

MUNICIPAL OFFICE
P.O. BOX 139
TOWN of EDGECOMB, MAINE 04556



January 31, 2005

Selectmen,
Assessors
and
Overseers
of Poor

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

Attention: Jim Nimon

Re: Application for Approval of Tax Increment Financing District

Dear Mr. Nimon:

In accordance with Title 30-A MRSA section 5226(2), I am pleased to transmit the Town of Edgecomb's application for approval of the Davis Island Environmental Protection Development District and Tax Increment Financing District. A designation of the District and the proposed Development Program were approved by the voters of the Town at a special town meeting called for that purpose on November 4, 2000. Records of the municipal approvals are included as Exhibits F and G to the Development Program.

The Town of Edgecomb appreciates the assistance your office has already provided to the Town and the project owner in connection with this application. We look forward to prompt approval by DECD. If there are any questions concerning this application or the Town's votes, please do not hesitate to call me at the number listed above.

Sincerely,

Joanna M. Cameron

Joanna M. Cameron
1st Selectman
Town of Edgecomb

Encls.

MUNICIPAL TAX INCREMENT FINANCING

APPLICATION COVER SHEET

A. General Information

1. *Municipality Name:* **Town of Edgecomb**
2. *Address:* 16 Town Hall Road, P.O. Box 139, Edgecomb, ME 04556
3. *Telephone:* 207-882-7018 *Fax:* 207-882-7381 *Email:* selectpeople@edgecomb.org
4. *Project Contact Person:* Joanna M. Cameron, First Selectman *Date:* January 31, 2005
-
5. *Business Name:* **Edgecomb Development, LLC**
6. *Address:* 25 Pearl Street 3rd Floor, Portland, ME 04101
7. *Telephone:* 207-321-5200 *Fax:* 207-775-6275 *Email:* jcorbin@mainecapital.com
8. *Principal Place of Business:* Edgecomb, Maine
9. *Company Structure (e.g. corporation, sub-chapter S, etc.):* Limited Liability Company
10. *Place of Incorporation:* Maine
11. *Names of Officers:* Scott Lalumiere & Roger Bintliff
12. *Principal Owner(s) Name and Address:* Scott Lalumiere & Roger Bintliff; address same as above
13. *Project Contact Person:* Jeff Corbin
-

B. Disclosure (attach separate sheets if necessary)

14. Check the public purpose (any that apply) that will be served by the business through the use of the TIF incentive:

- ☒ **XX** *job creation* ☒ **XX** *job retention* ☒ **XX** *capital investment*
- ☐ *training investment* ☒ **XX** *tax base improvement* ☐ *public facilities improvement*
- ☒ **XX** *other: Public Infrastructure Improvement*

15. Check the specific use (any that apply) to which the TIF revenues will be put:

- ☐ *real estate purchase* ☐ *machinery & equipment purchase* ☐ *training costs*
- ☒ **XX** *debt reduction* ☒ **XX** *other: Installation of water and sewer lines and related infrastructure*

16. List the company's goals for the number, type and wage levels of jobs to be created or retained as a result of the TIF revenues received (please use next page).

17. Does the business anticipate receiving more than \$10,000 in TIF revenues in any calendar year during the term of the TIF development program? ☒ **XX** *Yes* ☐ *No* (If so, please review example of annual report at back of manual).

EXHIBIT A

Davis Island Environmental Protection and Development District and Tax Increment Financing District

TIF Projections

TIF Year	Tax Year	Assessed Value (Based on prior tax year investment)				Projected			Gross		Captured		Municipal Revenues		%	Company TIF Revenues	
		Real Property	Personal Property	Total	Cumulative	Real Property	Personal Property	Total	% Retained	Valuation Retained	Mill Rate	Projected New Taxes	Assessed Value	General Fund			TIF Account
Base	2004-2006	\$1,300,000	\$0	\$0	n/a	\$0	\$0	\$0	\$10.50	n/a	\$13.923	100%	\$0	\$6,265	53%	\$7,658	
1	2006-2007	\$1,300,000	\$0	\$1,300,000	\$1,300,000	100.0%	\$1,300,000	\$10.92	\$14,201	100%	\$6,391	53%	\$0	\$6,391	53%	\$7,811	
2	2007-2008	\$7,500,000	\$0	\$8,800,000	\$8,800,000	100.0%	\$8,800,000	\$11.14	\$96,056	100%	\$44,125	53%	\$0	\$44,125	53%	\$33,931	
3	2008-2009	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$11.37	\$100,017	100%	\$45,008	53%	\$0	\$45,008	53%	\$35,009	
4	2009-2010	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$11.59	\$102,017	100%	\$46,826	53%	\$0	\$46,826	53%	\$36,109	
5	2010-2011	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$11.82	\$104,057	100%	\$47,762	53%	\$0	\$47,762	53%	\$37,232	
6	2011-2012	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$12.06	\$106,139	100%	\$48,718	53%	\$0	\$48,718	53%	\$38,376	
7	2012-2013	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$12.30	\$108,257	100%	\$49,692	53%	\$0	\$49,692	53%	\$39,544	
8	2013-2014	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$12.55	\$110,427	100%	\$50,686	53%	\$0	\$50,686	53%	\$40,735	
9	2014-2015	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$12.80	\$112,635	100%	\$51,700	53%	\$0	\$51,700	53%	\$41,949	
10	2015-2016	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$13.06	\$114,888	100%	\$52,733	53%	\$0	\$52,733	53%	\$43,188	
11	2016-2017	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$13.32	\$117,186	100%	\$53,788	53%	\$0	\$53,788	53%	\$44,452	
12	2017-2018	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$13.58	\$119,529	100%	\$54,864	53%	\$0	\$54,864	53%	\$45,741	
13	2018-2019	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$13.85	\$121,920	100%	\$55,961	53%	\$0	\$55,961	53%	\$47,056	
14	2019-2020	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$14.13	\$124,358	100%	\$57,080	53%	\$0	\$57,080	53%	\$48,397	
15	2020-2021	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$14.41	\$126,845	100%	\$58,222	53%	\$0	\$58,222	53%	\$49,765	
16	2021-2022	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$14.70	\$129,382	100%	\$59,386	53%	\$0	\$59,386	53%	\$51,160	
17	2022-2023	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$15.00	\$131,970	100%	\$60,514	53%	\$0	\$60,514	53%	\$52,583	
18	2023-2024	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$15.30	\$134,609	100%	\$61,786	53%	\$0	\$61,786	53%	\$54,035	
19	2024-2025	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$15.60	\$137,302	100%	\$63,021	53%	\$0	\$63,021	53%	\$55,516	
20	2025-2026	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$15.91	\$140,048	100%	\$64,282	53%	\$0	\$64,282	53%	\$57,026	
21	2026-2027	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$16.23	\$142,849	100%	\$65,567	53%	\$0	\$65,567	53%	\$77,026	
22	2027-2028	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$16.56	\$145,705	100%	\$66,879	53%	\$0	\$66,879	53%	\$77,026	
23	2028-2029	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$16.89	\$148,620	100%	\$68,216	53%	\$0	\$68,216	53%	\$80,138	
24	2029-2030	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$17.23	\$151,592	100%	\$69,584	53%	\$0	\$69,584	53%	\$83,376	
25	2030-2031	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$17.57	\$154,624	100%	\$70,972	53%	\$0	\$70,972	53%	\$86,744	
26	2031-2032	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$17.92	\$157,716	100%	\$72,392	53%	\$0	\$72,392	53%	\$88,479	
27	2032-2033	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$18.28	\$160,881	100%	\$73,840	53%	\$0	\$73,840	53%	\$90,248	
28	2033-2034	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$18.65	\$164,088	100%	\$75,316	53%	\$0	\$75,316	53%	\$92,053	
29	2034-2035	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000	\$19.02	\$167,370	100%			\$0				
30	2035-2036	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000						\$0				
31	2036-2037	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000						\$0				
32	2037-2038	\$8,800,000	\$0	\$9,600,000	\$9,600,000	100.0%	\$9,600,000						\$0				
Total																	\$2,013,662
Average																	\$67,122

EXHIBIT A

Davis Island Environmental Protection and Development District and Tax Increment Financing District TIF Projections

Shelter Benefit

TIF Year	Tax Year	Total Tax	Ed. Shift	Rev. Sharing	County Tax Shift
Base	2004-2006	n/a	n/a	n/a	n/a
1	2006-2007	\$0	\$0	\$0	\$0
2	2007-2008	\$0	\$0	\$0	\$0
3	2008-2009	\$7,922	\$5,340	\$901	\$1,681
4	2009-2010	\$13,357	\$10,593	\$901	\$1,863
5	2010-2011	\$40,991	\$41,302	\$5,735	\$13,955
6	2011-2012	\$93,213	\$72,010	\$5,735	\$15,468
7	2012-2013	\$94,890	\$72,010	\$5,735	\$17,146
8	2013-2014	\$96,750	\$72,010	\$5,735	\$19,005
9	2014-2015	\$98,811	\$72,010	\$5,735	\$21,066
10	2015-2016	\$101,095	\$72,010	\$5,735	\$23,351
11	2016-2017	\$103,628	\$72,010	\$5,735	\$25,883
12	2017-2018	\$106,435	\$72,010	\$5,735	\$28,690
13	2018-2019	\$109,546	\$72,010	\$5,735	\$31,801
14	2019-2020	\$112,995	\$72,010	\$5,735	\$35,250
15	2020-2021	\$116,818	\$72,010	\$5,735	\$39,073
16	2021-2022	\$121,035	\$72,010	\$5,735	\$43,310
17	2022-2023	\$125,752	\$72,010	\$5,735	\$48,007
18	2023-2024	\$130,958	\$72,010	\$5,735	\$53,213
19	2024-2025	\$136,729	\$72,010	\$5,735	\$58,984
20	2025-2026	\$143,126	\$72,010	\$5,735	\$65,381
21	2026-2027	\$150,216	\$72,010	\$5,735	\$72,471
22	2027-2028	\$158,075	\$72,010	\$5,735	\$80,331
23	2028-2029	\$166,787	\$72,010	\$5,735	\$89,042
24	2029-2030	\$176,443	\$72,010	\$5,735	\$98,699
25	2030-2031	\$187,147	\$72,010	\$5,735	\$109,402
26	2031-2032	\$199,011	\$72,010	\$5,735	\$121,267
27	2032-2033	\$212,162	\$72,010	\$5,735	\$134,417
28	2033-2034	\$226,739	\$72,010	\$5,735	\$148,995
29	2034-2035	\$242,897	\$72,010	\$5,735	\$165,153
30	2035-2036	\$260,808	\$72,010	\$5,735	\$183,063
31	2036-2037	\$280,660	\$72,010	\$5,735	\$202,916
32	2037-2038	\$302,666	\$72,010	\$5,735	\$224,921
Total		\$4,337,683	\$2,001,504	\$162,374	\$2,173,805
Average		\$144,589	\$66,717	\$5,412	\$72,460

Years 31 and 32 shown for shelter purposes only.

