

Town of Gray

Second Amendment to Route 100 Municipal Tax Increment Financing District and Development Program

Adopted by Order of the Town Council June 2, 2020
Approved by Town Meeting referendum July 14, 2020

**Second Amendment
Town of Gray Route 100
Municipal Tax Increment Financing District and Development Program**

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**Second Amendment
Town of Gray Route 100
Municipal Tax Increment Financing District and Development Program**

I. Introduction

Section 1.01: History of Original Development Program.

The Town of Gray designated the Route 100 Municipal Development Tax Increment Financing District (the “District”) and approved a municipal tax increment financing district development program for said District (the “Development Program”) by Special Town Meeting vote on December 6, 1997. The District and Development Program were approved by the Maine Department of Economic and Community Development (“DECD”) by letter dated February 18, 1998 to be effective for a term of twenty (20) years until final maturity and payment of certain bonds to be issued in connection with the projects authorized in the Development Program, expected May, 2018.

The District consists of approximately 297 acres total and was adopted for the purpose of generating tax increment revenues to finance a 2.4 mile extension of an existing water line located along Route 100 in the Town of Gray from the Village Center intersection to Whitney Road. The expansion of the water line was designed to facilitate an expansion of a large commercial user, Gobeil’s Furniture, which would provide the infrastructure necessary for fire protection of Gobeil’s planned 93,000 square foot addition, as well as support additional economic development along Route 100 in Gray. Gobeil’s Furniture ultimately constructed an addition consisting of less than 10,000 square feet, which did not necessitate the extension of the water line on its own. However, the Town determined that the water line extension was still needed to facilitate other commercial development in the District, to improve the general economy of the Town and to improve and broaden its tax base.

Accordingly, the Town adopted the First Amendment to the District and Development Program by Town Meeting vote on June 8, 2002 (the “First Amendment”). The First Amendment extended the term of the District through December 31, 2026 and authorized the construction of the water main transmission line extension up to 2.4 miles, together with fire hydrants and other related infrastructure improvements and a possible water storage tank to be financed by bonds to be issued by the Town or through a credit enhancement agreement with the Gray Water District.

The original Development Program provided that the Town would use tax increment revenues created by 100% of the captured assessed value in the District to pay debt service on up to \$1,900,000 general obligation bonds (the “Bonds”) to be issued for the purpose of paying the costs of construction and financing a 16” water main along Route 100 from Gray Village to the Whitney Road and a 630,000 gallon water storage facility at Hunts Hill. As of the date of the First Amendment (June 8, 2002), no bonds had been issued. The First Amendment provided that the Town would issue the Bonds only to the extent the work could be completed within five years of the original Development Program approval (February 17, 2003). To the extent it could not be

completed within that timeframe, the Gray Water District would finance the project and the Town would reimburse the Water District through a Credit Enhancement Agreement.

Construction of the water line project began in 2003 and was completed during that same year. The Water District issued two tax-exempt bonds through the Maine Municipal Bond Bank to finance the project, one with a principal amount of \$550,000 and one with a principal amount of \$1,650,000. The Town and the Water District entered into a credit enhancement agreement to finance the construction of the water line project, a copy of which is attached hereto as Exhibit H. With respect to the first bond, the Town agreed to pay a total principal amount of \$132,900. With respect to the second bond, the Town agreed to pay the total amount of debt service on the bond. As of the date of this second amendment, the outstanding balance on the first bond is \$29,258.96 and the outstanding balance on the second bond is \$478,003.48, for a total outstanding debt of \$507,262.44. Both bonds mature on November 1, 2023.

The District has generated \$3,510,753 in revenues, which have been used for the purpose of paying debt service on the bonds and other project costs as authorized in the original Development Program and First Amendment (see list below). The First Amendment provided that any funds remaining in the Development Program Fund not needed to pay debt service for the project would be used to pay the costs of other eligible “project costs” as defined in the Maine Tax Increment Financing law, however, it did not specify what those eligible project costs were.

The original Development Program included the following authorized project costs:

- Water line capital improvements located within the District;
- A water storage facility, which may be located outside the District;
- Other improvements necessary to supply water to the corridor between Gray Village to Whitney Road;
- Paving and other improvements to existing roadways and public facilities in connection with the water line extension; and
- Other eligible “project costs” as defined in the Maine State Tax Increment Financing law.

The First Amendment included the following authorized project costs:

- Construction of a 16” water transmission line up to 2.4 miles from Gray Village to Whitney Road;
- Fire hydrants along the water transmission line;
- Other related infrastructure improvements along the water transmission line extension;
- Water storage facility to address needs of the District; and
- Other eligible “project costs” as defined in the Maine Tax Increment Financing law.

With the original adoption of the District and Development Program, and the First Amendment thereto, the Town identified significant public benefits resulting from the completion of the water line extension project and related infrastructure, including (a) creation of public infrastructure improvements that support commercial development; (b) improvement of the general economy of the Town; (c) improvement and broadening of the Town’s tax base; (d) assistance to

established businesses in the Town that would enable them to retain existing employment and develop new employment opportunities; and (d) provide the infrastructure necessary to attract new business and employment opportunities.

