

**AMENDED  
AGENDA  
SCARBOROUGH TOWN COUNCIL  
WEDNESDAY – SEPTEMBER 2, 2015  
REGULAR MEETING – 6:30 P.M.**

**NO NEW BUSINESS SHALL BE TAKEN UP AFTER 10:00 P.M.**

**Item 1.** Call to Order.

**Item 2.** Pledge of Allegiance.

**Item 3.** Roll Call.

**Order No. 15-067.** Act on the request for an executive session in consultation with legal counsel to discuss the Town's legal rights and duties as permitted by Title 1 MRSA § 405(6)(E).

**Item 4.** General Public Comments.\*

**Item 5.** Minutes: August 19, 2015 – Regular Meeting.

**Item 6.** Adjustment to the Agenda.

**Item 7.** Items to be signed: a. Treasurer's Warrants.

**\*Procedure for Addressing Council** [Posted in Chambers.]

**Order No. 15-062, 7:00 p.m. Public Hearing** and second reading on an order designating the Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District and Adopting the development program for such District.

**OLD BUSINESS:** None at this time.

**NEW BUSINESS:**

**Order No. 15-068.** First reading and schedule a public hearing on the proposed amendments to Chapter 601 – the Town of Scarborough Traffic Ordinance Section 25, Parking Restrictions, Section A. Parking Restrictions, subsection II. Higgins Beach.

**Order No. 15-069.** First reading and schedule a public hearing on the proposed amendments to Chapter 612 – the Town of Scarborough Ordinance creating Rules and Regulations for Use of Parks and Recreational Facilities by adding a new Section 19. Dressing.

**Order No. 15-070.** Act to authorize the Town Manager to sign documents authorizing acceptance of \$1,690.00 or any portion thereof, to be placed in the Asset Forfeiture Account. [This money is the Police Department's equitable share for its contribution to the investigation of criminal cases].

**Order No. 15-071.** Act to adopt the 2015/2016 School Budget Resolutions, as required by State Statute.

**Item 8.** Non Action Items.

**Item 9.** Standing and Special Committee Reports and Liaison Reports.

**Item 10.** Town Manager Report.

**Item 11.** Council Member Comments.

**Item 12.** Adjournment.

**AMENDED - AGENDA  
SCARBOROUGH TOWN COUNCIL  
WEDNESDAY – SEPTEMBER 2, 2015  
REGULAR MEETING – 6:30 P.M.**

**Order No. 15-067.** Move approval on the request for an executive session in consultation with legal counsel to discuss the Town's legal rights and duties as permitted by Title 1 MRSA § 405(6)(E).

**AMENDED - AGENDA  
SCARBOROUGH TOWN COUNCIL  
WEDNESDAY – SEPTEMBER 2, 2015  
REGULAR MEETING – 6:30 P.M.**

**Order No. 15-062.** Move approval of the second reading on an order designating the Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District and Adopting the development program for such District.

**ORDER #15-062**

**AN ORDER DESIGNATING THE AVESTA HOUSING AFFORDABLE HOUSING  
MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT AND  
ADOPTING THE DEVELOPMENT PROGRAM FOR SUCH DISTRICT**

**WHEREAS**, the Town of Scarborough (the "Town") is authorized pursuant to Chapter 206, Subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended, to designate a specified area or areas within the Town as an affordable housing municipal development and tax increment financing district and adopt a development program for such district; and

**WHEREAS**, there is a need for the development of affordable, livable housing and the containment of the costs of unplanned growth in the Town of Scarborough, in the surrounding region, and in the State of Maine; and

**WHEREAS**, the designation of the District and implementation of the Development Program will help to improve and broaden the tax base in the Town of Scarborough and improve the economy of the Town of Scarborough and the region by attracting business development to the Town; and

**WHEREAS**, the Town has held a public hearing on the question of establishing the District, in accordance with the requirements of 30-A M.R.S.A. § 5250, upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town; and

**WHEREAS**, the Town desires to designate the *Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District* (the "District") and adopt a development program for the District (the "Development Program"); and

**WHEREAS**, the Development Program includes a description of the Credit Enhancement Agreement the Town desires to enter into with the developer of the project to be located in the District on terms that include a split of tax increment financing revenues of 50% to the Town and 50% to the developer for a term of seventeen (17) years;

**WHEREAS**, it is expected that approval will be obtained from the Maine State Housing Authority ("MaineHousing") approving the designation of the District and the adoption of the Development Program for the District;

**NOW THEREFORE, BE IT ORDERED BY THE TOWN COUNCIL OF THE  
TOWN OF SCARBOROUGH, MAINE:**

**Section 1.** The designation of the District and pursuit of the Development Program will create affordable, livable housing within the Town of Scarborough, and therefore constitutes a good and valid public purpose.

**Section 2.** Pursuant to Chapter 206, Subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended, the Town hereby designates *Avesta Housing Affordable Housing*

***Municipal Development and Tax Increment Financing District*** and hereby adopts the Development Program for the District described as more particularly set forth in the documents presented to the Town Council in conjunction with this Order.

**Section 3.** Pursuant to the provisions of 30-A M.R.S.A. § 5250-A, the percentage of captured assessed value to be retained in accordance with the Development program is hereby established as set forth in the Development Program.

**Section 4.** The Town Manager 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 MaineHousing for review and approval pursuant to the requirements of 30-A M.R.S.A. Chapter 206, Subchapter 3; and further is authorized and directed to execute a Credit Enhancement Agreement consistent with the provisions of ***Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District*** Development Program as presented and approved herein and to create the accounts and take all the actions described in such agreement, if and when the Town Manager is presented with a written copy of the MaineHousing “Notice to Proceed” with respect to the Project to be located in the District.

**Section 5.** The Town Manager be and hereby is authorized and empowered at his direction from time to time to make such revisions to the Development Program for the District as he deems reasonably necessary or convenient in order to facilitate the process of review and approval of the District by MaineHousing, or for any other reason, so long as such provisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program. The Town Manager is also hereby authorized and directed to submit any reports to MaineHousing regarding the District and Development Program throughout the term of the District.

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

**Section 7.** The Town hereby finds and determines that:

- a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for residential use, blighted area or is in need of rehabilitation or redevelopment; and
- b. The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all development districts within the Town, and the total area of all development districts within the Town does not exceed five percent (5%) of the total acreage of the Town; and
- c. The original assessed value of the District plus the original assessed value of all existing affordable housing development districts within the Town does not exceed five percent (5%) of the total acreage of the Town.

d. The District and pursuit of the Development Program will contribute to the expansion of affordable housing opportunities within the municipality or to the betterment of the health, welfare or safety of the inhabitants of the Town. The Town has considered all evidence, if any, presented to it with regard to any substantial detriment to another party's existing property interests in the Town and has found and determined that such interested party's property interests in the Town are outweighed by the contribution made by the District or Development Program to the availability of affordable housing within the Town or to the betterment of the health, welfare or safety of the inhabitants of the Town.

**Section 8.** The Town Manager is authorized to file the yearly reports required by Title 30-A M.R.S.A. § 5250-E and otherwise to take all lawful actions required in the administration of the District and Development Program.

Dated First Reading: August 19, 2015

Dated Second Reading: September 2, 2015

# 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 Anne Paré sent to [apare@mainehousing.org](mailto:apare@mainehousing.org), *or*

By mail to: Anne Paré, 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: Town of Scarborough

1-2 Municipal official submitting this Application:

Thomas Hall

**Printed name**

Town Manager

**Title**

259 U.S. Route 1, P.O. Box 360, Scarborough, ME 04070-0360

**Mailing address**

207-730-4031

**Phone number**

THall@ci.scarborough.me.us

**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:**

\_\_\_\_\_  
Thomas Hall

**Printed name**

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

**Title**

\_\_\_\_\_  
259 U.S. Route 1, P.O. Box 360, Scarborough, ME 04070-0360

**Mailing address**

\_\_\_\_\_  
207-730-4031

**Phone number**

\_\_\_\_\_  
THall@ci.scarborough.me.us

**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:** \_\_\_\_\_

**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:** \_\_\_\_\_

### **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**

## Appendix A

### Checklist for 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** 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.

- ☐ District description
  - \_\_\_\_\_ Physical description of district
  - \_\_\_\_\_ Municipal map showing district boundaries
  - \_\_\_\_\_ Tax map showing district boundaries
  
- ☐ At least 25% of district acreage is suitable for residential use, blighted, or in need of rehabilitation/redevelopment
  - \_\_\_\_\_ % acreage suitable for residential use
  - \_\_\_\_\_ % blighted
  - \_\_\_\_\_ % in need of rehabilitation/redevelopment
  - \_\_\_\_\_ Physical description of district to support above
  - \_\_\_\_\_ Zoning designation where district is located
  - \_\_\_\_\_ Allowed uses in that zone
  
- ☐ District acreage divided by total municipal acreage is not more than 2%
  - \_\_\_\_\_ Total district acreage
  - \_\_\_\_\_ Total municipal acreage
  - \_\_\_\_\_ District acreage as a percent of total acreage

- ☐ 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%

\_\_\_\_\_ Total acreage of all development districts

\_\_\_\_\_ Total municipal acreage

\_\_\_\_\_ Total development district acreage as a percent of total acreage

- ☐ Original assessed value (OAV)\* of district

\_\_\_\_\_ Dated certification signed by municipal assessor showing OAV amount and date

\* OAV means the taxable assessed value of the district as of the March 31<sup>st</sup> before municipal approval of the district.

- ☐ OAV of all existing and proposed affordable housing development districts in the municipality divided by aggregate taxable property value as of the April 1<sup>st</sup> before MaineHousing approval is not more than 5%

\_\_\_\_\_ Aggregate OAV of existing and proposed districts

\_\_\_\_\_ Aggregate taxable property value as of the April 1<sup>st</sup> before MaineHousing approval

\_\_\_\_\_ Aggregate OAV as a percent of total taxable value

- ☐ Development program start and end dates

\_\_\_\_\_ First tax year (i.e., April 1 – March 31) of development program \*

\* May be any tax year specified in municipal approval. If none is specified, the development program will start during the tax year of approval.

\_\_\_\_\_ Last tax year of development program \*\*

\*\* Not more than 30 years after tax year of MaineHousing approval.

\_\_\_\_\_ Municipal fiscal year \*\*\*

\*\*\* Example: July 1 – June 30

- ☐ The development program meets an identified housing need in municipality

\_\_\_\_\_ Description of need

\_\_\_\_\_ Description of how development program meets need

\_\_\_\_\_ Number of new rental units to be constructed

- \_\_\_\_\_ Number of existing rental units to be rehabilitated
- \_\_\_\_\_ Number of new single-family homes, including condominiums, to be constructed
- \_\_\_\_\_ Number of existing single-family homes, including condominiums, to be rehabilitated

☐ District must be a primarily residential \* development

- \_\_\_\_\_ Description of residential and non-residential uses in district and acreage of each
- \_\_\_\_\_ Description of accessory uses relating to residential use

\* A district is primarily residential if the overall character of the uses in the district is residential. Residential uses include both housing and uses related to residential uses, such as recreational facilities and child care facilities available to the residents of the district and small-scale nonresidential uses that are intended to provide services primarily to the residents of the district.

☐ At least 33% of the housing units in the district must be affordable housing \*

- \_\_\_\_\_ Number of affordable single-family owner-occupied homes, including condominiums, in district
- \_\_\_\_\_ Number of affordable rental units in district
- \_\_\_\_\_ Total number of housing units in district
- \_\_\_\_\_ Affordable housing units as a percent of total units

\* Affordable housing is an owner-occupied single-family home or condominium or a rental unit for a household earning no more than 120% of area median income (AMI). The housing must be decent, safe and sanitary. Affordable housing does not include facilities such as emergency shelters, nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories, regardless of income level. No purchase price limits on homes or rent restrictions on rental units are required to establish that a unit is affordable.

2015 AMI for counties and other designated areas in Maine can be found at [http://www.huduser.org/portal/datasets/il/il15/Section8\\_IncomeLimits\\_Rev.pdf](http://www.huduser.org/portal/datasets/il/il15/Section8_IncomeLimits_Rev.pdf). After scrolling down to the Maine pages, use the information in the first column at "FY 2015 MFI: \_\_\_\_\_" for the county or other area of interest. Multiply that MFI figure by 120% to determine the maximum income level.

HUD updates AMI annually. 2015 AMI will remain in effect until HUD publishes AMI for 2016.

- ☐ Mechanism to ensure ongoing affordability of 33% of the housing units in district for required time

\_\_\_\_\_ Length of affordability period for owner-occupied single-family homes and condominiums \*

\* The minimum affordability period for single-family owner-occupied homes and condominiums is 10 years.

