STATE OF MAINE
COUNTY OF YORK
CITY OF SACO

I. CALL TO ORDER - On Monday, May 1, 2006 at 7:02 p.m. a Council Meeting was held in the City Hall Auditorium.

II. ROLL CALL OF MEMBERS – Mayor Johnston conducted a roll call of the members and determined that the Councilors present constituted a quorum. Councilors present: David Tripp, Leslie Smith Jr., Ronald Morton, Roland Michaud, Arthur Tardif and Eric Cote. Councilor Jesse McDougal was excused this evening. City Administrator Rick Michaud was also present.

III. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF MINUTES: March 30, 2006; April 3, 2006; April 18, 2006

The minutes of March 30, 2006; April 3, 2006; and April 18, 2006 were approved unanimously.

V. GENERAL

Mayor Johnston expressed how impressed he was the other day when he and the Superintendent went to talk to a class of 6th graders (Goal Team) in Saco. These 12 year olds were coming up with ideas on how to make the community a better place. They set priorities just like the City Council. Some of their priorities were: Recreation, Traffic, Camp Ellis, Sidewalks etc.

VI. AGENDA ITEMS

A. (PUBLIC HEARING) ON BUDGET – ADOPTION OF BUDGET 2007

Councilor Smith moved, Councilor Michaud seconded to open the public hearing on the FY2006-2007 Municipal/School Combined Budget. The motion passed with six (6) yeas.

Jeff Robinson of Virginia Ave., Saco – Mr. Robinson felt that because employee’s jobs were getting easier through technology and better equipment, that the community should see decreases in the taxes, but the tax payers continue to see increases. Mr. Robinson stated that the City needs to get better, not bigger.

Edward McDonough Jr. of Main St., Saco – Mr. McDonough inquired whether this budget included a $2500 donation to the Biddeford Free Clinic. If it didn’t, then he felt that Ward 3 Councilor Ron Morton ought to make a motion to add this to the budget. Mr. McDonough also suggested that there should be Defibrillators in City Hall and the Schools for the safety of the public.

Councilor Smith moved, Councilor Michaud seconded to close the public hearing on the FY2006-2007 Municipal/School Combined Budget. The motion passed with six (6) yeas.

B. ADOPTION OF THE FISCAL YEAR 2006/2007 BUDGET AND CAPITAL PROGRAM

a. ADOPTION OF FY2006-2007 MUNICIPAL/SCHOOL COMBINED BUDGET (PUBLIC HEARING)

Councilor Morton moved, Councilor Michaud seconded to approve the adoption of an appropriation order for the adoption of the Fiscal Year 2006-2007 budget per Section 6.06 and 6.07 of the Charter of the City of Saco, Maine as follows: Approve gross expenditures of $44,758,771 which represents $16,243,865 in municipal expenditures, $400,000 in overlay, $896,282 in County taxes, $572,841 in TIF transfers, $1,141,765 in capital improvements for municipal operations, $121,880 in adult education expenditures, $100,000 in capital expenditures.

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improvements for school operations and $25,282,138 in school expenditures; to be offset by $44,758,771 in anticipated revenues and other credits, which represents $9,123,786 in anticipated municipal revenues, and other credits of $480,000 from the Ambulance Fund, $20,000 from the Economic Development Fund, $25,000 from the Saco Island TIF, $1,000 from the Camp Ellis Fund, and $953,548 from the Undesignated Fund Balance; and $11,438,164 in anticipated school revenues, of which $294,645 is from the School’s Undesignated Fund Balance, thereby raising gross taxes of $24,196,821; and further ordering that the amounts set in the following attached schedule titled “CITY OF SACO FY 2007 COMBINED CITY & SCHOOL BUDGET” which shall become a part of the City Clerk’s records and shall designate the form of the City of Saco Budget for Fiscal Year 2006-2007 as authorized under Section 6.04 of the Charter of the City of Saco, Maine. The motion passed with five (5) yeas, and one (1) nay – Councilor Tardif.

### FY 2007 COMBINED CITY & SCHOOL BUDGET
May 1, 2006

<table>
<thead>
<tr>
<th>MUNICIPAL BUDGET</th>
<th>COUNCIL APPROVED FY 05-06</th>
<th>CITY ADMIN FY 06-07</th>
<th>REQUESTED CHANGE</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor-Council (Legislative)</td>
<td>$20,100</td>
<td>$20,100</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
<tr>
<td>City Administration</td>
<td>$196,890</td>
<td>$207,699</td>
<td>$10,809</td>
<td>5.49%</td>
</tr>
<tr>
<td>Finance/Technology Department</td>
<td>$706,345</td>
<td>$728,154</td>
<td>$21,809</td>
<td>3.09%</td>
</tr>
<tr>
<td>City Clerk</td>
<td>$183,037</td>
<td>$197,039</td>
<td>$14,002</td>
<td>7.65%</td>
</tr>
<tr>
<td>Tax Assessor</td>
<td>$175,409</td>
<td>$181,974</td>
<td>$6,565</td>
<td>3.74%</td>
</tr>
<tr>
<td>City Building Maintenance</td>
<td>$93,517</td>
<td>$102,027</td>
<td>$8,510</td>
<td>9.10%</td>
</tr>
<tr>
<td>Legal Department</td>
<td>$105,000</td>
<td>$235,000</td>
<td>$130,000</td>
<td>123.81%</td>
</tr>
<tr>
<td>Police Department</td>
<td>$2,593,292</td>
<td>$2,730,674</td>
<td>$137,382</td>
<td>5.30%</td>
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<tr>
<td>Fire/Ambulance Department</td>
<td>$2,138,931</td>
<td>$2,365,989</td>
<td>$257,058</td>
<td>12.02%</td>
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<tr>
<td>Building Inspection</td>
<td>$213,933</td>
<td>$226,987</td>
<td>$13,124</td>
<td>6.14%</td>
</tr>
<tr>
<td>Planning &amp; Economic Development</td>
<td>$264,556</td>
<td>$262,032</td>
<td>$(2,524)</td>
<td>-0.95%</td>
</tr>
<tr>
<td>Public Works Department</td>
<td>$3,573,422</td>
<td>$3,854,313</td>
<td>$180,891</td>
<td>4.92%</td>
</tr>
<tr>
<td>Public Agencies</td>
<td>$536,000</td>
<td>$536,000</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>$3,000</td>
<td>$5,900</td>
<td>$2,900</td>
<td>96.67%</td>
</tr>
<tr>
<td>Parks &amp; Recreation Department</td>
<td>$612,822</td>
<td>$715,131</td>
<td>$102,309</td>
<td>16.69%</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$1,266,517</td>
<td>$1,358,276</td>
<td>$51,759</td>
<td>4.02%</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>$2,075,796</td>
<td>$2,156,801</td>
<td>$81,005</td>
<td>4.26%</td>
</tr>
<tr>
<td>Insurance</td>
<td>$219,972</td>
<td>$241,969</td>
<td>$21,997</td>
<td>10.00%</td>
</tr>
<tr>
<td>Contingency</td>
<td>$64,000</td>
<td>$66,000</td>
<td>$2,000</td>
<td>3.13%</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>$672,702</td>
<td>$1,141,785</td>
<td>$469,083</td>
<td>69.73%</td>
</tr>
<tr>
<td><strong>Gross Municipal Budget</strong></td>
<td><strong>$15,835,171</strong></td>
<td><strong>$17,385,630</strong></td>
<td><strong>$1,550,459</strong></td>
<td><strong>9.79%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EDUCATION BUDGET</th>
<th>COUNCIL APPROVED FY 05-06</th>
<th>SCHOOL BOARD FY 06-07</th>
<th>REQUESTED CHANGE</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-8</td>
<td>$7,571,932</td>
<td>$8,138,506</td>
<td>$566,574</td>
<td>7.48%</td>
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<tr>
<td>Thornton Academy</td>
<td>$8,023,019</td>
<td>$8,208,796</td>
<td>$275,777</td>
<td>3.44%</td>
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<tr>
<td>Special Education (K-12)</td>
<td>$3,301,533</td>
<td>$3,368,119</td>
<td>$66,586</td>
<td>2.02%</td>
</tr>
<tr>
<td>Transportation</td>
<td>$844,807</td>
<td>$915,906</td>
<td>$71,099</td>
<td>8.42%</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>$1,970,566</td>
<td>$2,000,826</td>
<td>$130,260</td>
<td>6.96%</td>
</tr>
<tr>
<td>Superintendent's Office</td>
<td>$446,886</td>
<td>$487,908</td>
<td>$41,022</td>
<td>9.18%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>$169,216</td>
<td>$205,022</td>
<td>$35,806</td>
<td>21.16%</td>
</tr>
<tr>
<td>School Board</td>
<td>$48,953</td>
<td>$52,184</td>
<td>$3,231</td>
<td>6.60%</td>
</tr>
<tr>
<td>District Wide Instruction</td>
<td>$525,506</td>
<td>$391,479</td>
<td>$(134,027)</td>
<td>-25.50%</td>
</tr>
<tr>
<td>C: Health Services</td>
<td>$184,351</td>
<td>$191,656</td>
<td>$7,305</td>
<td>3.96%</td>
</tr>
<tr>
<td>Technology</td>
<td>$182,332</td>
<td>$199,227</td>
<td>$16,895</td>
<td>9.27%</td>
</tr>
<tr>
<td>45 Debt Service</td>
<td>$974,382</td>
<td>$947,991</td>
<td>$(26,391)</td>
<td>-2.71%</td>
</tr>
<tr>
<td>Gifted and Talented</td>
<td>$46,835</td>
<td>$84,518</td>
<td>$37,683</td>
<td>80.48%</td>
</tr>
</tbody>
</table>
### Subtotal Education K-12
$24,190,318 $25,282,138 $1,091,820 4.51%

### Adult Education (Gross Budget)
$104,680 $121,880 $17,200 16.43%

### Capital Improvements
$100,000 $100,000 $ - 0.00%

### Subtotal Adult Educ. & Cap. Improv.
$204,680 $221,880 $17,200 8.40%

### Total Education Budget
$24,394,998 $25,504,018 $1,109,020 4.55%

### Total Combined Budget
$40,230,169 $42,889,648 $2,650,479 6.61%

## MUNICIPAL ANTICIPATED REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>COUNCIL FY 05-06</th>
<th>APPROVED CITY ADMIN FY 06-07</th>
<th>REQUESTED CHANGE</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Property (Excise) Taxes</td>
<td>$3,079,000</td>
<td>$3,169,000</td>
<td>$90,000</td>
<td>2.92%</td>
</tr>
<tr>
<td>Permits/Licenses/Fees</td>
<td>$777,072</td>
<td>$702,628</td>
<td>$(74,444)</td>
<td>-9.58%</td>
</tr>
<tr>
<td>Intergovernmental Revenues</td>
<td>$772,388</td>
<td>$1,026,686</td>
<td>$254,298</td>
<td>32.02%</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$743,350</td>
<td>$785,808</td>
<td>$42,458</td>
<td>5.71%</td>
</tr>
<tr>
<td>Other Unclassified/Miscellaneous</td>
<td>$356,950</td>
<td>$377,450</td>
<td>$20,500</td>
<td>5.74%</td>
</tr>
</tbody>
</table>

### Subtotal Revenues
$5,728,760 $6,061,572 $332,812 5.81%

### Other Credits Municipal

<table>
<thead>
<tr>
<th>Description</th>
<th>COUNCIL FY 05-06</th>
<th>APPROVED CITY ADMIN FY 06-07</th>
<th>REQUESTED CHANGE</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund- Undes. Fund Bal.</td>
<td>$360,000</td>
<td>$953,548</td>
<td>$593,548</td>
<td>164.87%</td>
</tr>
<tr>
<td>State Revenue Sharing</td>
<td>$1,467,666</td>
<td>$1,467,666</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
<tr>
<td>Ambulance Fund transfer</td>
<td>$350,000</td>
<td>$480,000</td>
<td>$130,000</td>
<td>37.14%</td>
</tr>
<tr>
<td>Economic Dev. Fund transfer</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
<tr>
<td>Saco Island/Downtown transfer</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
<tr>
<td>School Reimbursements to Pub Wks.</td>
<td>$115,000</td>
<td>$115,000</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
<tr>
<td>Camp Ellis Fund transfer</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$ -</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