Since the designation of the District and construction of the water line extension and related improvements, the following commercial projects have been completed within the District due in large part to the availability of water to serve the business and to provide adequate fire protection:

- Allstate Insurance, 45 Portland Road, Gray: converted from golf driving range to insurance office.
- Gray Animal Center, 55 Portland Road, Gray: converted from flower shop (one employee) to veterinary clinic.
- Fisherman's Net, 59 Portland Road: expanded from take-out only to eat-in restaurant.
- Hall's Self Storage, 132 Portland Road: expanded number of storage units.
- Bruns Bros, 167-175 Portland Road: expanded metal fabrication business.
- Thayer Elizabeth Farms LLC, 198 Portland Road: approved 14-unit rental residential project (2-duplexes and one 4-plex constructed, one 4-unit and duplex pending permits).
- 235 Portland Road LLC/Patient Advocates, 235 Portland Road: commercial office space.

The Town hopes to continue the efforts that are currently supported by the District and Development Program and to seek new and expanded economic development and employment opportunities within the community. The Town desires to enhance and broaden those opportunities through the use of tax increment revenues from the District as necessary and appropriate through the extended term of this District. The Town has also identified other eligible projects within the District on which to expend revenues generated by the captured assessed value within the District that would support its efforts to expand economic development opportunities in the Town.

Of the tax increment revenue generated within the District to date, the Town currently has \$954,348.88 in tax increment revenues that remain unspent. In addition to those previously captured and currently unspent tax increment revenues, the Town estimates that over the remaining term of the District, it will generate approximately \$2,780,500 in tax increment revenues based on the current captured assessed value of property in the District and the current property tax mil rate. This Second Amendment seeks to clarify and expressly authorize the use of current unspent and future expected TIF revenues for the purpose of continuing to pursue the public benefits identified in the original Development Program.

Section 1.02: Amendment of District and Development Program.

The Town now desires to amend the District and Development Program and the First Amendment in order to specify additional eligible uses of revenues generated by the captured assessed value within the District. These additional authorized project costs will enable the Town to expand the infrastructure necessary to advance the original economic development goals of the Development Program, which will provide new employment opportunities within the Town and

continue improving and broadening the Town's tax base and the general economy of the Town and the State of Maine.

Accordingly, the District and Development Program are hereby amended for the following purposes:

(a) to extend the term of the District for a full thirty (30) years through February 18, 2028, or upon such earlier date as the Town determines is appropriate to terminate the District once all tax increment revenue from captured assessed value within the District has been expended pursuant to this Second Amendment; and

(b) to include the additional authorized project costs set forth in Section 2.01 hereof, with corresponding estimated project costs and estimates of the tax increment revenues and tax shifts resulting from capturing 100% of the increased assessed value within the District through the end of the District term;

II. Amended Development Program

Section 2.01: Project Costs and Description of Public Facilities.

The Town will use the tax increment revenue on the captured assessed value in the District as set forth above for the term of the District as extended hereunder to fund some or all of the project costs as originally authorized under the Development Program and as set forth in more detail herein. The following table identifies all of the project costs authorized within the original Development Program and First Amendment, plus new authorized project costs and an estimate for each category based on the projected tax increment revenue to be captured in the District for the remainder of the District term.

TABLE NO. 1: PUBLIC FACILITIES, IMPROVEMENTS AND PROGRAMS

<u>Project</u>	<u>Estimated Cost Over Extended and Remaining District Term (10 Years)</u>	<u>Statutory Citation</u>
(1) Capital costs of improvements within the District for commercial use, including construction of a water storage facility and water transmission lines within the District, to include the original 2.4 miles of water line to serve the proposed Country Farm Furniture store (already constructed) and additional water transmission lines to serve other areas within the District, including extensions from the existing water transmission lines	\$1,458,300	30-A M.R.S.A. § 5225(1)(A)(1)

along Route 100, Whitney Road, Long Hill Road, Marginal Way and Center Road, together with fire hydrants, paving and other improvements to roadways, infrastructure or public facilities necessary to construct said water lines or water storage facility and supply water along the Route 100 corridor within the District.♦		
(2) Costs of improvements made outside the District, but directly related to or made necessary by the District, including the construction of a water storage facility located outside the District to serve the needs of the District, water main extensions along Route 115, Route 26 and to the Gray Plaza on Route 100, together with fire hydrants, paving and other improvements to roadways, including sidewalks and storm drainage, and other infrastructure or public facilities necessary to construct said water storage facility or water lines and supply water outside of and to the District.	\$1,209,625	30-A M.R.S.A. §§ 5225(1)(B)(1)
(3) Costs related to the construction, alteration or expansion of roads, sidewalks and storm drainage infrastructure on public ways intersecting with the primary corridor of the District but not located within the district, and construction of water infrastructure outside the District, including but not limited to such improvements along Route 115 (the Yarmouth Road), that are required due to improvements or activities within the district or for the benefit of economic development or environmental improvement.	\$500,000	30-A M.R.S.A. §§ 5225(1)(C)(1), 1(C)(2)
(4) Costs related to environmental improvement projects for commercial use made outside the District, including exploration of new sources of water to serve the District or to promote	\$516,960	30-A M.R.S.A. §§ 5225 (1)(A)(7), (1)(C)(1), (1)(C)(2)

commercial uses and economic development within the Town.		
(5) Professional service costs and administrative costs related to the establishment and implementation of the District.	\$50,000	30-A M.R.S.A. 5225 §§ (1)(A)(4), (5)
Total Project Costs:	\$3,734,885	

The Town is not hereby authorizing any specific future indebtedness in connection with any costs authorized under the Development Program and this second amendment at this time, other than the retirement of existing debt. However, the Town may elect at a future date to incur indebtedness to finance all or a portion of the Public Facilities, Improvements and Programs authorized herein and is hereby authorized to do so subject to all necessary Town approvals for any such indebtedness or appropriations.