\_\_\_\_\_ Description of affordability mechanism for single-family owner-occupied homes and condominiums

\_\_\_\_\_ Length of affordability period for rental units \*\*

\*\* The minimum affordability period for rental units is 30 years.

\_\_\_\_\_ Description of affordability mechanism for rental units

A district may contain only homeownership units or only rental units or a combination of both, but a minimum of 33% of the total number of housing units in the district must be affordable for the required time, i.e., 10 or 30 years, depending on the housing type.

The affordable units can be fixed (particular units are subject to the affordability requirements and never change, i.e., those specific units must remain affordable during the applicable affordability period and other units cannot be substituted for them) or they can float (units initially designated as affordable may change over time and other affordable units can be substituted in their place) provided that at least 33% of the total number of housing units in the district are affordable housing at any given point in time.

Whether the units are rental or homeownership units, the affordability period begins to run when the units have been constructed or rehabilitated into decent, safe and sanitary housing and (i) are available for occupancy if the development is subject to a declaration of covenants and restrictions that requires the units to be affordable (i.e., restricted to households with income not exceeding 120% of AMI), or (ii) when the units are occupied by a household with income not exceeding 120% of AMI if the development is not subject to a declaration. The development program needs to include timing information on the development and availability for occupancy of the affordable units in the district. To comply with the TIF Statute's requirement that at least 33% of the housing units in the district be affordable housing, in a mixed-income development, the development program must provide for the construction/rehabilitation of the affordable units within a reasonable timeframe during the construction phase of the project and not leave them to the end of the project if the units will be made available for occupancy or sale as they are constructed or rehabilitated.

- ☐ Operation of housing and facilities in district

\_\_\_\_\_ Description of how housing and facilities in the district will be operated after completion

\_\_\_\_\_ Entity responsible for operation

\_\_\_\_\_ Source of operating funds

☐ Specific planned uses of tax increment revenues from the district \*

\* See §5249 of the TIF Statute for eligible uses of tax increment revenues from the district.

**IMPORTANT NOTE:** Municipalities are cautioned that a broad recitation in a development program of all or substantially all the authorized project costs listed in the TIF Statute will not be accepted by MaineHousing.

A non-residential use included in a development program may be funded with tax increment revenues from the district, provided that the non-residential use contributes to a specific, identified improvement of the health, welfare or safety of the residents of the municipality, including a specific, identified benefit to the residents of the district, or to the expansion of affordable housing within the municipality. The district and development program must otherwise comply with the requirements of the TIF Statute, including the requirement that the district be a primarily residential development. Tax increment revenues may not be used to construct new "pure" commercial facilities within a district or to rehabilitate those facilities.

\_\_\_\_\_ Description of each improvement, facility, program, or other activity included in the development program that may or will be funded in whole or in part with tax increment revenues \*

\* Include all intended uses and potential alternative uses.

\_\_\_\_\_ List which of these improvements, facilities, programs, or other activities are inside the district

\_\_\_\_\_ List which of these improvements, facilities, programs, or other activities are outside the district \*\*

\*\* To be funded with tax increment revenues, costs outside the district must be ***directly related to or made necessary*** by the creation or operation of the district. Include any supporting studies, research, estimates, and assumptions.

\_\_\_\_\_ Amount of tax increment revenues to be used for each improvement, facility, program or other activity inside and outside the district \*\*\*

\*\*\* Only the proportion of costs outside the district that are ***directly related to or made necessary*** by the creation or operation of the district may be paid with tax increment revenues.

- \_\_\_\_\_ Amount and source of other funding for the development program
- \_\_\_\_\_ Timing of each planned improvement, facility, program, or other activity

- ☐ A municipality may use tax increment revenues from a district to establish a permanent housing development revolving loan fund or investment fund. \*

- \_\_\_\_\_ A description of the fund, including type, purpose, operation, and provisions for repayment or return of fund proceeds to the fund
- \_\_\_\_\_ The timing of the establishment and use of the fund
- \_\_\_\_\_ The property to be purchased with investment fund proceeds and the housing to be developed with revolving loan fund proceeds and timing
- \_\_\_\_\_ The location of the property and the housing

\* A permanent housing development revolving loan fund or investment fund must be used solely for the development of affordable housing as defined above.

Loans made from a revolving loan fund must be repaid to the municipality, and all loan repayments must be deposited into that loan fund and used for additional loans for the development of affordable housing. Loans may be made from the revolving loan fund for both new construction of affordable housing and the rehabilitation of existing housing.

Funds in an investment fund may be used only for the purchase of property by the municipality for the development of affordable housing by the municipality itself or by a developer to which the municipality sells or leases the property. All sales proceeds or rental revenues must be placed in the investment fund and used for additional purchases of property by the municipality for that purpose.

Creating a district around an existing residential area for the purpose of funding a revolving loan fund or investment fund still requires that there be some development of affordable housing within the district, whether new construction or the rehabilitation of existing housing, or both.

Because revolving loan funds and investment funds are capitalized with tax increment revenues resulting from the development of affordable housing in a district and proceeds disbursed from a loan or investment fund are required to be returned to the fund, it is not necessary for a municipality to make any further showing that costs of establishing a permanent housing development revolving loan fund or investment fund are directly related to or made necessary by the district.

- ☐ A financial plan showing for each year the development program will be in effect

- \_\_\_\_\_ An estimate of increased assessed value \* of the district (including assumptions)

\* Increased assessed value is the amount, if any, by which the current assessed value as of the most recent April 1<sup>st</sup> exceeds OAV.

\_\_\_\_\_ Amount or percent or method or formula for determining amount or percent of increased assessed value to be retained as captured assessed value \*\* and applied to pay development program costs and resulting tax increment \*\*\*

\_\_\_\_\_  
\*\* Captured assessed value is the portion of increased assessed value that is used from year to year to finance the project costs authorized under the development program.

\_\_\_\_\_  
\*\*\* Tax increment means the municipal real estate taxes assessed on the increased assessed value of the property in the district.

\_\_\_\_\_ Calculation of estimated tax shifts showing the effect on the municipality's state revenue sharing, education subsidies, and county taxes resulting from creation of district and the capture of increased assessed value. \*\*\*\*

\_\_\_\_\_  
\*\*\*\* Use the tax shift formulas in **Appendix B** to this Application to calculate tax shifts.

\_\_\_\_\_ Allocation of total tax increment revenues from the district

\_\_\_\_\_ Portion \* to be allocated to project owner

\_\_\_\_\_ Portion \* to be allocated to municipality

\_\_\_\_\_  
\* May be stated as a percent or amount or by formula.

\_\_\_\_\_ Copy of credit enhancement or other tax increment revenue sharing agreement (whether or not executed)

☐ Relocation plan for persons temporarily or permanently displaced by development activities

\_\_\_\_\_ Relocation plan description, or

\_\_\_\_\_ Statement that no relocation is necessary

☐ Description of environmental controls to be applied

\_\_\_\_\_ Statement regarding environmental controls, such as permitting and licensing or use of environmental mitigation measures during development and operation of district

☐ Development program consistent with comprehensive planning

\_\_\_\_\_ Date of comprehensive plan final adoption

\_\_\_\_\_ Statement of no conflict with comprehensive plan

\_\_\_\_\_ Statement indicating how development program complies with Maine law limiting growth-related capital investments (see 30-A M.R.S.A. §4349-A)

☐ District not in conflict with municipal charter

\_\_\_\_\_ Statement of no conflict with municipal charter

☐ **For municipal debt financing only:** Amount of public debt with maximum 30-year maturity to be incurred to finance development program costs

\_\_\_\_\_ Principal amount, maturity and type of each municipal debt issuance

\_\_\_\_\_ List of improvements inside the district \* to be financed with municipal debt

|                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <p>* Under §5250-D of the TIF Statute, municipal debt may be issued to finance only development program costs <u>inside</u> the district.</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------|

## Appendix B

### Tax Shift Formulas

**To calculate the state education subsidy tax shift:** For fiscal year 2015 – 2016 and each subsequent fiscal year, the state education subsidy formula is based on the average of the certified state valuations for the three (3) most recent years prior to the most recently certified state valuation. The education tax shift is computed by comparing Maine Department of Education Form ED 279 for the municipality with and without retained captured assessed value. The difference in the actual education subsidy and the adjusted education subsidy represents the projected state education subsidy tax shift for that year.

**To calculate the state revenue sharing tax shift:** The first step in determining the revenue sharing tax shift is to obtain the total municipal revenue sharing amount from the State Treasurer. The five steps outlined in the following formula are then applied ("CAV" below means projected captured assessed value):

$$\text{Step 1: } \frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation}} = \text{Current Factor}$$

$$\text{Step 2: } \frac{\text{Municipal Population} \times \text{Local Property Tax Levied}}{\text{State Local Valuation} + \text{CAV}} = \text{Adjusted Factor}$$

$$\text{Step 3: } \frac{\text{Current Factor} - 1.0}{\text{Adjusted Factor} - 1.0} = 1.X$$

$$\text{Step 4: } 1.X - 1.0 = .X$$

$$\text{Step 5: } .X (\text{total municipal revenue sharing amount}) = \text{Revenue sharing tax shift}$$

**To calculate the county tax shift:** The steps in determining the county tax shift are as follows ("CAV" below means projected captured assessed value):

Step 1: Obtain the most recent County State Valuation from Maine Revenue Services.

Step 2: Determine the average CAV for the District over the life of the District.

Step 3: Determine the municipality's current share of the county tax:

$$\frac{\text{Current State municipal valuation}}{\text{Current State county valuation}}$$

Step 4: Determine what the municipality's share of the county tax would be if the new value from the District were added to the municipal valuation without the creation of the District:

$$\frac{\text{Current State municipal valuation} + \text{average new value}}{\text{Current State county valuation} + \text{average new value}} = \% \text{ of county tax shift}$$

- Step 5: Determine the estimated average annual county tax over the life of the District. To arrive at this number, determine the average change in county tax for the last five (5) years and the percentage increase projected to the middle of the District's life.
- Step 6: Multiply the projected tax from Step 5 by the percent of county tax shift from Step 4 to determine the county tax shift.

**ATTACHMENTS**  
**to Maine State Housing Authority**  
**Affordable Housing Tax Increment**  
**Financing Application**

**NOTICE OF PUBLIC HEARING  
TOWN OF SCARBOROUGH  
regarding  
The Designation of the Affordable Housing Municipal Development and Tax Increment  
Financing District to be Known As The  
“Avesta Southgate Affordable Housing Development District” and the Adoption of a  
Development Program**

Notice is hereby given that the Town of Scarborough will hold a public hearing at its Town Council Meeting on

**September 2, 2015,  
at  
\_\_\_\_\_ [STREET ADDRESS] \_\_\_\_\_ Scarborough, Maine,  
The Public Hearing will be at \_\_\_\_\_ pm**

The purpose of the public hearing is to receive public comments on the designation of this affordable housing municipal development and tax increment financing district, the adoption of a development program for the district and the execution of a credit enhancement agreement between Avesta Southgate LP and the Town of Scarborough, Maine all pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The proposed District relates to certain property located in the area identified on Town of Scarborough Tax Maps as Map 34, Lot 37.

A copy of the materials will be on file with the Town Clerk prior to the Public Hearing. All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time.

## Attachment 2 – Public Hearing Minutes

## Attachment 3 – Additional Documents (See Attachment 4)

**ORDER #15-062**

**TOWN COUNCIL**

**AN ORDER DESIGNATING THE AVESTA HOUSING AFFORDABLE HOUSING  
MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING DISTRICT AND  
ADOPTING THE DEVELOPMENT PROGRAM FOR SUCH DISTRICT**

**WHEREAS**, the Town of Scarborough (the "Town") is authorized pursuant to Chapter 206, Subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended, to designate a specified area or areas within the Town as an affordable housing municipal development and tax increment financing district and adopt a development program for such district; and

**WHEREAS**, there is a need for the development of affordable, livable housing and the containment of the costs of unplanned growth in the Town of Scarborough, in the surrounding region, and in the State of Maine; and

**WHEREAS**, the designation of the District and implementation of the Development Program will help to improve and broaden the tax base in the Town of Scarborough and improve the economy of the Town of Scarborough and the region by attracting business development to the Town; and

**WHEREAS**, the Town has held a public hearing on the question of establishing the District, in accordance with the requirements of 30-A M.R.S.A. § 5250, upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town; and

**WHEREAS**, the Town desires to designate the *Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District* (the "District") and adopt a development program for the District (the "Development Program"); and

**WHEREAS**, the Development Program includes a description of the Credit Enhancement Agreement the Town desires to enter into with the developer of the project to be located in the District on terms that include a split of tax increment financing revenues of 50% to the Town and 50% to the developer for a term of seventeen (17) years;

**WHEREAS**, it is expected that approval will be obtained from the Maine State Housing Authority ("MaineHousing") approving the designation of the District and the adoption of the Development Program for the District;

**NOW THEREFORE, BE IT ORDERED BY THE TOWN COUNCIL OF THE  
TOWN OF SCARBOROUGH, MAINE:**

**Section 1.** The designation of the District and pursuit of the Development Program will create affordable, livable housing within the Town of Scarborough, and therefore constitutes a good and valid public purpose.