TOWN'S CERTIFICATION

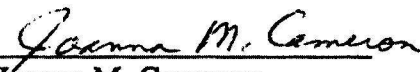
To: Maine Department of Economic and Community Development

Date: January 31, 2005

I, **Joanna M. Cameron**, 1st Selectman for the Town of Edgecomb, Maine, hereby certify that all information submitted to the Maine Department of Economic and Community Development in support of the Town of Edgecomb's application for approval of the "Davis Island Environmental Protection Development District and Tax Increment Financing District", including Exhibits A through I attached to the Development Program for the proposed District, are true and correct to the best of my knowledge, information, and belief.

The undersigned further certifies that the public hearing notice reflected in Exhibit F to the Development Program was duly posted and published in accordance with applicable law; that the Davis Island Environmental Protection Development District and Tax Increment Financing District and Development Program were duly approved by the voters of the Town of Edgecomb at a special town meeting called for that purpose on Thursday, November 4, 2004, by approval of Article 2 of the "Warrant for Special Town Meeting" as amended, and that true and attested copies of the warrant, amendment and special town meeting minutes for the November 4, 2004 special town meeting are attached to the Development Program for said district as Exhibit H thereto.

The undersigned further certifies that the municipal designation and requested approval of the Davis Island Environmental Protection Development District and Tax Increment Financing district will not conflict with any Town of Edgecomb charter provision, ordinance, or by-law currently in force.


Joanna M. Cameron
1st Selectman
Town of Edgecomb

EMPLOYMENT GOALS**A. Job Creation Goals (Attributable to Approval of TIF District)**

Occupational Cluster*	Full-time	Part-time	Wage Level
1. Executive, Administrative & Managerial	1		\$90,000
2. Professional Specialty		2	\$45,000
3. Technicians & Related Support			\$
4. Marketing & Sales		1	\$20,000
5. Administrative Support, including Clerical			\$
6. Service			\$
7. Agriculture, Forestry & Fishing			\$
8. Mechanics, Installers & Repairers			\$
9. Construction Trades & Extractive			\$
10. Production			\$
11. Transportation & Material Moving			\$
12. Handlers, Equip. Cleaners, Helpers & Lab'rs			\$

B. Job Retention Goals (Attributable to Approval of TIF District)

Occupational Cluster*	Full-time	Part-time	Wage Level
1. Executive, Administrative & Managerial			\$
2. Professional Specialty			\$
3. Technicians & Related Support	1		\$20,000
4. Marketing & Sales			\$
5. Administrative Support, including Clerical	3		\$40,000
6. Service	3		\$20,000
7. Agriculture, Forestry & Fishing			\$
8. Mechanics, Installers & Repairers			\$
9. Construction Trades & Extractive			\$
10. Production			\$
11. Transportation & Material Moving			\$
12. Handlers, Equip. Cleaners, Helpers & Lab'rs			\$

*Please use the Occupational Cluster Descriptions on the next page to complete this form.

INSTRUCTIONS

A. Job Creation Goals. Please list the number, type and wage level of jobs created as a result of the economic development incentive. NOTE: For this form, "full-time" employment means 30 hours or more; "part-time" employment means less than 30 hours. "Wage level" means the average annual wage paid for jobs created within an occupational cluster, e.g. either their annual salary, or their hourly wage times their annual hours. Also, "type" means "occupational cluster" which refers to the 12 categories defined below. Please include the number of your employees (both full-time and part-time) working within the category that most closely reflects their job duties.

B. Job Retention Goals. Please list the number, type and wage levels of jobs retained as a result of the economic development incentive. Part B should be completed using same definitions in Part A.

**SELECTMEN'S AMENDMENTS TO TIF DEVELOPMENT PROGRAM
DOCUMENTS**

NOTE:

In preparing the final TIF Development Program documents for signature and submission to the Maine Department of Economic and Community Development, the municipal Selectmen, pursuant to the authority granted by the November 4, 2004 special town meeting vote, have made a number of minor changes and corrections to the Development Program documents as presented to the special town meeting. Changes and corrections made by the Selectmen in the attached documents include the following:

- The "original assessed value" ("OAV") figure has been corrected to \$1,463,410 as of March 31, 2004, in accordance with the Assessors' certification (Exhibit E to the Development Program). This correction reflects use of the proper date to determine the OAV, rather than the current assessed value following a recent town-wide revaluation.
- The exhibit titled "Edgecomb Development LLC Project Cost Categories" has been re-designated as Exhibit "T". The amendment approving this exhibit as voted on at the November 4, 2004 special town meeting referred to this exhibit as Exhibit "G".
- Other non-substantive typographical changes and corrections.