Section 2.02: Prioritization of Authorized Projects.

The Town has conferred with the Gray Water District and identified a priority list of projects related to public water infrastructure that fall within the authorized project costs listed in Table No. 1 above. The TIF revenues generated within the District will be expended on these projects in the order of priority below.

1. Water main (12") extension of approximately 2,300 feet along Route 115 (outside District) – estimated expense of \$495,300.
2. Water main extension of approximately 1,000 feet along Route 26/Shaker Road at the Turnpike crossing (outside District) – estimated cost of \$286,640
3. Water main (16") extension of approximately 900 feet along Route 100 (within District) – estimated expense of \$251,560;
4. Water main extension of approximately 1,000 feet along Whitney Road (within District) – estimated expense of \$253,390;

The Town reserves the right to expend TIF revenues on other projects not listed in this section, but otherwise authorized in this second amendment at any time that the Council deems necessary and proper, provided that funds are available to meet the priorities identified above. In the event that there are excess TIF revenues, the Town and the Gray Water District have identified the following additional projects related to public water infrastructure that fall within the authorized project costs listed in Table No. 1 above and which may be funded with TIF revenues:

1. Water main extension of approximately 1,000 feet along Long Hill Road (within District) – estimated expense of \$238,095;

2. Water main (12") extension of approximately 1,900 feet along Center Road from Main Street to the I-95 overpass (within District) – estimated \$715,255;
3. Water main extension of approximately 150 feet along Marginal Way (outside District) – estimated cost of \$43,530;
4. Exploration of a new source of water within the District – estimated cost of \$30,000 - \$40,000;
5. Water main extension of approximately 1,750 feet from Yarmouth Road to Gray Plaza area (outside District) – estimated cost of \$384,155; and
6. Development of a telemetry plan to include the Week's Hill water storage tower and any new water storage facility constructed pursuant to this District – estimated cost \$4,000.

Section 2.03: Program Duration.

The District and Development Program were approved by DECD by letter dated February 18, 1998 to be effective for a term of twenty (20) years until final maturity and payment of certain bonds to be issued in connection with the projects authorized in the Development Program, expected May 2018. The First Amendment extended the term of the District through December 31, 2026. The Town desires to extend the District and Development Program through February 18, 2028. However, the Town reserves the right to terminate the District earlier upon the expenditure of all captured revenues by vote of the Town Council and upon written notice of the same to DECD.

Section 2.04: Original Assessed Value & Estimated Increased Assessed Value.

The Original Assessed Value of the District was \$8,453,975 as of March 31, 1997 (April 1, 1996), as certified in Exhibit A attached hereto.

The table attached hereto as Exhibit B sets forth: (i) the actual captured assessed value and actual tax increment revenue captured from February 18, 1998 – June 30, 2020; (ii) annual estimates of the increased assessed value of the District during the extended and remaining term of the District; and (iii) estimated annual tax increment revenue on the captured assessed value (100% of increased assessed value) through the extended and remaining term of the District and Development Program (February 19, 2020 – February 18, 2028).

Section 2.05: Captured Assessed Value.

As set forth in the original Development Program, 100% of the increased assessed value shall be captured and 100% of the tax increment revenue generated therefrom shall be used to finance the costs of the Development Program. The captured assessed value within the District shall remain at 100% of the increased assessed value, but the Town Council of the Town of Gray shall have the discretion to change percentage of the increased assessed value within the District that is to be captured each fiscal year provided that the Town Council takes a formal vote on the same prior to the fiscal year in which the percentage of captured assessed value is to be effective

and notifies DECD in writing of the same. In the event that the Town Council votes to capture less than 100% of the increased assessed value within the District in any fiscal year, the tax revenue generated from the uncaptured increased assessed value will be designated in the Town's general fund as unrestricted funds.

Section 2.06: Calculation of Tax Shifts.

In accordance with Maine statutes governing the establishment of tax increment financing districts, the table set forth in Exhibit C identifies the estimated tax shifts that will result during the extension of the term of the District from the establishment of the District.

Section 2.07: No Other Changes.

Except as expressly amended by this Second Amendment, the Development Program shall not be altered and is hereby ratified and confirmed in all respects.

Section 2.08: Notice of Public Hearing and Approval of Amendment.

A copy of the Notice of Public Hearing published in The Forecaster, a newspaper of general circulation in the Town of Gray on May 22, 2020 is attached hereto as Exhibit D. A public hearing pursuant to such Notice was held on June 2, 2020. The minutes of the public hearing are attached hereto as Exhibit E and the Orders of the Town Council approving this Amendment are attached hereto as Exhibit F. This Second Amendment was approved by the voters of the Town of Gray at a Town Meeting referendum held on July 14, 2020, the results of which are attached hereto as Exhibit G.

EXHIBIT A: Certificate of Assessor

**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 the Route 100 Municipal Tax Increment Financing District and Development Program as described in the Development Program for the District, was \$8,453,975 as of March 31, 1997 (April 1, 1996).

IN WITNESS WHEREOF this Certificate has been executed as of this ___ day of _____, 2020.