### Subtotal Other Credits Municipal
$2,338,666 $3,062,214 $723,548 30.94%

### Total Revenues/Credits Municipal
$8,067,426 $9,123,786 $1,056,360 13.09%

## EDUCATION ANTICIPATED REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>COUNCIL FY 05-06</th>
<th>SCHOOL BOARD FY 06-07</th>
<th>REQUESTED CHANGE</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental</td>
<td>$9,678,121</td>
<td>$10,349,192</td>
<td>$671,071</td>
<td>6.93%</td>
</tr>
<tr>
<td>Intergovernmental- Adult Education</td>
<td>$30,000</td>
<td>$35,200</td>
<td>$5,200</td>
<td>17.33%</td>
</tr>
<tr>
<td>Charges for Service</td>
<td>$773,207</td>
<td>$758,127</td>
<td>$(15,170)</td>
<td>-1.96%</td>
</tr>
<tr>
<td>Other Unclassified/Miscellaneous</td>
<td>$28,500</td>
<td>$1,000</td>
<td>$(27,500)</td>
<td>-96.49%</td>
</tr>
</tbody>
</table>

### Subtotal Revenues Education
$10,509,918 $11,143,519 $633,601 6.03%
Other Credits Education: Utilization of Fund Balance
$376,215 $294,645 $(81,570) -21.68%

Subtotal Other Credits Education $376,215 $294,645 $(81,570) -21.68%

Total Revenues/Credits Education $10,886,133 $11,438,164 $552,031 5.07%

**SUMMARY**

<table>
<thead>
<tr>
<th></th>
<th>APPROVED FY 06-06</th>
<th>REQUESTED FY 06-07</th>
<th>REQUESTED CHANGE</th>
<th>PERCENT CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Expenditures</td>
<td>$15,685,171</td>
<td>$17,385,830</td>
<td>$1,500,659</td>
<td>9.79%</td>
</tr>
<tr>
<td>Education Expenditures</td>
<td>$24,394,998</td>
<td>$25,504,818</td>
<td>$1,109,820</td>
<td>4.55%</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$40,080,169</td>
<td>$42,889,648</td>
<td>$2,809,479</td>
<td>6.61%</td>
</tr>
<tr>
<td>Municipal Revenues/Credits</td>
<td>$8,067,426</td>
<td>$9,123,786</td>
<td>$1,056,360</td>
<td>13.09%</td>
</tr>
<tr>
<td>Education Revenues/Credits</td>
<td>$10,886,133</td>
<td>$11,438,164</td>
<td>$552,031</td>
<td>5.07%</td>
</tr>
<tr>
<td>Total Revenues/Credits</td>
<td>$18,953,559</td>
<td>$20,561,950</td>
<td>$1,608,391</td>
<td>8.49%</td>
</tr>
<tr>
<td>Net Taxes to be raised municipal</td>
<td>$7,767,745</td>
<td>$8,261,844</td>
<td>$494,099</td>
<td>6.36%</td>
</tr>
<tr>
<td>Net Taxes to be raised education</td>
<td>$13,508,865</td>
<td>$14,065,854</td>
<td>$556,989</td>
<td>4.12%</td>
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<tr>
<td>Taxes to be raised City Council</td>
<td>$21,276,610</td>
<td>$22,327,698</td>
<td>$1,051,088</td>
<td>4.84%</td>
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<tr>
<td>County Taxes</td>
<td>$859,182</td>
<td>$996,282</td>
<td>$37,100</td>
<td>4.32%</td>
</tr>
<tr>
<td>Overlay</td>
<td>$373,442</td>
<td>$499,000</td>
<td>$125,558</td>
<td>7.11%</td>
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<tr>
<td>TIF Taxes</td>
<td>$648,000</td>
<td>$752,641</td>
<td>$(74,159)</td>
<td>-11.60%</td>
</tr>
<tr>
<td>Gross Taxes to be raised</td>
<td>$23,157,234</td>
<td>$24,196,821</td>
<td>$1,039,587</td>
<td>4.49%</td>
</tr>
<tr>
<td>Taxable Valuation</td>
<td>$1,789,765,800</td>
<td>$1,900,142,347</td>
<td>$110,376,547</td>
<td>5.17%</td>
</tr>
<tr>
<td>Mil Rate Preliminary Estimate</td>
<td>$12.96</td>
<td>12.73</td>
<td>-0.23</td>
<td>-1.77%</td>
</tr>
</tbody>
</table>

Note: The Homestead Exemption, Overlay, TIF Taxes and Taxable Valuation figures are estimates as the Assessor’s property valuation process is not yet complete. They will be adjusted by the Tax Assessor when he completes his work on new valuations, adjustments to existing valuations and adjustments to personal property.

b. **FISCAL YEAR 2007 – STATE REQUIRED COUNCIL ACTION**

The State requires two separate actions by the Municipal Officers after the budget is passed. Section 5682 of Title 30-A requires that the City may receive State funds only on the affirmative vote of the Council to accept those funds. The numbers in the motion are the estimates from the budget. Total accuracy on the estimates is not a requirement, only that acceptance of the funds is authorized. The City Clerk must certify the vote and return to Augusta before 7/1/06. The State Department of Education requires that the Council approve the School Warrant Articles with the wording specifically that they require and with the appropriate numbers from the local ED269 and the approved budget. The essence of these four articles is to establish that the City is committing enough local funds to be eligible for the State Education funds and to establish the total Education budget for the municipality.

Councilor Michaud moved, Councilor Morton seconded to authorize the City Treasurer to accept, on behalf of the City of Saco, the following categories of state funds and their estimated amounts for the fiscal year 2006-2007 which are provided by the Legislature of the State of Maine to the City of Saco, and which action is required under Title 30-A MRSA 5682.
Municipal Revenue Sharing $1,467,666
Education Subsidies $9,809,192
Medicaid monies $450,000
Adult education $35,200
State Agency Clients $90,000
Local Road Assistance $261,172
State Parks fee sharing $500
Tree Growth Reimbursement $10,000
General Assistance Reimb. $26,000
Veterans Exemption Reimb. $11,000
Homestead Exemption Reimb. $326,514

And such other state revenues, grants or reimbursements which may from time to time become available to the City of Saco from the State of Maine, and further move to approve the School Warrant Articles as presented. The motion passed with six (6) yeas.

SCHOOL WARRANT ARTICLES
ARTICLES 1 THROUGH 3 RAISE FUNDS TO EXPEND FOR THE SCHOOL BUDGET

Article 1. Essential Programs and Services Funding Allocation. That the City of Saco appropriate $21,660,364 for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and that the City of Saco raise $11,805,840 as the City’s contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688.

Explanation: The municipality’s contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the municipality must raise in order to receive the full amount of state dollars.

Article 2. Non-State Funded Debt Service. That the City of Saco raise $633,767 for the annual debt service payments on non-state-funded school construction projects, non-state funded portions of school construction projects, and minor capital projects, in addition to the funds appropriated as the local share of the City’s contribution to the total cost of funding public education from kindergarten to grade 12.

Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the City’s long-term debt for major capital school construction and minor capital projects that are not approved for state subsidy. The bonding of this long-term debt was previously approved by the voters of the City.

Article 3. Additional Local Funds. That the City of Saco raise and appropriate $1,539,567 in additional local funds for school purposes under the Maine Revised Statutes, Title 20-A section 15690.

Explanation: The additional local funds are those locally raised funds over and above the City’s local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual debt service payment on non-state-funded school construction projects, non-state-funded portions of school construction projects and minor capital projects that will help achieve the City’s budget for educational programs.

ARTICLE 4 AUTHORIZES THE SCHOOL BOARD TO EXPEND THE TOTAL SCHOOL BUDGET FROM THE ABOVE SOURCES AND OTHER AVAILABLE FUNDS

Article 4. Total School Budget Summary. That the City of Saco authorize the school committee to expend $25,382,138 for the fiscal year beginning July 1, 2006 and ending June 30, 2007 from the City’s contributions to C:\Program Files (x86)\PDFConverter\temp\NVDC\E50C9361-B0FE-4E10-ADC3-FE8BB60E7FB1\7c186807-fc8b-
the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

ARTICLE 5  RAISES FUNDS TO EXPEND FOR ADULT EDUCATION

ARTICLE 5. Adult Education. That the City of Saco raise and appropriate $86,680 for the local share of Adult Education and that the City appropriate Adult Education grants, receipts and other revenues for the Adult Education Program.

c. SET FY 2007 PROPERTY TAX DUE DATES AND INTEREST RATES

Title 36, MRSA, Section 505 provides that a municipality may by vote determine the rate of interest which shall apply to delinquent taxes committed during the taxable year until those taxes are paid in full. The maximum rate of interest is the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of the calendar year the vote is taken. The Treasurer of the State of Maine had determined that the maximum rate of interest for calendar year 2006 is 11.0%. Therefore, for the FY2007 tax commitment, the maximum rate is 11.0%. As a normal course of business, the City has adopted the maximum rate as its rate. This provides incentive for those property owners who are financially able, to pay on time.

Title 36, MRSA, Section 506-A provides that a municipality must establish a rate of interest for the overpayment of taxes. The rate of interest may not exceed the interest rate established by the municipality for delinquent taxes reduced by 4% but may not be less than 8% nor greater than 12%. If a municipality fails to set a rate, it shall pay interest at the rate of 12%. Therefore, for overpayment of the FY2007 taxes, the rate of interest to be paid should be set at 8%.

In discussing the due dates with the Tax Collector, we have agreed on the following dates:

First half due date – September 15, 2006 with interest accruing from September 18, 2006.

Councilor Tripp moved, Councilor Smith seconded to set the interest rate for delinquent FY2007 property taxes at 11.0%, on any refunds of FY2007 tax payments at 8.0%, authorize the tax collector to accept prepayment of taxes not yet committed and to pay interest on these prepayments, if any is authorized, at a rate not exceeding 8% per year; municipalities are not obligated to authorize the payment of interest on taxes prepaid under this section.” Therefore, we are requesting council authorization to apply any prepayment of taxes directly to the tax account as they are received without having to pay interest on these prepayments.

d. RECONFIRM THE AUTHORITY TO APPLY TAX PAYMENTS TO THE OLDEST OUTSTANDING TAX

On October 6, 1986, the City Council approved a tax collection policy, which allowed the Tax Collector or the Treasurer to apply tax payments received from an individual to the oldest unpaid tax bill first. We would like to reconfirm this policy with the onset of a new tax year.
Tax Collection Policy

The municipal officers of the City of Saco have approved the request of the municipal treasurer and the tax collector that any tax payment received from an individual as payment for any property tax be applied against outstanding or delinquent taxes due on that property in chronological order beginning with the oldest unpaid tax bill. Taxes may not be applied to a period for which an abatement request or appeal has not been resolved unless approved in writing by the taxpayer. Also, on the 30-day lien notice or 45-30 day foreclosure notice, a statement will be added indicating the City’s tax collection policy.

Councilor Smith moved, Councilor Tripp seconded to accept tax collection policy as presented pursuant to 36 MRSA Section 906. The motion passed with six (6) yeas.

e. ADOPTION OF FY2006/2007 WASTE WATER TREATMENT PLANT BUDGET

Councilor Cote moved, Councilor Smith seconded the adoption of an appropriation order for the adoption of the Fiscal Year 2006-2007 Waste Water Treatment Plant budget of the City of Saco, Maine as follows: Approve gross expenditures of $2,007,936; to be offset by $2,007,936 in anticipated revenues and other credits, which represents no change in the current rate of sewer user fees. The motion passed with six (6) yeas.

Mayor Johnston requested a 5 minute recess. The meeting reconvened at 7:40 p.m.

C. PARK NORTH SEWER TAX INCREMENT FINANCING AGREEMENT

(PUBLIC HEARING)

In order to build the Park North development, which is also on the Council’s agenda for contract zoning approval, a northward sewer extension is required. This is consistent with the City’s longstanding desire to extend sewer throughout the land zoned for business uses in the Route 1 corridor. A Route 1 sewer was initially designed in the late 1980s and the desire to sewer Route 1 was reaffirmed in the Comprehensive Plan.

