

Information
On Downtown TIF
(Second Amendment):

Application
Approval Letter
Sitel CEA

City of Caribou
September 27, 2013

**Application to the Maine Department of
Economic and Community Development for the**

**Downtown Development and
Tax Increment Financing District
Development Program and Financing Plan**

Second Amendment

**Approved by the Caribou City Council
September 9, 2013**

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Application Cover Sheet

MUNICIPAL TAX INCREMENT FINANCING

A. General Information

1. Municipality Name: City of Caribou		
2. Address: 25 High Street, Caribou, ME 04736		
3. Telephone: 207-493-3324 x 230	4. Fax: 207-493-3954	5. Email: citymanager@cariboumaine.org
6. Municipal Contact Person: Austin Bleess		
7. Business Name: N/A		
8. Address:		
9. Telephone:	10. Fax:	11. Email:
12. Business Contact Person:		
13. Principal Place of Business:		
14. Company Structure (e.g. corporation, sub-chapter S, etc.):		
15. Place of Incorporation:		
16. Names of Officers		
17. Principal Owner(s) Name:		
18. Address:		

B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply): N/A		
job creation	job retention	capital investment
training investment	tax base improvement	public facilities improvement
other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
real estate purchase	machinery & equipment purchase	training costs
debt reduction	√ other (list): Capital costs of downtown improvements, expansion of storm sewer lines, funding a revolving loan fund and economic development expenses, costs related to recreational trails.	

C. Employment Data

List the Company's goals for the number, type and wage levels of jobs to be created or retained as part of this TIF development project (*please use next page*).

No jobs are expected to be created or retained as a result of this amendment.

Statutory Requirements & Thresholds Worksheet

A. ACRE LIMITATION		
1. Total Acreage of Municipality		47,429
2. Total Acreage of Proposed Municipal TIF District		635
3. Total Downtown acres contained in the Proposed Municipal TIF District		635
4. Total Transit acres contained in the Proposed Municipal TIF District		n/a
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)		n/a
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) <i>Divide A5 by A1</i>		0
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. <i>Add A2 to sum of all existing TIF district acreage.</i>		1,086
8. Total acreage of an existing or Proposed Downtown TIF District in the municipality.		635
9. Total acreage of all <u>existing</u> Pine Tree Zone TIF Districts in the municipality.		n/a
10. Total acreage of all existing or Proposed Transit TIF Districts in the municipality.		n/a
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. <i>Subtract A8+A9+A10 from A7.</i>		451
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) <i>Divide A11 by A1.</i>		0.95%
13. Total Acreage of all real property in the Proposed Municipal TIF District that is:		
(Note: a, b, or c must be at least 25%)		
a. Blighted (Divide acres by A2)	0	
b. In need of rehabilitation/conservation (Divide acres by A2)	0	
c. Suitable for industrial/commercial site (Divide acres by A2)	4.48	100%
TOTAL		
B. VALUATION LIMITATION		
1. Total Aggregate Value (TAV) of Municipality - <i>Use most recent April 1st</i>		\$352,441,400
2. Original Assessed Value (OAV) of Proposed Municipal TIF District. <i>Use March 31st of tax year preceding date of municipal designation</i>		\$0
3. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality. <i>Add b2 to sum of all existing TIF district OAVs</i>		\$60,632,527
4. OAV of an existing or proposed Downtown TIF District in the municipality.		\$49,032,100
5. OAV of all <u>existing</u> Pine Tree Development Zone TIF Districts in the municipality.		n/a
6. OAV of all existing or Proposed Transit TIF Districts in the municipality.		n/a
7. Total OAV of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap - <i>Subtract B4+B5+B6 from B3</i>		\$11,600,427
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) - <i>Divide B7 by B1</i>		3.3%

Development Program Narrative

Introduction

The City of Caribou requests a second amendment to its Downtown Tax Increment Financing District (Exhibit H), approved in March 2006, and Amendment 1 (Exhibit I), approved March 2008. The purpose of this amendment is to modify the municipal TIF investment plan in order to allocate excess funds from the Downtown District to eligible TIF-related expenditures as specified in Maine Revised Statutes 30-A §5225 Authorized Project Costs.

This second amendment will also redefine this District as an omnibus development district, and allow current or future City Councils to enter into credit enhancement agreements (CEAs) that allow for a portion of new taxes paid on projects within the District to be returned to the Company/Developer for financing purposes. The TIF District is already linked to a CEA with Caribou Management, LLC, owners of the retail space formerly occupied by Ames Department Stores. The CEA is a 15 year agreement due to expire in 2020. In their March 2008 Amendment, the life of the Downtown TIF District was expanded from 15 to 30 years, however, the CEA was not extended.

Further, this Amendment shall allow for adjustment by the City Council should the annual new assessed value fall below Original Assessed Value of the District at the time of approval. In such an event, the City Council, based on an Assessor Opinion, may adjust the Original Assessed Value (OAV) to the new assessed value as set that April 1. The City would provide a revised OAV to DECD at that time.

Downtown District Development Program

The Caribou Downtown Tax Increment Financing District takes its project and program directives from the 2008 Caribou Downtown District Plan (Exhibit J). It also includes some key elements that will assist in enhancing economic development both within the downtown district as well as citywide. All activities are unique to the Downtown TIF District and are not shared with any other TIF District.

City of Caribou Downtown Municipal TIF District Public Projects			
Public Project		Eligibility Under Title 30-A	Estimated Cost
PUBLIC PROJECTS WITHIN THE PROPOSED TIF DISTRICT			
1	Capital costs of improvements including all fees and expenses, including, but not limited to, contractor expenses; development of the Riverfront area of the Downtown District; and construction and improvements to public ways within the District, including sidewalks and public landscaping	30-A §5225 (1)(A)(1)(a)	\$4,431,200
2	Transit-oriented development district capital costs, including but not limited to a signage system for traffic in the Downtown to guide visitors to key destinations within the downtown, bicycle lane construction and recreational trails.	30-A §5225 (1)(A)(1)(a)	\$40,000
3	The demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures and fixtures for commercial use, including but not limited to building upgrades and repairs, the implementation of a façade improvement program, and the annual removal of slum and blight.	30-A §5225 (1)(A)(1)(b)	\$2,320,000
4	The demolition, alteration, remodeling, repair or reconstruction of existing downtown fire station.	30-A §5225 (1)(A)(1)(b)	\$1,000,000
5	Site preparation and finishing work within the District.	30-A §5225 (1)(A)(1)(c)	\$50,000
6	Possible relocation costs for existing businesses within the District to allow for district development.	30-A §5225 (1)(A)(6)	\$300,000
PUBLIC PROJECTS OUTSIDE DISTRICT BUT DIRECTLY RELATED TO OR MADE NECESSARY BY THE AMENDMENT/OPERATION OF THE DISTRICT			
7	Portion of the costs reasonably related to the construction, alteration or expansion of facilities not located within the district that are required due to improvements or activities within the district, including but not limited to storm sewer lines.	30-A §5225 (1)(B)(1)	\$125,000
COMMUNITY-WIDE PUBLIC PROJECTS			
8	Costs of funding economic development programs or events developed by the City, as well as costs of funding the marketing of the City for commercial district uses, to include funds for the Caribou Area Chamber of Commerce, a municipal sub-department which manages the City's economic development activities. Costs will include but are not limited to a reasonable portion of salaries, overhead costs such as heating, electricity, and other overhead expenses not covered by chamber dues.	30-A §5225 (1)(C)(1)	\$7,284,500
9	Funding for permanent economic development revolving loan funds, investment funds, or grants being administered by the Caribou Economic Growth Council or other third-party group on the City's behalf.	30-A §5225 (1)(C)(3)	\$550,000