Lauren Asselin, Municipal Assessor

EXHIBIT B: Tax Revenue Projections

TIF Year	Tax Year (4/1-3/31)	Original Assessed Value (3/31/1997)	TOTAL New Assessed Value ¹	Increased Assessed Value	Percent of Value Captured in TIF	Captured Assessed Value	Mil Rate	Total TIF Revenue
1	1998-1999	\$ 8,453,975.00	\$31,693,601	\$8,453,975	100.00%	\$0	16.80	\$0
2	1999-2000	\$ 8,453,975.00	\$31,693,601	\$10,069,225	100.00%	\$1,615,250	17.55	\$28,348
3	2000-2001	\$ 8,453,975.00	\$31,818,701	\$10,408,239	100.00%	\$1,954,264	18.46	\$36,076
4	2001-2002	\$ 8,453,975.00	\$31,818,701	\$9,595,449	100.00%	\$1,141,474	18.44	\$21,049
5	2002-2003	\$ 8,453,975.00	\$31,818,701	\$10,713,799	100.00%	\$2,259,824	20.50	\$46,326
6	2003-2004	\$ 8,453,975.00	\$31,818,701	\$12,518,501	100.00%	\$4,064,526	21.50	\$87,387
7	2004-2005	\$ 8,453,975.00	\$31,857,201	\$19,838,500	100.00%	\$11,384,525	14.00	\$159,383
8	2005-2006	\$ 8,453,975.00	\$31,857,201	\$22,482,347	100.00%	\$14,028,372	13.40	\$187,980
9	2006-2007	\$ 8,453,975.00	\$31,693,600	\$22,840,321	100.00%	\$14,386,346	12.40	\$178,391
10	2007-2008	\$ 8,453,975.00	\$39,388,801	\$19,838,300	100.00%	\$11,384,325	12.40	\$141,166
11	2008-2009	\$ 8,453,975.00	\$39,388,801	\$20,423,939	100.00%	\$11,969,964	13.50	\$161,595
12	2009-2010	\$ 8,453,975.00	\$39,388,801	\$22,164,312	100.00%	\$13,710,337	14.30	\$196,058
13	2010-2011	\$ 8,453,975.00	\$38,584,901	\$22,103,985	100.00%	\$13,650,010	14.77	\$201,611
14	2011-2012	\$ 8,453,975.00	\$38,584,901	\$21,282,900	100.00%	\$12,828,925	15.35	\$196,924
15	2012-2013	\$ 8,453,975.00	\$42,603,201	\$20,573,587	100.00%	\$12,119,612	15.45	\$187,248
16	2013-2014	\$ 8,453,975.00	\$42,603,201	\$21,649,496	100.00%	\$13,195,521	15.85	\$209,149
17	2014-2015	\$ 8,453,975.00	\$42,603,201	\$20,746,998	100.00%	\$12,293,023	17.20	\$211,440
18	2015-2016	\$ 8,453,975.00	\$42,603,201	\$21,354,909	100.00%	\$12,900,934	18.20	\$234,797
19	2016-2017	\$ 8,453,975.00	\$42,603,201	\$21,420,532	100.00%	\$12,966,557	18.30	\$237,288
20	2017-2018	\$ 8,453,975.00	\$42,603,201	\$22,246,662	100.00%	\$13,792,687	18.05	\$248,958
21	2018-2019	\$ 8,453,975.00	\$42,603,201	\$22,277,659	100.00%	\$13,823,684	19.00	\$262,650
22	2019-2020	\$ 8,453,975.00	\$42,603,201	\$29,379,418	100.00%	\$20,925,443	14.00	\$292,956
23	2020-2021	\$ 8,453,975.00	\$42,603,201	\$30,417,350	100.00%	\$21,963,375	14.75	\$323,960
24	2021-2022	\$ 8,453,975.00	\$42,603,201	\$30,856,618	100.00%	\$22,402,643	14.75	\$330,439
25	2022-2023	\$ 8,453,975.00	\$42,603,201	\$31,304,670	100.00%	\$22,850,695	14.75	\$337,048
26	2023-2024	\$ 8,453,975.00	\$42,603,201	\$31,761,684	100.00%	\$23,307,709	14.75	\$343,789
27	2024-2025	\$ 8,453,975.00	\$42,603,201	\$32,227,838	100.00%	\$23,773,863	14.75	\$350,664
28	2025-2026	\$ 8,453,975.00	\$42,603,201	\$32,703,316	100.00%	\$24,249,341	14.75	\$357,678
29	2026-2027	\$ 8,453,975.00	\$42,603,201	\$33,188,303	100.00%	\$24,734,328	14.75	\$364,831
30	2027-2028	\$ 8,453,975.00	\$42,603,201	\$33,682,989	100.00%	\$25,229,014	14.75	\$372,128
30 Yr. Totals:								\$6,307,316
30 Yr. Averages:								\$210,244

Notes/Assumptions

1. Actual increased assessed values reflected for 1998-2020. Projected assessed value from 2020 - 2028 based on 2020 actual value increased by 2% each year.

2. Actual mil rates reflected for years 1998 - 2020. Projected mil rate from 2020 - 2028 based on 2020 actual mil rate, held constant for remainder of District term.

3. The preceding table contains projections and forward-looking statements that are subject to a number of risks and uncertainties that could cause the actual results to differ materially from any future results expressed or implied by the projections reported in this table.