(“There is a long-term plan to extend sewer service toward the Saco/Scarborough town line along Route 1. This extension is the last phase of a three-phase project…”)

The sewer extension funded by a TIF is also consistent with discussions of the Village at Cascade Falls development, approved by the Council in September, which would also be dependent on the same sewer extension funded by a TIF.

The proposals before the Council call for a contract zone for the Park North development and an agreement for tax increment financing to pay the entire cost of the sewer. Developer Elliot Chamberlain would front the entire $3.5 million cost of the 9,000 feet of sewer and pump station, plus interest costs, and be reimbursed $7,342,000 of principal and interest over time by the TIF.

The proposal assumes that the Park North development will create approximately $94 million in new assessed value and that the Cascades project will create $24 million, for a total of $118,000,000 in new taxable value. Chamberlain now has a purchase and sale agreement for the Cascades land. Even by itself, the Park North development, with a mix of commercial and residential uses, will become the city’s largest generator, accounting for over 5% of the city’s tax value. Revenues from the two projects would exceed $1.5 million annually at full development. In addition, the tax sheltering aspect of the TIF might avoid nearly $16.5 in revenue losses from school funding, revenue sharing, and county tax, as the project is now presented. (See last column of “Park North TIF Projections”.)
The draft text for the proposed agreement ("Municipal Development and Tax Increment Financing District Development Program") is about 99 percent complete. The city-side development program is included. A Credit Enhancement Agreement is yet to be developed.

The tables show a TIF that would give the developer 70 percent of the new value until his principal and debt service is paid, estimated at Year 11. The City would receive 30 percent until then and 100 percent thereafter. This assumes that the City has nearly $17 million in qualifying projects. Potential projects totaling $31 million will be submitted to the State to allow the Council maximum flexibility. These include additional sewer improvements in the Route 1 corridor, Route 1 road improvements (probably state match), and industrial park acquisition and construction and other items in Exhibit I.

The sewer plan calls for a cross-country line north of Cascade Road, rather than a sewer in Route 1, resulting in a larger service area. A one page summary "Route 1 Corridor - Sanitary Sewer Extension" from DeLuca Hoffman, and accompanying map, explains why Public Works prefers the proposed route.

Councilor Morton moved, Councilor Smith seconded to open the Public Hearing on the Park North Sewer Tax Increment Financing Agreement. The motion passed with six (6) yeas.

There were no comments from the public.

Councilor Morton moved, Councilor Smith seconded to close the Public Hearing and Be it Ordered that the City Council approve the following:

WHEREAS, the City of Saco (the “City”) is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the City as the City of Saco Municipal Development and Tax Increment Financing District (Park North Development LLC) (the “District”) and to adopt a development program for the District (the “Development Program”); and

WHEREAS, there is a need for development in the City of Saco; and

WHEREAS, there is a need to provide continuing employment opportunities for the citizens of the City of Saco and the surrounding region; to improve and broaden the tax base of the City of Saco; and to improve the general economy of the City of Saco, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to provide continued employment for the citizens of the City of Saco and the surrounding region; improve and broaden the tax base in the City of Saco and improve the economy of the City of Saco and the State of Maine; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial development in the City through the establishment of the District in accordance with the provisions of Chapter 206 of Title 30-A; and

WHEREAS, the City 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 City; and

WHEREAS, the City desires to designate the Municipal Development 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 (the “Department”), approving the designation of the District and the adoption of the Development Program for the District;

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NOW, THEREFORE, BE IT HEREBY VOTED BY THE SACO CITY COUNCIL:

Section 1. The City 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 in need of rehabilitation, redevelopment or conservation or is suitable for commercial sites as defined in 30-A M.R.S.A. §5223(3); and

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

(c) The aggregate original assessed value of the District as of April 1, 2005 plus the original assessed value of all other existing tax increment financing districts in the City does not exceed five percent (5%) of the total value of taxable property within the City as of April 1, 2006; and

(d) The aggregate value of indebtedness financed by the proceeds from tax increment financing district within York County, including the proposed District, does not exceed $50 million; and

(e) The District is designated and the Development Program is adopted by the City in order to induce the Company to complete the project described in the Development Program in the City (the “Project”) by enabling the City to contribute toward the capital cost of project described in the Development Program in an amount not to exceed the costs (including debt service costs) of the sewer extension project; and

(f) The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore the Project constitutes a good and valid public purpose and will contribute to the economic growth or well-being of the inhabitants of the City or to the betterment of the health, welfare or safety of the inhabitants of the City.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates a Municipal Development and Tax Increment Financing District for the benefit of Park North Development, LLC and to promote completion of the Project, designated and described as more particularly set forth in the Development Program presented to the City Council 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 the increased assessed value to be retained as captured assessed value in the District is hereby established as set forth in the Development Program.

Section 4. The City Administrator be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to DECD for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226(2).

Section 5. The foregoing designation of the District and the adoption of the Development Program for the District shall become final and shall take full force and effect upon receipt by the City of approval of the designation of the District and adoption of the Development Program by DECD, after the approval of a credit enhancement agreement by the City.

Section 6. The City Administrator be and hereby is authorized and empowered, at his discretion, from time to time, to make such revisions to the Development Program for the District as the City Administrator deems reasonably necessary or convenient, including revisions to the scope or description of the Public Improvements to be financed.
with a portion of tax increment revenues generated by the District, in order to facilitate the process for review and approval of the District 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 Development Program.

Section 7. The City Administrator be and hereby is authorized and directed to enter into the credit enhancement agreement contemplated by the Development Program, and in the name of and on behalf of the City, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the said City Administrator may approve, his approval to be conclusively evidenced by his execution thereof.

Section 8. This Order shall take effect immediately upon adoption.

The motion passed with four (4) yeas, and two (2) nays – Councilors Michaud and Tardif.

Note: Please refer to page 15 “Attachment A” to review the complete Park North Sewer Tax Increment Financing Agreement.

D. SAUNDERS ELECTRONICS CDBG BUSINESS ASSISTANCE GRANT APPLICATION (PUBLIC HEARING)

On February 6 the City Council held a public hearing and approved a CDBG grant application for Saunders Electronics. The grant application was unsuccessful, but there is a chance to reapply by May 12, 2006. A new public hearing is required, and the Council should vote again to submit the application.

The company has designed and made electronic controls in the Saco Industrial Park for nearly two decades. The specialty, high tech manufacturing work has grown steadily and the company is poised for more expansion. The next step is the purchase of machinery that will permit lead free soldiering, required in the European Union as of July 1.

The Community Development Block Grant Business Assistance program funnels federal funds from the State of Maine to the City to grant to the company. The company is seeking $400,000 and will add some 13 jobs as a result of its proposed equipment purchase. It will also add 3000 square feet mezzanine within its plant. Most aspects of the grant administration are routine, but one involving job creation responsibility should be brought to the Council’s attention.

Put simply, the city is required to return the money if the company doesn’t create the jobs. Dozens of towns and cities have worked with this condition, and there are ways to eliminate or reduce the city’s liability. One way to reduce the liability is through an indemnification agreement, preferably backed by security. Another way to eliminate the potential liability is for the company to do the project on a reimbursement basis and meet the job requirements before the grant is disbursed. A combination of the two methods is also possible.

This decision on indemnification can await the grant approval, and, should the grant application be successful, can be considered by the Council before final arrangements are made.

The Economic Development Commission has met with the company and recommends approval.

Councilor Smith moved, Councilor Michaud seconded to open the Public Hearing on Saunders Electronics Community Development Block Grant Business Assistance Grant Application. The motion passed with six (6) yeas.

There were no comments from the public.
Councilor Smith moved, Councilor Tripp seconded to close the Public Hearing and Be it Resolved that the City Council authorize the following resolution:

**SACO CITY COUNCIL RESOLUTION**

Whereas the City of Saco wishes to apply to the Department of Economic and Community Development for a Community Development Block Grant Program award to carry out a community development program; and

Whereas the planning process required by Maine Law and the CDBG program has been compiled with, including participation in the planning process by low and moderate income families and individuals and the City has conducted at least one duly advertised public hearing; and

Whereas the Department of Economic and Community Development has established the Economic Development Program,

[ ] Business Assistance Grant Category

[ ] Development Fund Loan Category

**NOW THEREFORE BE IT RESOLVED BY THE COUNCIL** that Richard Michaud its City Administrator is authorized and directed to submit a Community Development Block Grant application for the program designated above in the amount of $ 400,000 to the Department of Economic and Community Development on behalf of Saunders Electronics substantially in the form presented to this Council; is authorized to make such assurances on behalf of the City of Saco required as part of such application; and, is authorized and directed, upon acceptance of said funds to carry out the duties and responsibilities for implementing said program, consistent with the Charter of the City of Saco and regulations governing the planning and implementation of community development programs in the State of Maine.

Signed this first day of May 2006 on behalf of the City Council of Saco, Maine.

WITNESS: ______________________ SIGNED: ______________________

Title Mayor Mark Johnston

Municipal Seal

The motion passed with six (6) yeas.

**F. TRI COMMUNITY SEWER CAMERA EQUIPMENT AGREEMENT**

The Cities of Saco and Biddeford, and the Town of Old Orchard Beach have participated in the Tri-community Camera program for 8 years. The communities are proposing to purchase a new digital camera and van to replace the analog camera. The digital camera will allow the communities to move away from videocassette records and to keep televised footage on the computer digitally. This is a big advantage since the files can be graphically attached to the GIS system allowing immediate access to the sewer and stormwater conditions.

The City of Saco is proposing to bid the equipment and Old Orchard Beach and Biddeford will contribute to the purchase based on our existing formula of a 40% for Biddeford and Saco and 20% for Old Orchard Beach.

Additionally, the proposed agreement will have an employee of Saco assigned to the vehicle dividing their time based on the proposed cost sharing allocation. The advantage to the communities is that we have one competent person trained and certified to operate and maintain the camera. The responsibility for the equipment would also be assigned to that employee.
The City Council discussed this item at Workshop on April 24, 2006.

FUNDING: The estimated share of the equipment for Saco is 40% of $136,000 or $54,400. The project will be funded through the Sewer Impact Fees, Account #50095-500910-03914 Sewer Impact Reserve.

Councilor Tripp moved, Councilor Michaud seconded “Be it ordered that the City Council approve the purchase of Sewer Televising Equipment and further move to authorize the City Administrator to sign the Agreement for Tri Community Camera Inspection and Asset Management Program between the Town of Old Orchard Beach, City of Saco and City of Biddeford, dated May 1, 2006, and further move to approve the order. The motion passed with six (6) yeas.