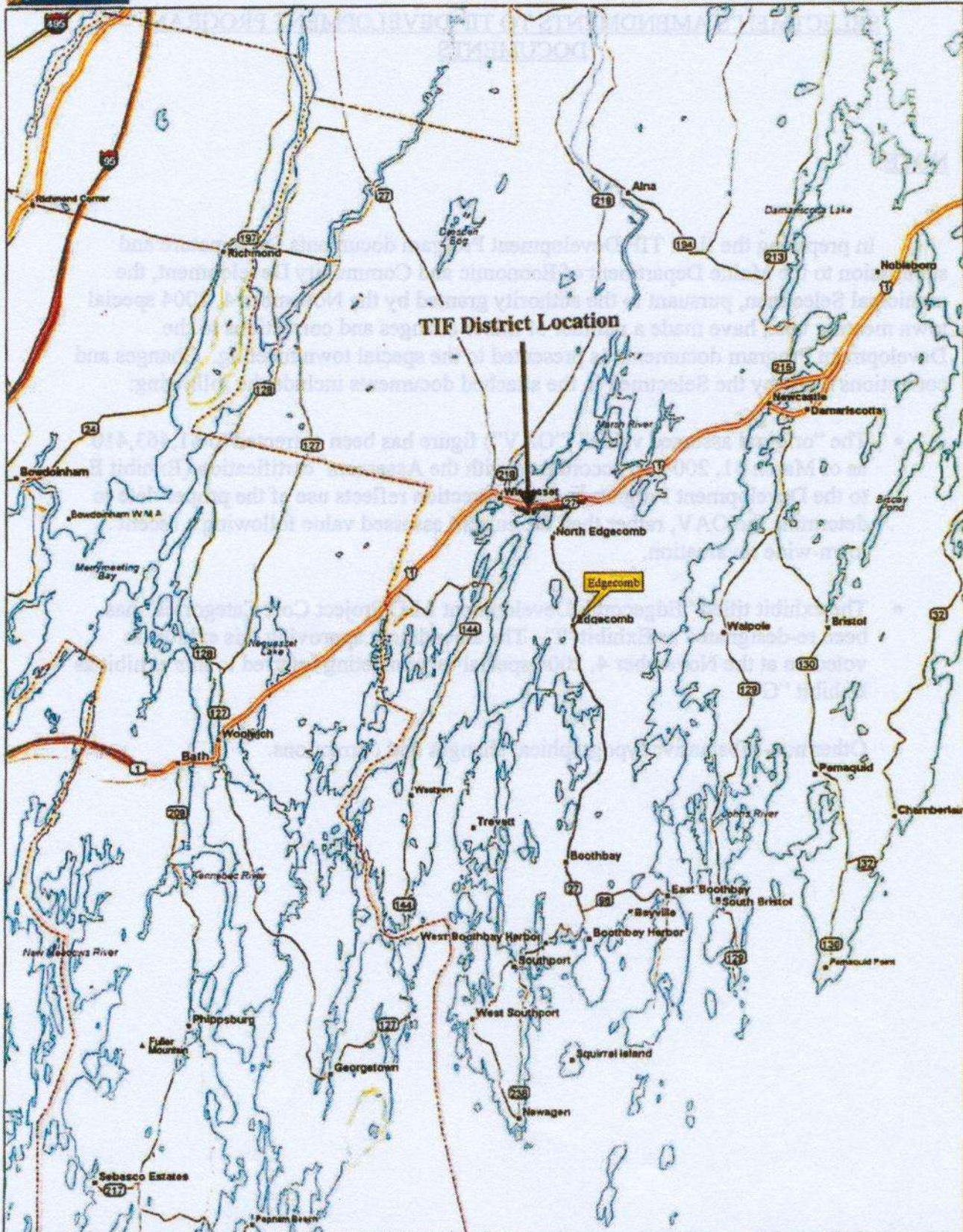


EXHIBIT B-2



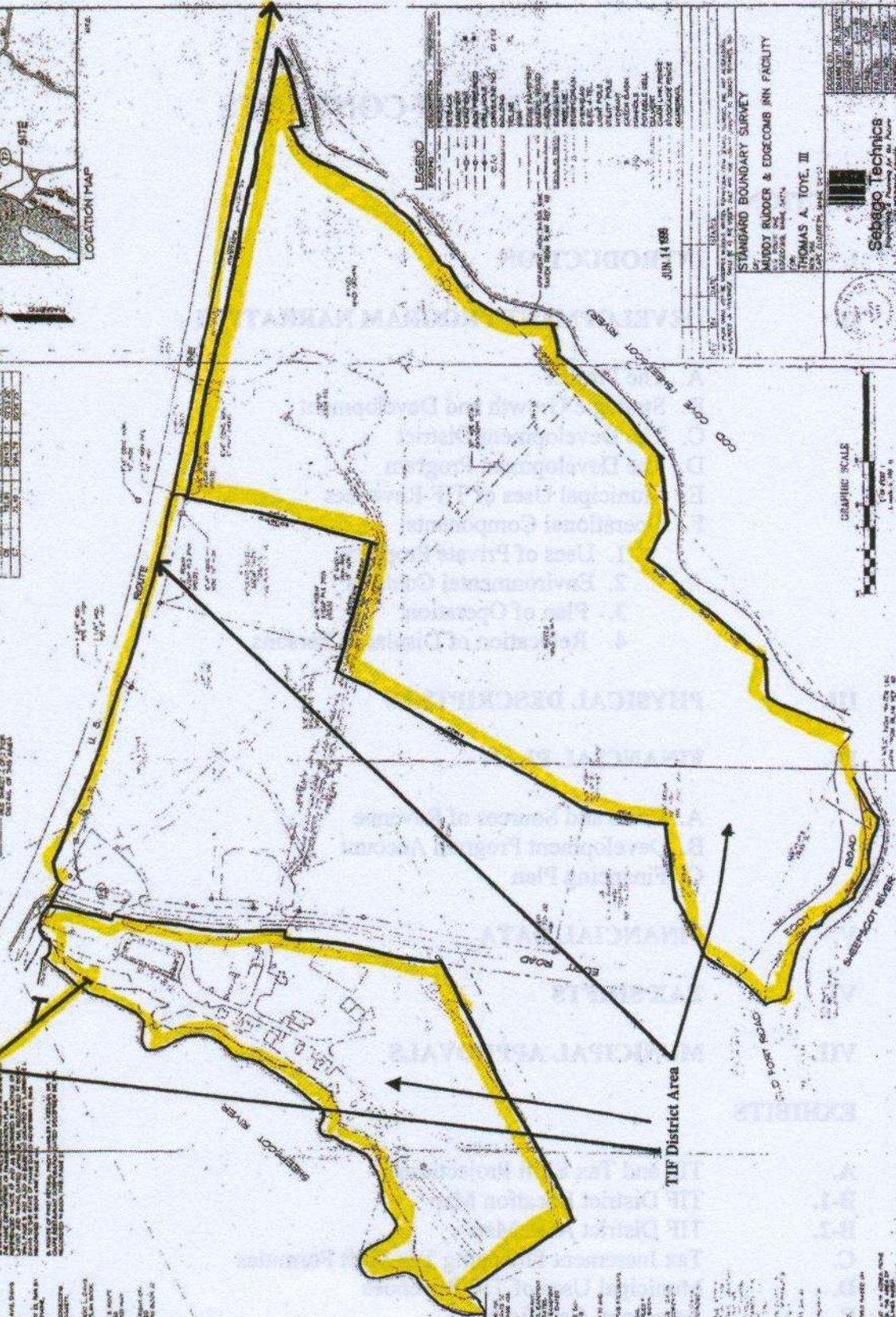
LOCATION MAP

LEAST LINE DATA		
TIME	1.01258	0.01000
Y	0.14324	0.002
X	0.14324	0.002

LEAST LINE CURVE DATA		
TIME	1.01258	0.01000
Y	0.14324	0.002
X	0.14324	0.002

PROPERTY LINE DATA		
LINE	DIRECTION	LENGTH
1	S 89° 00' 00" E	100.00
2	S 00° 00' 00" E	100.00
3	S 89° 00' 00" W	100.00
4	S 00° 00' 00" W	100.00

See [chapter 3](#) of [page](#).



TIF District Area

174

STANDARD BOUNDARY SURVEY
OF
MUDDY RIVER & EDGECOMB INN FACILITY
10-1-2008
10-1-2008

THOMAS A. TOYE, III

Sebago Technica

250137

GENERAL NOTES 100002

[illegible]

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"Davis Island Environmental Protection Development District and Tax Increment Financing District"

**A PROPOSAL TO CREATE A MUNICIPAL DEVELOPMENT
TAX INCREMENT FINANCING DISTRICT**

I. INTRODUCTION

In 2000, Sheepscot River Holdings I, LLC and Sheepscot River Holdings II, LLC ("Sheepscot") negotiated an agreement with the Town of Wiscasset to connect a wastewater line from the Wiscasset wastewater treatment plant to the Sheepscot River Inn & Restaurant. The agreement, essentially completed, was never signed and Sheepscot withdrew so that the Town of Edgecomb (the "Town") could pursue the connection. Attempts at a connection from Edgecomb to the Wiscasset waste treatment plant have been dormant for the last two years.

The Sheepscot River Inn & Restaurant currently has an overboard discharge ("OBD") license from the Maine Department of Environmental Protection ("DEP") for up to 4500 gallons per day of wastewater. While this is usually enough capacity to handle the Sheepscot River Inn & Restaurant, there could be days during a peak season when the total wastewater generated could exceed 4500 gallons per day. To handle the excess flow contingency, Sheepscot installed a temporary 8000-gallon tank to which the Sheepscot River Inn & Restaurant would send wastewater on a busy weekend and have it pumped out and hauled off on Monday morning. Sheepscot removed the tank each fall after the peak season concluded.

The DEP wanted a permanent solution for the handling of Sheepscot's wastewater. During the fall of 2003, Sheepscot hired an engineering firm, Sebago Technics, to design an additional leach field above the current sand filter OBD field in an area just past the Sheepscot River Inn tennis courts on Eddy Road. The new leach field was approved by the Maine Department of Human Services in late January 2004, and put out to bid. Five bids were received ranging from \$155,000-\$203,650. It made no sense to Sheepscot, however, to spend approximately \$200,000 on a new leach field that would only be able to handle the Sheepscot River Inn & Restaurant's current capacity and that would not allow for any future growth and/or additional economic development opportunities. In addition, the new leach field would have a negative visual impact on the scenic drive along Eddy Road. Sheepscot decided to pursue other possible courses of action.

On March 25, 2004, Sheepscot met with DEP representatives and asked for DEP's support by giving Sheepscot time to revisit the possibility of sending Sheepscot's wastewater to the Wiscasset treatment plant. DEP was very supportive, recognizing that this was a more expensive solution but it was the best solution for improving the water quality of the Sheepscot River. Thus far, DEP has been willing to wait for the outcome of this effort.

In early April 2004, Sheepscot met with the Town of Wiscasset regarding the possibility of reopening negotiations for Sheepscot's connection to its treatment plant. While willing to enter into a sewer service agreement with Sheepscot, the Town of Wiscasset preferred to enter

into such an agreement with the Town of Edgecomb rather than Sheepscot. Since that time, town officials in Edgecomb have entered into active negotiations with (1) the Town of Wiscasset for an Interlocal Agreement that would govern sewer service provided by the Town of Wiscasset to Edgecomb; and (2) the Wiscasset Water District for an Interlocal Agreement that would govern water service provided by the District to Edgecomb.

On October 14, 2004, Sheepscot transferred its entire interest in its Edgecomb property to Edgecomb Development, LLC (the "Company"). The Company intends to complete the water and sewer line extensions envisioned and designed by Sheepscot, and desires to enter into the tax increment financing arrangement that Sheepscot has negotiated with the Edgecomb Town Officials.

The Company now seeks to cooperate with the Town of Edgecomb through the creation of a Tax Increment Financing ("TIF") district to be known as the Davis Island Environmental Protection Development District and Tax Increment Financing District (the "District" or "TIF District"). This TIF District will encompass property identified on the Town's Tax Map U5, Lots 007 & 004.02, and located along Route One in Edgecomb. (See Maps, Exhibits B-1 & B-2).

Tax increment financing revenues ("TIF Revenues") from the District will be allocated to the Company to reimburse the Company for its cost incurred in constructing the water and sewer lines, as more specifically described in Exhibit I of this Development Program.

The Town of Edgecomb can create the proposed TIF District, authorize a Credit Enhancement Agreement, and accomplish the following goals:

- Maintain the existing tax revenues generated by the property;
- Create future economic development opportunities;
- Eliminate a licensed wastewater discharge into the Sheepscot River;
- Stabilize the Town's tax rate while increasing revenues for the Town; and
- Strengthen diversification of the municipal tax base.

In addition, by creating this TIF District, the Town of Edgecomb will seize the unique opportunity of obtaining over one million dollars worth of water and sewer infrastructure, which will enable the Town to obtain water and sewer service from Wiscasset, without incurring *any* financial risk to the Town of Edgecomb. Further, creation of the District will "shelter" a portion of the increase in municipal valuation from any future development that occurs in the District. This will reduce the adverse impact of future development on the Town's share of General Purpose Aid to Education, Municipal Revenue Sharing, and its County tax assessment.

II. DEVELOPMENT PROGRAM

A. The Project

The Company is proposing to connect its property identified on the Town's Tax Assessing Maps at Tax Map U5, Lots 007 & 004.02, which includes the Sheepscot River Inn & Restaurant, to the Town of Wiscasset's sewer treatment plant and the Wiscasset Water District's water system. The project includes running water and sewer lines under the Sheepscot River.

The project also envisions the possible future development of a 10,000 square-foot building on the 9.3-acre Sheepscoot River Inn & Restaurant parcel (Lot 007), and a 30 unit, deed-restricted elderly retirement facility and two (2) 15,000 square-foot office buildings (campus-style) on the 30-acre parcel identified as Lot 004.02. No specific use has been firmly identified for the sites.

As described above, the District contemplates future developments within its boundaries. Currently, the Sheepscoot River Inn & Restaurant has an OBD license from the DEP for up to 4500 gallons per day of wastewater, with peak season's excess flows being temporarily stored in an 8000-gallon tank and trucked away. The DEP is looking for a long-term solution to handle the wastewater from the Sheepscoot Inn & Restaurant. An enormous and unsightly leach field system has been approved, but will handle only current wastewater discharge amounts, leaving Lots 007 & 004.02 underutilized as economic development opportunities. This project will bring water and sewer to service the existing needs at the Inn & Restaurant with enough additional capacity to encourage and facilitate future economic development in the Town Edgecomb.

The goal of this proposal is to create a TIF district where tax revenues on future increased assessed value of the property will reimburse the Company for the high cost of constructing the water and sewer lines. The details regarding the new tax revenues are spelled out in a negotiated credit enhancement agreement between the Town and the Company ("CEA"). This agreement will also help the Company borrow the funds to finance the project. Simultaneously, in conjunction with the creation and final approval of the TIF District and execution of the CEA, the Company will transfer ownership of the water and sewer lines to the Town. Under provisions of an interlocal agreement with the Town of Wiscasset, Wiscasset will accept and treat sewage generated in Edgecomb via the new sewer extension, and Edgecomb will pay Wiscasset sewer user fees for this purpose. The Town will then bill sewer users in Edgecomb for this service. Under a separate "Water Service Extension Agreement" between the Town and the Wiscasset Water District, the District will become the owner of the water lines and will be the direct provider of water service to Davis Island customers. It is expressly understood by both the Town and the Company that these arrangements will satisfy the "Town of Edgecomb sewer and water" language found in Section 5(I) of the Town of Edgecomb Building Code Ordinance (as amended through May 22, 2004), as well as any other Town ordinance requirements for Town of Edgecomb sewer and water. The Company will remain solely responsible for the sewer and water construction debt, but it would receive a portion of the new TIF Revenues each year that can be used to retire that debt. The Company will only receive TIF Revenues equal to the actual cost of the sewer and water line construction as provided in Exhibit I, minus any grant money received to fund the construction project.