EXHIBIT C: Tax Shift Estimates

TIF Year	Tax Year (4/1-3/31)	Estimated New Tax Revenue on Increased Valuation ¹	Education Shift (Avoided Loss) ²	Revenue Sharing Shift (Avoided Loss) ³	County Tax Shift (Avoided Increase) ⁴	Total Tax Shifts ⁵	Net New Tax Revenue to Town w/out TIF (CAV)
1	1998-1999	\$ -					\$ -
2	1999-2000	\$ 28,347.64					\$ -
3	2000-2001	\$ 36,075.71					\$ -
4	2001-2002	\$ 21,048.78					\$ -
5	2002-2003	\$ 46,326.39					\$ -
6	2003-2004	\$ 87,387.31					\$ -
7	2004-2005	\$ 159,383.35					\$ -
8	2005-2006	\$ 187,980.18					\$ -
9	2006-2007	\$ 178,390.69					\$ -
10	2007-2008	\$ 141,165.63					\$ -
11	2008-2009	\$ 161,594.51					\$ -
12	2009-2010	\$ 196,057.82					\$ -
13	2010-2011	\$ 201,610.65					\$ -
14	2011-2012	\$ 196,924.00					\$ -
15	2012-2013	\$ 187,248.00					\$ -
16	2013-2014	\$ 209,149.00					\$ -
17	2014-2015	\$ 211,440.00					\$ -
18	2015-2016	\$ 234,797.00					\$ -
19	2016-2017	\$ 237,288.00					\$ -
20	2017-2018	\$ 248,958.00					\$ -
21	2018-2019	\$ 262,650.00					\$ -
22	2019-2020	\$ 292,956.20					\$ -
23	2020-2021	\$ 323,959.78	\$179,660.41	\$12,429.41	\$1,489.71	\$193,579.52	\$ 130,380.26
24	2021-2022	\$ 330,438.98	\$183,253.62	\$12,673.20	\$1,580.41	\$197,507.23	\$ 132,931.75
25	2022-2023	\$ 337,047.76	\$186,918.69	\$12,921.68	\$1,676.65	\$201,517.01	\$ 135,530.74
26	2023-2024	\$ 343,788.71	\$190,657.06	\$13,174.93	\$1,778.74	\$205,610.73	\$ 138,177.99
27	2024-2025	\$ 350,664.49	\$194,470.20	\$13,433.04	\$1,887.04	\$209,790.28	\$ 140,874.20
28	2025-2026	\$ 357,677.78	\$198,359.61	\$13,696.10	\$2,001.94	\$214,057.65	\$ 143,620.13
29	2026-2027	\$ 364,831.33	\$202,326.80	\$13,964.20	\$2,123.84	\$218,414.83	\$ 146,416.50
30	2027-2028	\$ 372,127.96	\$206,373.34	\$14,237.43	\$2,253.15	\$222,863.92	\$ 149,264.04
30 Year TIF Total		\$ 6,307,315.64	\$1,542,020	\$106,530	\$14,791	\$1,663,341	\$ 1,117,195.60

Notes / Assumptions:

1. Tax shifts have been calculated on a prospective basis only and reflect projections of the remaining term of the District. Projections are based on the most current data available and the current assessed value of the District, which is increased by 2% each year through the remainder of the District term. Assessed value within the District is likely to increase and projections in later years are much less likely to be accurate.
2. The education rate used to calculate the education tax shift is based on the adjusted mill rate in the RSU/MSAD #15 School District based on the preliminary ED 279 for FY 2021 published 03/27/20.
3. The State Revenue Sharing shift was calculated based on the FY 2021 (7/1/20 - 6/30/21) Projected Municipal Revenue Sharing published 03/05/20 by the Office of the Maine State Treasurer.
4. The County tax shift was calculated based on the Town's actual municipal state valuation and county tax assessment for Calendar year 2020 and based on projections for the remainder of the District term based on a five-year historical average of County tax increases;
5. The total tax shifts are the result net impact to the Town of the avoided loss of State Revenue Sharing, the avoided loss of State aid to education and the avoided increase to County taxes. These projections assume that all other values in other communities to the extent they relate to the calculation of education subsidies, revenue sharing or county taxes are static relative to one another except for the new value assessed. The projections are less likely to be accurate farther into the future.

EXHIBIT D: Public Hearing Notice

TOWN OF GRAY NOTICE OF PUBLIC HEARING

Notice is hereby given that the Town Council of the Town of Gray will hold a public hearing on June 2, 2020 at 7:00 p.m. during its regularly scheduled meeting, which will be conducted remotely via the following link: https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDEwYWFiZDIhN2NlZC00ZTQ3LWl1OTgtMzdiYjQ2N2E5YjFj%40thread.v2/0?context=%7b%22Tid%22%3a%2289c631c6-9b43-47a7-93a3-3689bdad831%22%2c%22Oid%22%3a%2286be4687-b8ff-4bb4-830e-8be64a314dd1%22%7d Public comments will be received live via participation in the virtual meeting at the web address above during the agenda item identified for this purpose. Additionally, public comments will be received live during the meeting by calling (207) 657-4935 at the time set forth on the published meeting agenda. Public comments can also be provided at any time prior to 5:00 pm on June 2, 2020 to Town Manager, Deborah Cabana, via email at dcabana@graymaine.org.