**Section 2.** Pursuant to Chapter 206, Subchapter 3 of Title 30-A of the Maine Revised Statutes, as amended, the Town hereby designates ***Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District*** and hereby adopts the Development Program for the District described as more particularly set forth in the documents presented to the Town Council in conjunction with this Order.

**Section 3.** Pursuant to the provisions of 30-A M.R.S.A. § 5250-A, the percentage of captured assessed value to be retained in accordance with the Development program is hereby established as set forth in the Development Program.

**Section 4.** The Town Manager 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 MaineHousing for review and approval pursuant to the requirements of 30-A M.R.S.A. Chapter 206, Subchapter 3; and further is authorized and directed to execute a Credit Enhancement Agreement consistent with the provisions of ***Avesta Housing Affordable Housing Municipal Development and Tax Increment Financing District*** Development Program as presented and approved herein and to create the accounts and take all the actions described in such agreement, if and when the Town Manager is presented with a written copy of the MaineHousing “Notice to Proceed” with respect to the Project to be located in the District.

**Section 5.** The Town Manager be and hereby is authorized and empowered at his direction from time to time to make such revisions to the Development Program for the District as he deems reasonably necessary or convenient in order to facilitate the process of review and approval of the District by MaineHousing, or for any other reason, so long as such provisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program. The Town Manager is also hereby authorized and directed to submit any reports to MaineHousing regarding the District and Development Program throughout the term of the District.

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

**Section 7.** The Town hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for residential use, blighted area or is in need of rehabilitation or redevelopment; and

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

c. The original assessed value of the District plus the original assessed value of all existing affordable housing development districts within the Town does not exceed five percent (5%) of the total acreage of the Town.

d. The District and pursuit of the Development Program will contribute to the expansion of affordable housing opportunities within the municipality or to the betterment of the health, welfare or safety of the inhabitants of the Town. The Town has considered all evidence, if any, presented to it with regard to any substantial detriment to another party's existing property interests in the Town and has found and determined that such interested party's property interests in the Town are outweighed by the contribution made by the District or Development Program to the availability of affordable housing within the Town or to the betterment of the health, welfare or safety of the inhabitants of the Town.

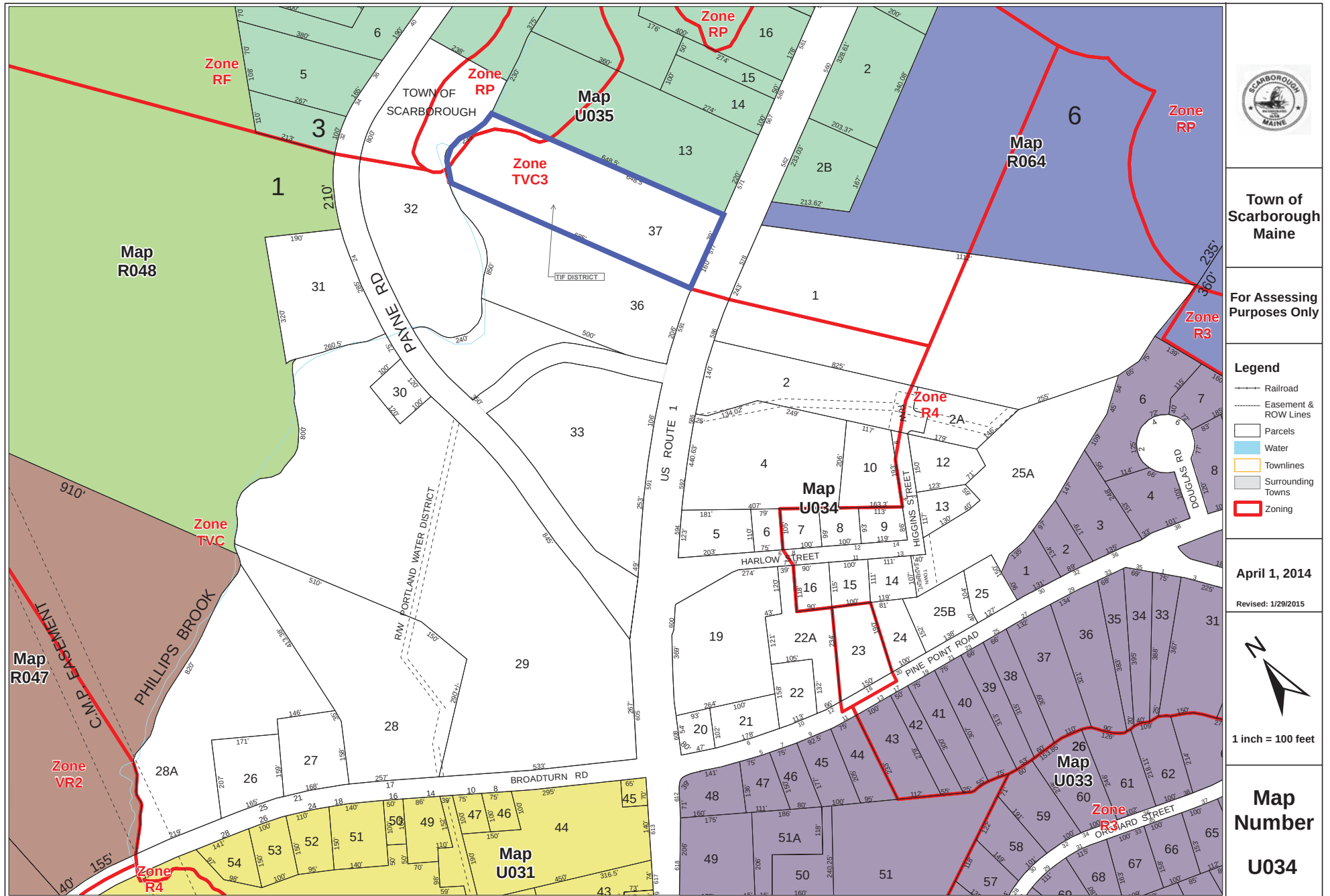
**Section 8.** The Town Manager is authorized to file the yearly reports required by Title 30-A M.R.S.A. § 5250-E and otherwise to take all lawful actions required in the administration of the District and Development Program.

Dated First Reading: August 19, 2015

Dated Second Reading: September 2, 2015

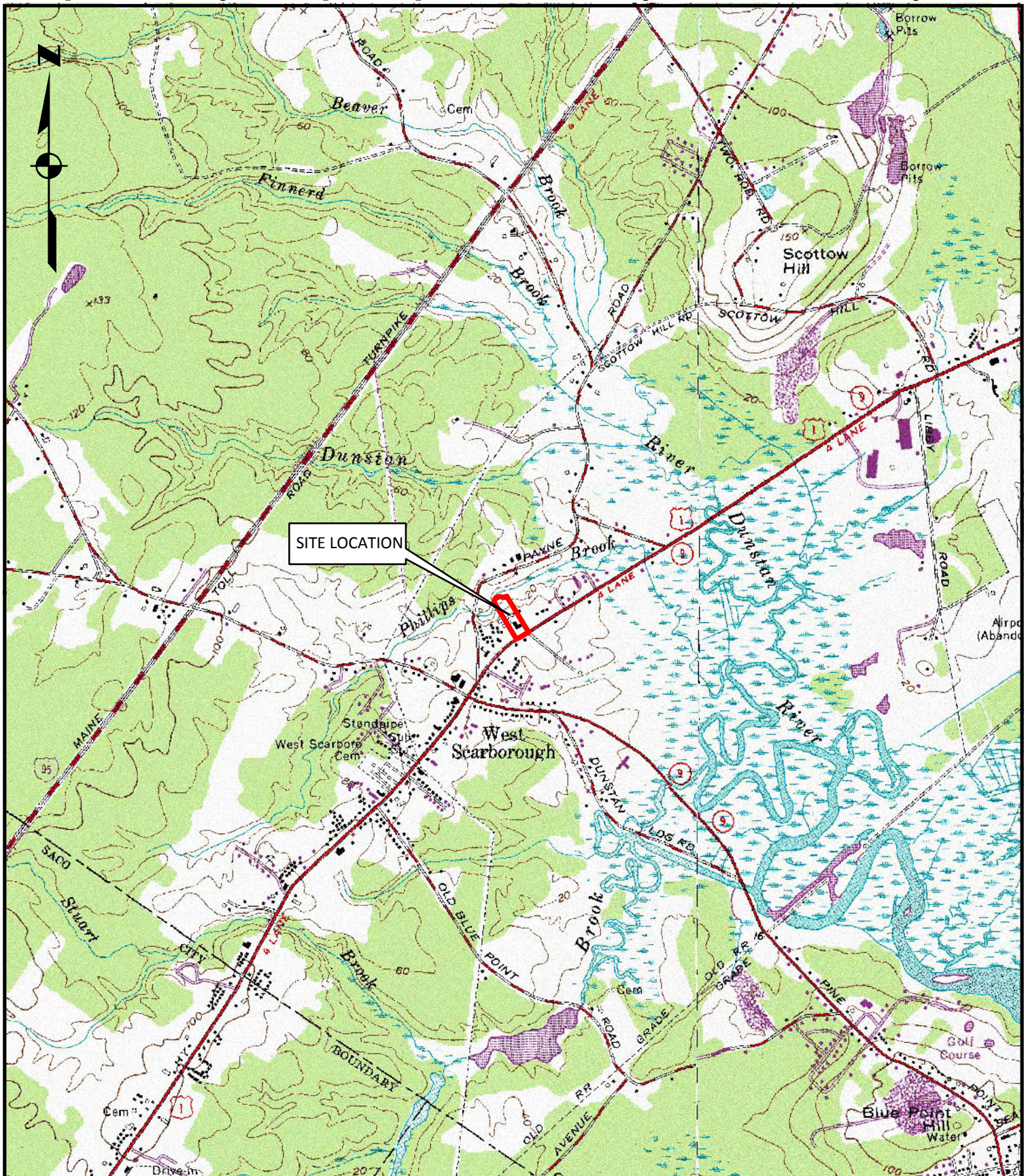
# Attachment 5:

## Map of Avesta Southgate Municipal Development Affordable Housing and Tax Increment Financing District



# Attachment 5:

## Map of Avesta Southgate Municipal Development Affordable Housing and Tax Increment Financing District



**SEBAGO**  
TECHNICS

WWW.SEBAGOTECHNICS.COM

75 John Roberts Rd. - Suite 1A  
South Portland, ME 04106  
Tel. 207-200-2100

250 Goddard Rd. - Suite B  
Lewiston, ME 04240  
Tel. 207-783-5656

### SITE LOCATION MAP OF: SOUTHGATE HOUSE

LOCATION:

577 US ROUTE 1  
SCARBOROUGH, MAINE

INFORMATION:

USGS QUADRANGLES  
(OLD ORCHARD BEACH & PROUTS NECK)

SCALE: 1" = 2,000'

DATE: 04/09/15

TOWN OF SCARBOROUGH, MAINE  
AVESTA SOUTHGATE MUNICIPAL DEVELOPMENT AFFORDABLE HOUSING AND TAX  
INCREMENT FINANCING DISTRICT

ASSESSOR'S CERTIFICATE

The undersigned Assessor for the Town of Scarborough, Maine, does hereby certify pursuant to the provisions of 30-a M.R.S.A. §5250-A(2) that the taxable assessed value for all taxable real and taxable personal property within the Avesta Southgate Municipal Development Affordable Housing and Tax Increment Financing District, as delineated on a map included in the Development Program, to which this Certificate is attached, as \$442,100.00 as of March 31, 2015 (April 1, 2014).

IN WITNESS WHEREOF, This Certificate has been executed as of this \_\_\_\_ day of \_\_\_\_\_, 2015.