Agreement for Tri Community Camera Inspection and Asset Management Program between the Town of Old Orchard Beach, City of Saco and City of Biddeford. Dated May 1, 2006

Whereas Chapter 203 of Title 30 M.S.R.A. permits municipalities to make the most efficient use of their powers by enabling them to cooperate with other municipalities on the basis of mutual advantage; and

Whereas the Town of Old Orchard and City of Biddeford wish to utilize the services and equipment of the City of Saco’s Camera Inspection Equipment and Engineering Technician for inspection and asset management purposes; and

Whereas the Municipalities of Old Orchard, Saco and Biddeford concur that a cost sharing arrangement must be equitable and established to assure that all costs incurred by the City of Saco are reimbursed accordingly;

Now therefore, the Municipalities of Old Orchard, Saco and Biddeford do mutually agree that:

1. The Utility Technician shall be a full-time employee of the City of Saco and shared with the Town of Old Orchard Beach and the City of Biddeford.
2. The Utility Technician shall be available to the Town of Old Orchard for 20% (1/5) of the total work hours, 40% (2/5) of the total time for the City of Biddeford and 40% (2/5) of the total time for the City of Saco.
3. The Utility Technician shall perform sewer and storm televised inspection and as well as maintaining and upgrading the GIS system in a municipal operation.
4. A mutually agreed upon schedule will be established to best meet the individual needs of each Municipality as designed by all the Directors.
5. Emergency calls are a priority for each community and the Utility Technician will have a cell phone at his or her disposal to respond in a timely manner.
6. The Utility Technician shall be responsible for tracking of all hours attributable to each Municipality. The hours will be totaled on a quarterly basis by the Utility Technician and submitted to each Director of Public Works for payment.
7. The City of Saco will bill each community on a quarterly basis for the service of the Utility Technician.
8. Any overtime incurred will be billed to the respective municipality on a quarterly basis.
9. The initial salary breakdown of the Utility Technician is calculated as follows for this fiscal budget year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Annual Salary</td>
<td>$40,560.00</td>
<td>Based on $19/hr.</td>
</tr>
<tr>
<td>b. FICA</td>
<td>$3,102.84</td>
<td>7.65% of wage</td>
</tr>
<tr>
<td>c. Health Insurance</td>
<td>$11,527.08</td>
<td>$960/mo. estimated</td>
</tr>
<tr>
<td>d. Retirement</td>
<td>$2,028.00</td>
<td>5.0% of wage</td>
</tr>
<tr>
<td>e. Unemployment</td>
<td>$1,000.00</td>
<td>Estimate</td>
</tr>
<tr>
<td>f. Optical</td>
<td>$300.00</td>
<td>Annual allowance</td>
</tr>
<tr>
<td>g. Disability</td>
<td>$1,000.00</td>
<td>Estimate</td>
</tr>
<tr>
<td>h. Misc.</td>
<td>$482.08</td>
<td>Estimate</td>
</tr>
</tbody>
</table>

i. Total Annual Estimate $60,000.00
10. The City of Biddeford and the Town of Old Orchard Beach recognize that this amount will be adjusted annually accordingly, as the Utility Technician receives salary and benefit changes.
11. The City of Biddeford and the Town of Old Orchard Beach agree that the payment to pay the City of Saco will be made within 30 days from receipt of the invoice.
12. All parties agree that any amendment to this agreement may be made upon mutual written agreement and affirmation action of the governing bodies of all municipalities.
13. Repair of the equipment will be coordinated between the communities. Each community agrees to put appropriate allowances in a repair fund to cover any annual repair and maintenance costs. The communities agree to share the repair costs equally that occur due to normal circumstances.
14. A Tri-Community Capital Account will be established by the City of Saco to fund future upgrades and replacements.
15. The camera equipment and van shall be owned by all municipalities with the following breakdown of the total appraised value: Town of Old Orchard, 20%, City of Biddeford, 40% and the City of Saco, 40%. Title of said equipment shall be held in the name of the host municipality, the City of Saco.
16. Said agreement is for a five-year renewable term, and may be terminated by any party with written notification to the other municipalities by December 1st of year four.
17. Should a community terminate its portion of said agreement, buyout of the assets will be based on depreciation of the assets at the time of termination, and agreeable to all parties.
18. The Public Works Director of each community are responsible for implementing, administrating and monitoring this agreement.

In Witness Whereof, We, Jim Thomas, Town Manager for the Town of Old Orchard Beach, John Bubier, City Manager for the City of Biddeford, and Richard Michaud, City Administrator for the City of Saco, duly authorized by action of the Councils of the municipalities of Old Orchard Beach, Biddeford and Saco, have hereto set our hands on this _____ day of _____, 2006.

Witness
Jim Thomas, Town Manager, Town of Old Orchard Beach

Witness
John Bubier, City Manager, City of Biddeford

Witness
Richard Michaud, City Administrator, City of Saco

E. CONTRACT ZONE PARK NORTH - (SECOND & FINAL READING)

Elliott Chamberlain dba Park North Development LLC and Preston Properties LLC proposes a contract zone that would allow the mixed-use development of 236 acres off Route One, abutting the towns of Scarborough and Old Orchard Beach.

The existing zoning is Business Park (BP), which allows uses such as offices, hotels, eating establishments and business services; the intent of the BP zone is the development of office, service and enclosed light industrial uses. The applicant proposes to expand the list of allowed uses, via the contract zone, to include retail and residential. From 350,000 to 450,000 square feet of commercial uses that may include a shopping center, hotel, retail and general office and businesses are envisioned along and near Rte. One. Further back on the site, 90 units of senior housing and 200 units of single and multi-unit condominiums are proposed.

The Planning Board voted to make a positive finding on each of the four standards for a contract zone, and voted that a positive recommendation for the contract zone be forwarded to the Council. If the Council approves the contract zone, the project and individual components of the project would be subject to subdivision review and, in some instances, site plan review by the Planning Board prior to development.

The Council reviewed this item at workshop on March 20, 2006. The First Reading for this Contract Zone was April 3, 2006; and the Public Hearing was held on April 18, 2006.
Councilor Morton moved, Councilor Tripp seconded that the City of Saco hereby approves the Second and Final Reading of the contract zone document entitled ‘Contract Zone Agreement By and Between Park North Development, LLC and Preston Properties, LLC as Applicants and the City of Saco,’ dated December 20, 2005, as amended, for the properties at 991 Portland Road and 3 Eastview Parkway, as authorized by Section 1403 of the Zoning Ordinance, pursuant to 30A M.R.S.A. Section 4352(8), with the following amendment: Section II.4 shall be amended in order to allow “Retail Businesses and Uses with no more than 80,000 60,000 s.f. of floor area” on Parcel 1 of the Subject Property. The motion passed with four (4) yeas, and two (2) nays – Councilors Michaud and Tardif.

Note: Please refer to page 36 “Attachment B” for a copy of the complete Contract Zone – Park North

VII. ADJOURNMENT

The City Council voted unanimously to adjourn at 8:07 p.m.

ATTEST:_________________ DATE APPROVED:__________________

Michele L. Hughes, Deputy City Clerk
“ATTACHMENT A”

CITY OF SACO, MAINE
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT
DEVELOPMENT PROGRAM
Park North Development LLC

DATED: May 1, 2006

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ARTICLE I
DEVELOPMENT PROGRAM NARRATIVE
Section 1.01. Park North Development LLC; The TIF Improvements.

The Maine Legislature established tax increment financing as an economic development tool to be used by municipalities to: (a) provide new employment opportunities; (b) improve and broaden its tax base; and (c) improve the general economy of the state. The Legislature recognizes that the State and its municipalities benefit from a municipality’s economic development partnership with a local business to promote responsible new development that (a) enhances local efforts for economic, industrial or commercial development; and (b) retains and expands the local tax base and employment opportunities. The City of Saco now has the opportunity to enter into such an undertaking with Park North Development, LLC.

The City proposes a 323.48 (approx) acres tax increment financing district on Route 1 in Saco, Maine (the “District” or the “TIF District” as more particularly described in Exhibit A hereto) to accommodate a mixed use development by Park North Development, LLC (“Park North” or the “Company”) that will consist of some or all of the following: mixed-use residential/commercial buildings, hotels and motels, retail buildings, health service buildings, art studios, restaurants, health clubs, banks, office buildings, repair services, day care and adult care centers and other uses permitted under applicable zoning (the “Park North Project”).

In order to complete the Park North Project, the Company will need to construct and install an approximately 9,000 foot of gravity sewers, force mains, and pump stations along with ancillary road and sidewalk improvements from a point on Route 1 approximately 3000 feet south of Cascade Road north to the Cascade Road, easterly along Cascade Road or adjoining land approximately 1200 feet, then northeasterly approximately 5000 feet across the District on a road to be constructed (the “Sewer Extension Project”).

The City anticipates the costs to develop the Park North Project will be approximately $118 million and costs of the Sewer Extension Project will be approximately $3.525 million (consisting of an estimated $3.225 million in sewer costs and $300,000 in ancillary road and sidewalk improvements costs).

All associated improvements acquired or financed under this Development Program will be located within the District or adjacent to the District along Route 1, but necessary and related to the Park North Project improvements in the District.

Section 1.02. Statement of Means and Objectives.

The District’s means and objectives are: (1) to provide financing assistance to the Company to promote completion of the Sewer Extension Project and to induce the Company to complete the Park North Project in the City by enabling the City to contribute toward the capital cost of the Park North Project the amounts contemplated by this Development Program, and (2) to expand the tax base of the City. To the extent the City can assist, promote and otherwise encourage Park North to construct the Park North Project and build the Sewer Extension Project and can separately build the Public Improvements described in Section 1.03 below, the following public benefits result:

a. Expanded tax base;
b. Anticipated creation of 300-450 new jobs;
c. Sewer Extension along Route 1 to promote future economic development in that area.

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Section 1.03. Public Improvements.

The City intends to use its share of the TIF revenues (as defined and allocated in Article II below) from the District to finance some or all of the costs of the projects identified and described in Exhibit I hereto, all as authorized and permitted under 30-A M.R.S.A. §5225 (the “Public Improvements”).

The City finds that the Public Improvements will either directly or indirectly provide, induce, or encourage new employment opportunities within the City, encourage and promote economic development that will broaden the City’s tax base, and improve the general economy of the City. The actual date(s) for commencement or completion of the Public Improvements more particularly described in Exhibit I, or such other public improvement projects as the City may determine are within the project cost guidelines included in Exhibit I, and acceptable to the Maine Department of Economic and Community Development, will be established at the discretion of the City. Individual public improvement project contracts will be financed with the City’s portion of the TIF revenues and will be approved by specific action of the City.

Section 1.04. Uses of Private Property.

The District is located at or near 941, 991 and 1031 Portland Road on Route 1 in Saco on the land designated as Tax Map 48, Lot 4, Tax Map 62, Lot 1, Tax Map 63, Lot 6 and Tax Map 64, Lot 6-1 and extending northerly and southerly along Route 1. A map of the District is attached as Exhibit A hereto.

Section 1.05. Relocation of Displaced Persons.

Not applicable.

Section 1.06. Proposed Regulations and Facilities to Improve Transportation.

The City intends to widen and improve Route 1 and to make other ancillary and related street and road improvements and amenities to accommodate the additional vehicular and pedestrian traffic resulting from the Park North Project.

Section 1.07. Environmental Controls.

The improvements contemplated by this Development Program will comply with all federal, state and local environmental and land development laws, rules, regulations, and ordinances.

Section 1.08. Plan of Operation Upon Completion.

The Park North Project will be developed by Park North and thereafter are expected to be and remain at all times owned by various businesses and individuals. The City will not be financially responsible for payment of any maintenance expenses, insurance and taxes on any non-public improvements. During the life of the District, the City Administrator or his designee will be responsible for all administrative matters required of the City concerning the implementation and operation of the District. The City shall not be responsible for implementation of the Park North Project and the Sewer Extension Project.

ARTICLE II
FINANCIAL PLAN

Section 2.01. General Characteristics.

Attached as Exhibit E is a certification of original assessed value executed by the Assessor of the City of Saco in accordance with the requirements of 30-A M.R.S.A. §5227(2), certifying that the original assessed value of the land, building and equipment in the District as of April 1, 2005 (March 31, 2006) was $4,940,000 (the “Original Assessed Value”). All (100%) of the increase in the District’s assessed value from all real and personal property within the District (whether from the Park North Project or any other investment made by it or other developers in the District) over the Original Assessed Value shall be retained in the District as captured assessed value (the “captured assessed value”).
Up to seventy percent (70%) of the tax increment (sometimes referred to as “TIF revenues”) generated by such captured assessed value in the District will be paid to the Company to pay a portion of the costs (including debt service costs) of the Sewer Extension Project. Such payments will be made under a credit enhancement agreement to be entered into by the City and Park North. The City will retain the balance of the TIF revenues generated by the captured assessed value and apply such TIF revenues to the Public Improvements.

The City will allocate up to 70% of the TIF revenues in any fiscal year from the increased assessed value of the District for the lesser of 20 years or the time in which the total payment of TIF revenues to Park North equals the costs (including debt services costs) of the Sewer Extension Project. Such payments will commence with the City’s 2007-2008 fiscal year and continue for a maximum term that ends with the City’s 2026-2027 fiscal year. In any year in which the maximum TIF revenues allocable to the Company are insufficient to pay the aggregate debt service costs for the Sewer Extension Project, the shortfall shall be included in the amount payable the next succeeding year (but not to exceed 70% of TIF revenue in such succeeding year).

The foregoing percentages of TIF revenues will be allocated between Park North and the City beginning in the April 1, 2007 tax year (corresponding to the City’s 2007-2008 fiscal year) and continuing until TIF revenues in an amount equal to such costs are paid to the Company but not longer than 20 years through the April 1, 2026 tax year, corresponding to the City’s 2026-2027 fiscal year.