A separate Town portion of the Development Program, described in Exhibit D attached, will reserve TIF Revenues not required to reimburse the Company to fund future extensions of public water and sewer service on Davis Island and along the Route 1 corridor, on a "pay-as-you-go" basis. Future service extensions will provide additional economic benefits and tax base expansion for the Town. In addition, the Town's portion of the Development Program will allow use of a portion of the Town's TIF Revenues for general economic development programs and activities as provided in 30-A M.R.S.A. § 5225(1)(C).

This project and economic package will give the Town control of the sewer and water, at no financial exposure for the Town, and also provide an economic benefit for the Town, while facilitating future economic expansion.

B. Strategic Growth and Development

The sewer and water construction and anticipated future investment in the TIF district will expand the Town's tax base, assist an existing Edgcomb business, and responsibly terminate a licensed wastewater overboard discharge into the Sheepscot River.

This project will advance the Town of Edgcomb's economic development goals, as well as the State of Maine's goals of improving the environment, creating future economic development opportunities, broadening the tax base, and improving the state and local economy.

The Sheepscot project will:

- Terminate overboard discharge of wastewater from the Sheepscot River Inn & Restaurant into the Sheepscot River;
- Allow the Town of Edgcomb to connect with Wiscasset's water and sewer systems without incurring any financial risk related to the construction of the water and sewer lines;
- Strengthen and diversify the tax base of the community;
- Increase property tax revenues; and
- Create minimal new demand for local services.

The Davis Island Environmental Protection Development District and Tax Increment Financing District will serve the interests of both the Town and the project by expanding the economic base of the Town of Edgcomb and by making water and sewer construction economically feasible. It offers the Town an opportunity to maximize the value of prime properties within the Town, and support the growth and diversification of the local economy.

C. The Development District

The Company proposes the creation of a cooperative economic relationship between the Town of Edgcomb and the Company for the development of this project through the designation of the proposed TIF District.

Tax increment financing is a proven method of strengthening ties between business, the community, and the broader regional economic base. A strong cooperative relationship with the Town of Edgcomb and adoption of this TIF District is fundamental to this project. TIF Revenues to offset the extraordinary cost of constructing water and sewer lines under the Sheepscot River are critical to assuring the Company's ability to fund the project.

By investing a portion of the new tax revenues generated in the District, the Town of Edgcomb will be a partner in a project that creates taxable investment.

The TIF District will apply only to the increased (i.e., new) real and personal property values being generated within the District and will not affect the current tax base. The Company will continue to pay—and the Town will continue to retain—all of the taxes on the current value of the existing property. In addition, by adopting a Credit Enhancement Agreement, the Town of Edgcomb creates a TIF District that will:

- contribute to the success of the project by offsetting the project's high construction costs; and
- shelter the new municipal value from impacting overall state valuation, thereby minimizing potential decreases in school funding and state revenue sharing, and potential increases in county tax assessments.

The TIF District (see Exhibit B-2) will encompass two lots of taxable real property (Tax Map U5, Lots 007 {9.3 acres} & 004.02 {30 acres}), the new water and sewer line under the Sheepscot River and within the Town of Edgecomb, and the future water line extension along Route 1 within Edgecomb (estimated at 11,400 feet, approximately 6.5 acres).

D. The Development Program

The Town of Edgecomb's adoption of this development program creates a municipal TIF district in order to capture the value of improvements made within the District and permit Tax Increment Financing for the Sheepscot River water and sewer lines construction project. The TIF District will apply only to any future increase in assessed value within the District, and will not affect the current tax base within the District.

Under this development program, the Town will capture 100% of the new assessed value over the original assessed value of each property and retain within the District the new tax revenues generated by that portion of the new assessed value. (See Exhibit A.) The Company's portion of the TIF Revenues will be used to defray the cost of the water and sewer line construction, as provided in Exhibit I. Once the Company has been reimbursed for its actual cost of constructing the water and sewer lines as provided in Exhibit I, or thirty (30) years, whichever occurs first, the TIF District will terminate. The cost of this project is estimated to be \$1.25 million (approximately 55% of new TIF revenues). The remaining portion of TIF revenues will be allocated to a Town of Edgecomb TIF fund, which is described in further detail in the Financial Plan section of this document.

Captured assessed value will be calculated within the District based upon that property's increased assessed value over its original assessed value as of March 31, 2004. The Edgecomb Board of Assessors, in the Assessors' Certificate, (Exhibit E), has certified the original assessed value of each of the properties within the District as \$1,463,410. By agreement, however, the TIF benefits will not commence until the property within the District reaches its April 1, 2004 assessed value, which is \$2,887,990. The tax increment revenues generated by the first \$1,424,580 increase in value will be deposited in the Town's general fund and will not be included in this TIF.

The maximum percentage of TIF Revenues that the Company will receive from the Town in any given year is fifty-five percent (55%), as set forth in Exhibit A. Total TIF Revenues to be received by the Company will not exceed the Company's out-of-pocket expense for the sewer and water line construction as provided in Exhibit I. The specific criteria for this arrangement will be detailed in the Credit Enhancement Agreement. The Company will be allocated TIF Revenues sufficient to cover its actual project costs incurred in constructing the water and sewer lines.

This Development Program is based upon statutes adopted by the Maine Legislature. It enables local governments to establish development districts to encourage commercial and industrial development. The use of tax increment financing has distinct advantages:

- No impact on the existing tax base; only the increased taxable value over the base line original value will be included in the District; and
- The benefits to the Company are based solely on the actual investment made by the Company and the related increase in assessed value within the District.

E. Municipal Use of TIF Revenues for Public Improvements

The Town of Edgecomb will be undertaking a number of public improvements, namely water and sewer expansion projects, to support economic growth along the Route One commercial corridor. These infrastructure projects will be funded with the Town's portion of TIF Revenues generated from the District. (See Exhibit D.)

F. Operational Components

1. Uses of Private Property

The identified site includes private property owned by the Company identified on Town of Edgecomb Tax Map U5, Lots 007 & 004.02.

The proposed project includes the investment of approximately \$1.25 million in water line and sewer line construction from Wiscasset, Maine to Edgecomb, Maine.

2. Environmental Controls

The Development Program proposes construction that will comply with all federal, state and local rules and regulations and applicable land use requirements.

3. Plan of Operation

Any future development within the District will at all times be owned or leased and operated by the Company, its successors or assigns, or by other property owners whose properties are located in the District, who will be responsible for payment of all maintenance expenses, insurance and taxes on said improvements. The Company will be responsible for the financing and completion of the water and sewer construction. Once the TIF District is approved by the State of Maine, the Company will transfer ownership of the sewer line to the Town of Edgecomb and the water line to the Wiscasset Water District.

During the life of the Davis Island Environmental Protection Development District and Tax Increment Financing District, the Edgecomb Board of Selectmen, or its designee, will be responsible for all administrative matters concerning the District.

4. Relocation of Displaced Persons

Not applicable.

III. PHYSICAL DESCRIPTION

- A. Total acreage of the Town of Edgecomb: 11,891 acres
- B. Total acreage proposed for tax increment financing district: 45.8
- C. Percentage of total acreage of the District to the total acreage of the Town of Edgecomb (Cannot Exceed 2%): .00385%.
- D. Total acreage of all Existing and Proposed TIF Districts in the Town of Edgecomb: 45.8
- E. Percentage of total acreage of all existing and proposed development Districts within the Town of Edgecomb to the total acreage of the Town of Edgecomb (Cannot Exceed 5%): .00385%
- F. Not less than 25%, by area, of the real property within a development district shall meet at least one of the following criteria:
 - 1. Blighted acres N/A
 - 2. Acreage in need of rehabilitation, redevelopment or conservation
N/A
 - 3. Acreage suitable for commercial siting = 39.3 (100%)
- G. Enclosed municipal maps:
 - 1. Area map showing site location of the TIF District in relation to geographic location of municipality (Exhibit B-1).
 - 2. Site map showing existing tax map locations and TIF District (Exhibit B-2).

IV. FINANCIAL PLAN

Note that the Financial Plan will subsequently encompass qualified future development, and therefore the general conditions will apply to future as well as current projects. Because future projects are as of yet unidentified all specific project information presented in this section relates to the water and sewer line construction.

A. Costs and Sources of Revenues

The TIF District (see Exhibit B-2) will encompass two lots of taxable real property (Tax Map U5, Lots 007{9.3 acres} & 004.02 {30 acres}), the new water and sewer line under the Sheepscot River and within the Town of Edgecomb, and the future water line extension along Route 1 within Edgecomb (estimated at 11,400 feet or 6.5 acres). The TIF District has a combined original assessed value of \$1,463,410 as of March 31, 2004.

Construction of the water and sewer lines and the possible future development of a 10,000 square-foot building on Lot 007 and, a 30 unit, deed restricted elderly retirement project and two (2) 15,000 square foot office buildings on Lot 004.02 would add approximately \$8.8 million of new value to the Town. The Development Program provides for the new tax revenues generated by the increase in assessed value of the District to be captured and designated as TIF Revenues. The Company will apply the TIF Revenues to the cost of water and sewer line construction. The Town will apply its portion of TIF Revenues to future water and sewer line extensions along Route 1 and related improvements.

Under the TIF District, approximately fifty-five percent (55%) of captured TIF Revenues will be allocated to the Company. TIF Revenues made available to the Company will be limited to the actual costs of the water and sewer line construction, as provided in Exhibit I, minus any grant money received to fund the construction project. The TIF District will terminate and the Town of Edgecomb will then receive and retain all (100%) of the taxes generated by the property at the first occurring of one of the following events: (1) when the Company has received TIF Revenues and grants that total the actual cost of the water and sewer lines construction, as provided in Exhibit I; or (2) the passage of thirty (30) years.

**TABLE 1:
PROJECTED COMPANY PROJECT COSTS**

Activity	TIF Proceeds	Company's Private Sources	Total
Water/Sewer Construction	\$1,250,000		\$1,250,000
Building Construction (30 unit, 1,000 sf units of deed restricted elderly housing; two (2) 15,000 square foot office buildings; and 10,000 square foot building) and increased land value		\$8,800,000	\$8,800,000
TOTAL	\$1,250,000	\$8,800,000	\$10,050,000

The attached Exhibit A details the projections based on the anticipated Development Program as it relates to the Company's future project(s) within the District, including the projected tax shift. This exhibit has been developed using conservative assumptions. Exhibit A

is a projection included for demonstration purposes only. No assurances are provided as to the results reflected therein.