ASSESSOR

\_\_\_\_\_

Printed name: Matthew Sturgis

# Attachment 7

## Development Program - Avesta Housing Affordable Housing TIF

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### 1. District Description

The subject property located at 577 U.S. Route One (hereafter referred to as the “site”) is situated on the north side of U.S. Route One, approximately 400 feet northeast of the Payne Road intersection with U.S. Route One in Scarborough, Maine. The subject parcel is approximately rectangular in shape, and encompasses an area of about 2.8 acres. The District is made up of one lot identified on the Town of Scarborough Tax map 34 as lot 37.

The property is bordered to the southeast by U.S. Route One, to the southwest by commercial property currently operated as the Gurley Antiques Gallery, to the northeast by property recently operated as Estabrook’s Garden Center, and to the northwest by Phillips Brook and wooded land. Properties across U.S. Route One, where developed, are in predominantly commercial use. Site development is focused on the southeastern half of the parcel, adjacent to U.S. Route One, and consists of one large residential building, two smaller residential structures, and two barns. The site is presently utilized as multi-tenant residential apartments and storage. Public water supply and sewer utilities serve the property and surrounding area.

Topographically, the developed portion of the subject property is relatively flat-lying. Surface drainage is generally to the north toward Phillips Brook, a tributary of the Nonesuch River. Land use is generally commercial in the vicinity of the site. According to the Town of Scarborough, the subject parcel is zoned as “TVC3”, Town and Village Centers Fringe.

Discussions with Kyle Ambler of Avesta Housing LP indicate that the large residential building was probably constructed as a farmhouse circa 1800 and the barns around 1805. Dates of construction for the two smaller buildings are not known; one of the buildings is a two story structure currently used as tool storage and a residential apartment, and the other is a single story residence.

See Attachment 5 for a municipal and tax map showing the district boundaries.

### 2. Suitability

*“At least 25% of district acreage is suitable for residential use, blighted, or in need of rehabilitation/redevelopment”*

The District suitability is constrained by a Resource Protection District and a Shoreland Overlay Zone. The portion of the District falling into these zones totals approximately 0.9 acres or about 30% of the site. Note that the portion of the District within the restricted portion of the Shoreland Overlay Zone is not shown in the Residential Suitability Analysis chart on page 4, but was subsequently provided by the Developer’s engineering consultant as requested by the Town. The analysis in the following table indicates that approximately 70% of the District acreage is suitable for residential use, which satisfies the 25% suitability requirement.

|                                                                                 |               |
|---------------------------------------------------------------------------------|---------------|
| Total acres of District                                                         | 3.08          |
| Portion of District Located in Resource Protection District (acres)             | (0.21)        |
| Portion of District within Restricted Portion of Shoreland Overlay Zone (acres) | (0.71)        |
| <b>Acreage Suitable for Residential use</b>                                     | <b>2.16</b>   |
| <b>Percent of district acreage suitable for residential use</b>                 | <b>70.23%</b> |

## Physical Description of District

*“to support above”*

### **Composite Analysis**

A Composite Analysis Plan has been prepared depicting the general location of development limitations on the site. The constraints can be organized in three distinct areas: the Resource Protection (RP) Zone; historic buildings; Shoreland Zone and areas that consist of steep slopes or limited soils. The remaining areas can support development with minimal constraints. Any construction in the areas of steeper slopes or limited soils can be developed with engineering investigations and design considerations typical of projects of this scope.

Although the sloping land at the rear of the site presents design challenges it provides opportunities to minimize the massing and apparent height of the proposed building, as it follows the terrain.

### **Severe Constraints: Resource Protection (RP) Zone**

The RP Zone within the project boundary is limited to approximately 0.2 acres and is located at in the north end of the site. The RP Zone includes Phillips Brook to the north. The wooded area adjacent to the RP zone consists of moderately steep, steeper, and a gully. This area is denoted on the plan as an area of severe constraints. There is no proposed development within the RP zone.

### **Moderate Constraint: Historic Buildings**

The existing farmhouse and two barns are identified as historically significant and will be maintained and redeveloped as part of the project. These buildings are identified as moderate constraints, as they can be developed. However, there are historic preservation requirements that increase the cost of the project and limit some site design opportunities.

Maintaining the significant historic characteristics is a key consideration for the owner and is a primary driver for a Contract Zone for the development.

### **Moderate Constraint: Shoreland Overlay Zone**

The Shoreland Overlay zone extends 250 feet from the wetlands associated with Phillips Brook. This area represents moderate constraints based on the Shoreland Zone’s limitations on impervious cover. The proposed concept plan meets the Shoreland Zone limitations.

**Moderate Constraints: Limited Soils and Slopes**

The rear of the proposed development area comprising approximately 2 acres within the Shoreland Overlay Zone is underlain with Suffield Silt Loam soils and associated wetlands that fall outside of the RP zone. The silt loam soils are not as ideal as the sandy loam soils that are found at the center and south end of the site. The constraints presented by the soils and slopes in this area are mitigated by the building design. The lower floors of the building step down in elevation to the rear of the site and the building steps back to the east, mimicking the pattern of the existing barns and maintaining the foundation and lower floors close to the existing grades.

## Residential Suitability Analysis

| Section IV Definitions                                                                                                                                                                                                                                                                                                                                                                                                              | Area<br>(Sq Ft) | Are<br>(Acres) | Comments                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|-------------------------------------------------|
| <b>Net Residential Acreage [Ammended 09/05/07]:</b> The area of a tract or parcel of land, which is suitable for development, determined by subtracting, in order, the following from the total acreage of the tract or parcel                                                                                                                                                                                                      |                 |                |                                                 |
| Lot Area Total (sf)                                                                                                                                                                                                                                                                                                                                                                                                                 | 134,247         | 3.08           |                                                 |
| 1. Portions of the tract or parcel which, because of existing land uses or lack of access, are isolated and unavailable for building purposes or for use in common with the remainder of the tract or parcel, as determined by the Planning Board.                                                                                                                                                                                  | 0               | 0              |                                                 |
| 2. Portions of the tract or parcel shown to be in the floodway or coastal high hazard area as designated on the Department of Housing and Urban Development flood boundary and floodway map or flood insurance rate map.                                                                                                                                                                                                            | 0               | 0              |                                                 |
| 3. Portions of the tract or parcel which are unsuitable for development in their natural state due to topographical, drainage or subsoil conditions such as, but not limited to, (a) water table at the surface for all or part of the year, or (b) unstable soil such as Sebago mucky peat, costal dune or tidal marsh, as determined by the building inspector subject to review by the Planning Board in the event of a dispute. | 0               | 0              | All Wetlands on site are located in the RP Zone |
| 4. Portions of the tract or parcel subject to rights of way or easements.                                                                                                                                                                                                                                                                                                                                                           | n/a             | n/a            |                                                 |
| 5. Portions of the tract or parcel located in the resource protection district, except land above the upland edge of a wetland, pursuant to the Shoreland Zoning Ordinance for the Town of Scarborough, Maine. (8/5/92)                                                                                                                                                                                                             | -9,050          | -0.21          |                                                 |
| 6. Portions of the tract or parcel covered by surface water bodies.                                                                                                                                                                                                                                                                                                                                                                 | 0               | 0.0            | Stream area is located in the RP Zone           |
| 7. Portions of the tract or parcel utilized for storm water management facilities.                                                                                                                                                                                                                                                                                                                                                  | n/a             | n/a            | N/A for Multiplex Residential Use in TVC3 Zone  |
| <b>Remaining Land</b>                                                                                                                                                                                                                                                                                                                                                                                                               | <b>125,197</b>  | <b>2.87</b>    |                                                 |
| 8. 10% of the acreage remaining after the foregoing subtractions have been made, as an allowance for roads and parking, irrespective of the actual area proposed for roads and parking.                                                                                                                                                                                                                                             | n/a             | n/a            | Not Applicable in TVC3 Zone                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |                |                                                 |
| <b>Net Residential Area (SF) TVC3 Zone</b>                                                                                                                                                                                                                                                                                                                                                                                          | <b>125,197</b>  | <b>2.87</b>    |                                                 |

## Zoning Designation & Allowed uses

### **Zone:** TVC3- Town and Village Centers Fringe District

The underlying zoning of the site is Town and Village Centers Fringe (TVC3). This district provides for a range of residential uses including multifamily dwellings. The goal of the district is to supplement the TVC District in encouraging the creation and persistence of Scarborough's town and village centers, with development at a scale and uses at an intensity compatible with surrounding areas. This medium intensity mixed use district allows a range of land uses that are intended to compliment the core development pattern and uses in our town and village centers as well as serve as a transition between these centers and surrounding land uses.

The proposed redevelopment of the existing farmhouse and new multi-family building is designed to preserve and reuse the historic structures with the new building reflecting the style, lines and patterns of the historic barns that are to be preserved. The new building is designed within the context and pattern of the terrain. The building will be three stories in the front and will take advantage of existing slopes to create a walkout lower level for a total of four stories in the rear. As the building steps down a level, it is set back toward the right (west property line) behind the rear barn, mirroring the historic pattern on the site.

The TVC3 zone allows multifamily dwellings limited to not more than twelve (12) dwelling units per building (must be served by public sewer). Avesta Housing has applied for a contract zone modification to allow up to 42 units in the proposed new building.

### **Specific Allowed Uses Under Zoning Ordinance:**

#### RESIDENTIAL USES:

1. Single family detached dwellings, not permitted on lots fronting Route 1
2. Two family dwellings, not permitted on lots fronting Route 1
3. Multifamily dwellings limited to no more than twelve (12) dwelling units per building (must be serviced by public sewer)[amended 04/06/2011]
4. Multiplex dwellings (must be serviced by public sewer)[amended 04/06/2011]
5. Townhouses limited to no more than eight (8) dwelling units per building (must be serviced by public sewer)[amended 04/06/2011]
6. Senior housing (must be serviced by public sewer)[amended 04/06/2011] 7. Accessory units subject to the performance standards of Section IX.J. (02/15/12)

#### MIXED USES:

7. Dwelling units within a mixed use building limited to no more than eight (8) dwelling units per building if served by public sewer and two (2) units per building if served by on-site sewage disposal. Permitted residential uses mixed with special exception uses requires special exception approval by the Zoning Board of Appeals under Section IV(I). [amended 04/06/2011]
8. Live/Work Units

NON-RESIDENTIAL USES: The following non-residential uses are limited to 1,000 square feet of floor area per unit of occupancy.

9. Retail sales and services, excluding car washes, and outdoor sales and services

The following non-residential uses are limited to 5,000 square feet of floor area per unit of occupancy.

10. Business services and business offices
11. Professional offices
12. Financial, insurance and real estate offices
13. Personal services
14. Non-municipal government offices
15. Restaurants with no drive-through service
16. Non-residential institutional uses, including educational, religious, philanthropic, fraternal, or social institutions, which are not otherwise permitted uses in this section
17. Funeral homes
18. Group day care homes, Day care center facilities and Nursery schools
19. Family Day Care Homes, subject to the standards and conditions of Section IV(I)(6), except that Board of Appeals review is not required
20. Health clubs, except that health clubs are not permitted in the Black Point Neighborhood Center TVC3 District located adjacent to Black Point Road and Highland Avenue.

The following non-residential uses are limited to 36,000 square feet of floor area per establishment.

21. Hotels, motels and bed and breakfast establishments except that hotels and motels are not permitted in the Black Point Neighborhood Center TVC3 District located adjacent to Black Point Road and Highland Avenue. [amended 04/06/2011] The following non-residential uses are not limited in square footage of floor area per unit of occupancy.

