

# MAINE STATE HOUSING AUTHORITY

## APPLICATION

### Affordable Housing Tax Increment Financing

The Municipal Affordable Housing Development Districts statute, 30-A M.R.S.A. §§5245 – 5250-G, referred to as the "TIF Statute" in this Application, applies to affordable housing tax increment financing in Maine. The TIF Statute provides that before a municipality's designation of an affordable housing development district and its adoption of the associated affordable housing development program for the district become effective, MaineHousing must review the proposed district and development program to ensure compliance with the TIF Statute.

*All applications to MaineHousing for review of an affordable housing development district and its associated development program must be on this form and include all eight Attachments noted below.*

Sections 1 and 2 below are in fillable PDF format and may be completed on-line. After you have completed Sections 1 and 2, please print the Application and sign where indicated in Section 1.

This Application, with Attachments 1 through 8, may be submitted to MaineHousing in one of two ways:

By e-mail to Don Guild sent to [dguild@mainehousing.org](mailto:dguild@mainehousing.org), or

By mail to: Don Guild, MaineHousing, 353 Water Street, Augusta, Maine 04330

In this Application "district" means an affordable housing development district and "development program" means an affordable housing development program.

## SECTION 1 – APPLICANT INFORMATION

1-1 Name of applicant city or town: Bridgton

1-2 Municipal official submitting this Application:

Robert A. Peabody, Jr.

Printed name

Town Manager

Title

3 Chase St, Suite 1, Bridgton, ME 04009

Mailing address

(207) 647-8786

Phone number

rpeabody@bridgtonmaine.org

E-mail address

*The municipal official named above certifies that he/she has the authority to submit this Application to MaineHousing and further certifies that to the best of his/her knowledge, the information contained in this Application and its Attachments is true.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

- 1-3     **Municipal official with authority to submit annual reports to MaineHousing on the status of the district:**

\_\_\_\_\_  
Robert A. Peabody, Jr.

\_\_\_\_\_  
Town Manager

Printed name

Title

\_\_\_\_\_  
3 Chase St, Suite 1, Bridgton, ME 04009

Mailing address

\_\_\_\_\_  
(207) 647-8786

\_\_\_\_\_  
rpeabody@bridgtonmaine.org

Phone number

E-mail address

## SECTION 2 – NOTICE AND HEARING

Before designating a district or adopting a development program, the municipal legislative body must

- (a) hold at least one public hearing,
- (b) publish notice of the hearing at least 10 days before the date of the hearing in a newspaper of general circulation in the municipality,
- (c) at the hearing, consider
  - (i) whether the district and development program will contribute to the expansion of affordable housing or the betterment of the health, welfare or safety of the residents,
  - (ii) any claim by a party that the district or development program will be detrimental to that party's property interests for which substantial evidence is produced, and whether any adverse economic effect is outweighed by the availability of affordable housing or the betterment of resident health, welfare or safety.

- 2-1     **Date of public notice:** July 31, 2020

### Attachment 1 – Newspaper Notice

Include as **Attachment 1** a copy of the newspaper page showing the public notice and the newspaper name and date.

- 2-2     **Date of public hearing:** August 11, 2020

### Attachment 2 – Public Hearing Record

Include as **Attachment 2** the record of the meeting at which the public hearing was held, certified by the municipal clerk.

### Attachment 3 – Additional Documents

Include as **Attachment 3** all documentation submitted to, or prepared by, the municipality relating to items (c)(i) and (c)(ii) above.

## SECTION 3 – MUNICIPAL APPROVAL

### Conditions of municipal approval of district and development program

The TIF Statute sets out conditions for the designation of a district and adoption of a development program by a city or town. A municipality must designate a district and adopt a development program meeting these conditions.

To assist municipalities in ensuring that districts and development programs comply with the conditions of the TIF Statute, we have set out below a **Checklist in Appendix A** that can be used in designating a district and adopting a development program. The Checklist covers the conditions in the TIF Statute that need to be met in approving the district and development program. While MaineHousing does not require municipalities to fill in or follow the format of the Checklist, in reviewing a district and development program approved by a municipality, we will look for specific information in the Application materials (including the Attachments) the city or town submits to us showing compliance with all the conditions of the TIF Statute.

**IMPORTANT NOTE:** Because the TIF Statute defines a district as "a specified area within the corporate limits of a municipality that has been designated . . . to be developed" under a development program, a development program must, at a minimum, include new construction of affordable housing or rehabilitation of existing housing inside the district, or both. A municipality may not create a district for the sole purpose of capturing tax increment revenues that would result only from inflationary adjustments to property values with no development of new housing or rehabilitation of existing housing in the district.

### Attachment 4 – Municipal Approval

Include as **Attachment 4** a copy of the order or resolution and vote of the municipal legislative body approving the district and development program, certified by the municipal clerk.

### Attachment 5 – District Maps

Include as **Attachment 5** a municipal map and tax map showing the district boundaries.

### Attachment 6 – Certification of Original Assessed Value of District

Include as **Attachment 6** a dated certification signed by the municipal assessor showing the original assessed value of the district. "Original assessed value" means the taxable assessed value of the district as of the March 31<sup>st</sup> before municipal approval of the district.

**Attachment 7 – Development Program**

*Include as **Attachment 7** a copy of the development program\* approved by the municipality's legislative body.*