B. Development Program Fund

This Development Program requires establishment of a Development Program Fund pledged to, and charged with, the payment of the project costs in the manner outlined in 30-A M.R.S.A. § 5227(3)(A)(1).

As stated above, all (100%) of the incremental tax revenues resulting from the increase in the District's assessed real estate and personal property value will be captured by the Town under this Development Program to the extent that in any given tax year the then-current assessed value of the property exceeds the Original Assessed Value by more than \$1,424,580.

The TIF District Development Program Fund is established consisting of a project cost account ("Project Cost Account") pledged to and charged with payment of project costs. The Project Cost Account shall consist of a Company Cost Subaccount ("Company Cost Subaccount") pledged to and charged with payment to the Company under the Credit Enhancement Agreement for reimbursement of costs of the Company's sewer and water construction project, and the Town Cost Subaccount ("Town Cost Subaccount") pledged to and charged with payment to the Town for the cost of Town approved development program expenses. All TIF Revenues allocated to the Company shall be deposited into the Company Cost Account, which will fund the payments required under the Credit Enhancement Agreement between the Town and the Company.

The Credit Enhancement Agreement established between the Town and the Company will provide for the payments to the Company from the applicable Company Cost Subaccount. The TIF Revenues disbursed pursuant to the Credit Enhancement Agreement will be utilized by the Company to defray the costs of the water and sewer project as described in this Development Program and Exhibit I. The Town's obligation under the Credit Enhancement Agreement will commence and constitute an unconditional and irrevocable commitment to the Company, as provided in the CEA. In each fiscal year, pursuant to the Credit Enhancement Agreement, the Town will make payments to the Company within thirty (30) days following payment of the associated property taxes on the Company's Project.

C. Financing Plan

The TIF District will encompass approximately 45.8 acres of real property. The assessed value of the real property within the District is established as the Original Assessed Value as certified in the Assessors' Certificate (Exhibit E). It is anticipated that the cost of constructing the water and sewer lines will be approximately \$1.25 million plus financing costs.

The development of future project(s) within the District could add approximately \$8.8 million of new taxable investment in the Town of Edgecomb, which will be financed by the Company. The Town of Edgecomb will not assume any financial liability for the sewer and water line construction, or for improvements made within the TIF District. TIF Revenues will be allocated to the Company as described on Exhibit A. Development costs as described in the Development Program will be funded from TIF Revenues paid to the Company under the Credit

Enhancement Agreement. An estimate of annual TIF Revenues paid to the Company under the Credit Enhancement Agreement is shown in Exhibit A. Actual payments made to the Company pursuant to the Credit Enhancement Agreement will be adjusted based on the actual annual tax assessment of the property. These payments are designed to reimburse the Company for development costs of the water and sewer lines project.

The TIF District will have a maximum term of thirty (30) years, commencing with the Town's 2006-2007 fiscal year and ending with the Town's 2035-2036 fiscal year. The term of the District will expire earlier in the event the Company receives payments equal to the cost of water and sewer line construction, as provided in Exhibit I, minus any grants received to fund the water and sewer line construction project.

Pursuant to the provisions of 30-A M.R.S.A. § 5227(1), The Town hereby adopts the following statement of the percentage of captured assessed value to be retained for purposes of funding the development program fund:

The annual percentage of captured assessed value to be retained in the District and the annual percentage of TIF Revenues to be allocated to the Company are detailed in Exhibit A. Exhibit A reflects the 30-year TIF term, the projected increase in assessed value, captured assessed value, tax increment value, tax increment revenues and allocation of tax increment revenues. Exhibit A also reflects the Tax Shift Projections based on assumptions concerning the annual growth of the mil rate, local valuation, and the assessed value of the project.

V. FINANCIAL DATA

- A. Total 2004 value of equalized property in the municipality: \$133,400,000
- B. Original assessed value of all properties in all existing and proposed TIF districts:

Existing	\$ 0
Proposed District	<u>\$ 1,463,410</u>
Total	\$ 1,463,410

Line B divided by line A = 0.02%*(Cannot exceed 5%).

- C. Estimate of increased assessed value by year after implementation of the development program: See Exhibit A
- D. Percentage of increased assessed value to be applied to the development program fund: See Exhibit A
- E. Estimated annual tax increment
 - 1. The average annual tax increment retained in the District to be applied to finance a portion of the costs of the Company's project over the life of the District is projected to be: See Exhibit A
- F. Estimated average annual value of development program fund: \$122,040

Estimated annual average payment to Sheepscot: \$67,122 See Exhibit A

G. Annual principle and interest payment of bonded indebtedness: N/A.

H. Financial assumptions and safeguards:

Under the Credit Enhancement Agreement, the Town's payment obligation exists only insofar as new tax revenues are generated from new development within the District. The Town will pay an amount to the Company only insofar as new tax revenues from the increase in valuation are generated within the District over the original valuation of each property within the District.

I. Statement of impact of TIF on taxing jurisdictions within the county. See Exhibit A

VI. TAX SHIFTS

In accordance with the Maine statutes governing the establishment of Tax Increment Financing Districts, the following tax shifts which result from the establishment of the District have been identified, using a formula supplied by the Department of Economic and Community Development: See Exhibit A

Average Annual Amount

General Purpose Aid to Education Tax Shift	\$ 66,717
Municipal Revenue Sharing Tax Shift	\$ 5,412
Country Tax Shift	\$ 72,460
Total Average Annual Savings	\$144,589

VII. MUNICIPAL APPROVALS

A. Public Hearing Notice

Attached, as Exhibit F is a copy of the Notice of Public Hearing held in accordance with the requirements of 30-A M.R.S.A. § 5226. The notice was published on October 21, 2004 in a newspaper of general circulation in the Town of Edgecomb.

B. Public Hearing Minutes

Attached, as Exhibit G is a certified copy of the minutes of the November 1, 2004 public hearing at which the proposed municipal tax increment financing district was discussed.

C. Authorizing Votes

Attached as Exhibit H is a certified copy of the minutes of the Special Town Meeting of the Town of Edgecomb duly called and held on November 4, 2004 designating District and adopting the Development Plan.

THE TOWN OF EDGECOMB
TAX INCREMENT FINANCING DEVELOPMENT PROGRAM

EXHIBIT C

**TAX INCREMENT FINANCING
TAX SHIFT FORMULAS**

One element which must be included in any application for designation as a tax increment financing district is the calculation of tax shifts which result from the creation of the District. These tax shifts are noted in three basic formulas, 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 following is the process used to derive each of these tax shifts.

Education Tax Shift. In each year of the District, adjust the current state education subsidy formula to include the annual Captured Assessed Value, using agreed-upon assumptions. The difference in the actual education subsidy and the adjusted education subsidy will be Education Tax Shift for that year.

County Tax Shift. In order to produce this result, you will have to get information from the State Bureau of Taxation. First, obtain the most recent State County Valuation and State Local Valuation from the State Bureau of Taxation. Second, get Edgecomb's annual County Tax Levy. Determine the annual Captured Assessed Value for the District. Calculate the following percentage: divide the current State Local Valuation plus the annual Captured Assessed Value by the current State County Valuation plus the average Captured Assessed Value. This percentage represents what Edgecomb's County Tax Levy would be if the Captured Assessed Value were not sheltered in the District. Multiply this by that year's County budget. This number represents what Edgecomb's County tax levy would be if the Captured Assessed Value were not sheltered in the District.

Here it is represented as a formula:

1.
$$\frac{(\text{Current State Local Valuation} + \text{Captured Assessed Value})}{(\text{Current State County Valuation} + \text{Captured Assessed Value})} \times \begin{matrix} \text{Estimated Average} \\ \text{Annual County Tax} \\ \text{(w/o sheltering)} \end{matrix}$$
2.
$$(\text{Annual County Tax (w/o sheltering)}) - \text{Annual County Tax} = \text{County Tax Shift}$$

Revenue Sharing Shifts. To determine the Revenue Sharing Tax Shifts, get the following information from the State Treasurer's office:

1. Projected Total Municipal Revenue Share Pool for the current fiscal year;
2. Edgecomb's "current factor";
3. Edgecomb's "computed number," and the three figures used to calculate the current computed number: Edgecomb's population, local assessment, and Edgecomb's State Local Valuation;¹

From there, you must go through five simple steps outlined in the following formula:

STEP ONE

Calculate the State Aggregate Computed Number = $\frac{\text{Current Number}}{\text{Current Factor}}$

STEP TWO

Calculate Edgecomb's Adjusted Computed Number = $\frac{\text{Edgecomb Population} \times \text{Local Assessment}}{\text{State Local Valuation} + \text{Projected Annual CAV}}$

STEP THREE

Calculate the State's Adjusted Aggregate Computed Number = $\text{Aggregate Computed Number} - \text{Computed Number} + \text{Adjusted Edgecomb's Computed Number}$

STEP FOUR

Calculate the State's Adjusted Current Factor = $\frac{\text{Edgecomb's Adjusted Computed Number}}{\text{State's Adjusted aggregate Computed Number}}$

STEP FIVE

Calculate Edgecomb's projected Adjusted Revenue Sharing amounts = $\frac{\text{Projected Total Municipal Revenue Sharing Pool} \times \text{Edgecomb's Adjusted Current Factor}}{\text{Edgecomb's Adjusted Current Factor}}$

STEP SIX

The difference between Step 5 and Step 6 = $\text{Municipal Revenue Sharing Shift for that year} -$

Repeat for each year's Projected Annual CAV

¹ Get these numbers from the State Treasurer's office, not from other sources, including the Town. The Municipal Revenue Sharing calculation is based on some prior year numbers that may be outdated at the time the tax shift calculation is done. Note also, the State Treasurer drops the last three figures from the State Local Valuation.

**DAVIS ISLAND ENVIRONMENTAL PROTECTION AND DEVELOPMENT
DISTRICT AND TAX INCREMENT FINANCING DISTRICT**

**AMENDMENT
November 4, 2004**

STATEMENT OF PURPOSE

The purpose of these amendments are to extend the term of the TIF District for an additional 10 years to make this a 30 year TIF, thereby extending the benefits of the TIF for both the Town and the Company; to change the percentage split of the TIF Revenues between the Company and the Town to constant percentages for the entire term of the TIF, which will be 55% to the Company and 45% to the Town for each year of the TIF; and to define the precise cost categories for which the Company will be able to use its share of the TIF Revenues for reimbursement.