22. Municipal buildings and uses
23. Elementary and secondary schools
24. Place of worship
25. Accessory uses (excluding outdoor storage) including accessory agricultural activities subject to the performance standards of Section IX.P [Amended 05/05/10]
26. Libraries and museums

#### SPECIAL EXCEPTIONS

1. Nursing homes.
2. Boarding care facility for the elderly.
3. Public utility facilities.
4. Telecommunication facility.
5. Adjunct Uses, Place of Worship.
6. Home occupations. Special exception approval is required only for those professions or occupations not otherwise allowed as permitted uses under subsection (B)

### 3. District Acreage Requirements

*“District Acreage divided by total municipal acreage is not more than 2%”*

As shown in the table below, the district acreage divided by total municipal acreage does not exceed the 2% threshold.

|                                                |        |
|------------------------------------------------|--------|
| Total district acreage                         | 3.08   |
| Total municipal acreage                        | 34,560 |
| District acreage as a percent of total acreage | 0.009% |

*“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%”*

As shown in the table below, the total acreage of all existing and proposed development districts in the Town divided by total municipal acreage does not exceed the 5% threshold.

|                                                                  |        |
|------------------------------------------------------------------|--------|
| Total acreage of all development districts                       | 1,171  |
| Total municipal acreage                                          | 34,560 |
| Total development district acreage as a percent of total acreage | 3.4%   |

## 4. Original Assessed Value (OAV)

OAV of District as of 3/31/2015: \$442,100.00

Note that OAV includes both taxable real and taxable personal property

See Attachment #6 for certification by municipal assessor

OAV of all existing and proposed affordable housing Districts in the Municipality:

*“OAV of all existing and proposed affordable housing development districts in the municipality divided by aggregate taxable property value as of the April 1<sup>st</sup> before MaineHousing approval is not more than 5%.*

|                                                                                               |                 |
|-----------------------------------------------------------------------------------------------|-----------------|
| Aggregate OAV of existing and proposed districts                                              | \$3,072,900     |
| Aggregate taxable property value as of the April 1 <sup>st</sup> before MaineHousing approval | \$3,700,488,200 |
| Aggregate OAV as a percent of total taxable value                                             | 0.08%           |

## 5. Development Program Dates

The table below includes the first and last tax year of the development program based on a 17-year TIF period.

|                                        |                                |
|----------------------------------------|--------------------------------|
| First tax year of development program* | April 1, 2016 – March 31, 2017 |
| Last tax year of development program** | April 1, 2032 – March 31, 2033 |
| Municipal fiscal year***               | July 1 – June 30               |

\* May be any tax year specified in municipal approval. If none is specified, the development program will start during the tax year of approval

\*\* Not more than 30 years after tax year of MaineHousing approval

\*\*\* Example: July 1 – June 30

The District and Development Program will automatically terminate if the Partnership has failed to provide the Town with a copy of the MaineHousing “Notice to Proceed” with regard to the project on or before February 1, 2017.

## 6. Housing Need Addressed

*“The development program meets an identified housing need in municipality”*

### Description of Need

Scarborough’s current Comprehensive Plan includes an affordable housing needs analysis identifying a series of needs and objectives that are met by the Avesta project:

*Rental Housing. The Town of Scarborough has a very limited multifamily rental housing stock relative to other major communities in Maine. Among the 18 largest communities in the State, the Town ranked third from the lowest in the percent of its households who live in rental housing. In this comparison, Scarborough also had the third highest percentage of renters spending 50% or more of their income on rent (only Sanford and Waterville had higher percentages).....With a limited rental stock, Scarborough offers few housing opportunities for young people just entering the labor force (who typically rely on rental housing). If eligible households were to obtain rental voucher assistance such as Section 8 certificates, they would have difficulty finding housing in Scarborough at rents low enough to meet program limits. The subsidized family apartments that do exist in Scarborough were built under programs that will allow their eventual conversion to market rate housing. At the other end of the age spectrum there is a significant shortage of apartments for low to moderate income seniors.*

### Description of How Development Program Meets Need:

The proposed project will provide 50 affordable housing units to the town. The units are rental units that cannot be converted to market rate.

### Number of new rental units to be constructed:

The Project will redevelop the existing property with nine rental units into 50 units of affordable housing. There will be 41 net new rental units created by the Project.

## 7. Confirmation of Residential Use & Affordability

*“District must be a primarily residential \* development”*

*\*A district is primarily residential if the overall character of the uses in the district is residential. Residential uses include both housing and uses related to residential uses, such as recreational facilities and child care facilities available to the residents of the district and small-scale nonresidential uses that are intended to provide services primarily to the residents of the district.*

### Residential Use Requirement

Avesta Housing Development Corporation is proposing to redevelop the historic Southgate House located at 577 US Route 1 in Scarborough into 50 units of affordable housing. The existing farmhouse, a prominent historic structure built in 1805, will be renovated into 8 new one bedroom apartments. The barn adjacent to the main house will be repurposed into community space while the barn toward the rear of the property will be preserved for its historic character and will remain unused.

A new 42- unit building will be set into the hill behind the existing structures and will be designed to complement the historic farmhouse. Many of the units will face the Phillips Brook shore land zone that connects to the Nonesuch River. The building will consist of 8 studios, 29 one bedroom, and 5 two

bedroom non-age restricted apartments for households making 50 to 60 percent of area median income. The building will be attached to the renovated barn which will feature a large community space, kitchenette, laundry room, office, and storage. One assigned parking space will be made available for each unit.

Overall 93% of the site will be utilized for residential uses (2.87 acres of residential). There will be no non-residential uses.

#### Affordable Housing Requirement

*“At least 33% of the housing units in the district must be affordable housing\*”*

*\*Affordable housing is an owner-occupied single-family home or condominium or a rental unit for a household earning no more than 120% of area median income (AMI). The housing must be decent, safe and sanitary. Affordable housing does not include facilities such as emergency shelters, nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, or student dormitories, regardless of income level. No purchase price limits on homes or rent restrictions on rental units are required to establish that a unit is affordable.*

|                                                                                              |      |
|----------------------------------------------------------------------------------------------|------|
| Number of affordable single-family owner-occupied homes, including condominiums, in district | 0    |
| Number of affordable rental units in district                                                | 50   |
| Total number of housing units in district                                                    | 50   |
| Affordable housing units as a percent of total units                                         | 100% |

#### Ongoing Affordability

*“Mechanism to ensure ongoing affordability of 33% of the housing units in district for required time”*

The Southgate House project will be developed using Low Income Housing Tax Credit equity as the primary funding source, and will thus be subject to an Extended Low-Income Housing Commitment Agreement with MaineHousing for a period of 45 years. This document will be executed at closing and registered with the deed.

#### Operation of housing and facilities in district

The project will be managed by Avesta Housing Management Corporation, Avesta’s In-House property management agency. Avesta successfully manages more than 2000 affordable apartments in New England. When completed, the total estimated annual costs for operating the project is as follows: administrative expenses 14%, general expenses 5%, utilities 31%, reserves 6%, maintenance expenses 20%, resident services 4%, insurance and fees 6%, and taxes 14%. TIF income will be utilized to make the application competitive for MSHA 9% Tax credits, will assist in leverage additional financing sources, and will allow the project to take on more debt in order to be financially feasible with affordable rents between 40% and 60% of Area Median Income.

## 8. Specific Planned Uses of Tax Increment Revenues from the District

### Specific Planned Uses

#### **Town of Scarborough Planned Uses:**

The Town of Scarborough will be utilizing its share of TIF revenues to support its existing Affordable Housing Initiative Fund.

#### **Developer Planned Uses:**

The Developer will use TIF revenues to enhance the project's financial feasibility, offset costs, and leverage additional credits. No TIF revenues will be used for non-residential purposes nor will any TIF revenues be used outside of the District.

#### Permanent Housing Development Revolving Loan or Investment Fund

*"A municipality may use tax increment revenues from a district to establish a permanent housing development revolving loan fund or investment fund."*

The Town of Scarborough has an existing Affordable Housing Initiative Fund. The Town's portion of tax increment revenues will be directed to this existing fund. The following description of the fund is excerpted from the Town's zoning ordinance dated 06/06/2007 and amended 11/06/2013.

*Affordable housing in-lieu fees collected by the Town shall be deposited into a specific account, segregated from the Town's general revenue, and created for supporting the creation of affordable housing with Scarborough. These funds shall be used in accordance with the following:*

- a. The funds contributed to the specific account, entitled the Affordable Housing Initiative Fund, shall be used to further the establishment of affordable housing within the Town. More specifically, these funds may be used for the land acquisition, infrastructure, and/or building construction costs of an affordable housing project.*
- b. A portion of these funds may also be used for administrative, legal, engineering or other costs related to the planning, design, permitting, and property acquisition for an affordable housing project.*
- c. A portion of these funds may also be used to establish a revolving loan program to provide direct financial assistance to qualified homebuyers with down payments and other financing needs for purchasing affordable housing units.*
- d. The Affordable Housing Trust Fund may be used in combination with other Town funds, and other private, non-profit, and government funding for establishing affordable housing within the community.*

*e. The in-lieu fees contributed by a development shall not be used by the same or other developments to fund the construction of affordable housing required to meet a residential density bonus for the creation of affordable housing.*

## 9. Financial Plan

*“A financial plan showing for each year the development program will be in effect”*

The following Financial Plan includes a 17-year TIF period with the Original Assessed Value of the District being \$442,100, as certified by the municipal assessor. Valuation projections are based on estimates of development costs and projected revenues. Actual valuation for property tax and TIF purposes will be determined annually by the town assessor.

A total of 100% of incremental value will be captured for each of the 17 years of the development program. Exactly 50% will accrue to the municipal Affordable Housing Initiative Fund and 50% will go to the developer’s development fund. The incremental value to be captured will include real and personal property.

The District and Development Program will automatically terminate if the Partnership has failed to provide the Town with a copy of the MaineHousing “Notice to Proceed” with regard to the project on or before February 1, 2017.

| <b>Property Valuation: Town of Scarborough - Avesta Southgate Housing TIF</b>                                                                                                                                  |                         |                              |                     |                                                                  |                 |                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------|---------------------|------------------------------------------------------------------|-----------------|--------------------------------------------------------------|
| <b>TIF Year</b>                                                                                                                                                                                                | <b>Tax Year April 1</b> | <b>March 31 TIF Tax Year</b> | <b>Valuation</b>    | <b>Annual Increment (increase sheltered above pre-TIF value)</b> | <b>Mil rate</b> | <b>Total Taxes to Be Paid (on increment plus base value)</b> |
| <b>Pre-TIF*</b>                                                                                                                                                                                                | 2015                    | 2016                         | \$442,100           |                                                                  | 0.01510         |                                                              |
| 1                                                                                                                                                                                                              | 2016                    | 2017                         | \$442,100           | \$0                                                              | 0.01540         | \$6,809                                                      |
| 2                                                                                                                                                                                                              | 2017                    | 2018                         | \$1,300,000         | \$857,900                                                        | 0.01571         | \$20,423                                                     |
| 3                                                                                                                                                                                                              | 2018                    | 2019                         | \$2,600,000         | \$2,157,900                                                      | 0.01602         | \$41,663                                                     |
| 4                                                                                                                                                                                                              | 2019                    | 2020                         | \$2,600,000         | \$2,157,900                                                      | 0.01634         | \$42,496                                                     |
| 5                                                                                                                                                                                                              | 2020                    | 2021                         | \$2,600,000         | \$2,157,900                                                      | 0.01667         | \$43,346                                                     |
| 6                                                                                                                                                                                                              | 2021                    | 2022                         | \$2,600,000         | \$2,157,900                                                      | 0.01701         | \$44,213                                                     |
| 7                                                                                                                                                                                                              | 2022                    | 2023                         | \$2,600,000         | \$2,157,900                                                      | 0.01735         | \$45,097                                                     |
| 8                                                                                                                                                                                                              | 2023                    | 2024                         | \$2,600,000         | \$2,157,900                                                      | 0.01769         | \$45,999                                                     |
| 9                                                                                                                                                                                                              | 2024                    | 2025                         | \$2,600,000         | \$2,157,900                                                      | 0.01805         | \$46,919                                                     |
| 10                                                                                                                                                                                                             | 2025                    | 2026                         | \$2,600,000         | \$2,157,900                                                      | 0.01841         | \$47,858                                                     |
| 11                                                                                                                                                                                                             | 2026                    | 2027                         | \$2,600,000         | \$2,157,900                                                      | 0.01877         | \$48,815                                                     |
| 12                                                                                                                                                                                                             | 2027                    | 2028                         | \$2,600,000         | \$2,157,900                                                      | 0.01915         | \$49,791                                                     |
| 13                                                                                                                                                                                                             | 2028                    | 2029                         | \$2,600,000         | \$2,157,900                                                      | 0.01953         | \$50,787                                                     |
| 14                                                                                                                                                                                                             | 2029                    | 2030                         | \$2,600,000         | \$2,157,900                                                      | 0.01992         | \$51,803                                                     |
| 15                                                                                                                                                                                                             | 2030                    | 2031                         | \$2,600,000         | \$2,157,900                                                      | 0.02032         | \$52,839                                                     |
| 16                                                                                                                                                                                                             | 2031                    | 2032                         | \$2,600,000         | \$2,157,900                                                      | 0.02073         | \$53,896                                                     |
| 17                                                                                                                                                                                                             | 2032                    | 2033                         | \$2,600,000         | \$2,157,900                                                      | 0.02114         | \$54,973                                                     |
| <b>17 Year TIF Total</b>                                                                                                                                                                                       |                         |                              | <b>\$40,742,100</b> | <b>\$33,226,400</b>                                              |                 | <b>\$747,728</b>                                             |
| Prepared by Camoin Associates, www.camoinassociates.com                                                                                                                                                        |                         |                              |                     |                                                                  |                 |                                                              |
| <b>Notes and Sources:</b>                                                                                                                                                                                      |                         |                              |                     |                                                                  |                 |                                                              |
| Annual valuation estimate provided by town assessor based on information provided by developer plus annual valuation increase of 0%. Original assessed value is estimated from developer and the municipality. |                         |                              |                     |                                                                  |                 |                                                              |
| Mil rate based on FY 2014-15 from Municipality and increased 2% annually                                                                                                                                       |                         |                              |                     |                                                                  |                 |                                                              |
| Phased Development with build out completed over 3 years                                                                                                                                                       |                         |                              |                     |                                                                  |                 |                                                              |