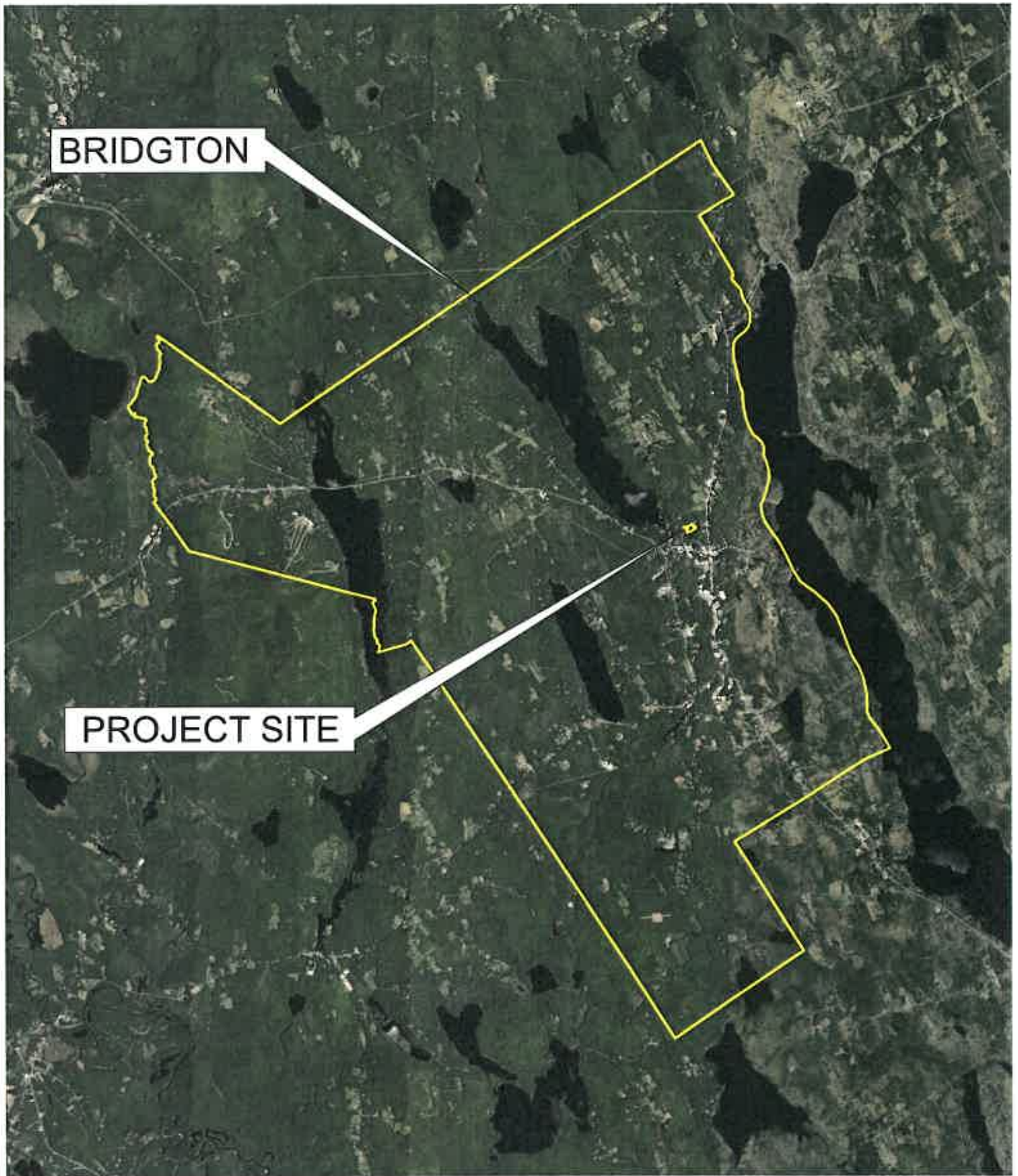
**Attachment 8 – Credit Enhancement or Other Agreement**

*Include as **Attachment 8** a copy of the credit enhancement agreement or other tax increment revenue sharing agreement, whether or not executed.*

**See Appendix A below for  
Checklist for Approval of District and Development Program**

## Attachment 5 – District Maps





**SITE LOCATION MAP**

PROJECT:  
HARRISON ROAD HOUSING  
15 HARRISON ROAD, BRIDGTON, ME

PREPARED FOR:  
DEVELOPERS COLLABORATIVE  
100 COMMERCIAL STREET, SUITE 414  
PORTLAND, MAINE 04101



PINELAND  
41 CAMPUS DRIVE, SUITE 101  
NEW GLOUCESTER, ME 04260

PORTLAND  
565 CONGRESS STREET, SUITE 201  
PORTLAND, ME 04101

207.926.5111 • info@terradync consultants.com • www.terradync consultants.com

PROJECT NO.

2009

DATE

7/21/2020

SCALE

1"=10,000'

SHEET

1

OF

1

6

5

322.29'  
480'

TOP LANE

ROCKY

3

290°

132'

14

500'

2

66'

165'

165'

14

**Attachment 6 – Certification of Original Assessed Value of District**



ASSESSOR'S CERTIFICATE OF ORIGINAL ASSESSED VALUE

TOWN OF BRIDGTON

15 HARRISON ROAD MUNICIPAL AFFORDABLE HOUSING DEVELOPMENT  
DISTRICT AND TAX INCREMENT FINANCING DISTRICT

The undersigned Assessor for the Town of Bridgton, Maine, does hereby certify that the tax map showing the boundaries of the proposed 15 Harrison Road Municipal Affordable Housing Development District and Tax Increment Financing District, as shown in Attachment 5, is an accurate depiction of the proposed District. The Original Assessed Value of the proposed District as of March 31, 2020 (April 1, 2019) was One Hundred and Fifty-Three Thousand and Twenty-Eight Dollars (\$153,028).

IN WITNESS WHEREOF, this Certificate has been executed as of this 29 day of July, 2020.

TOWN OF BRIDGTON

*Denis Berube*

By: Denis Berube

Printed name:

*Assessor's Agent*

## Attachment 7 – Development Program

**15 HARRISON ROAD MUNICIPAL AFFORDABLE HOUSING DEVELOPMENT  
AND TAX INCREMENT FINANCING DISTRICT DEVELOPMENT PROGRAM &  
FINANCIAL PLAN MATERIALS**

1. The 15 Harrison Road Municipal Affordable Housing Development and Tax Increment Financing District (the "District") is located at 15 Harrison Road in Bridgton (Tax Map 24, Lots 5 and 9). The District is approximately 7.07 acres of vacant land.

A municipal map and a tax map showing district boundaries are attached.

