030-000	0.91	162,000		044-406-022-000	1.25	194,100
043-405-031-000	0.45	215,900				
043-405-048-000	0.45	145,200		TOTAL	543	22,181,400

EXHIBIT C

TAX SHIFT COMPUTATIONS

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 Town. These tax shifts are noted in three basis formulae which use local property tax valuation as a basis for calculation. These three formulas are:

- State Aid to Education
- Municipal Share of County Taxes
- Revenue Sharing

The computations are set forth in Exhibit D-1 and D-2. The following is the process used to derive each of these tax shifts.

EDUCATION TAX SHIFT: Computed by comparing State Department of Education Form ED 279 for the Town with and without retained CAV.

COUNTY TAX SHIFT: In order to compute this shift, we first obtained the most recent County State Valuation from the State Bureau of Taxation. We then determined the average Captured Assessed Value for the District over the life of the District. We then determined the Town's current share of the County Tax by dividing the current Town Valuation by the Current County Valuation. We then determined what the Town's Share of the County Tax would be if the new value from the District were added by the Town's Valuation without the creation of the District by dividing the sum of the current Town Valuation plus the average new value by the sum of the current County Valuation plus the average new value. The difference is the factor representing the percentage of the County Tax Shift. Next, we determined the estimated average annual county tax over the life of the district. To arrive at this number, the average change in County Tax for the last five years was determined and the percentage increase projected to the middle of the district's life. This projected tax was then multiplied by the factor developed above to determine the County Tax Shift.

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

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

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

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

STEP FOUR: $1.X - 1.0 = .X$

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

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EXHIBIT D-1

TAX REVENUE PROJECTIONS
(See attached)