| Captured Assessed Value & TIF Revenue Projection Table - Town of Scarborough - Avesta Southgate Housing TIF |                      |                                           |                                                     |                        |                                             |                                                           |                                                        |
|-------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------|-----------------------------------------------------|------------------------|---------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|
| TIF Year                                                                                                    | Tax Year-<br>April 1 | Increased<br>Assessed Value<br>Real Prop. | Captured<br>Valuation @100%<br>of Value<br>Captured | Projected<br>Mill Rate | Total<br>Projected New<br>Taxes<br>Captured | Captured<br>Revenue to<br>Municipal<br>Project<br>Account | Captured<br>Revenue to<br>Developer<br>Project Account |
| 1                                                                                                           | 2016                 | \$0                                       | \$0                                                 | 15.40                  | \$0                                         | \$0                                                       | \$0                                                    |
| 2                                                                                                           | 2017                 | \$857,900                                 | \$857,900                                           | 15.71                  | \$13,478                                    | \$6,739                                                   | \$6,739                                                |
| 3                                                                                                           | 2018                 | \$2,157,900                               | \$2,157,900                                         | 16.02                  | \$34,579                                    | \$17,289                                                  | \$17,289                                               |
| 4                                                                                                           | 2019                 | \$2,157,900                               | \$2,157,900                                         | 16.34                  | \$35,270                                    | \$17,635                                                  | \$17,635                                               |
| 5                                                                                                           | 2020                 | \$2,157,900                               | \$2,157,900                                         | 16.67                  | \$35,976                                    | \$17,988                                                  | \$17,988                                               |
| 6                                                                                                           | 2021                 | \$2,157,900                               | \$2,157,900                                         | 17.01                  | \$36,695                                    | \$18,348                                                  | \$18,348                                               |
| 7                                                                                                           | 2022                 | \$2,157,900                               | \$2,157,900                                         | 17.35                  | \$37,429                                    | \$18,715                                                  | \$18,715                                               |
| 8                                                                                                           | 2023                 | \$2,157,900                               | \$2,157,900                                         | 17.69                  | \$38,178                                    | \$19,089                                                  | \$19,089                                               |
| 9                                                                                                           | 2024                 | \$2,157,900                               | \$2,157,900                                         | 18.05                  | \$38,941                                    | \$19,471                                                  | \$19,471                                               |
| 10                                                                                                          | 2025                 | \$2,157,900                               | \$2,157,900                                         | 18.41                  | \$39,720                                    | \$19,860                                                  | \$19,860                                               |
| 11                                                                                                          | 2026                 | \$2,157,900                               | \$2,157,900                                         | 18.77                  | \$40,514                                    | \$20,257                                                  | \$20,257                                               |
| 12                                                                                                          | 2027                 | \$2,157,900                               | \$2,157,900                                         | 19.15                  | \$41,325                                    | \$20,662                                                  | \$20,662                                               |
| 13                                                                                                          | 2028                 | \$2,157,900                               | \$2,157,900                                         | 19.53                  | \$42,151                                    | \$21,076                                                  | \$21,076                                               |
| 14                                                                                                          | 2029                 | \$2,157,900                               | \$2,157,900                                         | 19.92                  | \$42,994                                    | \$21,497                                                  | \$21,497                                               |
| 15                                                                                                          | 2030                 | \$2,157,900                               | \$2,157,900                                         | 20.32                  | \$43,854                                    | \$21,927                                                  | \$21,927                                               |
| 16                                                                                                          | 2031                 | \$2,157,900                               | \$2,157,900                                         | 20.73                  | \$44,731                                    | \$22,366                                                  | \$22,366                                               |
| 17                                                                                                          | 2032                 | \$2,157,900                               | \$2,157,900                                         | 21.14                  | \$45,626                                    | \$22,813                                                  | \$22,813                                               |
| <b>17 Year TIF Total</b>                                                                                    |                      | <b>\$33,226,400</b>                       | <b>\$33,226,400</b>                                 |                        | <b>\$611,462</b>                            | <b>\$305,731</b>                                          | <b>\$305,731</b>                                       |
| Prepared by Camoin Associates, <a href="http://www.camoinassociates.com">www.camoinassociates.com</a>       |                      |                                           |                                                     |                        |                                             |                                                           |                                                        |

| Tax Shift Impact: Town of Scarborough - Avesta Southgate Housing TIF                                                                                                                                                                                                                                                                                                                                                                                                |                  |                  |                  |                    |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|--------------------|------------------|
| TIF Year                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Tax Year-April 1 | Total Tax Shift  | Education Shift  | Rev. Sharing Shift | County Tax Shift |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2016             | \$0              | \$0              | \$0                | \$0              |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2017             | \$7,862          | \$7,061          | \$267              | \$535            |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2018             | \$19,834         | \$17,760         | \$671              | \$1,403          |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2019             | \$19,895         | \$17,760         | \$671              | \$1,464          |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2020             | \$19,959         | \$17,760         | \$671              | \$1,528          |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2021             | \$20,025         | \$17,760         | \$671              | \$1,595          |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2022             | \$20,095         | \$17,760         | \$671              | \$1,665          |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2023             | \$20,168         | \$17,760         | \$671              | \$1,737          |
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2024             | \$20,244         | \$17,760         | \$671              | \$1,813          |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2025             | \$20,323         | \$17,760         | \$671              | \$1,892          |
| 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2026             | \$20,405         | \$17,760         | \$671              | \$1,975          |
| 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2027             | \$20,492         | \$17,760         | \$671              | \$2,061          |
| 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2028             | \$20,582         | \$17,760         | \$671              | \$2,151          |
| 14                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2029             | \$20,675         | \$17,760         | \$671              | \$2,245          |
| 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2030             | \$20,773         | \$17,760         | \$671              | \$2,343          |
| 16                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2031             | \$20,876         | \$17,760         | \$671              | \$2,445          |
| 17                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 2032             | \$20,982         | \$17,760         | \$671              | \$2,552          |
| <b>17 Year TIF Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |                  | <b>\$313,189</b> | <b>\$273,453</b> | <b>\$10,330</b>    | <b>\$29,406</b>  |
| 17 Year TIF Avg.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  | \$18,423         | \$16,085         | \$608              | \$1,730          |
| Prepared by Camoin Associates, www.camoinassociates.com                                                                                                                                                                                                                                                                                                                                                                                                             |                  |                  |                  |                    |                  |
| <b>Notes and Sources:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |                  |                  |                    |                  |
| The tax shifts resulting from the sheltering of valuation from the state school funding formula are based on the state EPS funding model in which a statewide estimated mill rate of 8.23 mills in FY 2015-16 is applied to a district's state valuation to determine the amount of local property taxes to be raised for education. By sheltering valuation through a TIF, the district avoids having to raise an amount equal to the valuation sheltered X mills. |                  |                  |                  |                    |                  |
| State Municipal Revenue Sharing amounts are calculated from spreadsheet provided by Maine Revenue Services, FY 2015 Projected Municipal Revenue Sharing - Released 6.30.15; <a href="http://www.state.me.us/treasurer">http://www.state.me.us/treasurer</a>                                                                                                                                                                                                         |                  |                  |                  |                    |                  |
| County tax calculations are based on data from the County Finance Department for the FY 2015 County Tax Year. For purposes of this analysis the total county tax assessment is estimated to increase 4.36% annually throughout the life of the TIF. This is based on the average annual increase in the past five years preceding the TIF application.                                                                                                              |                  |                  |                  |                    |                  |

## 10. Relocation Plan for Displaced Persons

*“Relocation plan for persons temporarily or permanently displaced by development activities”*

All current residents of the Southgate House, which currently includes 5 occupied units, will need to be permanently relocated once construction of the project begins. Avesta has begun notifying tenants of the intended redevelopment of the property and the tenants been given an approximate timeline to relocate. Once primary financing is in place, Avesta will work with tenants to find alternative housing options and will work with any current tenants that may qualify and/or desire to reside in the newly redeveloped property.

## 11. Environmental Controls

*“Statement regarding environmental controls, such as permitting and licensing or use of environmental mitigation measures during development and operation of district”*

As it pertains to the redevelopment of the Southgate House, Avesta Housing Development Corporation will comply with all applicable local, state, and federal laws regarding environmental compliance. Depending on the sources of financing, which are as yet to be determined, additional regulations may apply.

## 12. Confirmation of No Conflict

### Comprehensive Plan

The Town of Scarborough Comprehensive Plan is dated July 19, 2006. This Development Program is not in conflict with the Comprehensive Plan.

### Compliance with Maine Law Limiting Growth-Related Capital Investments

§4349-A. State capital investments

1. Growth-related capital investments. The State may make growth-related capital investments only in:  
A. A locally designated growth area, as identified in a comprehensive plan adopted pursuant to and consistent with the procedures, goals and guidelines of this subchapter or as identified in a growth management program certified under section 4347-A; [2003, c. 641, §16 (AMD).]

The Development Program complies with Title 30- M.R.S.A. §4249-A pursuant to its subsection (1)(A).

### Municipal Charter

This Development Program is not in conflict with the Town of Scarborough’s Municipal Charter.

## 13. Amount of Public Debt (For municipal debt financing only).

*“Amount of public debt with maximum 30-year maturity to be incurred to finance development program costs”*

There will be no municipal debt financing used to finance development program costs.

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**CREDIT ENHANCEMENT AGREEMENT**  
**between**  
**TOWN OF SCARBOROUGH, MAINE**  
**and**  
**AVESTA SOUTHGATE LP**

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Dated as of \_\_\_\_\_

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**THIS CREDIT ENHANCEMENT AGREEMENT** dated as of \_\_\_\_\_ between the Town of Scarborough, Maine (the “Town”), a municipal body corporate and politic and a political subdivision of the State of Maine, and Avesta Southgate LP a limited partnership duly organized and existing under the laws of the State of Maine, with a place of business in Maine (as further defined below the “Partnership”).

## **WITNESSETH THAT**

**WHEREAS**, the Town designated the Avesta Southgate Municipal Development and Tax Increment Financing District (the “District”) pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, by vote of the Town Council at a meeting duly called, noticed and held on September 2, 2015 (the “Vote”) and pursuant to the Vote adopted a development program and financial plan for the District entitled the “Application - Affordable Housing Tax Increment Financing” (the “Development Program”); and

**WHEREAS**, the Maine State Housing Authority (“MaineHousing”) has approved or is expected to approve the District and the Development Program as required by law; and

**WHEREAS**, the Development Program contemplates the execution and delivery of a credit enhancement agreement between the Town and the Partnership; and

**WHEREAS**, pursuant to the Vote, the Town authorized the execution and delivery of the credit enhancement agreement contemplated by and described in the Development Program by the Town Manager, in the name of and on behalf of the Town, with such terms and provisions not inconsistent with the Development Program, as the Town Manager shall approve, such approval to be conclusively evidenced by his execution thereof; and

**WHEREAS**, the Town and the Partnership 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 1.01 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. All other capitalized terms not otherwise defined herein shall have the meaning given such terms in the Development Program.

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

“Captured Assessed Value” shall mean the amount of Increased Assessed Value retained in the District in each Fiscal Year during the term of this Agreement, determined in accordance with Section 2.02.

“Current Assessed Value” means the then current assessed value of the District as determined by the Town’s Assessor as of April 1 of each Tax Year during the term of this Agreement.

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

“Development Program Fund” shall mean the fund established and maintained pursuant to the Development Program and Article II hereof.

“District” shall have the meaning given such term in the recitals.

“Effective Date” shall mean the date of a letter from MaineHousing approving the District and Development Program.

“Financial Plan” means the financial plan described in the financial plan section of the Development Program.

“Fiscal Year” means July 1 to June 30 or such other fiscal year as may be adopted by the Town.

“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.

“Original Assessed Value” means \$442,100, the assessed value of the Property as of March 31, 2015 (April 1, 2014).

“Partnership” shall have the meaning given such term in the recitals, together with its successors and assigns.