The public hearing will be conducted for purposes of receiving public comments on the proposed Second Amendment to the Route 100 Municipal Development Tax Increment Financing District and Development Program, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The proposed amendments include an extension of the District term through February 18, 2028, and the addition of authorized project costs to include water main extensions, facilities and other infrastructure such as roads, sidewalks and storm drainage within the District and outside of the District, but related to the activities of the District, economic development or environmental improvements, together with updates to the estimated expenditures of tax increment revenues as authorized in the project costs and public improvements, facilities and programs sections of the original Development Program.

A copy of the proposed Second Amendment to the Development Program for the District is posted on the Town's website at www.graymaine.org. A copy is also on file with the Town Clerk and may be obtained from and reviewed at the offices of the Town Clerk during normal business hours, by calling the Town Clerk's office at 657-3339, or by emailing dcabana@graymaine.org. All interested persons are invited to attend the public hearing or submit comments in advance as directed above and will be given an opportunity to be heard at the hearing.

[proof of publication attached]

EXHIBIT E: Public Hearing Minutes

(see attached)

EXHIBIT F: Orders of Town Council
June 2, 2020

TOWN COUNCIL ORDERS
ROUTE 100 TAX INCREMENT FINANCING DISTRICT

WHEREAS, the Town is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to adopt a Tax Increment Financing District and Development Program; and

WHEREAS, the Town identified certain property within its Commercial, Resource Protection, Contract Zone for Bruns Bros., Limited Commercial, Rural Residential and Agricultural and Village Center zoning districts that were underutilized and in need of redevelopment; and

WHEREAS, the Town determined that adopting and implementing a Tax Increment Financing District and Development Program would provide opportunities for significant new commercial development within the Town and new employment opportunities for residents of the Town and surrounding communities, and would improve and broaden the tax base of the Town and improve the general economy of the Town, the region and the State of Maine; and

WHEREAS, the Town adopted the Route 100 Tax Increment Financing District on December 6, 1997 (the “District”) and the Commissioner of the Maine Department of Economic and Community Development (“DECD”) approved the designation of the District and adoption of the Development Program by letter dated February 18, 1998; and

WHEREAS, the District was approved for a period of 20 years to expire May, 2018; and

WHEREAS, the town adopted the First Amendment to the District and Development Program on June 8, 2002, which extended the term of the District through December 31, 2026; and

WHEREAS, the Town recognizes the ongoing benefits of the District to continue to provide opportunities for commercial activity, infrastructure expansion and employment opportunities within the Town; and

WHEREAS, the Town Council held a public hearing on the proposed second amendment to the District and Development Program on June 2, 2020 in accordance with the requirements of 30-A MRSA §5226(1) upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town; and

WHEREAS, the Town Council desires to amend the District and Development Program as presented to it this day and as has been on file in the Town Clerk’s Office at Town Hall, subject to the ratification of the voters of the Town of Gray at a Special Town Meeting referendum to be held on July 14, 2020; and

WHEREAS, it is anticipated that the Commissioner of the Maine Department of Economic and Community Development (“DECD”) will approve the amendment of the District and Development Program;

NOW THEREFORE, the Town Council hereby Orders as follows:

Section 1. The Town Council hereby finds and determines that:

(a) Adoption and implementation of the District and the Development Program will generate substantial economic benefits for the Town and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore constitute a good and valid public purpose and will contribute to the economic growth or well-being of the inhabitants of the Town or to the betterment of the health, welfare or safety of the inhabitants of the Town; and

(b) The Town Council has considered all evidence presented to it with regard to any adverse economic effect on or detriment to any existing business and has found and determined that adoption and implementation of the District and the Development Program will not result in a substantial detriment to any existing business in the Town, and any adverse economic effect of the District and the Development Program on any existing business in the Town is outweighed by the contributions expected to be made by the projects and improvements described in the District and the Development Program to the economic growth or well-being of the Town or to the betterment of the health, welfare or safety of the inhabitants of the Town.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Town Council hereby adopts the second amendment to the Town of Gray Route 100 Tax Increment Financing District, as presented to the Town Council.

Section 3. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Town Council hereby adopts the second amendment to the Development Program for the District in the form presented to the Town Council.

Section 4. The foregoing amendment of the District and Development Program shall automatically become final and shall take full force and effect upon approval of the amendment by the Commissioner of the State of Maine Department of Economic and Community Development (DECD), without requirement of any further action by the Town, the Town Council, or any other party.

Section 5. Pursuant to the provisions of 30-A M.R.S.A. §5227, the percentage of the Increased Assessed Value to be retained as Captured Assessed Value in the District and the term of said District is confirmed as set forth in the Development Program.

Section 6. Pursuant to Article VIII of the Town Charter, that a Special Town Meeting shall be held on July 14, 2020, in conjunction with the State Primary and Annual Town Meeting, to vote by referendum on the following article:

Shall the Town vote to: 1) amend its Route 100 Municipal Development and Tax Increment Financing (TIF) District (as previously amended) to include additional authorized uses of the TIF revenues (including, but not limited to, a coordinated future project with the Gray Water District for reconstruction of Yarmouth Road and sidewalks); 2) adopt the Second Amendment to the Development Program for said TIF District pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes and as ordered by the Town Council following a public hearing on the same, and to make the findings set forth in said order; and 3.) authorize the submission of the Second Amendment to the Development Program to the Commissioner of the State of Maine Department of Economic and Community Development for approval?