Additionally, some changes set forth in this Amendment are non-substantive changes that are intended only to clarify the operation of the original development program document.

SPECIFIC AMENDMENTS

The specific amendments to the Davis Island Environmental Protection and Development District and Tax Increment Financing District development program document are as follows:

1. Page 2: changed the description of the Company's reimbursable costs to refer to attached "Exhibit I," which outlines the cost categories identified by the Board of Selectmen as those costs for which the Developer will be able to use its share of the TIF Revenues. See attached Exhibit I.
2. Page 3: same change
3. Page 5: same change; also changed term of TIF District from 20 years to 30 years; explained that TIF benefits only apply after the property reaches the valuation of the property as of the Town's 2004 re-valuation, which is designed to ensure that all of the property taxes paid in the property's 2004 valuation will be deposited in the Town's general fund and will not be subject to the TIF; and also clarifies that the maximum percentage of TIF Revenues the Company will receive in any year is 55%.
4. Page 6: description of reimbursable costs refers to Exhibit I; clarification that Company will transfer the sewer line to the Town of Wiscasset and transfer the water line to the Wiscasset Water District.
5. Page 8: correction stating that Town's TIF Revenues will be used for future water and sewer line extensions along Route 1 and related improvements, not for "municipal economic development projects"; reimbursable costs referenced in Exhibit I; clarification of how the TIF District will terminate, which is when the

Company has received all cost reimbursements as allowed in Exhibit G, or 30 years, whichever first occurs.

6. Page 9: non-substantive word change in 3rd paragraph of Section B ("economic development" to "development program"); adds reference to Exhibit I for reimbursable costs; states correct acreage of the TIF District, which is 45.8.
7. Page 10: states that anticipated cost of water & sewer line construction is 1.25 million plus financing costs; removes reference to the annual TIF reimbursement percentage changing, since the reimbursement percentages will now remain constant; reference to 30-year term of the TIF District; reference to Exhibit I.
8. Page 11: states revised annual tax shift estimates.

**Proceedings of Special Town Meeting
November 4, 2004**

Pursuant to the foregoing warrant the inhabitants of said town met at the time and place set forth in said warrant and voted as follows.:

ART. 1. Whole number of votes cast for **Moderator** were 3. Ervin Snyder had 3, was declared elected and sworn by the Town Clerk.

Moved and seconded to to give nonresidents, Erik Stumpf, Paul Gibbons, Jim Fitch and Joan Fortin , permission to speak. Motion passed.

Moved and seconded to amend the Davis Island Environmental Protection and Development District and Tax Increment Financing District "development program" to reflect the changes set forth in the Amendment dated November 4, 2004.
Motion passed.

Moved and seconded to have a written ballot for Article 2. Motion passed.

ART. 2 Voted Yes - 46, No - 31, to designate the **Davis Island Environmental Protection Development District and Tax Increment Financing District** and Adopt the Development Program for such district, as amended.

ART. 3. Voted to authorize and direct the Board of Selectmen to enter into and **Interlocal Agreement** with the Town of Wiscasset.

ART. 4. Voted to authorize and direct the Board of Selectmen to enter into a **Water Service Extension Agreement** with the Wiscasset Water District.

ART. 5. Voted to enact **The Edgecomb Sewer Ordinance**.

A true record:

Attest: Claudia P. Coffin



Town Clerk

*Attest:
a true copy.
Claudia P. Coffin
Town Clerk
1-27-05*

EXHIBIT I
EDGECOMB DEVELOPMENT LLC PROJECT COST CATEGORIES

Authorized project costs incurred in the construction of the water and sewer lines shall be limited to the actual out-of-pocket costs expended by Edgcomb Development LLC or its assigns (the Company) in the following cost categories. Total reimbursements to Company shall be limited to 1.25 million dollars in actual out-of-pocket costs, plus the financing costs of any of the \$1.25 million dollar costs that were financed by a third-party lender. The Company may use its share of the TIF Revenues to reimburse itself for these costs. The Company shall provide the Town with evidence of its actual out-of-pocket expenditures as part of any reimbursement request, as provided in the Credit Enhancement Agreement:


- I. Design & Permitting**
 - Engineering Fees
 - Permit Fees (not including sewer impact fees)
- II. Construction**
 - Construction contract awarded to Chesterfield Associates
 - Change Orders
- III. Construction Contingency**
 - Includes, but not limited to, any required design changes required by Wiscasset Water District and/or Town of Wiscasset
- IV. Expert Fees Paid to Town of Edgcomb**
 - Town's Attorney Fees
 - Town's Engineering Fees
- V. Modifications to Project to Meet Town of Edgcomb Requirements**
 - Upgrade of forced sewer main from 4" to 6" line
 - Upgrade of water line from 8" pipe to 12" pipe
 - "Y" connection & stub for sewer line
 - Extension of sewer line to Eddy Road during initial phase of construction
 - Future construction of sewer line from Company's sewage pump station to Town's pump station and modifications to Company's pump station to pump sewage to Town's new pump station, if accepted by the Town as part of the Town's public sewer system. Reimbursement shall not be paid with respect to private connection lines or other facilities to be retained in the Company's ownership. The Town may decline to accept any private connection line or other facility not needed as a component of the Edgcomb public sewer system.
- VI. Construction Phase Engineering**
 - Inspection and oversight of Construction, including Town inspection fees
 - Potential Design Changes
- VII. Administrative Costs**
 - Attorney fees related to the establishment of the TIF District
 - Professional fees related to transfer of water & sewer lines and utility easements
 - Consulting fees related to the establishment of the TIF District
- VIII. Financing Costs**
 - Cost of Financing directly related to any and all of the allowable costs included in this Exhibit I

CLERK'S CERTIFICATE

(Public Hearing Minutes)

I, Claudia P. Coffin, as town clerk for the Town of Edgecomb, Maine, hereby certify that document attached to this certificate, consisting of 5 page(s), is a true and accurate copy of the minutes of a public hearing of the Town of Edgecomb held November 1, 2004, with respect to the proposed Davis Island Environmental Protection Development District and Tax Increment Financing District in Edgecomb, Maine. I further certify that the original public hearing minutes were reviewed and approved by the Town of Edgecomb Board of Selectmen on November 8, 2004, and are on file in the Edgecomb town office.

Dated: January 31, 2005


Name:
Clerk, Town of Edgecomb, Maine

**Town of Edgecomb Public Hearing
On Tax Increment Financing
November 1, 2004, 7:00 p.m.**

Selectman Jo Cameron introduced Paul Gibbons, Gibbons and Calderwood, attorney representing Edgecomb, Jim Fitch, Woodard and Curran, the town's engineer for the water and sewer project and Attorney Erik Stumpf, Eaton Peabody, a consultant on Tax Increment Financing.

Paul Gibbons said that the Sheepscot owners plan to bring water and sewer to Edgecomb contracting with Wiscasset for sewer and water on their own which will increase the value of their property. This will result in more tax revenue for Edgecomb. However, the sewer line which they are planning is not sufficient for additional use by Edgecomb and if Edgecomb wanted to connect to the sewer and water lines at some future time, the size of the line would be too small and it would be too expensive for Edgecomb to hook up to it. Wiscasset is in favor of providing sewer and water to Edgecomb at the present time; this may change in the future as the demand from new development increases in Wiscasset.

Tax Increment Financing affords a mutually beneficial opportunity for the Town of Edgecomb and Sheepscot. Sheepscot is paying \$1 million to bring the water and sewer lines to the inn and restaurant property and has agreed to increase the size of the sewer line to accommodate Edgecomb if a TIF district is approved and to give the system to the Town. Under a TIF, the taxes on the increased value of Sheepscot as a result of the availability of water and sewer are sheltered. These funds can be used partly to reimburse Sheepscot for its costs and the remainder will go to the Town. Edgecomb has an opportunity to have water and sewer brought to the town without any financial risk. There is also the opportunity to expand the water and sewer lines to commercial properties on Route 1 which will increase property values and increase tax revenues.

Under a TIF district, a developer would borrow money for a project such as the sewer and water lines. As the property value increases as a result of this improvement, taxes are increased. The difference between the taxes on the original value and on the new value is sheltered and some of this money is returned to the developer to pay off his loan. Once the water and sewer lines are paid for, no additional money goes to the developer. If there is no increase in value, the cost of the improvement is the developer's problem. An advantage of the TIF is that the increase in assessed value of the Town as a result of development under a TIF district is not used by the county in its assessment for county taxes, nor is it used by the State in calculating revenue sharing or school funding. Under a 20-year TIF, the sheltered revenues will repay the developer for the sewer line and there will be money left over for the Town to expand the sewer line or use for other purposes. Taxes on the increased value will resume at the end of the 20-year TIF period.

Although there is no financial risk, there is a risk, although small, of the line breaking, and if Edgecomb owned the line, it would be responsible. Jim Fitch said that most rivers in Maine have some utility lines that run under water and breakages are very rare even with the materials that were used years ago. Wiscasset has requested the construction of the lines be monitored by the engineering firm of Woodard and Curran to insure that proper construction techniques are used as well as proper materials.

Q: How would you repair a leak?

A: Divers would be used in deep water. The line would be uncovered and the leak would be repaired with a clamp.

Q: How was the leak in Freeport fixed?

A: The line breakage in the mud flats at Freeport was discovered quickly as a result of constant monitoring. The line was a cement asbestos pipe which is no longer used as it can be crushed easily. The DEP, the clam warden, the DMR were notified and the clam flats were closed for two weeks. The line was repaired and operational in two days. .

Q: Were there any fines?

A: There were no fines. The breakage was beyond the control of the Freeport Sewer System, and they responded quickly to repair the line.

There will be two inter-local agreements. One will be with the Town of Wiscasset for the sewer line under which Edgecomb will be a customer with a meter just as any other customer in Wiscasset. Edgecomb will own the line from Edgecomb to the Wiscasset shore. Edgecomb will pay an impact fee and user fees at the same rate as any Wiscasset customer.

Tax Increment Financing was created by the Maine legislature in 1977. Before that date towns would issue bonds to finance infrastructure projects. As property values increased, the state would decrease state aid, revenue sharing and school funding, and county taxes would increase. With the TIF, if a town funds development with the new taxes it receives, the taxes from the increased value will not be counted toward county assessments, school funding and revenue sharing. This encourages development without penalties. The first TIFs were used for municipal infrastructure projects with the hope that new development would be attracted because of those improvements. Later developers began using the TIFs for reimbursement for their expenses.