2. 100% of District acreage is suitable for residential use, and in need of rehabilitation/redevelopment. The District is well-located for housing as it is located off of Harrison Road (Route 117), along which other housing and businesses are located. The District includes vacant land, which is in need of redevelopment. The District will be serviced by municipal sewer and water services and will include only residential use. A portion of the District is located in the Downtown Village Business District II (DVB-II), which is intended to create a transition into Bridgton's downtown and enhance "pedestrian activity from and to the downtown, the residential neighborhoods, and into outlying districts... Rehabilitation of existing buildings and lots is encouraged." The other portion of the District is located in the Rural Neighborhood (RN) District, which is intended to "protect the rural character and natural beauty of these areas, while supporting low-density residential development...Cluster development, allowing smaller lots or condominium clusters to occupy a percentage of the land in order to preserve open space and environmental features, is encouraged." Multi-family dwellings are a permitted use in both the DVB-II District and the RN District.

3. District acreage divided by total municipal acreage is not more than 2%. The district is 7.07 acres out of a total approximately 40,900 acres in Bridgton, representing 0.017%.

4. Total acreage of all existing and proposed development districts (affordable housing and DECD districts) in municipality divided by total municipal acreage is not more than 5%. Existing and proposed development districts are 548.7 acres out of a total 40,900 acres in Bridgton, representing 1.34%.

5. The original assessed value (OAV) of the District is \$153,028 (Certificate of OAV is attached).

6. The Development Program will begin April 1, 2020 and end March 31, 2050. The municipal fiscal year is July 1 to June 30.

7. The Development Program meets an identified housing need in Bridgton. The proposed apartments at 15 Harrison Road will add approximately forty-eight units of affordable senior rental housing to the Bridgton housing stock. 100% of the units

will all be targeted to households with incomes at or below 60% of area median income (AMI).

8. The District will only include residential uses.
9. 100% of housing units in the District will be affordable housing and will be occupied by households with income not exceeding 60% of AMI.
10. The apartments at 15 Harrison Road will be developed with Low Income Housing Tax Credit equity and thus subject to an Extended Use Agreement with MaineHousing, which will be executed for the project at loan closing and a copy recorded at the registry of deeds. The Extended Use Agreement will restrict occupancy of the units to households with income not exceeding 60% of AMI. The length of the affordability period will be 45 years.
11. When completed, the apartments at 15 Harrison Road will be managed by an experienced manager of subsidized housing properties with extensive LIHTC training.

The estimated total annual cost of operations for the apartments at 15 Harrison Road is budgeted at \$310,379. The breakdown by category is as follows: administrative 24.1%; utilities 23.2%; maintenance 28%; general expenses 17.8%; and reserves 7%. The financing for operating expenses is primarily through tenant rents (96%). TIF payments made to reimburse project operating costs (4%) make up the remainder. The project will have Resident Services available via an onsite coordinator and will be managed as a smoke free building.

12. Table 1. Specific planned uses of tax increment revenues from the district. The Town intends to capture 100% of the increased assessed value of the District as captured assessed value; however, if the portion of Tax Increment Revenues to be retained by the Town cannot be fully expended on the costs identified below in any particular fiscal year, then the remainder of the tax revenues paid on increased assessed value shall be deposited into the Town's general fund. In such circumstance, the Town shall ensure that it does not receive the tax shift benefit associated with any portion of tax increment deposited into the Town's general fund.

Specific improvements or activities to be funded with tax increment revenues	Timing of each planned improvement	Amount (\$ to be funded with tax increment revenues	Amount to be funded by other sources		Location within or outside District?
			Amount	Source	
15 Harrison Road Apartment	Ongoing	Estimated \$496,800	Estimated \$17,758,209	Project Rents	Inside

Operating Costs (Administrative, Utilities, Maintenance, Insurance, Replacement Reserves)			(\$398,407 in year one with 2-3% annual increase over 30 years)		
<b>Town Use of Funds</b>					
Sidewalk repairs and replacement, new streetlights, walk signals, and signage enhancements from the District, along Harrison Road, to and including the intersection between Harrison Road and Route 302 to improve walkability and accessibility between the District and Main Street businesses and services	2021 and ongoing	Up to estimated \$150,000	Up to estimated \$50,000	Community Development Block Grants	Outside
Expand broadband service, quality, and reliability to the District to improve provision of Telemonitoring and/or Telehealth services for elderly residents in the District	Ongoing	Up to estimated \$50,000	Up to estimated \$450,000	USDA Grants and/or municipal funds	Outside
Increased capacity of wastewater treatment system to accommodate	2021 and ongoing	Up to estimated \$200,000	Up to estimated \$22,700,00	USDA and DEP Grants and taxpayers/ra tepayers	Outside

increased demand from development in the District					
New multigenerational park at Town Common to provide accessible social and recreational facilities within close proximity (500 feet) to the District	2022	Up to estimated \$100,000	Up to estimated \$350,000	Municipal funds and/or Community Development Block Grants	Outside
New van shuttle service that connects the District to destinations along the Main Street corridor and other points of interest	2022 and ongoing	Up to estimated \$200,000*	Up to estimated \$200,000	US DOT and/or Municipal Funds	Outside
		* Total share to Town = estimated \$496,800 (not all of these costs can be funded)			

13. The Total Development Cost for the apartments at 15 Harrison Road is budgeted at \$10,745,734 (see attached detailed development budget). The apartments at 15 Harrison Road will be financed primarily through Low Income Housing Tax Credits. The project will seek Low Income Housing Tax Credits in the estimated amount of \$960,000, which is projected to provide an equity yield to the project of \$8,447,155. In addition, the project will seek a Rental Loan Program subsidy of \$960,000. An itemized development budget showing all sources and uses of funds is attached. No public indebtedness will be incurred.

A valuation table is attached showing estimates of increased assessed values of the district and showing 100% of the increased assessed values to be applied as



captured assessed values and the resulting tax increments in each year of the program, and a tax shift table is attached showing a calculation of the tax shifts resulting from designation of the affordable housing development district.

14. No relocation is necessary.

15. The apartments at 15 Harrison Road is committed to following all local and state laws and regulations. The project received full planning board approval on July 21, 2020. Any environmental issues will be fully remediated as part of the Project. A qualified general contractor will be chosen with the approval of MaineHousing.

16. The Development Program is consistent with Bridgton's Comprehensive Plan, dated 2014, and complies with Maine law limiting growth-related capital investments (30-A M.R.S.A. §4349-A).

17. Bridgton does not have a municipal charter.

18. The tables following this narrative include the Financial Plan required materials and information. No public indebtedness is intended to be used for approved project costs.