EXHIBIT D-1 TIF REVENUE PROJECTIONS

<p align="center">Captured Assessed Value &TIF Revenue Projection Table Town of Gray TIF #3</p>											
TIF Year	Assessment Date 4/1	Tax Year	Projected Increase in Assessed Value ¹		Captured Valuation - 100% of Value		Projected Mill Rate ²	Total Projected New Tax Revenue		Tax Revenue from CAV (100%)	
			Annual	Cumulative	Annual	Cumulative		Annual	Cumulative	Annual	Cumulative
1	2018	2018-2019	\$8,078,800	\$8,078,800	\$8,078,800	\$8,078,800	13.50	\$109,063.80	\$109,063.80	\$109,063.80	\$109,063.80
2	2019	2019-2020	\$8,078,800	\$16,157,600	\$8,078,800	\$16,157,600	13.95	\$112,673.81	\$221,737.61	\$112,673.81	\$221,737.61
3	2020	2020-2019	\$8,078,800	\$24,236,400	\$8,078,800	\$24,236,400	14.41	\$116,403.31	\$338,140.93	\$116,403.31	\$338,140.93
4	2021	2020-2021	\$8,078,800	\$32,315,200	\$8,078,800	\$32,315,200	14.89	\$120,256.26	\$458,397.19	\$120,256.26	\$458,397.19
5	2022	2021-2022	\$8,078,800	\$40,394,000	\$8,078,800	\$40,394,000	15.38	\$124,236.75	\$582,633.94	\$124,236.75	\$582,633.94
6	2023	2022-2023	\$8,078,800	\$48,472,800	\$8,078,800	\$48,472,800	15.89	\$128,348.98	\$710,982.92	\$128,348.98	\$710,982.92
7	2024	2023-2024	\$8,078,800	\$56,551,600	\$8,078,800	\$56,551,600	16.41	\$132,597.33	\$843,580.26	\$132,597.33	\$843,580.26
8	2025	2024-2025	\$8,078,800	\$64,630,400	\$8,078,800	\$64,630,400	16.96	\$136,986.31	\$980,566.56	\$136,986.31	\$980,566.56
9	2026	2025-2026	\$8,078,800	\$72,709,200	\$8,078,800	\$72,709,200	17.52	\$141,520.55	\$1,122,087.12	\$141,520.55	\$1,122,087.12
10	2027	2026-2027	\$8,078,800	\$80,788,000	\$8,078,800	\$80,788,000	18.10	\$146,204.88	\$1,268,292.00	\$146,204.88	\$1,268,292.00
11	2028	2027-2028	\$8,078,800	\$88,866,800	\$8,078,800	\$88,866,800	18.70	\$151,044.27	\$1,419,336.26	\$151,044.27	\$1,419,336.26
12	2029	2028-2029	\$8,078,800	\$96,945,600	\$8,078,800	\$96,945,600	19.32	\$156,043.83	\$1,575,380.10	\$156,043.83	\$1,575,380.10
13	2030	2029-2030	\$8,078,800	\$105,024,400	\$8,078,800	\$105,024,400	19.95	\$161,208.88	\$1,736,588.98	\$161,208.88	\$1,736,588.98
14	2031	2030-2031	\$8,078,800	\$113,103,200	\$8,078,800	\$113,103,200	20.62	\$166,544.90	\$1,903,133.87	\$166,544.90	\$1,903,133.87
15	2032	2031-2032	\$8,078,800	\$121,182,000	\$8,078,800	\$121,182,000	21.30	\$172,057.53	\$2,075,191.40	\$172,057.53	\$2,075,191.40
16	2033	2033-2034	\$8,078,800	\$129,260,800	\$8,078,800	\$129,260,800	22.00	\$177,752.64	\$2,252,944.04	\$177,752.64	\$2,252,944.04
17	2034	2034-2035	\$8,078,800	\$137,339,600	\$8,078,800	\$137,339,600	22.73	\$183,636.25	\$2,436,580.29	\$183,636.25	\$2,436,580.29
18	2035	2035-2036	\$8,078,800	\$145,418,400	\$8,078,800	\$145,418,400	23.48	\$189,714.61	\$2,626,294.89	\$189,714.61	\$2,626,294.89
19	2036	2036-2037	\$8,078,800	\$153,497,200	\$8,078,800	\$153,497,200	24.26	\$195,994.16	\$2,822,289.05	\$195,994.16	\$2,822,289.05
20	2037	2037-2038	\$8,078,800	\$161,576,000	\$8,078,800	\$161,576,000	25.06	\$202,481.57	\$3,024,770.62	\$202,481.57	\$3,024,770.62
21	2038	2038-2039	\$8,078,800	\$169,654,800	\$8,078,800	\$169,654,800	25.89	\$209,183.71	\$3,233,954.33	\$209,183.71	\$3,233,954.33
22	2039	2039-2040	\$8,078,800	\$177,733,600	\$8,078,800	\$177,733,600	26.75	\$216,107.69	\$3,450,062.02	\$216,107.69	\$3,450,062.02
23	2040	2040-2041	\$8,078,800	\$185,812,400	\$8,078,800	\$185,812,400	27.64	\$223,260.85	\$3,673,322.87	\$223,260.85	\$3,673,322.87
24	2041	2041-2042	\$8,078,800	\$193,891,200	\$8,078,800	\$193,891,200	28.55	\$230,650.79	\$3,903,973.66	\$230,650.79	\$3,903,973.66
25	2042	2042-2043	\$8,078,800	\$201,970,000	\$8,078,800	\$201,970,000	29.50	\$238,285.33	\$4,142,258.99	\$238,285.33	\$4,142,258.99
26	2043	2043-2044	\$8,078,800	\$210,048,800	\$8,078,800	\$210,048,800	30.47	\$246,172.57	\$4,388,431.56	\$246,172.57	\$4,388,431.56
27	2044	2044-2045	\$8,078,800	\$218,127,600	\$8,078,800	\$218,127,600	31.48	\$254,320.88	\$4,642,752.44	\$254,320.88	\$4,642,752.44
28	2045	2045-2046	\$8,078,800	\$226,206,400	\$8,078,800	\$226,206,400	32.52	\$262,738.91	\$4,905,491.35	\$262,738.91	\$4,905,491.35
29	2046	2046-2047	\$8,078,800	\$234,285,200	\$8,078,800	\$234,285,200	33.60	\$271,435.56	\$5,176,926.91	\$271,435.56	\$5,176,926.91
30	2047	2047-2048	\$8,078,800	\$242,364,000	\$8,078,800	\$242,364,000	34.71	\$280,420.08	\$5,457,346.99	\$280,420.08	\$5,457,346.99
TIF			\$242,364,000		\$242,364,000			\$5,457,346.99		\$5,457,346.99	

Assumptions:

- 1.) The OAV of the District is \$22,181,400 (March 31, 2017). The increased assessed values were estimated by the Town based on a revaluation of the properties within the District currently underway and currently proposed commercial development projects on specified properties within the District.
- 2.)The mil rate is based on the projected mil rate for the 2018-109 tax year following revaluation and is increased thereafter by 3.31% based on a historical average increase calculated over the past five years.

DRAFT: February 6, 2018

EXHIBIT D-2

TAX SHIFT ESTIMATES
(See attached)