“Partnership Tax Increment Revenues” means in each Fiscal Year for the Reimbursement Term, an amount of Tax Increment Revenues equal to 50% of the Tax Increment Revenues.

“Property” means the following tax parcel shown on the Assessors Maps of the Town of Scarborough as Tax Map 34, Lot 37.

“Project” means the affordable housing project comprised of 50 affordable residential units and associated common space in the District.

“Project Cost Account” shall mean the Project Cost Account established and maintained pursuant to the Development Program and Article II hereof.

“Reimbursement Term” shall have the meaning described in Section 6.01 hereof.

“Tax Increment Revenues” means that portion of property taxes (or estimated property taxes) paid by the Partnership and attributable to Captured Assessed Value.

“Tax Payment Date” means the date(s) on which any installment of property taxes assessed by the Town is due to the Town to be paid in immediately available funds.

“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.

“Town” shall have the meaning given such term in the recitals.

### **Section 1.02 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 notices to be given hereunder shall be given in writing and, unless a certain number of days is specified, within a reasonable time.

## **ARTICLE II. DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS**

### **Section 2.01 Creation of Development Program Fund.**

Within sixty (60) days of the Effective Date the Town shall create and establish a Development Program Fund. Such Development Program Fund shall include a Project Cost Account within which a Partnership TIF Subaccount and a Town TIF Subaccount shall also be created.

### **Section 2.02 Captured Assessed Value.**

In each Fiscal Year, the Town shall retain 100% of the Increased Assessed Value as Captured Assessed Value to generate the Tax Increment Revenues.

Notwithstanding anything to the contrary herein, the Town shall have the discretion to reduce the percentage of Increased Assessed Value that is retained as Captured Assessed Value in the District. Notwithstanding anything to the contrary herein, if the Town exercises its discretion to reduce the percentage of Increased Assessed Value that is retained as Captured Assessed Value in the District, it must (i) do so in accordance with Title 30-A Chapter 206, and (ii) maintain an adequate percentage of Increased Assessed Value retained as Captured Assessed Value so that the total amount of deposits into the Partnership TIF Subaccount and resulting payments to the Partnership are the same as they would have been had the Town continued to retain 100% of the Increased Assessed Value as Captured Assessed Value in the District.

### **Section 2.03 Deposits into Project Cost Account.**

(a) During the term of this Agreement, the Town shall deposit into the Partnership TIF Subaccount promptly upon receipt of property taxes or estimated property taxes (or each installment thereof, whether monthly or otherwise) paid to the Town with respect to the Current Assessed Value, an amount equal to that portion of the payment that constitutes or will constitute Partnership Tax Increment Revenues.

(b) The payments by the Partnership to the Town, provided for in this Article II, shall be paid by the Partnership in immediately available funds directly to the Town in the manner provided hereinabove.

### **Section 2.04 Use of Monies in Partnership TIF Subaccount.**

Monies deposited in the Partnership TIF Subaccount shall be used and applied exclusively to fund the payment obligations to the Partnership described in Article III hereof. The Partnership shall use the Partnership Tax Increment Revenues solely for the purposes set forth in the Development Program.

### **Section 2.05 Monies Held in Trust.**

All monies actually deposited into the Partnership TIF Subaccount under the provisions hereof and the provisions of the Development Program shall be held by the Town, in trust, for the benefit of the Partnership in accordance with the terms and conditions of this Agreement.

## **ARTICLE III. PAYMENT OBLIGATIONS**

### **Section 3.01 Credit Enhancement Payments.**

(a) Within thirty (30) days following each Tax Payment Date, the Town shall pay to the Partnership in immediately available funds all amounts then on deposit in the Partnership TIF Subaccount.

(b) All payments made by the Town to the Partnership hereunder shall be used to pay directly or to reimburse the Partnership for payment of qualified "Project Costs" (defined under Chapter 206 of Title 30-A of the Maine Revised Statutes) set forth in the Development Program.

(c) If, with respect to any Tax Payment Date, the Partnership fails to pay any portion of property taxes assessed by the Town, because of a valuation dispute or otherwise, the property taxes actually paid by the Partnership with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value – Tax Map 34, Lot 37 to be deposited into the Town's general fund; second, shall be applied to the Development Program Fund in the Town TIF Subaccount; and third, shall be applied to the Development Program Fund in the Partnership TIF Subaccount.

(d) When the Town has made payments to the Partnership for the Reimbursement Term, the Town shall have no further payment obligations to the Partnership hereunder.

### **Section 3.02 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, the item 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 Partnership 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 Partnership Tax Increment Revenues to the Partnership TIF Subaccount and its obligation to make payments to the Partnership.

### **Section 3.03 Manner of Payments.**

The payments provided for in this Article III shall be paid in immediately available funds directly to the Partnership in the manner provided hereinabove for its Project Costs set forth in the Development Program.

### **Section 3.04 Obligations Unconditional.**

Except as otherwise expressly provided in 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 irrespective of any defense or any rights of setoff, recoupment or counterclaim it might otherwise have against the Partnership. The Town hereby acknowledges that the Partnership has the right to enforce the contractual obligations of the Town under this Agreement and that the governmental immunity of the Town does not apply to actions to enforce its contractual obligations; provided however, that nothing herein shall constitute a waiver of the Town's tort immunity or any other governmental immunities.

### **Section 3.05 Limited Obligation.**

The Town's obligations of payment hereunder shall be limited obligations of the Town payable solely from Partnership Tax Increment Revenues and any earnings thereon, pledged therefor under this Agreement. The Town's obligations hereunder shall not constitute a general debt or a general obligation on the part of the Town 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 the Partnership Tax Increment Revenues received by the Town, and any earnings thereon. This Agreement shall not directly or indirectly or contingently obligate the Town, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, excepting the Town's obligation to assess property taxes upon the Project and to appropriate the Partnership Tax Increment Revenues, and earnings thereon, pledged under this Agreement.

### **Section 3.06 Town Professional Services Costs.**

The Partnership agrees to reimburse the Town for any reasonable professional services fees and costs, including attorneys' fees, incurred in connection with the establishment of the District and entering into this Credit Enhancement Agreement. Such reimbursement shall be due within thirty (30) days from the date the Town sends a written request for such fees to the Partnership. [

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

### **Section 4.01 Pledge of the Partnership TIF 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 Partnership 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 to the Partnership the Partnership TIF Subaccount and all sums of money and other securities and investments therein.

### **Section 4.02 Perfection of Interest.**

The Town shall cooperate with the Partnership and take such steps as may be necessary from time to time 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, including, without limitation, entering into any control or three party agreement with the financial institution in which the Partnership TIF Subaccount is held.

### **Section 4.03 Further Instruments.**

The Town shall, upon the reasonable request of the Partnership, 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, materially disadvantage the Town, or materially change this Agreement; *provided further* that any reasonable fees and expenses, including but not limited to legal fees and expenses, incurred in connection with the execution or delivery of such further instruments or further action shall be payable by the Partnership.

### **Section 4.04 Liens.**

The Town shall not create any liens, encumbrances or other interests of any nature whatsoever, nor shall it hypothecate the Partnership TIF Subaccount or any funds therein or revenues resulting from investment of funds therein, other than those interests created in favor of the Partnership hereunder; *provided, however*, nothing herein shall prohibit creation of real and personal property tax liens on the Partnership's property in accordance with, and entitled to the priority provided under, Maine law.

**Section 4.05 Access to Books and Records.**

All books, records and documents in the possession of the Town relating to the administration of the District, the Development Program or the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Partnership TIF Subaccount shall at all reasonable times be open to inspection by the Partnership, its agents and employees.

**ARTICLE V. DEFAULTS AND REMEDIES**

**Section 5.01 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 Partnership when the same shall become due and payable;

(b) Any failure by the Town to make deposits into the Partnership TIF Subaccount as and when due;

(c) Other than as provided in paragraph (a) and (b) above, any failure by the Town or the Partnership to observe and perform in all material respects any respective covenant, condition, agreement or provision contained herein on the part of the Town or the Partnership respectively 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 shall appoint a conservator or receiver or liquidator for the Partnership, or if any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings for the winding up or liquidation of the Partnership’s affairs shall have been entered against the Partnership or if the Partnership shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Partnership 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 Partnership or the failure by the Partnership to have a 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 Partnership.

(e) If any principal or interest or other sum payable by the Partnership to its secured lenders is not paid within thirty (30) days of its due date;

(f) If any written representation or warranty given by the Partnership 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;

(g) If Partnership fails to maintain adequate surety bonding at the levels and terms as may be required from time to time by the Partnership's secured lenders and/or Partnership allows mechanics' liens to encumber the Project for a period of more than thirty (30) days.

(h) 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 5.02 Remedies on Default.**

Whenever any Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing for a period of fifteen (15) days, or for an otherwise applicable cure period, after a party's receipt from the other party of written notice of an Event of Default by the party, the other party may (a) specifically enforce the performance or observance of any obligations, agreements or covenants of the defaulting party under this Agreement and any documents, instruments and agreements contemplated hereby or to enforce any rights or remedies available hereunder or (b) suspend its performance under this Agreement for so long as the Event of Default continues or remains uncured.

#### **Section 5.03 Remedies Cumulative.**

No remedy herein conferred upon or reserved to the Partnership 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 the 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 or 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 rights 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 Town 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.

#### **Section 5.04 Enforcement Rights.**

The Town and the Partnership agree that each party hereto shall have the right to initiate a legal proceeding to enforce the specific performance of this Agreement and to pursue any other remedy available hereunder, it being understood and agreed that this Agreement is a material inducement to the Partnership to continue its pursuit of the Project. The parties agree that in the

event of any dispute or disagreement hereunder the Partnership and the Town shall continue to make payment of all amounts due hereunder in the manner and at the times specified herein until final resolution of such dispute, whether by mutual agreement or final decision of a court, arbitrator or other dispute resolution mechanism.

#### **Section 5.05 Tax Laws.**

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 Partnership. Without limiting the foregoing, the Town and the Partnership shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Partnership's property.

### **ARTICLE VI. TERM**

#### **Section 6.01 Reimbursement Term; Termination.**

The Reimbursement Term means a period no longer than seventeen (17) years starting following the execution of this Agreement and the Effective Date, whichever is later, but in no event shall the Reimbursement Term last beyond the expiration of the District and Development Program when first approved.

This Agreement shall automatically terminate if the Partnership has failed to provide the Town with a copy of the MaineHousing "Notice to Proceed" with regard to the project on or before February 1, 2017.

#### **Section 6.02 Expiration of Reimbursement Term.**

Upon the expiration of the Reimbursement Term, or any earlier termination of this Agreement and following full payment of all amounts due and owing to the Partnership hereunder or provision for payment thereof, the Town and the Partnership 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. No such expiration or termination shall affect any rights or obligations then outstanding.

## **ARTICLE VII. ASSIGNMENT AND PLEDGE OF PARTNERSHIP'S INTEREST**

### **Section 7.01 Pledge, Assignment or Security Interest.**

The Town hereby consents to the pledge, assignment or granting of a security interest by the Partnership of its right, title and interest in, to and under this Agreement as collateral for financing for the Project. Recognizing this possibility, the Town does hereby consent and agree to the pledge and assignment of all the Partnership's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Partnership hereunder, to third parties as collateral or security for indebtedness on one or more occasions during the term hereof. Subject to the limitations set forth in Section 4.03 the Town agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by the prospective pledgee or assignee, including without limitation recognition of the pledgee or assignee 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 the position of such assignee or pledgee and the irrevocable and binding nature of this Agreement and provide to the pledgee or assignee such rights and/or remedies as it may deem necessary for the establishing, perfection and protection of its interest herein.

### **Section 7.02 Assignment.**

The Partnership shall have the unrestricted right to transfer and assign all or any portion of its rights in, to and under this Agreement, at any time, and from time to time, as the Partnership may deem appropriate with the written consent of the Town of Scarborough's Town Manager, which consent shall not be unreasonably withheld. No such assignment shall be binding upon the Town until the Town shall have been provided evidence of assignment reasonably satisfactory to it.

## **ARTICLE VIII. MISCELLANEOUS**

### **Section 8.01 Successors.**

In the event of the dissolution of the Town or the Partnership, 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, with the written consent of the Town of Scarborough's Town Manager which consent shall not be unreasonably withheld.

### **Section 8.02 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 Partnership 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 Partnership; provided, however, that if the payment obligations of the Town to the Partnership hereunder are held by a final and binding proceeding to be illegal or invalid, this Agreement shall terminate. In such event all obligations of the parties shall terminate, and no party shall have any further liability to the other hereunder.