10	Costs associated with creating, maintaining and grooming recreational trails, including but not limited to trail connections from existing trails to the Downtown and Bennett Drive, as well as the purchase of trail grooming equipment.	30-A §5225 (1)(C)(6)	\$1,003,000
11	Costs related to development and implementation of marine resources projects, including but not limited to improvements to the boat landing and riverfront shoreline improvements.	30-A §5225 (1)(C)(8)	\$30,000
		Total:	\$17,133,700

Public Facilities/Improvements/Program Descriptions

The City intends to use the TIF revenues from the District to finance some or all of the costs of the public projects listed in the Public Projects table.

Private Facilities/Improvements/Program Descriptions

Currently the City of Caribou is not aware of any private investments that are planned within the Downtown District. However, with this TIF amendment the District is being redefined as an omnibus development district. Current or future City Councils may enter into CEAs that allow for a portion of new taxes paid on projects within the District to be returned to the Company/Developer for financing purposes.

Exhibit A: TIF District Map (Locational)

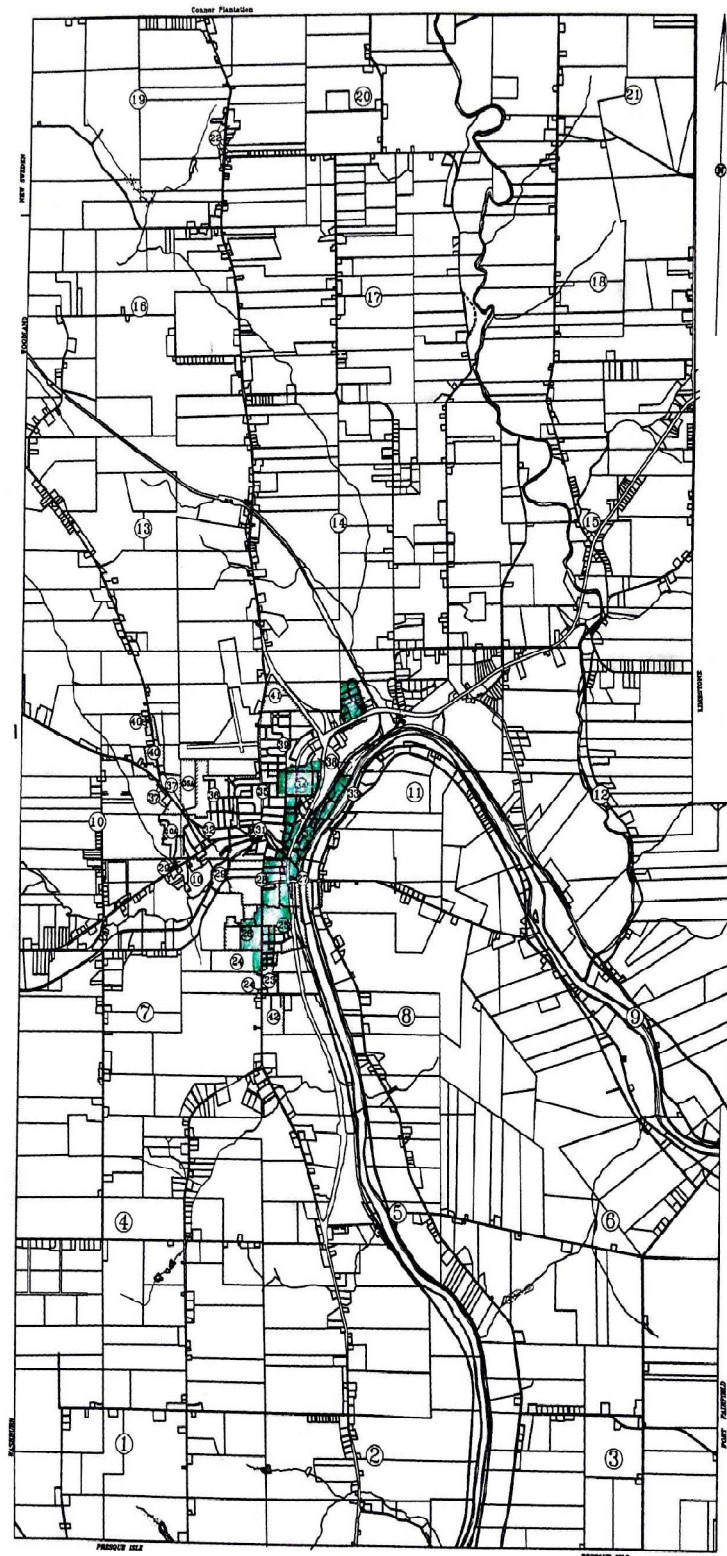
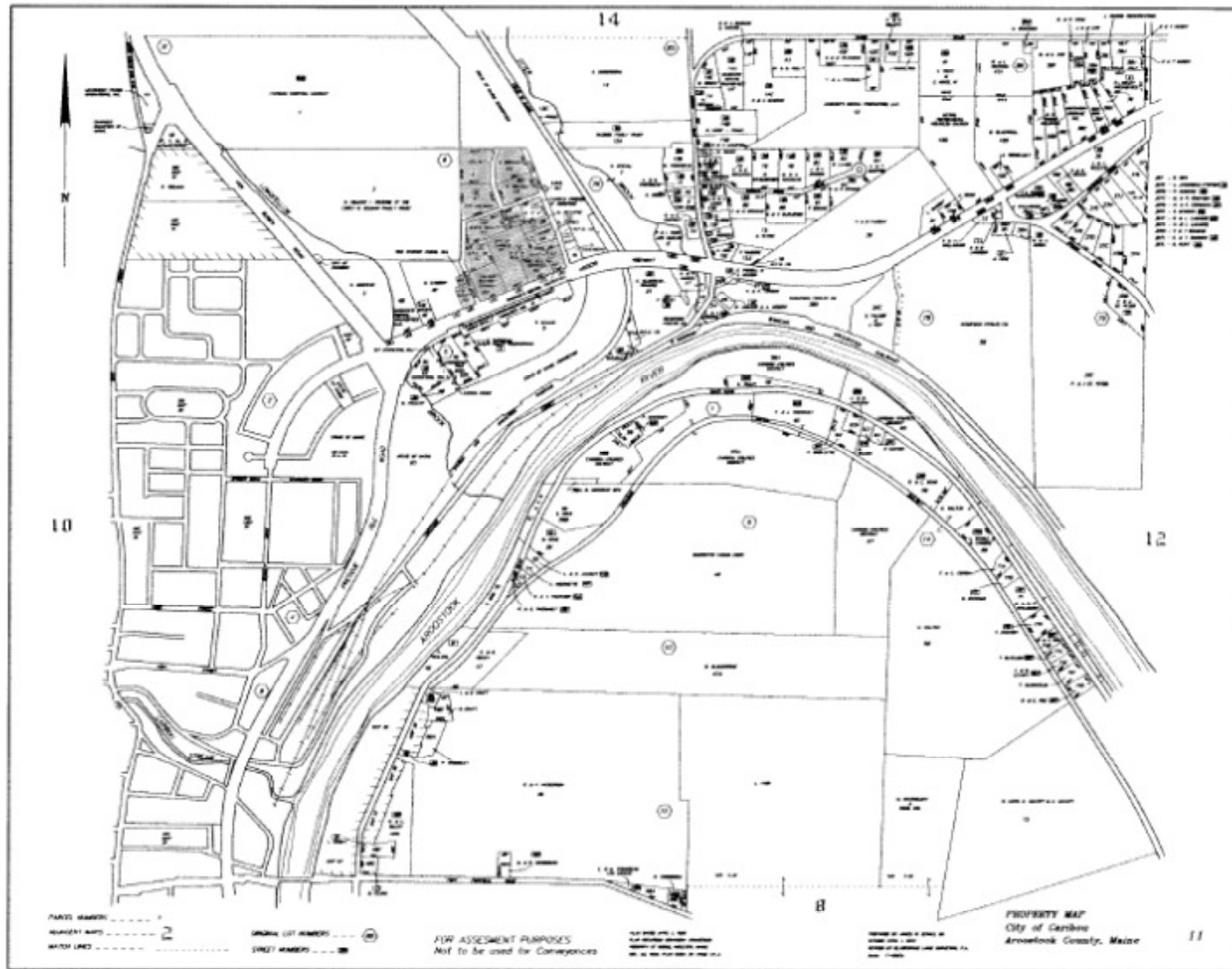
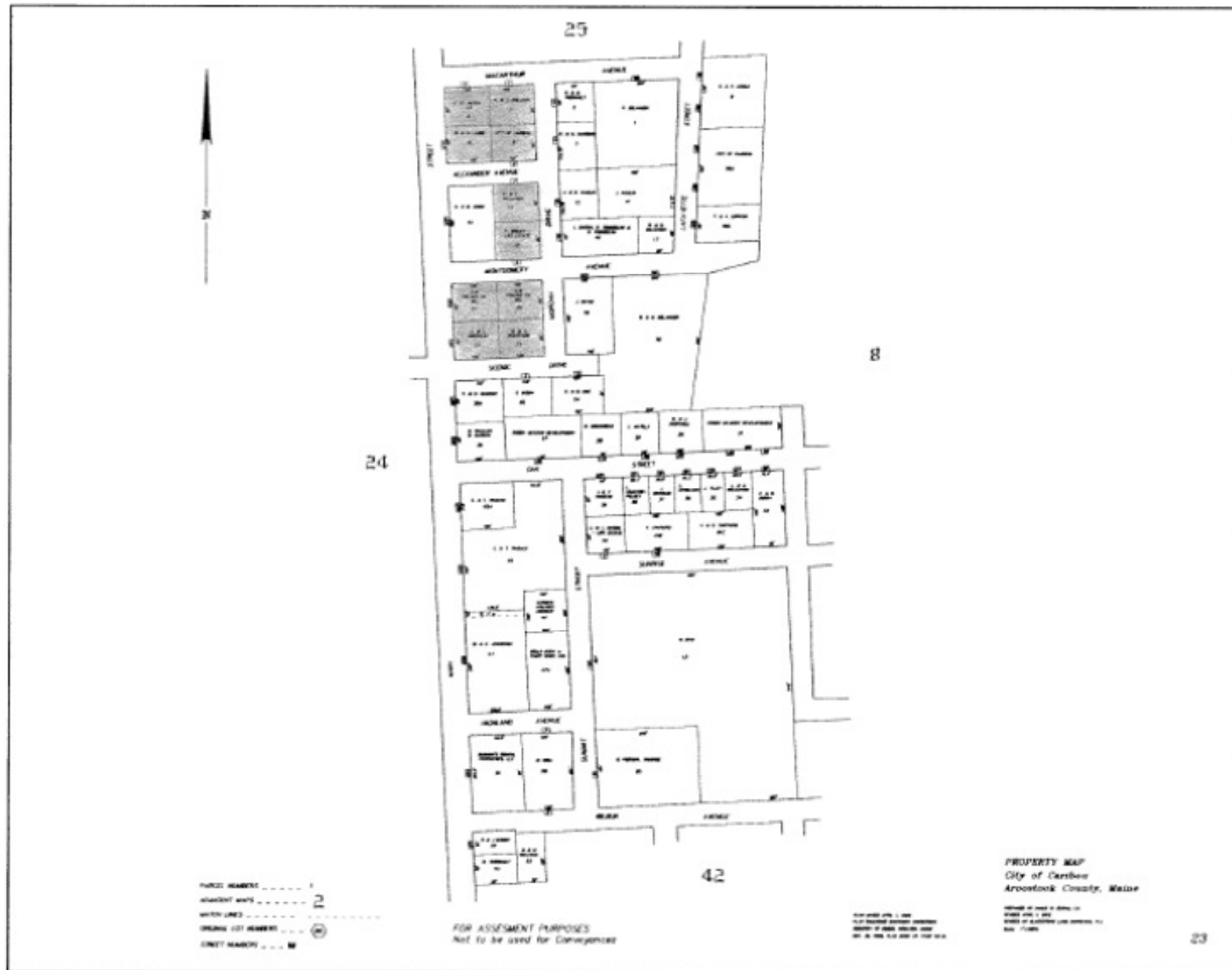
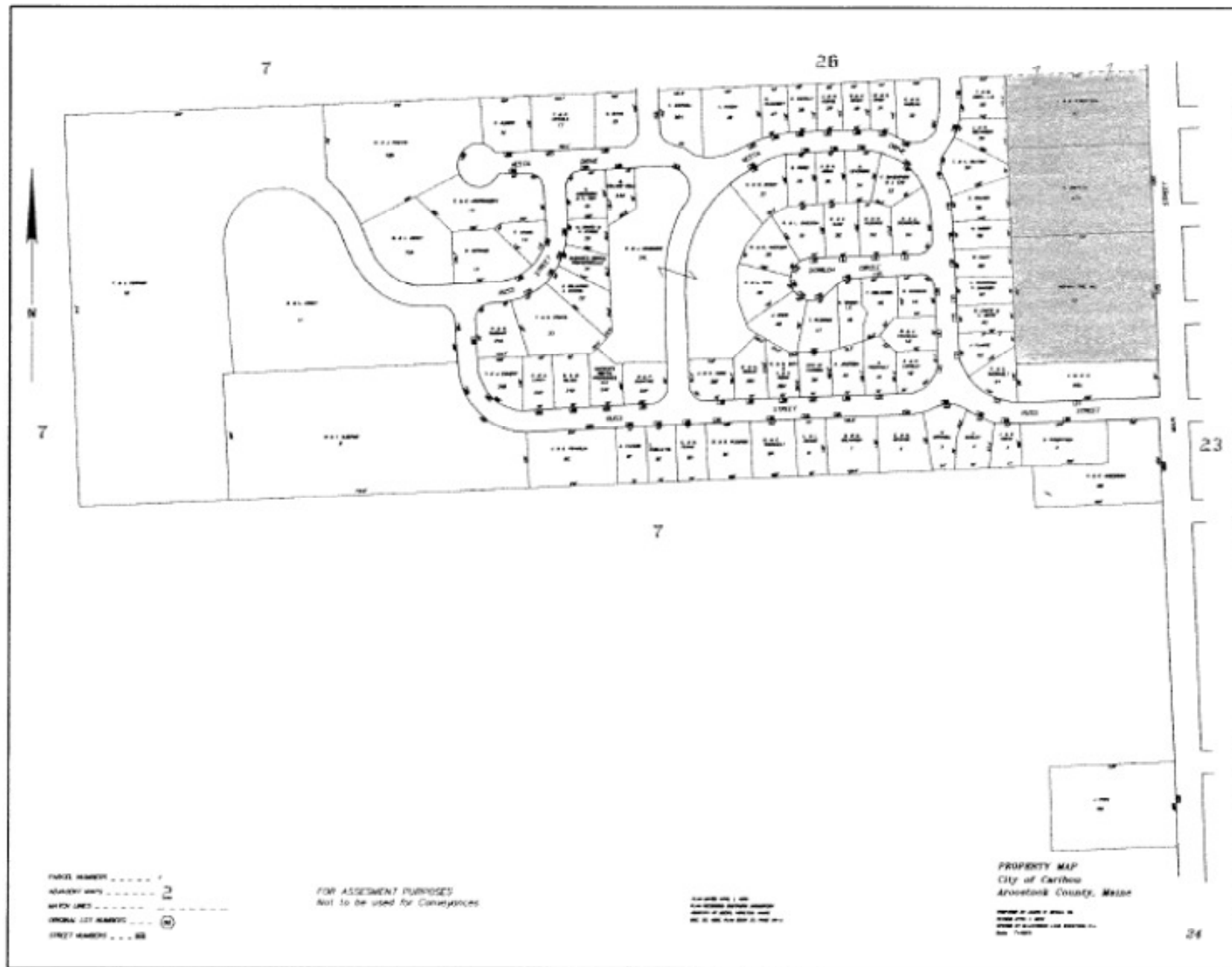
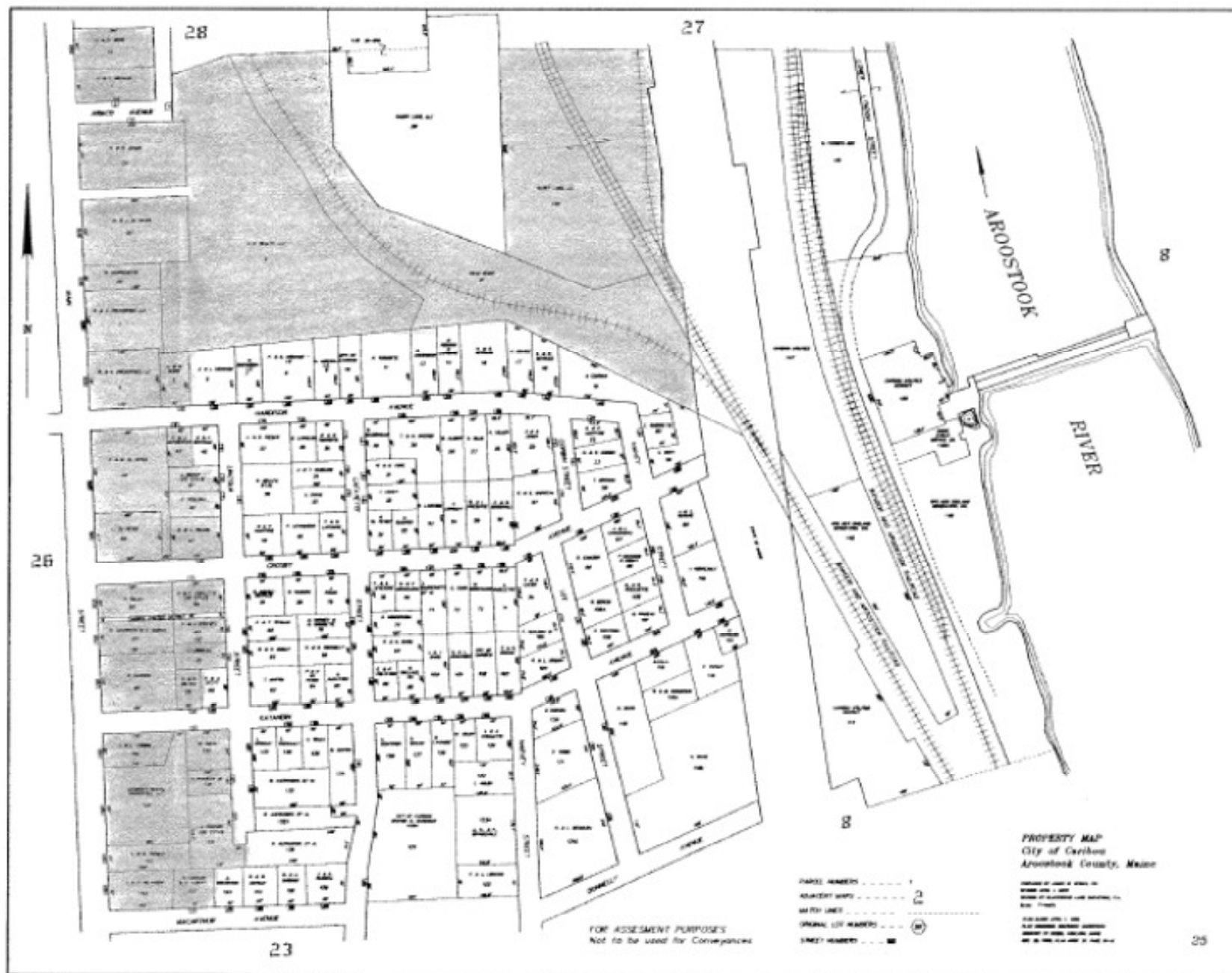