This Development Program requires the establishment of a Development Program Fund consisting of a Park North TIF Account and a City TIF Account. Pursuant to the Credit Enhancement Agreement to be entered into by the City and the Company, the City will deposit TIF revenues allocable to the Park North Project into the Park North TIF Account pledged to and charged with payment of costs of the Park North Project. The City will deposit the City’s TIF revenues into the City’s TIF Account to be used and applied to finance the Public Improvements, which will be held by the City free and clear of any interest of the Developer for the general purposes stated herein, to the extent that such purposes represent eligible project costs. Public improvement and economic development costs designated as project costs and to be funded from the City’s share of TIF revenues will be determined by the City.

**Section 2.02. Cost Estimates for Development Program.**

Estimated costs of the Park North Project (excluding the Sewer Extension Project) are approximately $118 million. Estimated costs of the Sewer Extension Project are $3.525 million, with total debt service costs over a 20-year term of approximately $7.34 million\(^1\). A more detailed estimate of these costs is included in **Exhibit B**.

**Section 2.03. Indebtedness.**

None of the costs of the Park North Project, including the Sewer Extension Project will be financed through issuance of any municipal indebtedness. It is anticipated that a portion of the debt service on any loans to Park North will be paid from revenues in the Park North TIF Account established hereunder, which shall consist of the Company’s allocable share of TIF revenues and any earnings thereon. Any additional amounts required either to pay debt service or costs of the Park North Project or the Sewer Extension Project directly will be the responsibility of the Company (see Section 2.04, “Sources of Anticipated Revenues” below). All funds in excess of any loan to complete the Park North Project and the Sewer Extension Project will be the responsibility of the Company. The

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\(^1\) This debt service estimate is based on a 20-year amortization. If the 70% maximum annual allocation of TIF revenues to these costs results in paying off the debt for the Sewer Extension Project sooner than 20 years. The total debt service will be reduced and less total TIF revenue will need to be allocated to this purpose.
City does not currently anticipate issuing, but may in the future elect to issue, municipal indebtedness to finance any of the Public Improvements.

Section 2.04. Sources of Anticipated Revenues.

Pursuant to the credit enhancement agreement, TIF revenues allocated to the Park North Project will be used and applied by the Company to pay costs of the Park North Project directly, to reimburse the Company for the payment of such costs or to pay debt service on any loans entered into by the Company to finance the Park North Project. Park North Development will be responsible for making all arrangements for and payments with respect to costs of or additional indebtedness incurred for the Sewer Extension Project.

Exhibit C reflects: (i) the estimated increase in assessed value per year following implementation of the Development Program (Columns A & B); (ii) the total tax increment generated by the increase in value (Column C); (iii) the percentage of increased assessed value/captured assessed value and tax increment retained by the City in the District (Columns D-F); and (iv) the estimated allocation of TIF revenues following implementation of the Development Program (Columns G-I).

Section 2.05. Financial and Statistical Data.

Exhibit D lists financial and statistical information relating to the District required as a prerequisite to designation of the District by the City and approval by the Maine Department of Economic and Community Development (“DECD”).

Section 2.06. Estimated Impact of Financing Upon Taxing Jurisdiction.

The table set forth below identifies estimated tax shifts projected to result from the establishment of the District, using formulas reviewed by DECD. A more detailed schedule of the tax shifts is included as part of Exhibit C.

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<th>Tax Shift Item</th>
<th>Total (20 years)</th>
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<td>Municipal Revenue Sharing</td>
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<td>County Tax</td>
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<tr>
<td><strong>Total all Tax Shifts:</strong></td>
<td><strong>$16,480,812</strong></td>
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</table>

Together with the obvious advantages associated with stimulation of economic development within the District, the City gains the advantage of “sheltering” the increase in value due to the Park North Project from the calculation of (1) state aid to education; (2) the City’s share of State Municipal Revenue Sharing and (3) the City’s share of county tax. Thus, the City will receive a proportionately larger share of education aid and municipal revenue sharing and pay a smaller portion of the county tax than would otherwise have been the case had the increase in value of the Park North Project been included in the City’s equalized value. Exhibit F is a summary of the methodology utilized in calculating tax shifts.

Section 2.07. Duration of Development Program.

The Development Program shall continue in effect for twenty (20) years following approval by DECD commencing with the City’s 2007-2008 fiscal year and continuing through the City’s 2026-2027 fiscal year. During the term of the Development Program, the City will retain 100% of the increased assessed value as captured assessed value and allocate up to 70% of the TIF revenues generated by such captured assessed value to the Company in payment of a portion of the costs (including debt service costs) of the Park North Project.
ARTICLE III
PHYSICAL DESCRIPTION

Section 3.01. Description of District.
The District consists of approximately 302.5 acres located at or near 941, 991 and 1031 Portland Road on Route 1, Saco, Maine and described on Tax Map 48, Lot 4, Tax Map 62, Lot 1, Tax Map 63, Lot 6 and Tax Map 64, Lot 6-1, together with approximately 20.98 acres of right of way along US Route 1 (Portland Road) and Cascade Road, totaling to approximately 323.48 acres. A map of the District is attached as Exhibit A hereto.

ARTICLE IV
MUNICIPAL APPROVALS

Section 4.01. Public Hearing.
Exhibit G is a copy of the Public Notice of the hearing held in accordance with the requirements of 30-A M.R.S.A. §5226. The Notice was published in the Journal Tribune, a newspaper of general circulation in Saco, on or before April 19, 2006, a date at least ten (10) days before the public hearing. A public hearing was held by the City prior to a City Council Meeting on May 1, 2006.

Section 4.02. Authorizing Votes.
At the City Council Meeting held May 1, 2006, the City Council designated the District and adopted this Development Program. A certified copy of the minutes of the meeting reflecting the designation of the District and adoption of this Development Program at such City meeting is attached as Exhibit H. Following such approval, the designation of the District and adoption of the Development Program is final subject only to approval by DECD and the approval by the City of a credit enhancement agreement.

ARTICLE V
VALUATION ISSUES

Section 5.01. Adjustment to Assessed Valuation.
There are certain assumptions regarding valuation and depreciation of assets, which underlie the analysis set forth in the Development Program. The City and the Company each covenant and agree that the assumptions, analysis and results set forth in the Development Program shall in no way prejudice the rights of any party or be used, in any way, by any party in either presenting evidence or making argument in any dispute which may arise in connection with valuation of the property within the District.
EXHIBIT A - PROJECT MAP
## CITY OF SACO, MAINE
### MUNICIPAL DEVELOPMENT AND
### TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
(PARK NORTH DEVELOPMENT LLC)

### EXHIBIT B

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<th>Activity</th>
<th>Municipal TIF Proceeds Allocable to Park North Development, LLC</th>
<th>Private Funds</th>
<th>Other</th>
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<td>3. Relocation of Persons and Business</td>
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<td>4. Clearance &amp; Demolition</td>
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<td>11. Administrative Costs</td>
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### CITY OF SACO, MAINE
### MUNICIPAL DEVELOPMENT AND
### TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
### (PARK NORTH DEVELOPMENT LLC)

## EXHIBIT C

### TIF AND TAX SHELTERING PROJECTIONS

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<th>Fiscal Year</th>
<th>Assessed Value</th>
<th>Projected Increase in Assessed Value</th>
<th>Cumulative Tax Increase</th>
<th>Retained Tax Increment</th>
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<th>Balance</th>
<th>Debt Service</th>
<th>Total Increase in Value</th>
<th>Loan Principal</th>
<th>Loan Interest</th>
<th>Total Debt Service</th>
<th>Loan Amortization</th>
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**Total:**

- Total Assessed Value: $87,500,000
- Total Projected Increase: $3,900,000
- Total Cumulative Tax Increase: $113,400
- Total Retained Tax Increment: $13,500
- Total Debt Service: $1,870
- Total Loan Amortization: $1,870
- Total Mill Rate: 0%
- Total Max. Annual Allocation: 0%
## Exhibit C

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<th>Tax Shift Benefits</th>
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## EDUCATION TAX SHIFT

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</tbody>
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### Notes:
- **SLV Total revenue:**
  - 2016: $1,553,400,000
  - 2022: $1,671,400,000
- **Local contribution to SLV:**
  - 2016: $12,931,084
  - 2022: $13,805,764
- **Mill Rate:**
  - 2016: 8.26
  - 2022: 8.26

### Education Tax Shift:
- **Year 1:**
  - Local contribution: $12,831,084
  - Tax shift: $72,275
- **Year 2:**
  - Local contribution: $12,903,359
  - Tax shift: $107,265
- **Year 3:**
  - Local contribution: $12,998,349
  - Tax shift: $117,205
- **Year 4:**
  - Local contribution: $13,121,217
  - Tax shift: $206,320
- **Year 5:**
  - Local contribution: $13,260,604
  - Tax shift: $253,815
- **Year 6:**
  - Local contribution: $13,366,952
  - Tax shift: $270,815
- **Year 7:**
  - Local contribution: $13,481,559
  - Tax shift: $287,815
- **Year 8:**
  - Local contribution: $13,596,167
  - Tax shift: $307,815
- **Year 9:**
  - Local contribution: $13,710,774
  - Tax shift: $327,815
- **Year 10:**
  - Local contribution: $13,805,764
  - Tax shift: $347,815
- **Year 11:**
  - Local contribution: $13,805,764
  - Tax shift: $367,815
- **Year 12:**
  - Local contribution: $13,805,764
  - Tax shift: $397,815
- **Year 13:**
  - Local contribution: $13,805,764
  - Tax shift: $427,815
- **Year 14:**
  - Local contribution: $13,805,764
  - Tax shift: $457,815
- **Year 15:**
  - Local contribution: $13,805,764
  - Tax shift: $487,815
- **Year 16:**
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- **Year 17:**
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  - Tax shift: $547,815
- **Year 18:**
  - Local contribution: $13,805,764
  - Tax shift: $577,815
CITY OF SACO, MAINE
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
(PARK NORTH DEVELOPMENT LLC)

EXHIBIT D

1. Total acreage of municipality: 24,640 acres
2. Total acreage of proposed municipal tax increment financing district 323.48 acres
3. Percentage of total acreage in proposed municipal tax increment financing district: 1.31% (Line 1 divided by Line 2 cannot exceed 2%)
4. Total acreage of all existing and proposed municipal tax increment financing districts in the municipality:
   
   | Existing: 201.30 acres |
   | Proposed: 323.48 acres |
   | Total: 455.39 acres |
5. Percentage of total acreage in all existing and proposed municipal tax increment financing districts: (Line 4 divided by Line 1 cannot exceed 5%) 2.13%
6. Total acreage of all real property in the proposed tax increment financing district that is:
   
   | (a) Blighted: 0 acres |
   | Line 6.a divided by Line 2: |
   | (b) In need of rehabilitation or conversion: 0 acres |
   | Line 6.b divided by Line 2: |
   | (c) Suitable for industrial sites: Not less than 81 acres |
   | Line 6.c divided by Line 2: |
   
   The percentage resulting from either 6.a, 6.b or 6.c must be equal or exceed 25% 25.04%
7. Total value of taxable property in the City as of April 1, 2006 $1,900,143,347
8. Aggregate total of original assessed value in all existing and proposed tax increment financing districts in Saco
   
   | Existing: $15,253,600 |
   | Proposed: $4,940,000 |
   | Total: $20,581,500 |
9. Percentage of total value of taxable property represented by aggregate total of original assessed value in all existing and proposed tax increment financing districts (i.e., paragraph (8) divided by paragraph (7) expressed as a percentage) 1.06%
10. Aggregate original principal amount of municipal indebtedness financed by the proceeds from existing tax increment financing districts within York County does not exceed $50,000,000.

2 Current estimate. To be updated when finalized by the City Assessor.
CITY OF SACO, MAINE
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
(PARK NORTH DEVELOPMENT LLC)

EXHIBIT E

CERTIFICATE OF
ASSESSOR
CITY OF SACO, MAINE

The undersigned Assessor for the City of Saco, Maine, does hereby certify pursuant to the provisions of 30-A M.R.S.A. §5227(2) that the assessed value of the City of Saco Municipal Development Tax Increment Financing District (Park North Development LLC), constituting Tax Map 48, Lot 4, Tax Map 62, Lot 1, Tax Map 63, Lot 6 and Tax Map 64, Lot 6-1 as described in the Development Program to which this Certificate is attached, was $4,940,000 as of April 1, 2005 (March 31, 2006).