15 HARRISON ROAD DEVELOPMENT BUDGET AND LOW INCOME HOUSING TAX CREDITS				
Development Budget	Residential	Commercial	Total	9% Basis
<b>ACQUISITION/DEMOLITION</b>				
Land	154,900			
Buildings				
Demolition				
<b>Subtotal Acquisition/Demo</b>	154,900		154,900	
<b>CONSTRUCTION</b>				
Site Work	526,291		526,291	526,291
Gen'l Requirements	275,972		275,972	275,972
Structures	6,501,035		6,501,035	6,501,035
Building Permit	20,472			
OH & P	309,467		309,467	309,467
Bond	47,750		47,750	47,750
Abatement				
Estimating Contingency	365,165		365,165	365,165
Construction Contingency	402,308		402,308	402,308
<b>Subtotal Construction</b>	8,448,460		8,448,460	8,427,988
<b>SOFT COSTS</b>				
Permits & fees	75,000		75,000	75,000
Engineer/Survey	65,000		65,000	65,000
Architect	265,000		265,000	265,000
Real Estate Attorney	55,000		55,000	55,000
Title Insurance & Recording	12,000		12,000	12,000
Accounting/ Cost Certification	10,000		10,000	10,000
Soft Cost Contingency	30,000		30,000	30,000
Utility Allowance	30,000		30,000	30,000
Const. Taxes & Insurance	40,000		40,000	40,000
<b>Subtotal Soft Costs</b>	582,000		582,000	582,000
<b>FINANCING EXPENSES</b>				
Constr. Loan Orig. Fee	12,000		12,000	12,000
Construction Legal & Inspection	45,000		45,000	45,000
Construction Interest	187,500		187,500	187,500
Other Financing Expenses				
Perm. Loan Orig. Fee	27,772		27,772	-
<b>Subtotal Financing</b>	272,272		272,272	244,500
<b>OTHER SOFT COSTS</b>				
Market Study	5,500		5,500	5,500
Property Appraisals	6,000		6,000	6,000
Environmental Report & Testing	15,000		15,000	15,000
Construction Oversight	-		-	-
Historic Consultant	-		-	-
Tax Credit Fees	76,500		76,500	-
FFE	40,000		40,000	40,000
Organizational Legal	255		255	
<b>Subtotal Other</b>	143,255		143,255	66,500
<b>DEVELOPER'S FEES</b>				
Developer's Ovhd. & Profit	750,000		750,000	750,000
Consultant				
<b>Subtotal development fees</b>	750,000		750,000	750,000
<b>PROJECT RESERVES</b>				
Rent Up & Marketing Reserve	48,000		48,000	-
Operating Reserve	195,301		195,301	-
Replacement Reserve	71,547		71,547	-
Prepaid Taxes & Insurance	32,000		32,000	-
Prepaid Monitoring	48,000		48,000	-
<b>Subtotal Reserves</b>	394,848		394,848	-
<b>TOTAL PROJECT COST</b>	10,745,734		10,745,734	10,070,988
<b>ELIGIBLE BASIS</b>				10,070,988
<b>LESS FEDHOME</b>				-
<b>LIHTC ELIGIBLE BASIS</b>				10,070,988
<b>APPLICABLE FRACTION</b>	100%			less fed HTC
<b>QUALIFIED BASIS</b>				10,070,987.60
<b>QUALIFIED CT ADJUSTMENT</b>	130%			13,092,284
<b>CREDIT PERCENTAGE</b>				9.00%
<b>ANNUAL LIHTC ELIGIBLE</b>				1,178,306
<b>ANNUAL LIHTC ALLOCATED</b>				1,178,306
<b>NET PROCEEDS</b>	88.00%	99.99%		8,447,155

**Captured Assessed Value & TIF Revenue Projection Table - Town of Bridgton - 15 Harrison Affordable Housing Tax Increment Financing District**

TIF Year	Tax Year- April 1	Increased Assessed Value Real Prop.	Captured Valuation @100% of Value Captured	Projected Mill Rate	Total Projected New Taxes Captured	Captured Revenue to Municipal Project Account	Captured Revenue to Developer Project Account
1	2021	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
2	2022	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
3	2023	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
4	2024	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
5	2025	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
6	2026	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
7	2027	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
8	2028	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
9	2029	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
10	2030	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
11	2031	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
12	2032	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
13	2033	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
14	2034	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
15	2035	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
16	2036	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
17	2037	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
18	2038	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
19	2039	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
20	2040	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
21	2041	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
22	2042	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
23	2043	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
24	2044	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
25	2045	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
26	2046	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
27	2047	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
28	2048	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
29	2049	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
30	2050	\$2,208,000	\$2,208,000	15.00	\$33,120	\$16,560	\$16,560
<b>30 Year TIF Total</b>		<b>\$66,240,000</b>	<b>\$66,240,000</b>		<b>\$993,600</b>	<b>\$496,800</b>	<b>\$496,800</b>

Prepared by Camoin Associates, [www.camoinassociates.com](http://www.camoinassociates.com)

**Tax Shifts-Avoided Formula Impacts from Sheltering of Valuation: Town of Bridgton - 15 Harrison  
Affordable Housing Tax Increment Financing District**

**TIF: 100% Sheltered - 50% to Developer Project Account - 50% to Municipal Project Account**

TIF Year	Tax Year- April 1	Total Added Valuation	Sheltered Valuation	Avoided Formula Impacts on Municipality from Sheltering of Valuation			
				Avoided Loss of State Aid to for Education	Avoided Loss of State Municipal Revenue Sharing	Avoided Increase in County Tax	Total Avoided Impacts
1	2021	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,500	\$19,505
2	2022	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,571	\$19,577
3	2023	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,646	\$19,652
4	2024	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,725	\$19,730
5	2025	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,807	\$19,812
6	2026	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,893	\$19,899
7	2027	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$1,983	\$19,989
8	2028	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,078	\$20,083
9	2029	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,177	\$20,182
10	2030	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,281	\$20,286
11	2031	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,389	\$20,395
12	2032	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,503	\$20,509
13	2033	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,623	\$20,628
14	2034	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,748	\$20,753
15	2035	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$2,879	\$20,884
16	2036	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,016	\$21,022
17	2037	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,160	\$21,165
18	2038	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,311	\$21,316
19	2039	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,468	\$21,474
20	2040	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,634	\$21,639
21	2041	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,807	\$21,813
22	2042	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$3,989	\$21,994
23	2043	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$4,179	\$22,184
24	2044	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$4,378	\$22,384
25	2045	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$4,587	\$22,592
26	2046	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$4,805	\$22,811
27	2047	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$5,035	\$23,040
28	2048	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$5,275	\$23,280
29	2049	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$5,526	\$23,532
30	2050	\$2,208,000	\$2,208,000	\$17,002	\$1,004	\$5,790	\$23,795
<b>30 Year TIF Total</b>		<b>\$66,240,000</b>	<b>\$66,240,000</b>	<b>\$510,048</b>	<b>\$30,119</b>	<b>\$95,759</b>	<b>\$635,926</b>