In Edgecomb, for instance, Sheepscot will pay for the water and sewer to be brought from Wiscasset. The Town has no financial risk. Zoning allows greater density with public sewer and water. The new development will bring in new property taxes and the increase in taxes will be used to reimburse the developer for his costs with the balance of the new taxes going to the Town for specified projects. It is estimated that as a result of this development \$8.8 million in new value will be added which equals \$90,000 in new taxes per year. This is the money that will be divided 55% to the developer to reimburse his costs and 45% to the Town. If the Town establishes the TIF district, the new taxes generated in that district over the next 20 years will be \$2.1 million and the developer would be reimbursed \$1.2 million if the town approves the TIF district. If the TIF district is approved and Sheepscot pays for the water and sewer extension and the development does not happen, Sheepscot will not be reimbursed.

Under the inter-local agreement, Edgecomb would own and operate the sewer line. There will be a single meter measuring the flow from Edgecomb to Wiscasset. Edgecomb will pay the same sewer rates as other Wiscasset users. Edgecomb will bill the users of the sewer system (Sheepscot initially) to recover the cost of paying Wiscasset sewer rates and for maintenance of the line.

The other inter-local agreement will be with the Wiscasset Water District. The Public Utilities Commission has authorized the extension to Davis Island. The Water District

will own the lines and will charge water usage to customers on Davis Island at the same rate as the Wiscasset customers are paying. It will also be responsible for the maintenance of the line. Because the line will be paid for up front, Wiscasset Water District cannot assess customers for the cost of putting in the line. Edgecomb residents will not be required to connect to the water system. If for any reason Wiscasset Water District decides to terminate all its water service to Davis Island, Edgecomb has the option to purchase the line for \$1. All these conditions are in the inter-local agreement.

The \$800,000 in new taxes which will go to the Town as a result of the new development can be put into the general fund, but all the advantages of sheltering will be lost. Or these funds can be sheltered and put into a capital reserve project account for extension of the sewer and water lines on Davis Island and further to Route 1.

Q: Could the Town use that money for something else if it was desperately needed?

A: It would require Town Meeting approval to amend the use.

Q: Who owns the pumps?

A: All the sewer facilities from the main meter on the Wiscasset side will be owned by the Town of Edgecomb.

Q: Who would pay for extending the lines?

A: Edgecomb would build the pump station using taxes created by the TIF and connect it to the Sheepscot lines. The Town would own and operate it.

Q: Does the Town own the property where the pump station will be located?

A: No, but there have been talks with the owner and it is possible that an agreement can be made which would benefit the owner as well as the Town.

Q: Will the Town need a staff to read meters, do billing, etc.?

A: The sewer ordinance which will be on the warrant will govern how rates are set which will be enough to cover Wiscasset's charges and also the administration and maintenance of the system. If Sheepscot doesn't pay, a lien can be filed against the property. Similarly, the Wiscasset Water District can file a water lien if bills are not paid.

Q: Will a full-time staff person be required?

A: Not initially, but with extension of the lines, the Town will have to decide what is needed.

Q: How will the Town connect to the Sheepscot lines?

A: There will be stubs in the lines to Sheepscot for extending the lines to other parts of Davis Island and to Route 1.

Q: How long will the TIF last?

A: The maximum is 30 years; however, this proposal is for 20 years. Potentially all of Davis Island could be served by Wiscasset Water District and the sewer could be extended all the way down Route 1.

A study has been done to estimate the water and sewer needs of the school, the firehouse and Route 1 if it were completely built up with hotels, restaurants, homes and commercial establishments. The need was estimated to be 31,000 gallons which is in addition to the 20,000 gallons reserved for Sheepscot. Wiscasset has agreed to reserve

51,000 gallons per day for Edgecomb. Sheepscot's current license is for 4500 gallons per day. If the Sheepscot property is fully developed, it is estimated that 20,000 gallons will be needed.

Q: What is included in the TIF district?

A: The district initially will include the two Sheepscot properties plus a designated route for the water and sewer line. The TIF district can be amended to include other properties which would receive TIF benefits but only by Town Meeting. A TIF district can not exceed 2% of the town's land area and all TIF districts can not exceed 5% of the town area. It is more advantageous to do TIF projects separately than to combine them. The Town can control development by zoning; it can channel it by the use of TIFs.

Q: What can Edgecomb use the TIF dollars for?

A: TIF funds cannot be used solely for recreational purposes, but a transportation facility such as a public landing or dock that served commercial and recreational uses could be funded if it were within the TIF district. TIF funds can be used for infrastructure inside and outside the TIF district. Environmental projects, general economic development activities, job training, and a direct financial incentive to a developer to do a project in the district can also be funded by TIF funds. The funds should be used within the 20-year period, and the use will have to be approved at Town Meeting.

Q: Do TIF funds accrue interest?

A: Yes, they can be invested the same way any other Town money is invested, but it is not clear whether the interest has to be used for the program fund.

Q: Could this result in development that the town doesn't want?

A: Uses are controlled through zoning. And extensions of the sewer and water have to be approved by Town Meeting. The Town has enacted ordinances over the past three years to regulate and direct zoning. Commercial development is encouraged on Route 1 and protections have been put in place to control it.

Q: Isn't Edgecomb really buying the lines by giving the tax dollars back to Sheepscot?

A: Sheepscot only gets reimbursed if the tax dollars materialize. However, 30% of those tax dollars would go to the county and state without the TIF. Moreover, the Town will own the lines even if there is no increase in taxes.

Q: How do we know Wiscasset will not raise the rates?

A: The contract with Wiscasset sets the terms of the agreement including rates. It will be for 40 years. The contract will benefit Wiscasset as well as Edgecomb.

Q: What if Wiscasset doesn't have excess capacity in the future?

A: Wiscasset has a 1,000,000 gallon capacity, currently it is licensed for 660,000 gallons per day. It is currently using about 1/3 of that capacity. So even with development in Wiscasset, there is ample capacity.

Q: Isn't the Town subsidizing the sewer and water?

A: The developer will be reimbursed for the cost of the water and sewer from the new taxes. Theoretically, it is a subsidy assuming that the project is developed as planned, and that the value increases providing greater tax revenues; however, without the TIF, there would be no money for the project and no ability to develop the land. The Town

would then be receiving 100% of no new taxes rather than 45% of whatever new tax revenues come in.

The Town has two alternatives. Sheepscot can bring in the water and sewer lines and give them to the town in exchange for the TIF district which will reimburse Sheepscot and provide 45% of the new taxes for town use. The Town will benefit by being able to expand the water and sewer lines and also by the substantial increase in taxes generated by the proposed development. Or, Sheepscot can bring in the water and sewer to its property with no incentive to give it to the town if there is no reimbursement, and Edgecomb if it is looking for development in that area will lose an opportunity to have these services with no financial risk at all. By contrast, other towns will borrow to acquire property and then offer TIFs for the development of that land. In that scenario, the town is taking a financial risk, but if a town wants development, TIFs are a good way to accomplish that.

The public hearing adjourned at 8:30 p.m.

Attest:
a true copy
Claudia L. Coffin
Town Clerk
1-27-05

CLERK'S CERTIFICATE

(Notice of Public Hearing)

I Claudia P. Coffin, as town clerk for the Town of Edgecomb, Maine, hereby certify that document attached to this certificate, consisting of 1 page(s), is a true and accurate copy of the "Notice of Public Hearing" for a public hearing of the Town of Edgecomb held November 1, 2004, with respect to the proposed Davis Island Environmental Protection Development District and Tax Increment Financing District in Edgecomb, Maine. I further certify that the original "Notice of Public Hearing" was published in the Bathway Register & Wiscasset Newspaper, a news paper of general circulation in the Town of Edgecomb, on the following date(s):

October 21 + 28, 2004

Dated: January 31, 2005

Claudia P. Coffin
Name:
Clerk, Town of Edgecomb, Maine

MUNICIPAL OFFICERS' NOTICE OF A PUBLIC HEARING

Notice is hereby given that the Municipal Officers of the Town of Edgecomb will hold a public hearing on Monday, November 1, 2004 at 7:00 p.m. at the Edgecomb Town Hall to hear public comment on the following:

The establishment of a Tax Increment Financing District on Davis Island, to be called the Davis Island Environmental and Development District, for the purpose of enhancing Edgecomb's Route 1 Commercial Corridor through the provision of public water and sewer.

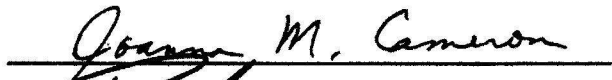
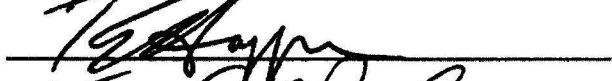
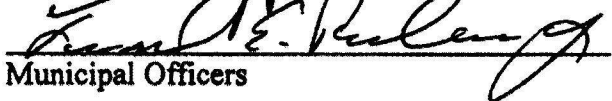
Municipal Officers' Return

Edgecomb, Maine

Pursuant to 30-A M.R.S.A. Section 2528(5), we have this day, being at least seven days before the hearing, notified the inhabitants of the Town of Edgecomb of a public hearing, to be held at the time and place, and for the purposes stated above, by posting a copy of said notice at the following public and conspicuous places in Edgecomb.

Dated: October 26, 2004

Attest:




Municipal Officers

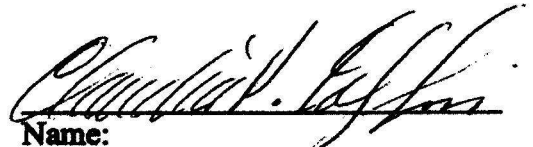
Attest:
a true copy.
Claudio P. [illegible]
Town Clerk
1-27-05

CLERK'S CERTIFICATE

(Special Town Meeting)

I Claudia P. Coffin, as town clerk for the Town of Edgecomb, Maine, hereby certify that documents attached to this certificate, consisting of 6 and 1 page(s), respectively, are true and accurate copies of the warrant and minutes of a special town meeting of the Town of Edgecomb held November 4, 2004, with respect to the proposed Davis Island Environmental Protection Development District and Tax Increment Financing District in Edgecomb, Maine. I further certify that the original special town meeting minutes were reviewed and approved by the Town of Edgecomb Board of Selectmen on November 8, 2004, and are on file, with the original meeting warrant, in the town office.