IN WITNESS WHEREOF, this Certificate has been executed as of the ____ day of ________________, 2006.

CITY OF SACO

____________________________________
City Assessor
EXHIBIT F

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 formulae that use local property tax valuation as a basis for calculation. These three formulas relate to:

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

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

**State Aid to Education Tax Shift.** Adjust the current state education subsidy formula to account for the annual captured assessed value in the District. The education subsidy formula is the projected state aid to education over the life of the District using the current mil rate for local share contribution under the State’s EPS funding program. The result will be an estimated annual Education Tax Shift for the proposed district.

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

1. Projected Total Municipal Revenue Share for the current fiscal year;
2. Saco’s “current factor”;
3. Saco’s “computed number,” and the three figures used to calculate the current computed number: Saco population, local assessment, and Saco’s Equalized State Valuation;

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

**STEP ONE**
Get the State Aggregate Computed Number, Saco’s current computed number and Saco’s current projected revenue sharing amount

**STEP TWO**
Calculate Saco’s Adjusted Computed Number for each year during the term of the District =

\[
\text{Saco Population} \times \text{Local Assessment} \\
\text{Saco Equalized State Valuation + CAV for the Year}
\]

**STEP THREE**
Calculate the State’s Adjusted Aggregate Computed Number for each year during the term of the District =

\[
\text{Aggregate Computed Number} - \text{Saco’s Computed Number} + \text{Saco’s Adjusted Computed Number}
\]

**STEP FOUR**

3 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.
Calculate the Saco’s Adjusted Current Factor for each year during the term of the District = (Saco’s Adjusted Computed Number, State’s Adjusted Aggregate Computed Number)

**STEP FIVE**
Calculate Saco’s projected Adjusted Revenue Sharing amounts = Projected Total Municipal Revenue Sharing Pool x Saco’s Adjusted Current Factor

**STEP SIX**
The difference between Step 5 and Saco’s current project revenue sharing amount Step 1 = Municipal Revenue Sharing Shift for that year - Repeat for each year’s Projected Annual CAV

**County Tax Shift.** First obtain the most recent State Equalized Valuation of the County and the City from the Secretary of State’s office and the County. Calculate the following two percentages for each year during the term of the District. First, divide the current City’s State Equalized Valuation plus the Captured Assessed Value for a given year by the current State Equalized Valuation for the County, plus the Captured Assessed Value for that year. This gives the City’s County tax percentage without sheltering the project. Second, divide the current City State Equalized Valuation by the current State Equalized Valuation of the County. This gives the City’s county tax percentage if the project is sheltered.

Next, determine the estimated average annual County tax over the life of the District. To arrive at this number, get the County tax for the County for the last five years. Determine the average change in County tax for the last five years, and then project it over the term of the District. Multiply this projected tax by each of the two percentages developed above. The difference will be the annual County Tax Shift.
CITY OF SACO, MAINE
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
(PARK NORTH DEVELOPMENT LLC)

EXHIBIT G

PUBLIC NOTICE

The Saco City Council will hold a public hearing on at 7 p.m., on Monday, May 1, 2006, at the City Council Chambers, Saco City Hall, 300 Main Street. The Council will receive public comments on the designation of the proposed City of Saco Municipal Development and Tax Increment Financing District (Park North Development LLC) and the adoption of a development program for the said District, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed District will be located on or near 941 Portland Road on Route 1 in Saco on a portion of the land designated as Tax Map 48, Lot 4, Tax Map 62, Lot 1, Tax Map 63, Lot 6 and Tax Map 64, Lot 6-1. A copy of the proposed development program for the district is on file with the City Clerk and may be reviewed during normal business hours. Interested residents are invited to attend the hearing and to be heard at that time.

Exhibit G
Public Hearing Notice
Journal Tribune, p. B6, April 17, 2006
PUBLIC NOTICE

The Saco City Council will hold a public hearing on at 7 p.m., on Monday, May 1, 2006, at the City Council Chambers, Saco City Hall, 306 Main Street. The Council will receive public comments on the designation of the proposed City of Saco Municipal Development and Tax Increment Financing District (Park North Development LLC) and the adoption of a development program for the said District, pursuant to the provisions of Chapter 208 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed District will be located on or near 941 Portland Road on Route 1 in Saco on a portion of the land designated as Tax Map 48, Lot 4, Tax Map 62, Lot 1, Tax Map 63, Lot 6 and Tax Map 64, Lot 6-1. A copy of the proposed development program for the district is on file with the City Clerk and may be reviewed during normal business hours. Interested residents are invited to attend the hearing and be heard at that time.
CITY OF SACO, MAINE
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM
(PARK NORTH DEVELOPMENT LLC)

EXHIBIT H

TIF Vote

WHEREAS, the City of Saco (the “City”) is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specified areas within the City as the City of Saco Municipal Development and Tax Increment Financing District (Park North Development LLC) (the “District”) and to adopt a development program for the District (the “Development Program”); and

WHEREAS, there is a need for development in the City of Saco; and

WHEREAS, there is a need to provide continuing employment opportunities for the citizens of the City of Saco and the surrounding region; to improve and broaden the tax base of the City of Saco; and to improve the general economy of the City of Saco, the surrounding region and the State of Maine; and

WHEREAS, implementation of the Development Program will help to provide continued employment for the citizens of the City of Saco and the surrounding region; improve and broaden the tax base in the City of Saco and improve the economy of the City of Saco and the State of Maine; and

WHEREAS, there is a need to encourage the expansion, improvement and continuation of commercial development in the City through the establishment of the District in accordance with the provisions of Chapter 206 of Title 30-A; and

WHEREAS, the City 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 City; and

WHEREAS, the City desires to designate the Municipal Development 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 (the “Department”), approving the designation of the District and the adoption of the Development Program for the District;

NOW, THEREFORE, BE IT HEREBY VOTED BY THE SACO CITY COUNCIL:

Section 1. The City 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 in need of rehabilitation, redevelopment or conservation or is suitable for commercial sites as defined in 30-A M.R.S.A. §5223(3); and

C:\Program Files (x86)\PDFConverter\tempNVDC\E50C9361-B0FE-4E10-ADC3-FE8BB60E7FB1\7c186807-fc8b-49ad-bb09-0b24915c95e1file.doc  07/25/2016
(b) The total area of the District does not exceed two percent (2%) of the total acreage of the City, and the total area of all development districts within the City (including the District) does not exceed five percent (5%) of the total acreage of the City; and

(c) The aggregate original assessed value of the District as of April 1, 2005 plus the original assessed value of all other existing tax increment financing districts in the City does not exceed five percent (5%) of the total value of taxable property within the City as of April 1, 2006; and

(d) The aggregate value of indebtedness financed by the proceeds from tax increment financing district within York County, including the proposed District, does not exceed $50 million; and

(e) The District is designated and the Development Program is adopted by the City in order to induce the Company to complete the project described in the Development Program in the City (the “Project”) by enabling the City to contribute toward the capital cost of project described in the Development Program in an amount not to exceed the costs (including debt service costs) of the sewer extension project; and

(f) The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the City and its residents, including employment opportunities, broadened and improved tax base and economic stimulus, and therefore the Project constitutes a good and valid public purpose and will contribute to the economic growth or well-being of the inhabitants of the City or to the betterment of the health, welfare or safety of the inhabitants of the City.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the City hereby designates a Municipal Development and Tax Increment Financing District for the benefit of Park North Development, LLC and to promote completion of the Project, designated and described as more particularly set forth in the Development Program presented to the City Council 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 the increased assessed value to be retained as captured assessed value in the District is hereby established as set forth in the Development Program.

Section 4. The City Administrator be, and hereby is, authorized, empowered and directed to submit the proposed designation of the District and the proposed Development Program for the District to DECD for review and approval pursuant to the requirements of 30-A M.R.S.A. §5226(2).

Section 5. The foregoing designation of the District and the adoption of the Development Program for the District shall become final and shall take full force and effect upon receipt by the City of approval of the designation of the District and adoption of the Development Program by DECD, after the approval of a credit enhancement agreement by the City.

Section 6. The City Administrator be and hereby is authorized and empowered, at his discretion, from time to time, to make such revisions to the Development Program for the District as the City Administrator deems reasonably necessary or convenient, including revisions to the scope or description of the Public Improvements to be financed with a portion of tax increment revenues generated by the District, in order to facilitate the process for review and approval of the District 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 Development Program.

Section 7. The City Administrator be and hereby is authorized and directed to enter into the credit enhancement agreement contemplated by the Development Program, and in the name of and on behalf of the City, such agreement to be in such form and to contain such terms and provisions, not inconsistent with the Development Program, as the said City Administrator may approve, his approval to be conclusively evidenced by his execution thereof.

Section 8. This Order shall take effect immediately upon adoption.
Approved May 1, 2006, by the City Council of the City of Saco, at a meeting duly convened and conducted at Saco, Maine.
EXHIBIT I

It is proposed that all TIF revenues allocated to the City in accordance with the Development Program will be captured for the full term of the Development Program and allocated to the following public improvements as such may be hereafter approved by the City from time to time.

The City plans to install sewer mains within the District that are complementary to the Sewer Extension Project on Route 1. This additional sewer extension would serve portions of the western side of Route 1 between Cascade Road north to the Scarborough line. Note that some of these sewer improvements may be located in or within 30 feet of the District boundary, on adjoining tax lots. Note also that the improvements may also include a widening and reconstruction of Route 1, along with sidewalks, street lighting and street tree improvements.

The City will also use TIF revenues to fund the necessary right-of-way acquisition along Route 1 (anticipated to be within 30 feet of the District) to accomplish the additional sewer extension improvements will run from a point approximately 3000 feet south of Cascade Road to the Scarborough line.

In addition, the City anticipates that it will need to upgrade the Mill Brook, Goose Fare and Bear Brook pumps sewer pump stations based on an increase in sewage flows from the District. Although these facilities are all located outside the District and downstream from it, the facilities will carry large flows from the District.

Additional traffic within the District could require a Cascade Road overlay and paving project, along with installation of a traffic signal, to promote egress and ingress to the Park North improvements.

The City is also contemplating certain public safety improvements attributable in part to the Park North improvements. First, to enhance fire an ambulance services in the District and adjoining areas, the City proposes to acquire or construct fire and rescue apparatus, station additions or construction, and land acquisition for fire and ambulance facilities to be located within two miles of the District. These improvements may be located in Scarborough or Saco. Second, the City proposes water main or water pumping and storage facilities in the area, to enable access to firefighting and drinking water within the District, which improvements would be located within 1000 feet of district.

The City also proposes to use TIF revenues to fund a variety of its regular and ad hoc economic development programs, through its economic development office. These programs include the purchase of land for business or industrial park development and to capitalize a revolving loan fund. The City would also help fund a portion of the cost of an extension of Cascade Road and/or the relocation of the Flag Pond Road to a potential I-95 interchange. The City views this as necessary due to the increased vehicular traffic in the District as well as a significant economic development improvement for the City.

The City also proposes the acquisition of a public works truck to help maintain the estimated two miles of road to be constructed within the District.