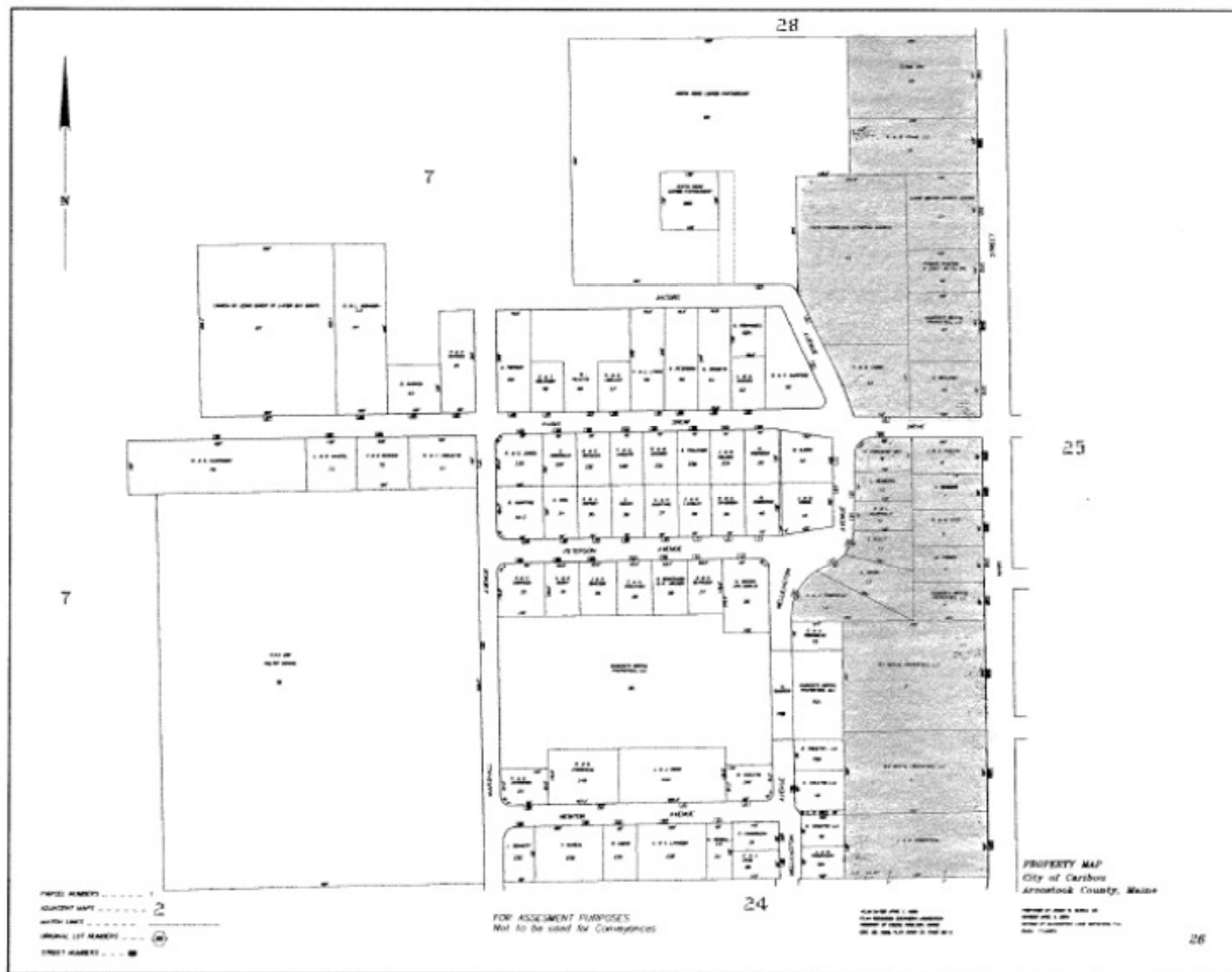
Exhibit B: TIF District Maps (Site-Specific)