Section 7. The Town Manager be and hereby is authorized and directed, on behalf of the Town of Gray, Maine, to submit to the Commissioner of DECD for review and approval, pursuant to the requirements of 30-A M.R.S.A. §5226(2), the application and such other documentation as may be necessary or appropriate for the final approval of the amendment to the District and the Development Program. The Town Manager is further authorized and empowered, at his or her discretion from time to time, to make such technical revisions to the District or the Development Program for the District, or to the scope, cost or description of the public improvements to be financed with the portion of tax increment revenues generated by the District and retained by the Town as described in the Development Program, as the Town Manager deems reasonably necessary or convenient in order to facilitate the process for review and approval of the amendment to the District and Development Program by DECD, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the District and the Development Program.

This Order shall take effect immediately upon adoption.

EXHIBIT G: Record of Town Meeting Vote
July 14, 2020

(see attached)

EXHIBIT H: Credit Enhancement Agreement with Water District

(see attached)

WATER MAIN EXTENSION, INSTALLATION CONTRACT PORTLAND ROAD

This agreement is entered into this 24th day of February, 2003 by and between the Town of Gray, Maine, a Maine municipal corporation (hereinafter called the "Town") and the Gray Water District, a water utility duly established under the laws of the State of Maine (hereinafter called the "Utility"), with a principal place of business at Gray, Maine.

WHEREAS, the Utility is engaged in the business of supplying water service to the public in the Town of Gray, Maine, and

WHEREAS, the Town has requested that the Utility's water main be extended to serve properties along Portland Road (Routes 26&100) in the Town of Gray a distance of approximately 2.4 miles from the end of the existing 16" water main at approximately 2 Portland Road in the village Southerly along Portland Road (Route 26&100) towards the Whitney Road, (hereinafter called the "Project"), and

WHEREAS, the Project has two phases, the engineering phase and the construction or installation phase. The engineering phase was the subject of a previous contract between the Town and the Utility, the Water Main Extension, Engineering Contract Portland Road dated October 1, 2002 (hereinafter called the "Engineering Contract"), and

WHEREAS, the Town and Utility are now agreeing to how they will proceed with the installation phase, which will be the subject of this contract (hereinafter referred to as the "Installation Contract"), and

WHEREAS, the Utility is willing to make the line extension if the Town will pay, to the extent provided herein, to the Utility the full cost of the water main extension and all costs of the Utility associated with the extension (hereinafter referred to as the "Installation Contract"), including without limitation the costs of preparation of this agreement and the Engineering Contract civil engineering services under the Engineering Contract and obtaining financing and approvals (hereinafter referred to as "Project Expenses").

NOW, THEREFORE, it is hereby agreed as follows:

Section I- Project Limit:

The Town of Gray, by approval of the Town Meeting, intends on extending the water main starting at 2 Portland Road for approximately 2.4 miles south. The parties recognize that the actual length of the project will vary depending upon the unit pricing as reflected in the contract to be awarded.

Section II- Terms of Agreement:

The Town of Gray pursuant to the Engineering Contract as outlined in the letter proposal of June 17, 2002 from Gorrill and Palmer Consulting Engineers, Inc. hired the Utility to provide engineering phase services, and now wishes to hire the Utility to construct the Project. The following are elements of this Installation Contract between the parties.

1. The Town of Gray hires the Gray Water District to complete all of the necessary elements of the Project and to assure that the work is completed to the standards of the American Water Works Association, the Maine Department of Transportation, the Gray Water District and other generally accepted engineering practices.
2. The Project includes the furnishing of all pipe fittings, pumps, controls, structures, equipment and whatever labor is required to install said main completely for the final agreed distance.
3. Where these facilities are being installed on private property, the Town agrees to furnish the Utility a permanent easement, free of encumbrances, entitling the Utility to construct, own, maintain and replace the above-described facilities, provided that the cost of any such easements shall be part of the Project Expenses . Such easements shall be obtained by the Town prior to the award of any construction contract for the Project. All costs associated with the acquisition of utility construction easements and rights of way shall be part of the Project Expenses.
4. The water main extension and Utility portion of the service lines shall be owned by the Utility. The Utility will have a continuing obligation to maintain the main extension and the Utility portions of the service lines. The Utility has obtained a unit price for 1", 1-1/2" & 2" service lines.
5. Installation of a single 1" water service drop to each existing structure having frontage on water main installed as part of this Project shall be part of Project Expenses.

Owners of such structures having frontage on water main installed as part of this Project and requesting a larger water service than 1" or in addition to the single 1" service drop may be offered installation at actual cost less the cost of a 1" water service for the same side of the public way, only if requested and the advance for construction is received by the Utility prior to the water main passing said structure.

6. The Town agrees to pay the Project Expenses, provided that the amount to be paid by the Town, exclusive of interest and other costs of financing other than bond counsel fees of the Utility, shall not exceed \$1,650,000.
7. All advances and payments made by the Town pursuant to this Agreement and pursuant to the Engineering Contract prior to the issuance of and availability of money from the Project Funding (defined below) will be repaid to the Town by the Utility without interest within 15 days after funds are available from issuance of the Bonds for the Project Funding. Thereafter, all costs of the Project shall be paid out of the Project Funding and the Town shall pay the principal and interest on the Project Funding as part of its obligation to pay Project Expenses.
8. The interest and costs of any short term financing by the Utility prior to the availability of long term Project Funding are included in Financing Costs (defined below) which the Town agrees to pay to the Utility in sufficient time prior to them being due from the Utility to permit them to be paid by the Utility when due.