This model is based on 100% of incremental valuation captured within the TIF District and 50% of captured revenues are for the municipal development fund and 50% for the developer project fund.

Prepared by Camoin Associates, [www.camoinassociates.com](http://www.camoinassociates.com)

## Attachment 8 – Credit Enhancement Agreement

**CREDIT ENHANCEMENT AGREEMENT**

**between**

**THE TOWN OF BRIDGTON, Maine**

**and**

**DEVELOPERS COLLABORATIVE PREDEVELOPMENT LLC**

**DATED: \_\_\_\_\_, 2020**



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**EXHIBITS**

Exhibit 1 Copy of District Map

## **CREDIT ENHANCEMENT AGREEMENT**

THIS CREDIT ENHANCEMENT AGREEMENT dated as of \_\_\_\_\_, 2020, between the TOWN OF BRIDGTON, Maine (the "Town"), a municipal corporation and political subdivision of the State of Maine, and DEVELOPERS COLLABORATIVE PREDEVELOPMENT LLC, a Maine limited liability company (the "Developer")

### **WITNESSETH:**

WHEREAS, the Town designated the 15 Harrison Road Municipal Affordable Housing Development and Tax Increment Financing District (the "District") pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by action of the Town Meeting on \_\_\_\_\_ (the "Vote") and pursuant to the same Vote adopted an affordable housing development program, including a financial plan, for the District (the "Development Program"); and

WHEREAS, the Town received the approval of the District and the Development Program by the Maine State Housing Authority ("MSHA"); and

WHEREAS, in the Vote, the Town adopted the Development Program and approved this Agreement in order to induce the Developer to build an affordable rental housing project for low income seniors at 15 Harrison Road (the "Project") by enabling the Town to contribute toward the operating costs of the Project the estimated amounts contemplated by the Development Program and this Agreement; and

WHEREAS, the Project will create a significant public benefit by providing affordable housing opportunities; and

WHEREAS, in connection with the Development Program, and as contemplated thereby, the Town and the Developer have agreed to execute and deliver this Agreement; and

WHEREAS, the Town and the Developer desire and intend that this Credit Enhancement Agreement be and constitute the credit enhancement agreement contemplated by and described in the Development Program.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

### **ARTICLE I DEFINITIONS**

#### ***Section 1.1. Definitions.***

The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, unless the context clearly requires otherwise:

“Act” means chapter 206 of Title 30-A of the Maine Revised Statutes and regulations adopted thereunder, as amended from time to time.

“Agreement” shall mean this Credit Enhancement Agreement between the Town and the Developer dated as of the date set forth above, as such may be amended from time to time.

“Authority” means the Maine State Housing Authority.

“Captured Assessed Value” means the amount, stated as a percentage, of the Increased Assessed Value of the District that is retained in each Tax Year during the term of the District, as specified in Section 2.3 hereof, to fund Project costs authorized in the Development Program.

“Town” shall have the meaning given such term in the first paragraph hereto.

“Town Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District set aside for the Town established and maintained according to Article II hereof.

“Developer Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District set aside for the Developer established and maintained according to Article II hereof. Initially the sole deposits into the Developer Project Cost Subaccount shall arise from the Project.

“Current Assessed Value” means the then-current assessed value of District as determined by the Town Tax Assessor as of April 1 of each Tax Year that the District remains in effect.

“Development Program” shall have the meaning given such term in the recitals hereto.

“Development Program Fund” means the Affordable Housing Development Program Fund described in the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S.A. § 5250-A(3)(A) consisting of subaccounts further described herein.

“Director” means the Director of the Maine State Housing Authority.

“District” shall have the meaning given such term in the first recital hereto, which is more specifically comprised of approximately 7.07 acres of real property and identified in an attachment to the Development Program and any future improvements to such real property. A copy of the District map is attached hereto as Exhibit 1 for convenience.

“Effective Date of the Development Program” means the start date identified in item #6 of the Development Program.

“Fiscal Year” means July 1 to June 30 each year or such other fiscal year as the Town may from time to time establish.

“Increased Assessed Value” means, for each Fiscal Year during the term of this Agreement, the amount by which the Current Assessed Value for such year exceeds the Original

Assessed Value. If the Current Assessed Value is less than or equal to the Original Assessed Value in any given Tax Year, there is no Increased Assessed Value in that year.

“Original Assessed Value” means One Hundred Fifty-Three Thousand and Twenty-Eight dollars (\$153,028), the taxable assessed value of the District as of March 31, 2020 (April 1, 2019).

“Project” means the planned 48-unit senior affordable housing project located in the District.

“Project Cost Account” means the project cost account described in the Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5250-A(3)(A)(1) and Article II hereof.

“Property Taxes” means any and all *ad valorem* property taxes levied, charged or assessed against all property located in the District by the Town, or on its behalf.

“State” means the State of Maine.

“Tax Increment Revenues” means that portion of all real property taxes assessed and paid to the Town in any Tax Year, in excess of any state, or special district tax, upon the Captured Assessed Value.

“Tax Payment Date” means the later of the date(s) on which property taxes levied by the Town are due and payable from owners of property located within the Town, or are actually paid to the Town with respect to taxable property located within the District.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5246(16), as amended, to wit: April 1 to March 31.

### **Section 1.2. Interpretation and Construction.**

In this Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Agreement, refer to this Agreement, and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of this Agreement.

(b) Words importing a particular gender mean and include correlative words of every other gender and words importing the singular number mean and include the plural number and vice versa.