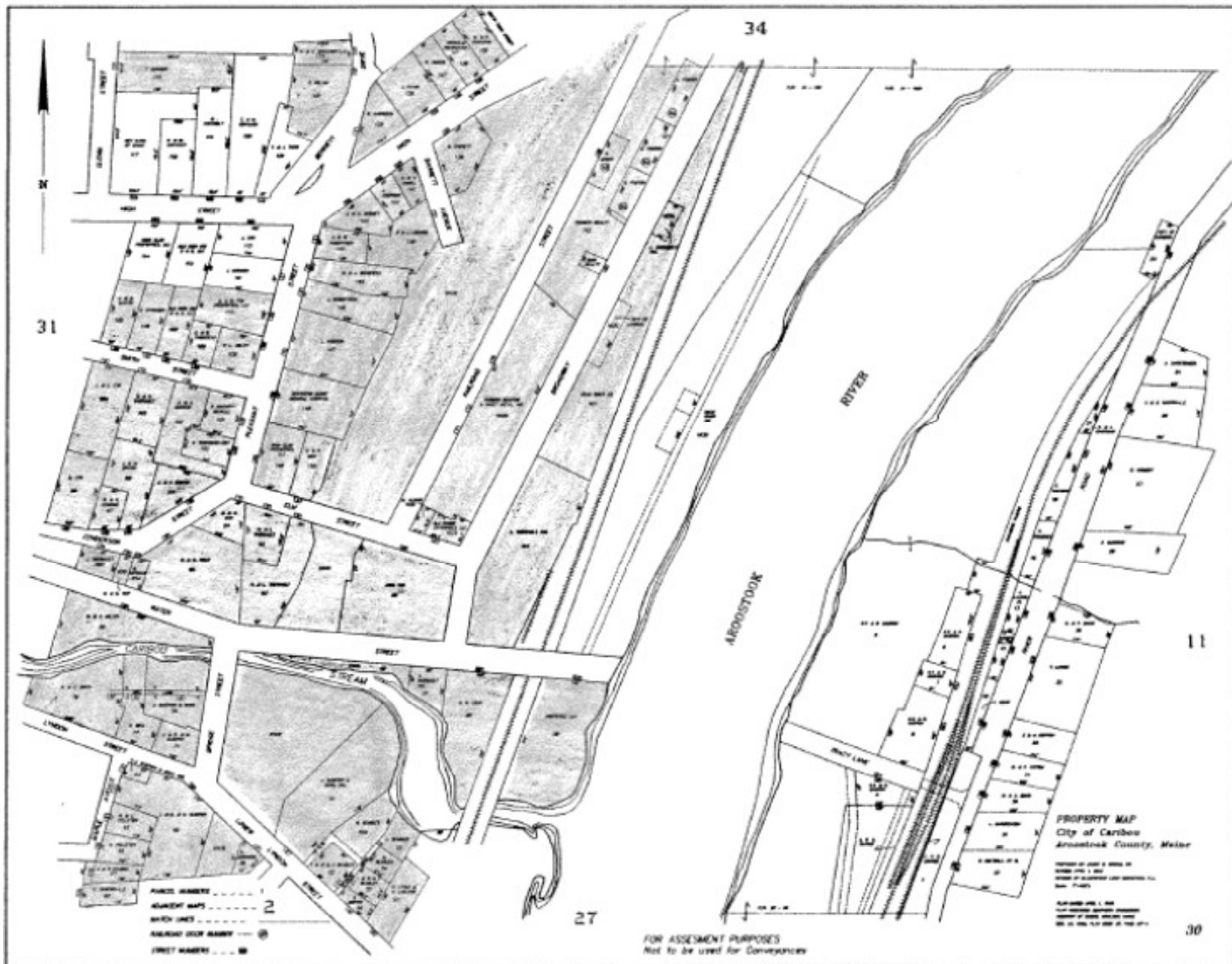


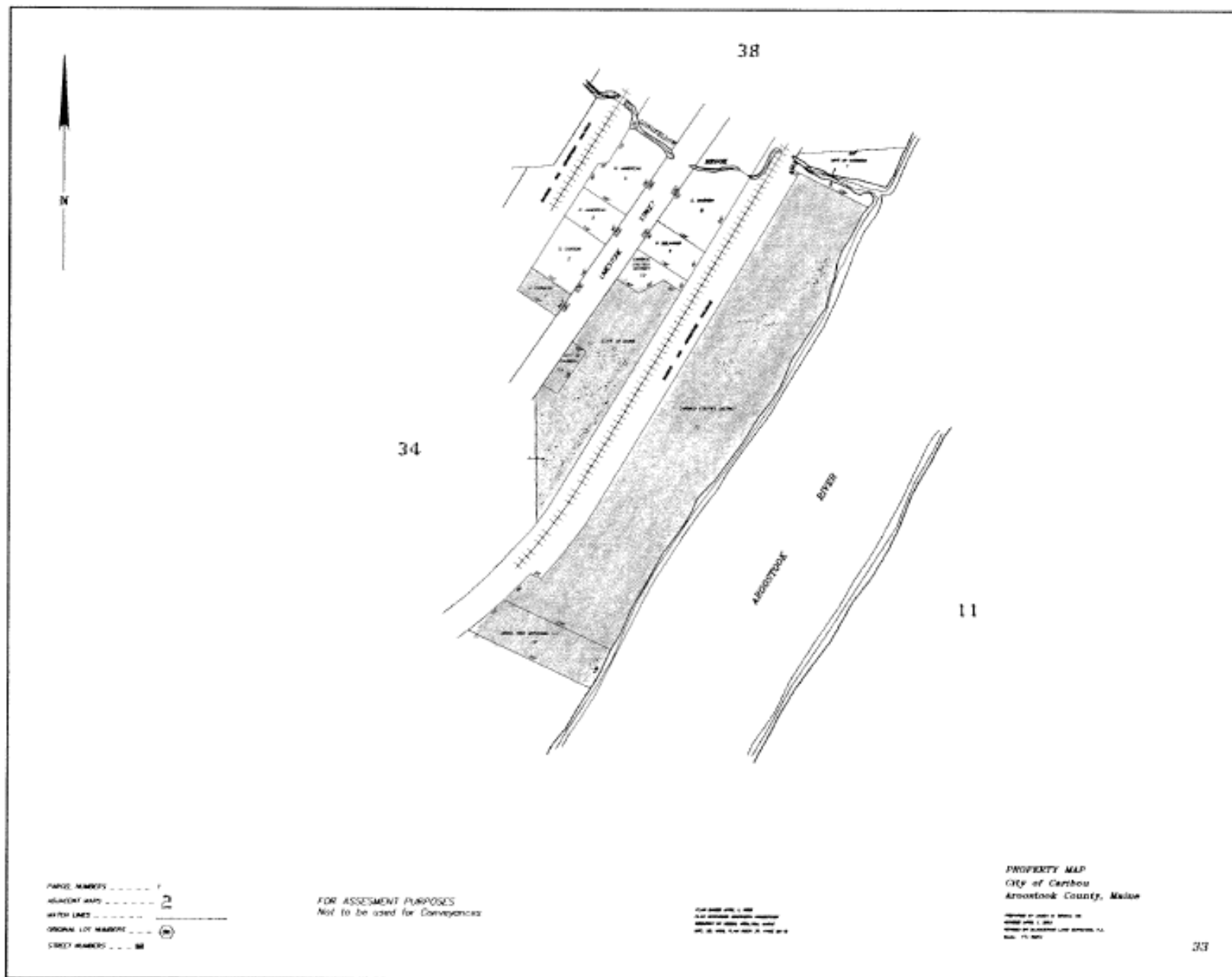




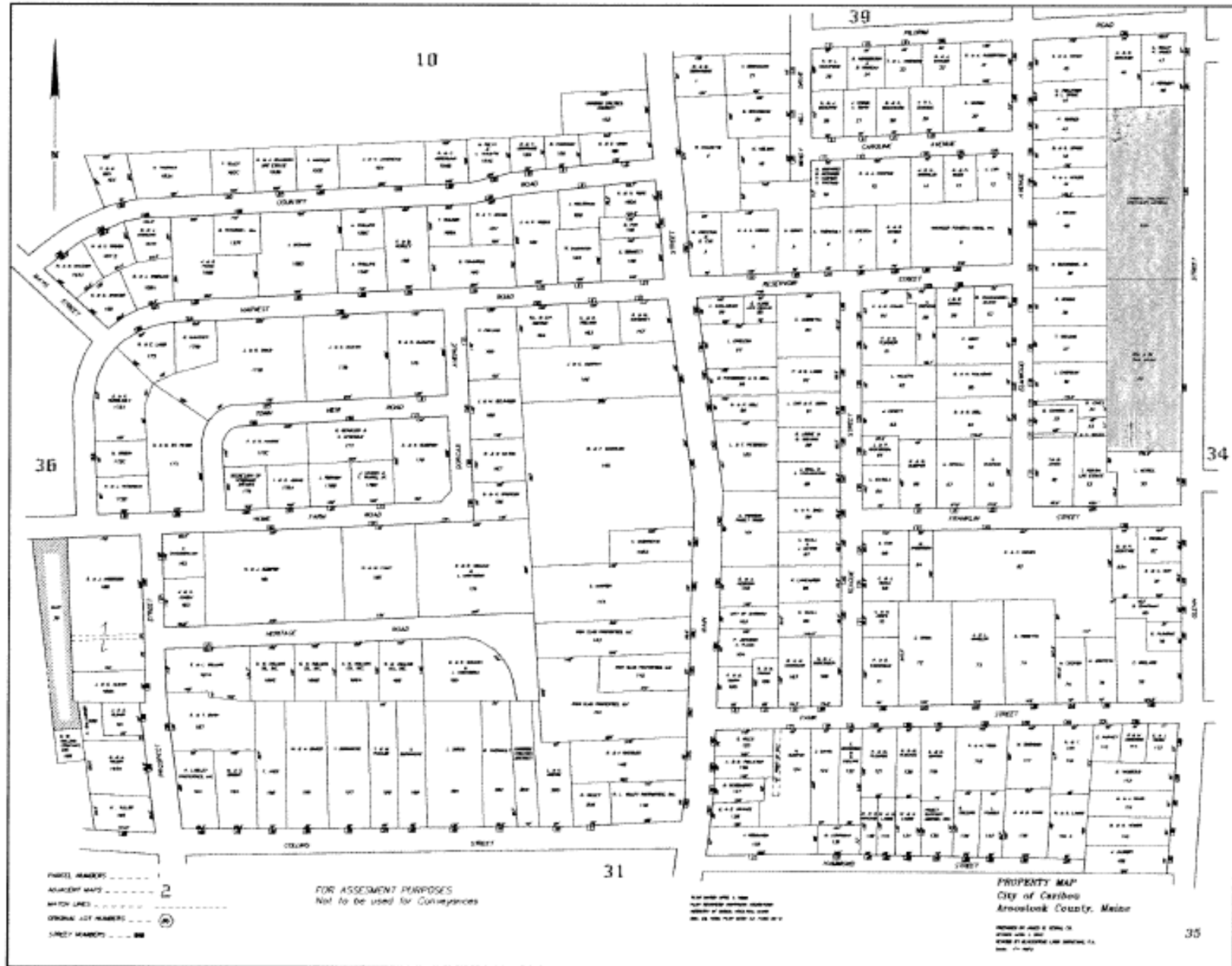


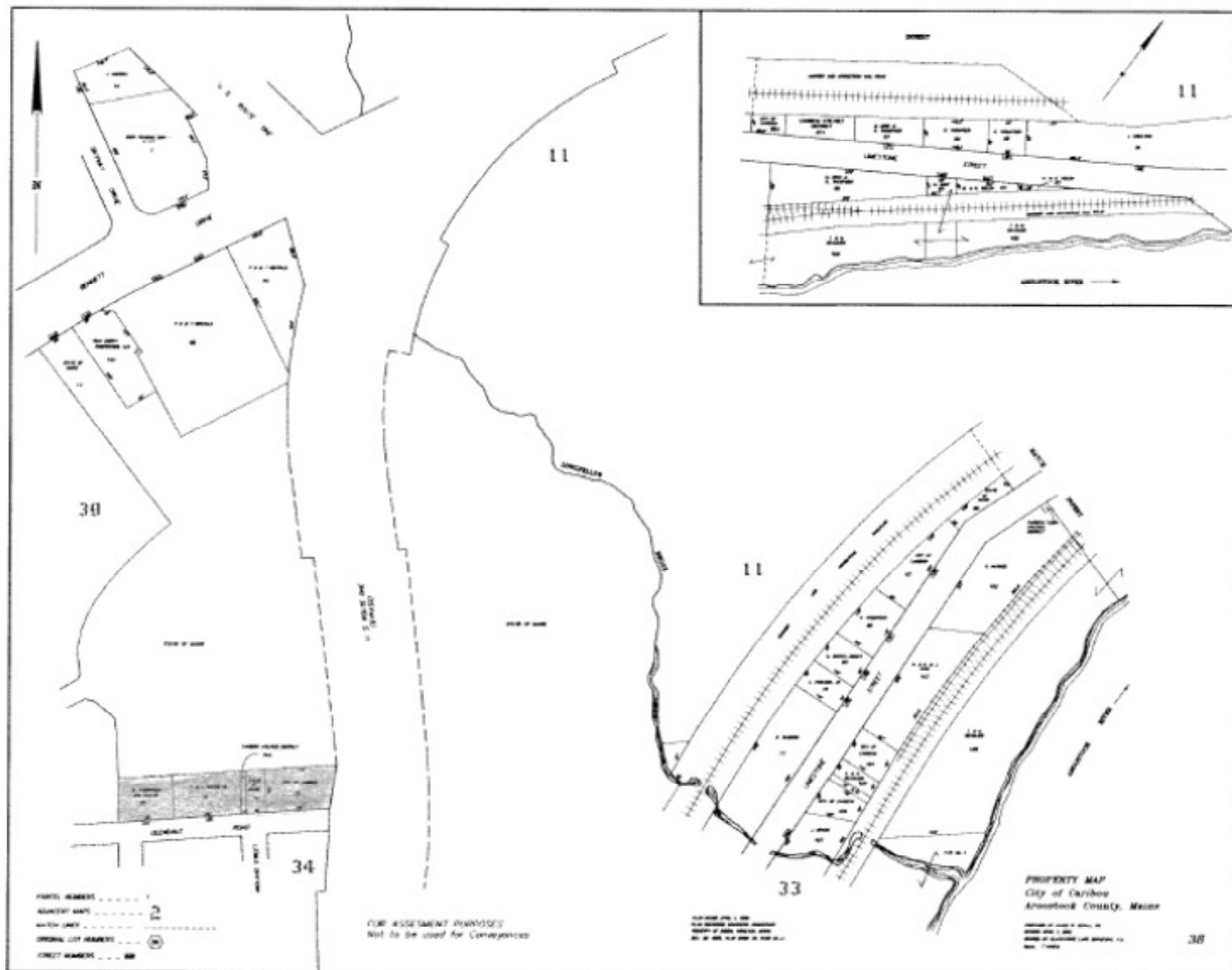












CARIBOU DOWNTOWN

Exhibit C: Revenue Projections

TIF YR.	TAX YEAR (ends Mar 31)	Projected Annual Assessed Value	Projected Mill Rate	Gross New Taxes	TIF		COMMUNITY				COMPANY	
					%	Total Revenues	General Fund	TIF %	TIF Revenues	Total Revenues	TIF %	TIF Revenues
Base	2005											
1	2006	\$479,600	\$20.50	\$11,750	100%	\$11,750	\$0	0.0%	\$0	\$0	100.0%	\$ 11,750
2	2007	\$1,018,800	\$20.50	\$24,452	100%	\$24,452	\$0	0.0%	\$0	\$0	100.0%	\$ 24,452
3	2008	\$1,777,600	\$20.50	\$42,672	100%	\$42,672	\$0	42.7%	\$18,221	\$18,221	57.3%	\$ 24,451
4	2009	\$1,830,300	\$20.50	\$43,927	100%	\$43,927	\$0	44.3%	\$19,476	\$19,476	55.7%	\$ 24,451
5	2010	\$2,333,300	\$20.50	\$56,233	100%	\$56,233	\$0	56.3%	\$31,679	\$31,679	43.7%	\$ 24,553
6	2011	\$2,415,200	\$20.50	\$63,037	100%	\$63,037	\$0	57.8%	\$36,446	\$36,446	42.2%	\$ 26,591
7	2012	\$2,382,000	\$20.50	\$19,931	100%	\$19,931	\$0	0.0%	\$0	\$0	100.0%	\$ 19,931
8	2013	\$17,277,800	\$20.50	\$354,195	100%	\$354,195	\$0	94.0%	\$333,025	\$333,025	6.0%	\$ 21,170