**Section 8.03 Severability.**

Except as otherwise provided herein, 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 8.04 No Personal Liability of Officials of the Town.**

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 neither the members of the Town Council of the Town, nor any official, officer, employee or agent of the Town shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

**Section 8.05 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 8.06 Governing Law.**

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

**Section 8.07 Notices.**

All notices, certificates, requests, requisitions or other communications by the Town or the Partnership 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 Manager, Town of Scarborough  
P O Box 360  
Scarborough, Maine 04070-0360

With a copy, which shall not constitute notice, to:  
Shana Cook Mueller, Esq.  
Bernstein Shur  
P.O. Box 9729  
Portland, Maine 04104

If to the Partnership:  
Avesta Southgate LP  
c/o Avesta Housing Development Corporation  
Attn: Kyle Ambler  
307 Cumberland Avenue\_  
Portland, Maine 04101

With a copy, which shall not constitute notice, 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 8.08 Amendments.**

Neither this Agreement nor the Development Program may be amended without the express written consent of all of the parties hereto. This Agreement may only be amended in compliance with the provisions of 30-A M.R.S.A. Section 5251 et seq., as amended.

#### **Section 8.09 Benefit of Assignees or Pledges.**

The Town agrees that this Agreement is executed in part to induce assignees or pledges to provide financing for the Project and accordingly all covenants and agreements on the part of the Town as to the amounts payable hereunder are hereby declared to be for the benefit of any such assignee or pledgee from time to time of the Partnership's right, title and interest herein.

#### **Section 8.10 Integration.**

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

#### **Section 8.11 Valuation Agreement.**

The Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The Town and the Partnership 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 Partnership'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.

#### **Section 8.12 No Third Party Benefits.**

Except as otherwise expressly authorized herein, this Agreement is entered into solely between, and may be enforced only by the Town and the Partnership and its assignees or pledgees, and this Agreement will not be deemed to create any rights in other third parties, or to create any obligations of a party to this Agreement to any such third parties. In clarification of the foregoing, no tenant at the Property obligated under its lease or rental agreement with the Partnership to pay all or any portion of the property taxes associated with the Property shall be entitled to any of the funds in the Partnership TIF Subaccount or to the benefit thereof without a formal assignment or pledge from the Partnership of the rights and duties to this Agreement.

#### **Section 8.13 State Reporting Requirement.**

To the extent required by Title 30-A M.R.S.A. §5250-E, the Town shall comply with the reporting requirements related to this Agreement. The Partnership shall make any written certifications of activities in the District that the Town reasonably requires, including but not limited to confirmation of any sales of property within the District, confirmation of the affordability of the rental units in the District, and confirmations of the schedule of development for the Project.

IN WITNESS WHEREOF, the Town and the Partnership 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 SCARBOROUGH, MAINE

By: \_\_\_\_\_  
Thomas Hall, Town Manager  
as authorized by the Town Council  
on September 2, 2015

AVESTA SOUTHGATE LP

By: Pinecone Housing Corporation, its  
general partner

\_\_\_\_\_

By: \_\_\_\_\_  
Dana Totman, its President

**AMENDED - AGENDA  
SCARBOROUGH TOWN COUNCIL  
WEDNESDAY – SEPTEMBER 2, 2015  
REGULAR MEETING – 6:30 P.M.**

**Order No. 15-068.** Move approval of the first reading on the proposed amendments to Chapter 601 – the Town of Scarborough Traffic Ordinance Section 25, Parking Restrictions, Section A. Parking Restrictions, subsection II. Higgins Beach and schedule a public hearing for Wednesday, September 16, 2015.

**CHAPTER 601  
TOWN OF SCARBOROUGH  
TRAFFIC ORDINANCE**

BE IT HEREBY ORDAINED, by the Town Council of the Town of Scarborough, Maine, in Town Council assembled, that Section 25, Parking Restrictions, subsection II. Higgins Beach as noted by underlined text and deleting the text shown in strikeover type, as shown below:

II. HIGGINS BEACH.[amended 01/19/2011][amended02/16/2011]

- a. Upon any of the public streets or highways within the area known as Higgins Beach. For the purpose of this Ordinance the Higgins Beach area is defined as including the area bounded on the South by the Atlantic Ocean, on the East by the Spurwink River, on the West by the property now or formerly of one Edward Piper and on the North by the Spurwink Road (Route #77).

Parking shall be allowed on the easterly side of Acorn Lane from September 16<sup>h</sup> to April 30<sup>th</sup>.

- b. Exempt from paragraph (a) of this subsection are the following:
- (i) two handicapped parking spaces on Bayview Avenue across from Ashton Street, with no time limit. (amended April 21, 1999)
  - (ii) 1 hour parking shall be allowed, from ~~7:00~~ ~~6:00~~ a.m. to 10:00 p.m., in designated parking spaces, on the ocean side only of Bayview Avenue from the end of the drop-off zone to Morning Street from September 16<sup>th</sup> to April 30<sup>th</sup>, the 1 hour parking shall not be in effect.
  - (iii) On all other areas of Bayview Avenue there shall be no parking at any time, except during the off-season [September 16<sup>th</sup> to April 30<sup>th</sup>] on the ocean side of Bayview Avenue from Morning Street to Vesper Street. (amended02/16/2011)
  - (iiii) there shall be no parking on any of the other streets year round unless otherwise noted herein.

**AMENDED - AGENDA**  
**SCARBOROUGH TOWN COUNCIL**  
**WEDNESDAY – SEPTEMBER 2, 2015**  
**REGULAR MEETING – 6:30 P.M.**

**Order No. 15-069.** Move approval of the first reading on the proposed amendments to Chapter 612 – the Town of Scarborough Ordinance creating Rules and Regulations for Use of Parks and Recreational Facilities by adding a new Section 19. Dressing and schedule a public hearing for Wednesday, September 16, 2015.

**CHAPTER 612**  
**TOWN OF SCARBOROUGH ORDINANCE**  
**CREATING RULES AND REGULATIONS**  
**FOR USE OF PARKS AND RECREATIONAL FACILITIES**

BE IT HEREBY ORDAINED, by the Town Council of the Town of Scarborough, Maine, in Town Council assembled, that Chapter 612 - - the Town of Scarborough Ordinance Creating Rules and Regulations for Use of Parks and Recreational Facilities amended by adding the underlined text, as shown below:

**Section 19. Dressing**

Dressing, undressing and the changing of clothes are not permitted within the limits of any park or beach, except in bathhouse or other structures suitable for this purpose. This does not apply to children 5 years or younger

Remainder of Ordinance to be renumber accordingly and the table of content updated.

**AMENDED - AGENDA  
SCARBOROUGH TOWN COUNCIL  
WEDNESDAY – SEPTEMBER 2, 2015  
REGULAR MEETING – 6:30 P.M.**

**Order No. 15-070.** Move approval to authorize the Town Manager to sign documents authorizing acceptance of \$1,690.00 or any portion thereof, to be placed in the Asset Forfeiture Account. [This money is the Police Department's equitable share for its contribution to the investigation of criminal cases].



*OFFICE OF THE DISTRICT ATTORNEY  
CUMBERLAND COUNTY*

Stephanie Anderson  
*District Attorney*

142 Federal Street, Portland, Maine, 04101  
101 Meadows Road, West Bath, Maine, 04530-9704

Portland  
(207) 871-8384

Bath  
(207) 443-5104

August 3, 2015

Town Council  
Town of Scarborough  
295 U.S. Route One  
P.O. Box 360  
Scarborough, ME 04074

Re: State of Maine v. Peter Iuretig and \$1,690.00  
Currency (PD# 14-551-OF)

Dear Councilors:

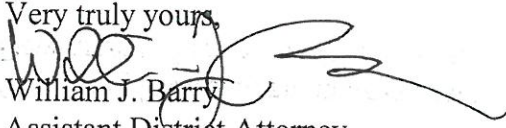
Enclosed please find an approval form for forfeiture of U. S. currency seized by the Scarborough Police Department. Please be advised that:

1. 15 M.R.S.A. §5826(8) requires that, before any forfeitable item may be transferred to a town, the governing body of that town must approve the transfer; and
2. 15 M.R.S.A. §5826(8) requires that the Town Council approve the transfer of the forfeited assets.
3. Pursuant to the Forfeiture Statute, if the governing body fails to approve a transfer in a timely manner, any forfeited items shall be transferred to the State of Maine General Fund.

After the form is signed by the appropriate official, please file it with the court and send me a copy.

Please do not hesitate to call me if you have any questions.

Very truly yours,

  
William J. Barry  
Assistant District Attorney

Enclosure

DOCKET NO.: CR-14-8192

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**WHEREFORE**, the Town of Scarborough does hereby approve of the transfer of the Defendant's In Rem, or any portion thereof, to the Town of Scarborough, Maine pursuant to 15 M.R.S.A. §5824(3) and §5826(6).

Chairperson/Town Manager/Clerk/Mayor

(Impress Town Seal Here)

**AMENDED - AGENDA  
SCARBOROUGH TOWN COUNCIL  
WEDNESDAY – SEPTEMBER 2, 2015  
REGULAR MEETING – 6:30 P.M.**

**Order No. 15-071.** Move approval to adopt the 2015/2016 School Budget Resolutions, as required by State Statute.

**Scarborough School Department  
2015-2016 Budget Resolutions  
(Based on State Subsidy Funding enacted by  
Legislature as part of their biennial budget)**

**ARTICLE I.** To see what sum the municipality will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act,

**Recommend \$ 34,537,295**

and to see what sum the municipality will raise as 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 in accordance with the Maine Revised Statutes, Title 20-A, section 15688.

**Recommend \$ 29,130,634**

Explanation: The school administrative unit'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 a municipality must raise in order to receive the full amount of state dollars.

**ARTICLE II.** To see what sum the municipality will raise and appropriate for the annual payments on debt service previously approved by the municipality for non-state-funded school construction projects, or non-state-funded portions of school construction projects in addition to the funds appropriated as the local share of the school administrative unit's contribution to the total cost of funding public education from kindergarten to grade 12.

**Recommend \$5,118,437**

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

**ARTICLE III.** To see what sum the municipality will raise and to appropriate that sum in additional local funds for school purposes under Maine Revised Statutes, Title 20-A, 15690.

**Recommend \$3,410,417**

Explanation: The additional local funds are those locally raised funds over and above the school administrative unit'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 payment on non-state-funded debt service that will help achieve the municipality budget for educational programs.

**ARTICLE IV.** To see what sum the municipality will authorize the School Board to expend for the fiscal year beginning July 1, 2015 and ending June 30, 2016 from the school administrative unit'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, 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.

**Recommend \$43,543,756**

**Pursuant to Maine Revised Statutes, Title 20-A, section 1485, voters and the Town Council authorize the School Board to expend the above funds in the following State-mandated categories:**

**ARTICLE IV-A.** To see what sum the school administrative unit will be authorized to expend for Regular Instruction. **Recommend \$18,119,515**

**ARTICLE IV-B.** To see what sum the school administrative unit will be authorized to expend for Special Education. **Recommend \$6,996,457**

**ARTICLE IV-C.** To see what sum the school administrative unit will be authorized to expend for Career and Technical Education. **Recommend \$293,591**

**ARTICLE IV-D.** To see what sum the school administrative unit will be authorized to expend for Other Instruction. **Recommend \$925,117**

**ARTICLE IV-E.** To see what sum the school administrative unit will be authorized to expend for Student and Staff Support. **Recommend \$4,189,753**

**ARTICLE IV-F.** To see what sum the school administrative unit will be authorized to expend for System Administration. **Recommend \$997,264**

**ARTICLE IV-G.** To see what sum the school administrative unit will be authorized to expend for School Administration. **Recommend \$1,595,697**

**ARTICLE IV-H.** To see what sum the school administrative unit will be authorized to expend for Transportation and Buses. **Recommend \$1,529,166**

**ARTICLE IV-I.** To see what sum the school administrative unit will be authorized to expend for Facilities Maintenance. **Recommend \$3,753,759**

**ARTICLE IV-J.** To see what sum the school administrative unit will be authorized to expend for Debt Service and Other Commitments. **Recommend \$5,118,437**

**ARTICLE IV-K.** To see what sum the school administrative unit will be authorized to expend for All Other Expenditures. **Recommend \$25,000**

**ARTICLE V.** To see if the municipality will appropriate **\$181,552** for Adult Education and raise **\$99,552** as the local share; with authorization to expend any additional, incidental or miscellaneous receipts in the interest and for the well-being of the Adult Education program.  
**Recommend \$99,552 (Local)**