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<th>City TIF project</th>
<th>Statutory Category</th>
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### Improvements inside and adjacent to the District

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<tr>
<td>Sewer improvements in the District along Route 1 from Flag Pond Road to Scarborough line</td>
<td>§5225(1)(A)(1) &amp; -(B)(1)</td>
<td>$2,000,000.</td>
</tr>
<tr>
<td>Acquisition of land or rights of way in the District and within 30 feet of District for sewer and road improvements</td>
<td>§5225(1)(A)(3)</td>
<td>$2,275,000.</td>
</tr>
<tr>
<td>Traffic signal as a result of increased traffic due to activities in the District</td>
<td>§5225(1)(A)(1), -(B)(2) and –(B)(3)</td>
<td>$120,000.</td>
</tr>
<tr>
<td>Water mains and pumping for firefighting and drinking water improvements within District and within 1000 feet of District</td>
<td>§5225(1)(A)(1), -(B)(1), -(B)(2) &amp; -(B)(3)</td>
<td>$2,000,000.</td>
</tr>
<tr>
<td>Reconstruction and widening of Route 1 in District and within 30 feet of District along 3,000 feet south of Cascade Road</td>
<td>§5225(1)(A)(1), -(B)(1), -(B)(2) &amp; -(B)(3)</td>
<td>$1,500,000.</td>
</tr>
<tr>
<td>Cascade Road overlay in the District</td>
<td>§5225(1)(A)(1)</td>
<td>$100,000.</td>
</tr>
</tbody>
</table>

### Improvements outside the District but related to activities inside the District

<table>
<thead>
<tr>
<th>Description</th>
<th>Code</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional pumps at Mill Brook, Goosefare and Bear Brook Pump Stations, downstream from project, will be upgraded when needed, based upon the increase waste flows from the District</td>
<td>§5225(1)(B)(1) &amp; -(B)(3)</td>
<td>$225,000.</td>
</tr>
<tr>
<td>Fire and rescue apparatus and station construction and land in Saco or Scarborough. These improvements are outside of the District but are attributable to activity in the District, as the Park North Project is too far from Central Station for adequate safety service</td>
<td>§5225(1)(B)(2) &amp; -(B)(3)</td>
<td>$4,075,000.</td>
</tr>
<tr>
<td>Road maintenance vehicle to help maintain 2 miles of road in the District</td>
<td>§5225(1)(A)(1) &amp; -(B)(3)</td>
<td>$150,000.</td>
</tr>
</tbody>
</table>

### Improvements outside the District and unrelated to activities inside the District

<table>
<thead>
<tr>
<th>Description</th>
<th>Code</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation of city’s economic development office including land acquisition for business park and capitalizing revolving loan fund (economic development activities)</td>
<td>§5225(1)(C)(1), -(C)(2) &amp; -(C)(3)</td>
<td>$9,000,000.</td>
</tr>
<tr>
<td>Cascade Road/Flag Pond Road interstate 95 interchange connector. (within 4000 feet of district)</td>
<td>§5225(1)(C)(1)</td>
<td>$7,000,000.</td>
</tr>
</tbody>
</table>

**Total** | $31,289,500
“ATTACHMENT B”

Contract Zone Agreement

By and Between

Park North Development, LLC and Preston Properties, LLC as Applicants
and the City of Saco

December 20, 2005

THE CITY OF SACO HEREBY ORDAINS:

I. That the Zoning Ordinance of the City of Saco, dated January 2, 1985 and amended through November 7, 2005, is hereby amended as further described in this Agreement by and between Park North Development, LLC and Preston Properties, LLC (collectively referred to as the “Applicants”) and the City of Saco.

1. The Applicants propose a mixed-use development on the parcels at 1031 Portland Road and Eastview Parkway (the “Subject Property”). The Subject Property consists of two parcels identified on City of Saco tax maps as Tax Map 63, Lot 6 (currently owned by Park North Development, LLC) and Tax Map 64, Lot 6-1 (currently owned by Preston Properties, LLC) excepting only the portions of such parcels that are located within the Resource Protection District. The “Subject Property” for purposes of this Contract Zone Agreement shall not include these areas located within the Resource Protection District.

2. The Subject Property is an approximately 236 acre contiguous tract of largely undeveloped land with the exception of a multi-tenanted commercial building on the parcel identified as Map 64, Lot 6-1 at the corner of Eastview Parkway and Portland Road.

3. Map 63, Lot 6 is owned by Park North Development, LLC by virtue of a Quitclaim Deed with Covenant dated April 14, 2005, a copy of which has been submitted by the Applicant. Said deed is recorded in Book 14436, Page 83 at the York County Registry of Deeds.

4. Map 64, Lot 6-1 is owned by Preston Properties, LLC by virtue of three deeds each dated December 24, 2003, copies of which have been submitted by the Applicant. Said deeds are recorded in Book 13817, Page 172, Book 13817, Page 174 and Book 13817, Page 176 at the York County Registry of Deeds.
5. Evidence of right, title and interest is established by virtue of the above referenced deeds.

6. The Subject Property is in the Business Park (BP) zoning district.

7. The Applicant has submitted a copy of Articles of Organization of Limited Liability Company filed with the Office of the Secretary of State, dated June 5, 2000, (for Preston Properties, LLC) and January 28, 2004 (for Park North Development, LLC) as both being authorized to do business or carry on activities in the State of Maine. Timothy H. Norton, 53 Exchange Street, Portland, Maine 04101 is named as Registered Agent for both Preston Properties, LLC and Park North Development, LLC.

8. The Subject Property has an area of 236 +/- acres. The Subject Property is proposed to be divided into four (4) Parcels with each Parcel to be further divided into multiple Lots as shown on a Plan dated November 7, 2005, prepared by Sebago Technics, One Chabot Street, Westbrook, Maine 04098 (as the same may be revised with the approval of the Council), for the purpose of constructing a multi-use development. In order to facilitate the multi use nature of the project, each Parcel shall have distinct space and bulk and use restrictions as set forth below.

9. The Applicant proposes certain uses that are allowed and consistent with the current zoning of the Subject Property. The Applicant further proposes certain additional uses, such as residential and multi-family housing and retail uses that are not allowed uses given the current zoning of the Subject Property. The Applicant has therefore made application for a Contract Zone under the provisions of Article 14 of the Saco Zoning Ordinance.

10. The Applicant recognizes that no public sewer system is readily available within the Portland Road right of way to service the Subject Parcel but the Applicant is aware that the City of Saco anticipates that Village Works, LLC, developer of a parcel of property on Cascade Road near the Subject Property may be extending the public sewer system across that property. The Applicant proposes to make provision for the extension of the City of Saco sewer system from its anticipated terminus at the southwesterly boundary of the Subject Property. If the Village Works, LLC development does not materialize than the Park North Development, LLC will pursue the extensions independently in order to accommodate this development.

II. This contract amends the Saco Zoning Ordinance as follows:

1. This Agreement supersedes Article 4. District Regulations of the Saco Zoning Ordinance. District Regulations applicable to the Subject Property shall instead be governed by the terms of this Agreement.

2. Notwithstanding any contrary provision of Section 10.12 or Section 11.14 of the Subdivision Regulations of the City of Saco, the Applicant shall be authorized to implement a Low Impact Design stormwater management system for the Subject property. This system shall comply with existing City and State water quality and quantity standards.

3. The definitions of Front, Side and Rear Yards shall remain the same as in the Saco Zoning Ordinance. The following shall apply as the exclusive Space and Bulk Requirements applicable to the Subject Property Section and 412 shall be deemed amended accordingly but only as to the Subject Property:

C:\Program Files (x86)\PDFConverter\temp\NVDC\E50C9361-B0FE-4E10-ADC3-FE8BB60E7FB1\7c186807-fc8b-49ad-bb09-0b24915c95e1file.doc 07/25/2016
**PARCEL 1:**

<table>
<thead>
<tr>
<th>Minimum Lot Size:</th>
<th>7,500 Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Street Frontage:</td>
<td>50 feet</td>
</tr>
<tr>
<td>Minimum Front Yard:</td>
<td>50 feet for the front yard facing Route 1 if any, 20 feet for all other front yards</td>
</tr>
<tr>
<td>Minimum Side Yard:</td>
<td>20 feet for Lots abutting a residential or conservation district; 10 feet for Lots not abutting a residential or conservation district</td>
</tr>
<tr>
<td>Minimum Rear Yard:</td>
<td>20 feet for Lots abutting a residential or conservation district; 10 feet for Lots not abutting a residential or conservation district</td>
</tr>
<tr>
<td>Maximum Building Height:</td>
<td>60 feet</td>
</tr>
<tr>
<td>Maximum Lot Coverage:</td>
<td>40%</td>
</tr>
<tr>
<td>Density:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**PARCEL 2:**

<table>
<thead>
<tr>
<th>Minimum Lot Size:</th>
<th>20,000 Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Street Frontage:</td>
<td>200 feet except for lots fronting on a cul-de-sac as to which the Minimum Street Frontage shall be 100 feet</td>
</tr>
<tr>
<td>Minimum Front Yard:</td>
<td>75 feet for the front yard facing Route 1 if any, 30 feet for all other front yards</td>
</tr>
<tr>
<td>Minimum Side Yard:</td>
<td>20 feet for Lots abutting a residential or conservation district; 15 feet for Lots not abutting a residential or conservation district</td>
</tr>
<tr>
<td>Minimum Rear Yard:</td>
<td>20 feet for Lots abutting a residential or conservation district; 15 feet for Lots not abutting a residential or conservation district</td>
</tr>
<tr>
<td>Maximum Building Height:</td>
<td>45 feet</td>
</tr>
<tr>
<td>Maximum Lot Coverage:</td>
<td>40%</td>
</tr>
<tr>
<td>Density:</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**PARCEL 3:**

<table>
<thead>
<tr>
<th>Minimum Lot Size:</th>
<th>7,500 Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Street Frontage:</td>
<td>50 feet</td>
</tr>
<tr>
<td>Minimum Front Yard:</td>
<td>20 feet (0 feet between units in a multi unit building)</td>
</tr>
<tr>
<td>Minimum Side Yard:</td>
<td>20 feet for Lots abutting a residential or conservation district, 10 feet for Lots not abutting a residential or conservation district (0 feet between units in a multi unit building)</td>
</tr>
</tbody>
</table>
Minimum Rear Yard: 20 feet for Lots abutting a residential or conservation district, 10 feet for Lots not abutting a residential or conservation district (0 feet between units in a multi unit building)

Maximum Building Height: 45 feet

Maximum Lot Coverage: 40%

Density: Not more than 90 units

Minimum Lot Area/Dwelling Unit 5,000 Square feet * total acreage of parcel divided by the number of units proposed

Minimum Net Residential Density for multi-family dwellings 1,500 s.f. per unit

PARCEL 4:

Minimum Lot Size: 7,500 Square Feet

Minimum Street Frontage: 50 feet

Minimum Front Yard: 20 feet (0 feet between units in a multi unit building)

Minimum Side Yard: 20 feet for Lots abutting a residential or conservation district, 10 feet for Lots not abutting a residential or conservation district (0 feet between units in a multi unit building)

Minimum Rear Yard: 20 feet for Lots abutting a residential or conservation district, 10 feet for Lots not abutting a residential or conservation district (0 feet between units in a multi unit building)

Maximum Building Height: 35 feet

Maximum Lot Coverage: 40%

Density: Not more than 201 units

Minimum Lot Area/Dwelling Unit 25,000 s.f. *total lot acreage divided by the total number of units proposed

Minimum Net Residential Density 1 lot or unit per 15,000 s.f.