Dated: January 31, 2005



Name:

Clerk, Town of Edgecomb, Maine

WARRANT FOR SPECIAL TOWN MEETING

TO: ^{Robert}Lane A CONSTABLE IN THE TOWN OF EDGEComb, IN THE
COUNTY OF LINCOLN AND STATE OF MAINE

Greetings:

In the name of the State of Maine, you are hereby required to notify and warn the inhabitants of the Town of Edgecomb, in said county, qualified to vote in Town affairs, to meet at the Edgecomb Town Hall, 16 Town Hall Road, in said Town on Thursday, November 4, 2004, at 7:00 o'clock in the evening, then and there to act on the following articles, to wit:

ARTICLE 1

To elect a moderator to preside at said meeting.

ARTICLE 2

Shall the voters of the Town of Edgecomb, Maine designate a municipal tax increment financing district to be known as the Davis Island Environmental Protection Development District and Tax Increment Financing District and adopt the Development Program for such District presented to the Town Meeting, such designation and adoption to be pursuant to the following findings, terms, and provisions?

WHEREAS, the Town of Edgecomb (the "Town") is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the Town as a municipal tax increment financing district to be known as the Davis Island Environmental Protection Development District and Tax Increment Financing District (the "District") and to adopt a Development Program for the District (the "Development Program"); and

WHEREAS, the Sheepscot River Inn & Restaurant currently has an overboard discharge license that permits it to discharge up to 4500 gallons per day of wastewater into the Sheepscot River, and the Sheepscot River Inn & Restaurant desires to connect to a wastewater treatment facility so that it may cease its discharges of wastewater into the Sheepscot River; and

WHEREAS, the Sheepscot River Inn & Restaurant's sole water source is a number of wells located on its property, and the Sheepscot River Inn & Restaurant desires to connect to a municipal water supply so that it may eliminate its use of the wells; and

WHEREAS, the Town of Edgecomb presently lacks public facilities for the collection and treatment of wastewater and for the supply of water; and

WHEREAS, the Town of Wiscasset is willing to allow the Sheepscot River Inn & Restaurant to connect with Wiscasset's sewer system and the Wiscasset Water District is willing to allow the Sheepscot River Inn & Restaurant to connect with its water supply system, but such connections are estimated to cost in excess of \$1,2000.00; and

WHEREAS, the Town of Edgecomb desires to control the sewer and water connections between the Town and Wiscasset, and the owners of the Sheepscot River Inn & Restaurant are willing to transfer the sewer and water infrastructure and related equipment to the Town after construction is completed; and

WHEREAS, the "Development Program" for the District is intended to reimburse the owners of the Sheepscot River Inn & Restaurant, or their assigns, for the high cost of connecting to the Wiscasset water and sewer systems by capturing a limited portion of the increased assessed value of future development on two parcels they own in Edgecomb; and

WHEREAS, there is a need for commercial development in the Town of Edgecomb and the water and sewer connections with Wiscasset are expected to enhance and enable future commercial development in Edgecomb; and

WHEREAS, there is a need to improve and broaden the tax base of the Town of Edgecomb; and to improve the general economy of the Town of Edgecomb, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to provide opportunity for economic development in the Town of Edgecomb and the surrounding region; improve and broaden the tax base in the Town of Edgecomb and improve the economy of the Town of Edgecomb and the State of Maine; and

WHEREAS, the Town has held a public hearing on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5226, upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town; and

WHEREAS, the Town desires to designate a municipal tax increment financing district to be known as the Davis Island Environmental Protection Development District and Tax Increment Financing District, and to adopt a Development Program for the District; and

WHEREAS, it is expected that approval will be sought and obtained from the Maine Department of Economic and Community Development, approving the designation of the District and the adoption of the Development Program for the District;

NOW, THEREFORE, BE IT HEREBY VOTED BY THE TOWN:

Section 1. The Town hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for commercial sites as defined in 30-A M.R.S.A. § 5223; and

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

c. The original assessed value of the proposed District plus the original assessed value of all existing tax increment financing districts within the Town as of April 1, 2004 does not exceed five percent (5%) of the total value of equalized taxable property within the Town as of April 1, 2004; and

d. The aggregate value of municipal general obligation indebtedness financed by the proceeds from tax increment financing within Lincoln County, including the proposed District, does not exceed \$50 million, as adjusted in accordance with 30-A MRSA sec. 5223(3)(D); and

e. The designation of the District and pursuit of 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 the District will contribute to the economic growth and well-being of the municipality.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Town hereby designates a municipal tax increment financing district to be known as the Davis Island Environmental Protection Development District and Tax Increment Financing District designated and described as more particularly set forth in the "Development Program" for such District presented to Town Meeting in the form attached hereto and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5227, the percentage of captured assessed value to be retained in accordance with the Development Program is to be established as set forth in the Development Program.

Section 4. The Board of Selectmen or their duly-appointed representative, be and hereby are authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review

and approval pursuant to the requirements of 30-A M.R.S.A. § 5226.

Section 5. The Board of Selectmen or their duly-appointed representative, be and hereby are authorized and empowered, at his/her discretion, from time to time, to make such revisions to the Development Program for the District as the Board of Selectmen, or their duly-appointed representative, deem reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the Department of Economic and Community Development, or for any other reason, so long as such revisions are not inconsistent with these resolutions and the basic structure and intent of the Development Program.

Section 6. The foregoing designation of the District and the adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department of Economic and Community Development, without requirements of further action by the Town, the Board of Selectmen, or any other party.

Section 7. The Board of Selectmen or their duly-appointed representative, be and hereby are authorized and directed to enter into the Credit Enhancement Agreements contemplated by the Development Program with Edgecomb Development LLC, or its designee, in the name of and on behalf of the Town, such agreements to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the said Board of Selectmen or their duly-appointed representative, may approve, his/her approval to be conclusively evidenced by his/her execution thereof.

ARTICLE 3

Shall the voters of the Town of Edgecomb, Maine authorize and direct the Board of Selectmen, in the name of and on behalf of the Town, to enter into an interlocal agreement with the Town of Wiscasset, concerning the Town of Wiscasset's acceptance and processing of wastewater generated from and in the Town of Edgecomb, such agreement to be substantially in the form attached hereto and to contain such additional or revised terms and provisions as the said Board of Selectmen may approve, such approval to be conclusively evidenced by the Selectmen's execution thereof?

ARTICLE 4

Shall the voters of the Town of Edgecomb, Maine authorize and direct the Board of Selectmen, in the name of and on behalf of the Town, to enter into a "Water Service Extension Agreement" with the Wiscasset Water District, concerning the Wiscasset Water District's supply of water to Davis Island within the Town of Edgecomb, such agreement to be substantially in the form attached hereto and to contain such additional or revised terms and provisions

as the said Board of Selectmen may approve, such approval to be conclusively evidenced by the Selectmen's execution thereof?

ARTICLE 5

Shall a sewer ordinance entitled "*The Edgecomb Sewer Ordinance dated November 2, 2004*", be enacted?

Explanation: Full text of the Edgecomb Sewer Ordinance is set forth in a document entitled "*The Edgecomb Sewer Ordinance dated November 2, 2004*". That document has been on file with the Edgecomb town clerk and available for public inspection no less than seven days prior to the Town Meeting and that document has been certified by the Board of Selectmen, and the signatures have been attested to by the Edgecomb town clerk.

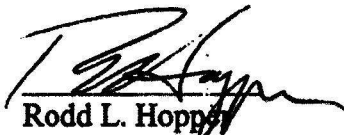
Upon enactment, *The Edgecomb Sewer Ordinance* shall be effective on the day following the approval by the voters.

GIVEN UNDER OUR HANDS AT EDGECOMB THIS 27 DAY OF
OCT, 2004

BOARD OF SELECTMEN, TOWN OF EDGECOMB


Frank Perkins


Joanna M. Cameron


Rodd L. Hopper

A TRUE COPY OF WARRANT

ATTEST: 
Claudia P Coffin, Clerk Town of Edgecomb

Return on the Warrant

Edgecomb, Maine

October^S 28, 2004

Pursuant to the within warrant to me directed, I have notified warned the inhabitants of said town, qualified as herein expressed to meet at said time and place, and for the purposes therein named, by posting an attested copy of said warrant at the Town Hall, and at the Edgecomb Post Office in said town, being public conspicuous places in said town, on the 28th day of October A. 2004, being at least seven days before the meeting.

Constable of Edgecomb

Robert F. Leone

EXHIBIT D

TOWN DEVELOPMENT PROGRAM

To further enhance its tax base and provide additional economic development opportunities, the Town contemplates further extensions of public water and sewer service on Davis Island and along the Route 1 corridor, as funds become available.

For this purpose, all TIF revenues not required to reimburse the Company for its expenses incurred in connection with establishment of the TIF District and the initial extension of public sewer and water service from Wiscasset shall be deposited by the Town in a capital project reserve account to be created by the Town within the Development Program fund, and will be used to fund future public water and sewer service extensions within or serving the TIF District. Such future service extensions shall be funded on a "pay-as-you-go" basis, when sufficient funds have been accumulated in the reserve account for this purpose.

Service extensions to be funded with Town TIF revenues will include the following, plus the cost of any necessary land acquisition and related facilities:

Sewage Pump Station:	\$500,000 estimated cost
Water and sewer line extensions:	\$120 / lineal foot estimated cost (combined installation)
Road surface repaving, as needed	
Design & engineering	
MDOT permit costs	

In addition to future public water and sewer service extensions, the Town may vote in any one year to appropriate up to twenty-five percent (25%) of the Town's TIF revenues for that year to support general economic development activities and environmental projects as authorized under 30-A MRSA sec. 5225(1)(C), subsections (1) through (3). All such appropriations by the Town shall be accompanied by a Town-approved (Town Meeting approval) amendment to the Development Program, specifying the specific use of the funds concerned. No such appropriation shall be valid until the Development Program amendment has been reviewed and approved by the Maine Department of Economic and Community Development.

THE TOWN OF EDGECOMB

TAX INCREMENT FINANCING DEVELOPMENT PROGRAM

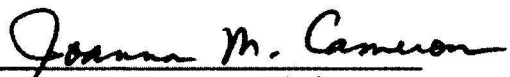
EXHIBIT E

ASSESSORS' CERTIFICATE

The undersigned Board of Tax Assessors for the Town of Edgecomb, Maine, hereby certify pursuant to the provisions of 30-A M.R.S.A. § 5227 that the assessed value of the Davis Island Environmental Protection and Development District and Tax Increment Financing District, as described in the Development Program to which this Certificate is attached, was \$ 1,463,410 as of March 31, 2004.

IN WITNESS WHEREOF, this Certificate has been executed as of this 31st day of January, 2005.

BOARD OF ASSESSORS:


Joanna M. Cameron, Chair


Rodd L. Hopper, Member


Frank Perkins, Member