9	2014	\$17,450,578	\$20.50	\$357,736	100%	\$357,736	\$0	50.0%	\$336,460	\$336,460	50.0%	\$ 21,276
10	2015	\$17,625,084	\$20.50	\$361,314	100%	\$361,314	\$0	50.0%	\$339,931	\$339,931	50.0%	\$ 21,383
11	2016	\$17,801,335	\$20.50	\$364,927	100%	\$364,927	\$0	50.0%	\$343,438	\$343,438	50.0%	\$ 21,489
12	2017	\$17,979,348	\$20.50	\$368,576	100%	\$368,576	\$0	50.0%	\$346,979	\$346,979	50.0%	\$ 21,597
13	2018	\$18,159,141	\$20.50	\$372,262	100%	\$372,262	\$0	50.0%	\$350,557	\$350,557	50.0%	\$ 21,705
14	2019	\$18,340,733	\$20.50	\$375,985	100%	\$375,985	\$0	50.0%	\$354,172	\$354,172	50.0%	\$ 21,813
15	2020	\$18,524,140	\$20.50	\$379,744	100%	\$379,744	\$0	50.0%	\$357,821	\$357,821	50.0%	\$ 21,923
16	2021	\$18,709,382	\$20.50	\$383,542	100%	\$383,542	\$0	100.0%	\$383,542	\$383,542	0.0%	\$ -
17	2022	\$18,896,475	\$20.50	\$387,377	100%	\$387,377	\$0	100.0%	\$387,377	\$387,377	0.0%	\$ -
18	2023	\$19,085,440	\$20.50	\$391,251	100%	\$391,251	\$0	100.0%	\$391,251	\$391,251	0.0%	\$ -
19	2024	\$19,276,295	\$20.50	\$395,164	100%	\$395,164	\$0	100.0%	\$395,164	\$395,164	0.0%	\$ -
20	2025	\$19,469,058	\$20.50	\$399,115	100%	\$399,115	\$0	100.0%	\$399,115	\$399,115	0.0%	\$ -
21	2026	\$19,663,748	\$20.50	\$403,106	100%	\$403,106	\$0	100.0%	\$403,106	\$403,106	0.0%	\$ -