(c) Words importing persons mean and include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public or governmental bodies, as well as any natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be

solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) All approvals, consents and acceptances required to be given or made by any signatory hereto shall not be withheld unreasonably.

(f) All notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

(g) If any clause, provision or Section of this Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or Section shall not affect any of the remaining provisions hereof.

## **ARTICLE II**

### **AFFORDABLE HOUSING DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS**

#### ***Section 2.1. Creation of Development Program Fund.***

Within sixty (60) days after the Effective Date of the Development Program, the Town shall create and establish a segregated fund in the name of the Town designated as the “15 Harrison Road Municipal Affordable Housing Development and Tax Increment Financing District Program Fund” (hereinafter the “Development Program Fund”) pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5250-A(3). The Development Program Fund shall consist of the Developer Project Cost Subaccount and the Town Project Cost Subaccount, both of which are pledged to and charged with the payment of Project costs described in the Development Program, as provided in 30-A M.R.S.A. § 5250-A(3)(A)(1). The Development Program Fund is pledged to and charged with the payment of costs in the manner and priority provided in Section 3.1(b) below.

#### ***Section 2.2. Liens.***

The Town shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the Developer Project Cost Subaccount described in Section 2.1 hereof or any funds therein, other than the interest in favor of the Developer hereunder; provided, however, that nothing herein shall prohibit the creation of property tax liens on property in the District in accordance with and entitled to priority pursuant to Maine law.

#### ***Section 2.3. Captured Assessed Value; Deposits into Development Program Fund.***

(a) Each year during the term of this Agreement, commencing with the April 1, 2020 Tax Year and continuing thereafter through the April 1, 2049 Tax Year (collectively the “CEA Years”), the Town shall retain in the District one hundred percent (100%) of the Increased Assessed Value as Captured Assessed Value.



(b) For each of the CEA Years, the Town shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Tax Increment Revenues. The Town shall allocate fifty percent (50%) of the Tax Increment Revenues so deposited in the Development Program Fund to the Developer Project Cost Subaccount and the remaining fifty percent (50%) of the Tax Increment Revenues so deposited in the Development Program Fund shall be allocated to the Town Project Cost Subaccount.

#### **Section 2.4. Use of Monies in Development Program Fund.**

All monies in the Development Program Fund that are allocable to and/or deposited in the Developer Project Cost Subaccount shall in all cases be used and applied to fund fully the Town's payment obligations to the Developer as described in Articles II and III hereof. The Developer shall be obligated to use such payments for operating costs of the Project pursuant to the Development Program and Title 30-A M.R.S.A. § 5249.

#### **Section 2.5. Monies Held for Benefit of the Developer.**

All monies required to be deposited with or paid into the Developer Project Cost Subaccount under the provisions hereof and the provisions of the Development Program, and any investment earnings thereon, shall be held by the Town for the benefit of the Developer.

### **ARTICLE III PAYMENT OBLIGATIONS**

#### **Section 3.1. Developer Payments.**

(a) The Town agrees to pay the Developer, within thirty (30) days following the Tax Payment Date, all amounts then on deposit in the Developer Project Cost Subaccount.

(b) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against the real or personal property located in the District remain unpaid, because of a bona fide valuation dispute being pursued by the Developer, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value; and second, shall constitute payment of Property Taxes with respect to Captured Assessed Value, to be applied first to payment in full of the amount to be deposited in the Town Project Cost Subaccount for the year concerned; and third, to the extent of funds remaining, to payment of the Developer's share of the Tax Increment Revenues for the year concerned, to be deposited into the Developer Project Cost Subaccount.

(c) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against the real or personal property located in the District remain unpaid, for any reason other than a bona fide valuation dispute described above, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value; and second, shall

constitute payment of Property Taxes with respect to Captured Assessed Value, to be applied first to payment in full of the amount to be deposited in the Town Project Cost Subaccount for the year concerned. In such case, no payment of the Developer's share of the Tax Increment Revenues for the year concerned will be deposited into the Developer Project Cost Subaccount until such property taxes assessed against real or personal property located in the District are paid in full.

### ***Section 3.2. Failure to Make Payment.***

In the event the Town should fail to, or be unable to, make any of the payments at the time and in the amount required under the foregoing provisions of this Article III including in the event that the amount deposited into the Developer Project Cost Subaccount is insufficient to reimburse the Developer for the full amount due to the Developer under this Agreement, the amount or installment so unpaid shall continue as a limited obligation of the Town, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. The Developer shall have the right to initiate and maintain an action to specifically enforce the Town's obligations hereunder, including without limitation, the Town's obligation to deposit Tax Increment Revenues to the Developer Project Cost Subaccount and its obligation to make payment out of the Developer Project Cost Subaccount to the Developer.

### ***Section 3.3. Manner of Payments.***

The payments provided for in this Article III shall be paid directly to the Developer at the address specified in Section 8.7 hereof in the manner provided hereinabove by check drawn on the Town.

### ***Section 3.4. Obligations Unconditional.***

Subject to compliance with the terms and conditions of this Agreement, the obligations of the Town to make the payments described in this Agreement in accordance with the terms hereof shall be absolute and unconditional, and the Town shall not suspend or discontinue any payment hereunder or terminate this Agreement for any cause, other than pursuant to this Agreement or by court order or by reason of a final judgment by a court of competent jurisdiction that the District is invalid or otherwise illegal.

### ***Section 3.5. Limited Obligation.***

The Town's obligations of payment hereunder shall be limited obligations of the Town payable solely from Tax Increment Revenues pledged therefor under this Agreement. The Town's obligations hereunder shall not constitute a general debt or a general obligation or charge against or pledge of the faith and credit or taxing power of the Town, the State of Maine, or of any municipality or political subdivision thereof, but shall be payable solely from that portion of Tax Increment Revenues payable to the Developer hereunder, whether or not actually deposited into the Developer Project Cost Subaccount in the Development Program Fund. This Agreement shall not directly, indirectly or contingently obligate the Town, the State of Maine, or any other Town or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the pledge of the Tax Increment Revenues

established under this Agreement.