4. The permitted and conditional uses otherwise applicable to the Subject Property pursuant to Section 410 of the Saco Zoning Ordinance (including Sections 410-1 through 410-18) (the “Use Restrictions”) are hereby superceded and rendered inapplicable to the Subject Property and in their place, the following shall apply as the exclusive Use Restrictions applicable to the Subject Property and Section 410 shall be deemed amended accordingly but only as to the Subject Property:

PARCEL 1:

PERMITTED USES:

1. Dwelling units above the first floor as part of a mixed use building

17. Reserved

18. Health care clinics for humans
2. One caretaker’s apartment within a non-residential use  
3. Hotels and Motels  
4. Retail Businesses and Uses with no more than 80,000 s.f. of floor area  
5. Accessory retail sales of goods manufactured on the premises  
6. Artist and crafts person studios  
7. Eating establishments  
8. Eating and Drinking establishments  
9. Health and Fitness Clubs  
10. Private Clubs  
11. Financial Institutions with drive through  
12. Professional Offices  
13. Business Offices  
14. Personal Services  
15. Business Services  
16. Repair Services  

19. Hospitals  
20. Essential Services  
21. Animal hospitals and veterinarian offices  
22. Any use permitted in the Resource Protection District  
23. Accessory Uses  
24. Municipal Uses  
25. Public Utility Building  
26. Quasi-public Uses  
27. Public parks and playgrounds  
28. Public Schools  
29. Private Schools  
30. Commercial Schools  
31. Nursery Schools  
32. Day care center  
33. Adult day care centers, Types 1 and 2  

CONDITIONAL USES:  

1. Car washes  
2. Indoor recreation/amusement centers  
3. Enclosed sports facilities  
4. Reserved  
5. Commercial recreation  
6. Radio and TV antennas  

PARCEL 2:  

PERMITTED USES:  

1. Hotels and Motels  
2. Accessory retail sales of goods manufactured on the premises  
3. Eating establishments  
4. Eating and Drinking establishments  
5. Accessory food service facilities  
6. Artist and crafts person studios  
7. Health and Fitness Clubs  
8. Financial Institutions with drive through  
9. Professional Offices  
10. Business Offices  
11. Business Services  
12. Private Clubs  
13. Health care clinics for humans  
14. Research and testing laboratories  
15. Accessory uses  
16. Essential services  
17. Municipal uses  
18. Public Utility Building  
19. Quasi-public uses  
20. Day care center  
21. Public parks and playgrounds  
22. Commercial Schools  
23. Nursery Schools  
24. Adult day care centers, Types 1 and 2  
25. Retail uses with less than 15,000 square feet of gross floor area  
26. Funeral Homes  
27. Personal Services  
28. Reserved  
29. Indoor Recreation/Amusement Center
15. Any use permitted in the Resource Protection District
31. Reserved
32. Agriculture

CONDITIONAL USES:

1. Fully enclosed light industry with no exterior storage
2. Wireless Telecommunication Facilities
3. Wholesale Trade and Warehouses

PARCEL 3:

PERMITTED USES:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Multi family dwellings</td>
</tr>
<tr>
<td>2.</td>
<td>Professional Offices</td>
</tr>
<tr>
<td>3.</td>
<td>Businesses Offices and Services</td>
</tr>
<tr>
<td>4.</td>
<td>Reserved</td>
</tr>
<tr>
<td>5.</td>
<td>Day care center</td>
</tr>
<tr>
<td>6.</td>
<td>Adult day care center</td>
</tr>
<tr>
<td>7.</td>
<td>Accessory Uses</td>
</tr>
<tr>
<td>8.</td>
<td>Eldercare congregate living</td>
</tr>
<tr>
<td>9.</td>
<td>Community living use</td>
</tr>
<tr>
<td>10.</td>
<td>Assisted living facility</td>
</tr>
<tr>
<td>11.</td>
<td>Nursing Home</td>
</tr>
<tr>
<td>12.</td>
<td>Hospitals</td>
</tr>
<tr>
<td>13.</td>
<td>Any use permitted in the Resource Protection District</td>
</tr>
<tr>
<td>14.</td>
<td>Home occupations</td>
</tr>
<tr>
<td>15.</td>
<td>Accessory recreational uses</td>
</tr>
<tr>
<td>16.</td>
<td>Congregate Housing, including multiple individual rooms or dwelling units to be occupied as a shared living environment, which may include small individual apartments with kitchens or individual rooms, any of which may be combined with shared community space, shared dining facilities, housekeeping services, personal care services and other similar.</td>
</tr>
</tbody>
</table>

PARCEL 4:

PERMITTED USES:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Any use permitted of right in the R-2 District</td>
</tr>
<tr>
<td>2.</td>
<td>Manufactured housing units</td>
</tr>
<tr>
<td>3.</td>
<td>Multi family dwellings in structures containing no more than 8 units each</td>
</tr>
<tr>
<td>4.</td>
<td>Elderly congregate housing</td>
</tr>
<tr>
<td>5.</td>
<td>Home Occupations</td>
</tr>
<tr>
<td>6.</td>
<td>Any use permitted in the Resource Protection District</td>
</tr>
<tr>
<td>7.</td>
<td>Boarding homes</td>
</tr>
<tr>
<td>8.</td>
<td>Home baby sitting service</td>
</tr>
<tr>
<td>9.</td>
<td>Adult day care center, Type 1</td>
</tr>
<tr>
<td>10.</td>
<td>Community Center for the use of the residents of land in Parcels 3 &amp; 4</td>
</tr>
</tbody>
</table>

CONDITIONAL USES:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Any use permitted as a conditional use in the R-2 District and not otherwise listed herein as a use permitted as a matter of right</td>
</tr>
</tbody>
</table>
III. This Contract Zone is subject to the following conditions and restrictions, as provided for in Section 1403 of the Saco Zoning Ordinance:

1. Development of the mixed-use development described herein as proposed by the Applicant is allowed on the Subject Property. The residential portion of the development is restricted to purchasers and owners fifty-five (55) years of age and older, a provision that shall be incorporated into individual property deeds and all homeowners agreements and covenants.

2. All structures constructed, located, renovated or reconstructed on the Subject Property shall be connected to and serviced by the Biddeford Saco Water Company and to the municipal sanitary sewer system.

3. The portion of the Applicants’ land shown on the Project Plan as “Land to be Conveyed” shall be conveyed to the City of Saco or its designee at no cost to the City no later than three (3) years after the first Certificate of Occupancy is issued for any dwelling unit or commercial structure on the Subject Property.

4. Development on Parcels 1, 2, 3, and 4 shall be subject to either Subdivision or Site Plan review by the Planning Board as dictated by the Saco Zoning Ordinance or the Saco Subdivision Regulations.

5. City and Applicant recognize that the ‘Sketch Plan’ submitted for purposes of Contract Zone consideration is limited in scope and detail. The project is subject to site plan and subdivision review by the Planning Board, and to any and all permits, licenses or approvals which the project may be subject to by the Maine Department of Environmental Protection, the Maine Department of Transportation, the U.S. Army Corps of Engineers and all other regional, state and federal agencies.

6. No site plan or subdivision approvals shall be granted by the Planning Board prior to an executed agreement being reached between the City and the Applicant for the design, financing and construction of a functional sanitary sewer collection and conveyance system serving the subject property, all connected to the existing City of Saco sanitary sewer system.

7. The street proposed to provide access to Parcels 1, 3 and 4 shall not be constructed as to cross the brook as shown on the Project Plan prior to agreement being reached between the Applicant, City and abutters as necessary for said street to be constructed as a through street to Cascade Road.

8. Applicant is responsible for the design and construction, in consultation with the City or entity designated by the City, of an off-road trail system. Said trail system may be deeded with use restrictions but in no circumstance shall any such restrictions bar free access or prohibit passive recreation by the public. Passive recreation may include activities such as walking, hiking, birdwatching, picnicking, cross-country skiing, or nature photography. Passive recreation shall not include activities that may result result in degradation of the trail system, including but not limited to motor vehicle use, removal of vegetation beyond that necessary for trail construction, disturbance of soil beyond that necessary for trail construction, and hunting.
9. Failure of the Applicant to submit an application for subdivision review as proposed to the Planning Office for review and approval by the Planning Board within one (1) year of the approval of this Contract Zone shall render this Agreement null and void. This deadline may be extended for successive six (6) month periods at the discretion of the City Administrator upon written request submitted to the City Planning Office by the Applicant. In the event that this Contract Zone Agreement becomes null and void, the zoning applicable to the Subject Property shall revert to the Zoning in effect prior to the approval of the Contract Zone.

10. Except as addressed in this Contract Zone document, the project shall adhere to all other applicable provisions of the City of Saco Zoning Ordinance and Subdivision Regulations.

11. All details shown on the plans and application materials submitted to date and during the course of site plan and subdivision review by the Planning Board are hereby incorporated into this contract by reference. The site shall be developed in conformance with those plans and materials. Minor changes may be approved by the Planning Office of the City of Saco. Revisions to the Lot designations, lines or layouts within any Parcel may be made by the Applicant with the approval of the Planning Board but without further approval or consent of the City Council. Revisions to the Parcel boundary lines deemed by the Planning Board to be minor may be made by the Applicant with the approval of the Planning Board but without further approval or consent of the City Council. Revisions to the Parcel boundary lines deemed by the Planning Board to be significant to the Contract Zoning Agreement shall require prior approval of the City Council.

12. This Document and Contract Zone affects only the Subject Property identified herein.

13. This contract and its provisions shall specifically and exclusively apply to the Contract Zone request submitted by the Applicant.

14. This Document and the Contract Zone it creates shall not be transferable without approval by the City Council, provided however that upon receipt of final subdivision and/or Site Plan approval (as required), Lots and Units within the Subject Property shall be saleable to third parties.

15. Breach of these conditions, restrictions and/or Agreement by the developer shall constitute a breach of the contract. Said breach of contract shall constitute a zoning violation and shall be subject to enforcement action under the terms and procedures of 30-A M.R.S.A. Section 4452.

16. The Council notes that the decision to approve this Contract Zone is significantly impacted by the agreement of the Applicant to extend the public sewer from Cascade Road to and across the Subject Property, (thereby making public sewer available to the northern segment of Route 1) as well as to make possible the potential for interconnecting public streets between the Subject Property and Cascade Road, each of which are significant public benefits to the City of Saco.

IV. Pursuant to authority found in 30A M.R.S.A. Section 4352 (8), and the City of Saco Zoning Ordinance, Section 1403, and by vote of the Saco Planning Board on December 20, 2005, and the Saco City Council on ___________, 2006, the following findings are hereby adopted:

A. The Subject Property is a parcel of an unusual nature and location, for the following reasons:
1. The Subject Property consists of 236 +/- acres of contiguous land with over 1650 feet of frontage on Route 1. Route 1 is a major transportation route in southern Maine and has the ability to carry a large capacity of vehicles on a daily basis. Route 1 is also the commercial corridor in this area which also makes it conducive to commercial, retail and mixed use residential development.

2. The Subject Property is located at the Scarborough/Saco town line and therefore will serve as a gateway to the City of Saco. Such a large parcel of land with such significant frontage in this location provides a rare opportunity to master plan a mixed use development in this critical location. In addition, because of its proximity to Scarborough and Portland, the mixed use nature of this project will be attractive to a wider region rather than servicing just the City of Saco. This will assist in achieving the goal cited in the Local Economy section of the Comprehensive Plan which identifies the desire to “Maintain Saco’s role as a retail and service center for the region”

3. The Subject Property is located just east of the Maine Turnpike and North of the I-195 spur which the Saco Comprehensive Plan indicates is strategic in working with the Turnpike Authority to locate a new interchange in the Flag road/Cascade Road area of the community. This development will serve to enhance those discussions.

4. The Applicant is agreeable to conveying the portions of Tax Map 63, Lot 6 and Tax Map 64, Lot 6-1 which are within the Resource Protection District (approximately 12 acres), identified as “Land to be Conveyed” on the Plan, to the City of Saco to be permanently preserved for the benefit of the public.

B. The proposed rezoning is consistent with the Saco Comprehensive Plan, based on the following goals:

Chapter 17, Section F. Land Use, Local Goals

- “To guide development to identified growth areas that are compatible with the existing settlement pattern and that enhances the desired pattern of land use.” – The proposed uses promote a transition and mitigation of land use between residential development and commercial use.

- “To accommodate the growth of commercial and industrial activities in designated growth areas where public services and facilities are or can be provided.” – The proposed project provides significant commercial growth potential and proposes to extend public sewer to the Subject Property and across the Subject Property to Eastview Parkway and portions of Route 1 north of Cascade Road that are currently not served by public sewer.

- “To permanently protect environmentally and ecologically sensitive and scenic areas through outright purchase or conservation easements.” – The Applicant proposes to convey land within the Resource Protection district to the City, thereby protecting that land from future development.

- “To encourage a pattern of land use that can be served efficiently and that does not impose undue burden on the City’s financial resources.” – The Applicants’ development encourages
commercial development with ease of access and at a scale that will provide significant commercial expansion with substantial fiscal benefit to the City.

C. The proposed use is consistent with, but not limited to, the existing uses and permitted uses within the original zone. The proposed contract continues the permitted uses currently allowed in the underlying zoning district, while adding additional compatible uses which are anticipated to enhance the development and appearance of the project.

D. The conditions proposed are sufficient to meet the intent of Section 1403. Contract Zoning, of the Saco Zoning Ordinance.

V. Based on the above findings, conditions and restrictions, the City Council hereby incorporates this Contract Zone agreement into the Saco Zoning Ordinance by reference.

By signing this contract, both parties agree to abide by the conditions and restrictions contained herein.

Adopted by the Saco City Council on ________, 2006.

CITY OF SACO

By: ________________________
Richard Michaud
City Administrator

PRESTON PROPERTIES, LLC

By: ________________________
R. Elliott Chamberlain
Authorized Member

PARK NORTH DEVELOPMENT, LLC

By: ________________________
R. Elliott Chamberlain
Authorized Member