EXHIBIT D-2 TAX SHIFT ESTIMATES**Tax Shift Estimates
Town of Gray TIF #3**

TIF Year	Fiscal Year	Education Shift (Avoided Loss)	Revenue Sharing Shift (Avoided Loss)	County Tax Shift (Avoided Increase)	Total
1	2018-2019	\$66,165	\$3,241.88	\$5,495	\$74,902
2	2019-2020	\$66,165	\$3,241.88	\$5,742	\$75,150
3	2021-2022	\$66,165	\$3,241.88	\$6,002	\$75,409
4	2022-2023	\$66,165	\$3,241.88	\$6,272	\$75,680
5	2023-2024	\$66,165	\$3,241.88	\$6,555	\$75,963
6	2024-2025	\$66,165	\$3,241.88	\$6,851	\$76,258
7	2025-2026	\$66,165	\$3,241.88	\$7,160	\$76,567
8	2026-2027	\$66,165	\$3,241.88	\$7,483	\$76,891
9	2027-2028	\$66,165	\$3,241.88	\$7,821	\$77,228
10	2028-2029	\$66,165	\$3,241.88	\$8,174	\$77,581
11	2029-2030	\$66,165	\$3,241.88	\$8,543	\$77,950
12	2030-2031	\$66,165	\$3,241.88	\$8,928	\$78,335
13	2031-2032	\$66,165	\$3,241.88	\$9,331	\$78,738
14	2032-2033	\$66,165	\$3,241.88	\$9,752	\$79,159
15	2033-2034	\$66,165	\$3,241.88	\$10,192	\$79,599
16	2034-2035	\$66,165	\$3,241.88	\$10,652	\$80,059
17	2035-2036	\$66,165	\$3,241.88	\$11,132	\$80,540
18	2036-2037	\$66,165	\$3,241.88	\$11,635	\$81,042
19	2037-2038	\$66,165	\$3,241.88	\$12,160	\$81,567
20	2038-2039	\$66,165	\$3,241.88	\$12,708	\$82,115
21	2039-2040	\$66,165	\$3,241.88	\$13,282	\$82,689
22	2040-2041	\$66,165	\$3,241.88	\$13,881	\$83,288
23	2041-2042	\$66,165	\$3,241.88	\$14,507	\$83,914
24	2042-2043	\$66,165	\$3,241.88	\$15,162	\$84,569
25	2043-2044	\$66,165	\$3,241.88	\$15,846	\$85,253
26	2044-2045	\$66,165	\$3,241.88	\$16,561	\$85,968
27	2045-2046	\$66,165	\$3,241.88	\$17,308	\$86,715
28	2046-2047	\$66,165	\$3,241.88	\$18,089	\$87,496
29	2047-2048	\$66,165	\$3,241.88	\$18,905	\$88,312
30	2048-2049	\$66,165	\$3,241.88	\$19,758	\$89,165
30 Year TIF Total		\$1,984,961	\$97,256	\$335,884	\$2,418,102
Average Annual		\$66,165	\$3,242	\$11,196	\$80,603

DRAFT: February 6, 2018

EXHIBIT E

**TOWN OF GRAY
NOTICE OF PUBLIC HEARING**

The Gray Town Council hereby provides notice that it will hold a public hearing at 7:00 p.m. on Tuesday, February 6, 2018, in the Council Chambers at Town Hall, at the Henry Pennell Municipal Complex located at 24 Main Street, Gray, Maine, for purposes of receiving public comments on the designation of the proposed new Village Area Improvement Municipal Development Tax Increment Financing District and the adoption of a Development Program for said new District pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed new District may consist of all or a portion of the properties located within the Village Center Proper zoning district and additional properties located within the Village Center and Business Development-1 zoning districts. The proposed new District and Development Program will enable the Town to capture tax revenues generated by investments made within the District related to certain commercial development activities. The Town proposes to allocate certain revenues generated from this development within the District to municipal projects including road improvements, municipal infrastructure, and public safety as may be approved and permitted pursuant to Section 5225 of Title 30-A of the Maine Revised Statutes.

A copy of the proposed Development Program for the new District is on file with the Town Clerk and may be reviewed during normal business hours. All interested residents are invited to attend the hearing and to be heard at that time.

[SEE ATTACHED TEAR SHEET]

DRAFT: February 6, 2018

EXHIBIT F

**ATTESTED MINUTES OF PUBLIC HEARING
Town Council February 6, 2018 Meeting
(See attached)**

DRAFT: February 6, 2018

EXHIBIT G

**TOWN MEETING WARRANT
February 14, 2018**

(See attached)

DRAFT: February 6, 2018

**TOWN OF GRAY
FEBRUARY 14, 2018
SPECIAL TOWN MEETING WARRANT**

Cumberland, ss.

State of Maine

To: Deborah S. Cabana, a resident of the Town of Gray

Greetings: In the name of the State of Maine, you are hereby required to notify the Voters of the Town of Gray, qualified by law to vote in Town affairs to meet at The Henry Pennell Municipal Complex, 24 Main Street, in Gray, Maine on Wednesday, February 14, 2018 at 7:00 p.m. to act on Articles 1 - 2.

Article 1. To choose, by ballot, a Moderator to preside at said Special Town Meeting.

Article 2. To see if the Town will vote to designate the Village Area Improvement Municipal Development and Tax Increment Financing District and adopt the Development Program for said District in the form presented at this Town Meeting and incorporated herein by reference, and make the findings set forth therein, and to authorize the submission of the Development Program to the Commissioner of the State of Maine Department of Economic and Community Development for approval.

(The Town Council recommends a “yes” vote).

Municipal Officers of the Town of Gray
Dated this 6th day of February, 2018.

A true copy.

Attest:

Deborah S. Cabana, Resident of Gray

Attest:

Deputy Town Clerk

DRAFT: February 6, 2018

EXHIBIT H

**ATTESTED MINUTES OF TOWN MEETING
February 14, 2018
(See attached)**