#### **ARTICLE IV PLEDGE AND SECURITY INTEREST**

##### **Section 4.1. Pledge of and Grant of Security Interest in the Developer Project Cost Subaccount.**

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to the Developer by the Town, according to the terms and conditions contained herein, and in order to secure the performance and observance of all of the Town's covenants and agreements contained herein, the Town does hereby grant a security interest in and pledge the Developer Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein to the Developer.

##### **Section 4.2. Perfection of Interest.**

(a) Upon written request by the Developer, the Town will establish the Developer Project Cost Subaccount described in Section 2.1 hereof as a segregated fund under the control of an escrow agent, trustee or other fiduciary selected by the Developer so as to perfect the Developer's interest therein. The cost of establishing and monitoring such a fund (including the cost of counsel to the Town with respect thereto) shall be borne exclusively by the Developer. In the event such a fund is established under the control of a trustee or fiduciary, the Town shall cooperate with the Developer in causing appropriate financing statements and continuation statements naming the Developer, or its designee, as pledgee of all such amounts from time to time on deposit in the fund to be duly filed and recorded in the appropriate state offices as required by and permitted under the provisions of the Maine Uniform Commercial Code or other similar law as adopted in the State of Maine and any other applicable jurisdiction, as from time to time amended, in order to perfect and maintain the security interests created hereunder.

(b) In the event the Developer requires the establishment of a segregated fund in accordance with this Section 4.2, the Town's responsibility shall be expressly limited to delivering the amounts required by this Agreement to the escrow agent, trustee or other fiduciary designated by the Developer. The Town shall have no liability for payment over of the funds concerned to the Developer by any such escrow agent, trustee or other fiduciary, or for any misappropriation, investment losses or other losses in the hands of such escrow agent, trustee or other fiduciary. Notwithstanding any change in the identity of the Developer's designated escrow agent, trustee or other fiduciary, the Town shall have no liability for misdelivery of funds if delivered in accordance with the Developer's most recent written designation or instructions actually received by the Town.

##### **Section 4.3. Further Instruments.**

The Town shall, upon the reasonable request of the Developer, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the provisions of this Agreement; provided, however, that no such instruments or actions shall pledge the credit of the Town except to the extent provided for in this Agreement; and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the Town with respect thereto) shall be borne exclusively by the Developer.

***Section 4.4. No Disposition of the Developer Project Cost Subaccount.***

Except as permitted hereunder, the Town shall not sell, lease, pledge, assign or otherwise dispose, encumber or hypothecate any interest in the Developer Project Cost Subaccount and will promptly pay or cause to be discharged or make adequate provision to discharge any lien, charge or encumbrance on any part thereof not permitted hereby.

***Section 4.5. Access to Books and Records.***

All books, records and documents in the possession of either of the parties to this Agreement relating to the District, the Development Program, this Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Developer Project Cost Subaccount shall at all reasonable times and upon reasonable notice be open to inspection by both parties to this Agreement, and the agents and employees of the parties to this Agreement.

**ARTICLE V  
DEFAULTS AND REMEDIES**

***Section 5.1. Events of Default.***

Each of the following events shall constitute and be referred to in this Agreement as an “Event of Default”:

(a) Any failure by the Town to pay any amounts due to the Developer when the same shall become due and payable;

(b) Any failure by the Town to make deposits into the Developer Project Cost Subaccount as and when due;

(c) Any failure by the Town or the Developer to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the Town or the Developer to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof; and

(d) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the Developer's affairs shall have been entered against the Developer or the Developer shall have consented to the appointment of a conservator or receiver

or liquidator in any such proceedings of or relating to the Developer or of or relating to all or substantially all of its property, including without limitation the filing of a voluntary petition in bankruptcy by the Developer or the failure by the Developer to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Developer.

(e) If any written representation or warranty given to the Town by the Developer is knowingly incorrect or incomplete in any material respect, other than statements made about or in agreements with the Town that were later changed by mutual consent.

(f) Any discontinuance of the District property as “affordable housing,” pursuant to the definition contained in Title 30-A M.R.S.A. Section 5246.

### ***Section 5.2. Remedies on Default.***

Subject to the provisions contained in Section 8.13, whenever any Event of Default described in Section 5.1 hereof shall have occurred and be continuing, the nondefaulting party, following the expiration of any applicable cure period, shall have all rights and remedies available to it at law or in equity, including the rights and remedies available to a secured party under the laws of the State of Maine, and may take whatever action as may be necessary or desirable to collect the amount then due and thereafter to become due, to specifically enforce the performance or observance of any obligations, agreements or covenants of the nondefaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder. Further, the non-defaulting party may elect to terminate this Agreement upon 30 days’ written notice to the defaulting party.

### ***Section 5.3. Remedies Cumulative.***

Subject to the provisions of Section 8.13 below concerning dispute resolution, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. Delay or omission to exercise any right or power accruing upon any Events of Default to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon the occurrence of an Event of Default shall not impair any such right or power or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, from time to time and as often as may be deemed expedient, by injunction or other appropriate legal or equitable remedy, strict compliance by the parties hereto with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such Events of Default be continued or repeated.

## **ARTICLE VI EFFECTIVE DATE, TERM AND TERMINATION**

### **Section 6.1. Effective Date and Term.**

Notwithstanding any other provision of this Agreement, this Agreement is conditioned upon receipt of the Director's unconditional approval of the Town's designation of the District and adoption of the Development Program. Following execution and delivery of this Agreement, the Agreement shall not be or become binding and enforceable until receipt of such unconditional approval. Upon receipt of such approval, this Agreement shall remain in full force from the Effective Date of the Development Program and shall expire March 31, 2050 or sooner upon the payment of all amounts due to the Developer hereunder and the performance of all obligations on the part of the Town hereunder, unless even sooner terminated pursuant to Section 3.4 or any other applicable provision of this Agreement.

The Town may terminate this Agreement by delivering written notice of such termination to the Developer in the event that the Developer does not receive a certificate of occupancy for the project by June 30, 2023.

### **Section 6.2. Cancellation and Expiration of Term.**

At the acceleration, termination or other expiration of this Agreement in accordance with the provisions of this Agreement, the Town and the Developer shall each execute and deliver such documents and take or cause to be taken such actions as may be necessary to evidence the termination of this Agreement.