Section III- Agreements and Project Contingencies:

1. Upon execution of this Contract, a further payment or advance of \$25,000 for construction phase services, Scope Item H, of the Engineering Proposal referred to in the Engineering Contract, will be due from the Town to the Utility within 5 working days.
2. The Town does not have to proceed unless the Project Expenses for which it shall be responsible, exclusive of debt service interest and other costs of financing such as Maine Municipal Bond Bank charges ("Financing Costs" which are included in Project Expenses), shall not exceed \$1,650,000. The Utility does not have to proceed unless the Town agrees to pay all of the Project Expenses.
3. The Project is contingent upon:

(a) Receipt by the Utility from the Maine Municipal Bond Bank of the funds necessary to pay for the Project or other provision for the necessary funds acceptable to the Utility ("Project Funding"), the principal amount of which shall not exceed \$1,650, 000

(b) supporting authorizations and legal opinions satisfactory to the Utility;

(c) required filing with and with the approval of the Project by the Maine PUC;

(d) Receipt of all necessary governmental and environmental approvals, and any necessary agreements and easements to construct the Project.

The Utility agrees to use reasonable efforts to satisfy the contingencies described above so that construction of the Project can begin in March 2003.

4. If any amount under this agreement is not paid by the Town when due, interest of 1 ½ % per month shall be paid thereon together with all costs incurred by the Utility in the collection of the amounts to be paid under this agreement, including reasonable attorneys' fees which may be incurred in connection with such collection.

5. The Utility shall have the right to extend its main further beyond the extension that is the subject of this agreement and to serve other mains, or to cap and take off-from the extension laterally.

6. The Town and the Utility agree that the Project may be modified depending upon change of field conditions and that the final length of main installed may be subject to change orders depending on available Project Funding and the amount of Project Expenses.

7. The Town and the Utility agree that any funds from Project Funding not required to be used for the Project Expenses may be used for repayment of the Project Funding to the extent permitted by applicable laws and regulations; or the Town and the Utility also agree that if Project Expenses subject to the \$1,650,000 cap are less than \$1,650,000, the Town may request and the Utility may agree to construct infrastructure improvements related to the extension which qualify for payment by the Town from TIF revenues. The costs shall be agreed to by the Town and the Utility before any construction contract for the related facilities is entered into. Such improvements shall be considered part of the Project and the costs thereof shall be considered Project Expenses to be paid by the Town to the extent that Project Expenses for the original and additional facilities subject to the \$1,650,000 cap are less than \$1,650,000.

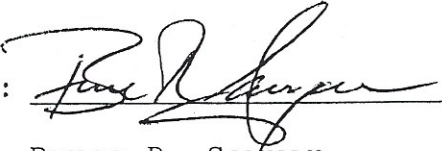
8. This contract is subject to the rules of the State of Maine Public Utilities Commission governing water main extensions (65-407 Chapter 63{rule630}), which are hereby incorporated by reference into this contract. In the event of a conflict between this contract and the Commission's water main extension rule, the rule shall govern. The Utility shall not be obligated to proceed with construction of the Project or the Project Funding if the same would conflict with any decision or rule of the Public Utilities Commission.
9. Disputes arising under this contract or under the Public Utilities Commission water main extension rule may be referred pursuant to that rule to the Commission for resolution.
10. This agreement shall bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.
11. This Agreement may be signed in counterparts, each of which shall be deemed an original but all of which collectively shall constitute one instrument.

Section IV Other Provisions Regarding Project Funding:

1. The Town agrees to pay the Project Expenses by reimbursing the Utility for all debt service and other Financing Costs on bonds or notes in a principal amount not to exceed \$1,650,000. Issued for the Project Funding by paying the Utility at least fifteen business (15), but no more than thirty (30) days in advance of each date that payment of debt service and other Financing Costs on the Project Funding is due from the Utility on the Project Funding the amount of principal and interest and other Financing Costs on the Project Funding that will be due on such payment date.
2. The Utility further agrees that it will not issue the Project Funding bonds or notes until provisions have been made to assure fixed unit pricing and a good faith estimate of the total construction price has been provided and is satisfactory to the Town, and that these unit prices and adjustment provisions are included in a contract that must be signed by the construction contractor.
3. All interest earnings by the Utility on investment of unexpended proceeds of the Project Funding will be credited to the obligations of the Town hereunder to pay debt service on the Project Funding.


IN WITNESS WHEREOF, said parties hereto have caused this agreement to be executed by their duly authorized officers this 24thday of February in the year 2003

GRAY WATER DISTRICT .

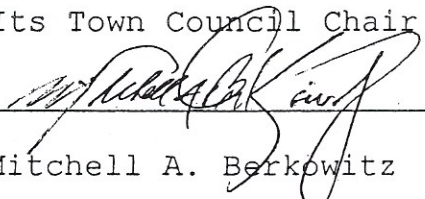
By: 
Bruce R. Sawyer

Its President

TOWN OF GRAY

By:  2/24/03
Pamela Wilkinson

Its Town Council Chair

By:  2/24/03
Mitchell A. Berkowitz

Its Town Manager