## **ARTICLE VII ASSIGNMENT AND PLEDGE OF DEVELOPER'S INTEREST**

### **Section 7.1. Consent to Pledge, Collateral Assignment Or Grant of a Security Interest.**

The Town hereby acknowledges that the Developer may pledge, assign and grant a security interest in its right, title and interest in, to and under this Agreement as collateral for financing by a bank or financial institution to the Developer for the Project, although no obligation is hereby imposed on the Developer to make such assignment or pledge. Recognizing this possibility, the Town does hereby consent and agree to the pledge and assignment of and the grant of a security interest in all the Developer's right, title and interest in, to and under this Agreement and in, and to the payments to be made to the Developer hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof. The Town agrees upon request to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective pledgee or assignee or secured party, including without limitation recognition of the pledgee or assignee or secured party as the holder of all right, title and interest herein and as the payee of amounts due and payable hereunder and any and all such other documentation as shall confirm to such pledgee or assignee or secured party the position of such assignee or pledgee or secured party and the irrevocable and binding nature of this Agreement, and provide to the pledgee or assignee such rights and/or remedies as the parties may reasonably deem necessary for establishing, perfection and protection of its interest

herein. The Developer shall be responsible for the Town's necessary and reasonable costs of counsel with respect to any such pledge or assignment.

***Section 7.2. Transfer.***

Except as specified in Section 7.1 hereof, the Developer shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the Town, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that the Developer may without the Town's consent assign this Agreement to a limited partnership whose general partner is an affiliate of the Developer; provided, however the Developer shall notify the Town of such assignment in writing.

**ARTICLE VIII  
MISCELLANEOUS**

***Section 8.1. Successors.***

In the event of the dissolution, merger or consolidation of the Town or the Developer, the covenants, stipulations, promises and agreements set forth herein, by or on behalf of or for the benefit of such party shall bind or inure to the benefit of the successors and assigns thereof from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of such party shall be transferred.

***Section 8.2. Parties-in-Interest.***

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Town and the Developer any right, remedy or claim under or by reason of this Agreement, it being intended that this Agreement shall be for the sole and exclusive benefit of the Town and the Developer.

***Section 8.3. Severability.***

In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

***Section 8.4. No Personal Liability of Officials of the Town.***

(a) No covenant, stipulation, obligation or agreement of the Town contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the Town in his or her individual capacity, and no such person shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

(b) No covenant, stipulation, obligation or agreement of the Developer contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future officer, agent, servant or employee of the Developer in his or her individual capacity, and no official, officer, employee or agent of the Developer shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

***Section 8.5. Counterparts.***

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute but one and the same Agreement.

***Section 8.6. Governing Law.***

The laws of the State of Maine shall govern the construction and enforcement of this Agreement.

***Section 8.7. Notices.***

All notices, certificates, requests, requisitions or other communications by the Town or the Developer pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by first class mail, postage prepaid, addressed as follows:

If to the Town:

Town of Bridgton  
3 Chase Street, Suite 1  
Bridgton, Maine 04009  
Attn. Town Manager

With a copy to:

Drummond Woodsum  
84 Marginal Way, Suite 600  
Portland, ME 04101

If to the Developer:

Developers Collaborative Predevelopment LLC  
100 Commercial St, Ste 414  
Portland, ME 04101

With a copy to:

Maurice A. Selinger, III, Esq.  
Curtis Thaxter LLC  
P.O. Box 7320



Portland, ME 04112

Either of the parties may, by notice given to the other, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

***Section 8.8. Amendments.***

This Agreement may be amended only with the concurring written consent of both of the parties hereto.

***Section 8.9. Records.***

The Town shall maintain records which are adequate in all respects to make the calculation of Increased Assessed Value and Tax Increment Revenues required to calculate the deposits into the Development Program Fund hereunder, and shall provide to the Developer, upon request by the Developer, a summary of such calculations.

***Section 8.10. Reserved.***

***Section 8.11. Integration.***

This Agreement completely and fully supersedes all other prior or contemporaneous understandings or agreements, both written and oral, between the Town and the Developer relating to the specific subject matter of this Agreement and the transactions contemplated hereby.

***Section 8.12. Reserved.***

***Section 8.13. Dispute Resolution.***

In the event of a dispute regarding this Agreement or the transactions contemplated by it, the parties hereto will use all reasonable efforts to resolve the dispute on an amicable basis. If the dispute is not resolved on that basis within sixty (60) days after one party first brings the dispute to the attention of the other party, then either party may refer the dispute for resolution by one arbitrator mutually agreed to by the parties, and judgment on the award rendered by the arbitrator may be entered in any Maine state court having jurisdiction. Any such arbitration will take place in Portland, Maine or such other location as mutually agreed by the parties. The parties acknowledge that arbitration shall be the sole mechanism for dispute resolution under this Agreement. Provided however, that in the event the parties are unable to agree, within a reasonable period, on the selection of an arbitrator, either party may file suit to resolve the dispute in any court having jurisdiction within the State of Maine. This arbitration clause shall not bar the Town's assessment or collection of property taxes in accord with law, including by judicial proceedings, including tax lien thereof.

***Section 8.14. Tax Laws and Valuation Agreement.***

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the Town, by entering into this Agreement, is not excusing any non-payment of taxes by the Developer. Without limiting the foregoing, the Town and the Developer shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on the Developer's property. In addition, the Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The Town and the Developer hereby covenant and agree that the assumptions, estimates, analysis and results set forth in the Development Program shall in no way (a) 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 or abatement proceedings relating to the Developer's property for purposes of ad valorem property taxation or (b) vary the terms of this Agreement even if the actual results differ substantially from the estimates, assumptions or analysis.

*[remainder of page left blank intentionally—signatures begin on next page]*

IN WITNESS WHEREOF, the Town and the Developer have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by the duly authorized officers, all as of the date first above written.

WITNESS:

TOWN OF BRIDGTON

\_\_\_\_\_

By: \_\_\_\_\_  
Robert A. Peabody, Jr., its Town Manager,

DEVELOPERS COLLABORATIVE  
PREDEVELOPMENT LLC

\_\_\_\_\_

By: \_\_\_\_\_  
Kevin Bunker, its Manager

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**EXHIBIT 1**

Copy of District Map