22	2027	\$19,860,386	\$20.50	\$407,137	100%	\$407,137	\$0	100.0%	\$407,137	\$407,137	0.0%	\$ -
23	2028	\$20,058,989	\$20.50	\$411,209	100%	\$411,209	\$0	100.0%	\$411,209	\$411,209	0.0%	\$ -
24	2029	\$20,259,579	\$20.50	\$415,321	100%	\$415,321	\$0	100.0%	\$415,321	\$415,321	0.0%	\$ -
25	2030	\$20,462,175	\$20.50	\$419,474	100%	\$419,474	\$0	100.0%	\$419,474	\$419,474	0.0%	\$ -
26	2031	\$20,666,797	\$20.50	\$423,669	100%	\$423,669	\$0	100.0%	\$423,669	\$423,669	0.0%	\$ -
27	2032	\$20,873,465	\$20.50	\$427,906	100%	\$427,906	\$0	100.0%	\$427,906	\$427,906	0.0%	\$ -
28	2033	\$21,082,199	\$20.50	\$432,185	100%	\$432,185	\$0	100.0%	\$432,185	\$432,185	0.0%	\$ -
29	2034	\$21,293,021	\$20.50	\$436,506	100%	\$436,506	\$0	100.0%	\$436,506	\$436,506	0.0%	\$ -
30	2035	\$21,505,952	\$20.50	\$440,872	100%	\$440,872	\$0	100.0%	\$440,872	\$440,872	0.0%	\$ -
Cumulative				\$9,370,575		\$9,370,575	\$0		\$9,042,039	\$9,042,039		\$328,536
Avg. Annual		\$15,218,597	\$20.50	\$312,353		\$312,353	\$0		\$301,401	\$301,401		\$10,951

ASSUMPTIONS

Years in projection	30
Mill Rate (per thousand)	20.50
Annual Appreciation of district	1.00%
Original Assessed Value, 2005 and 2007 tax year OAVs	\$49,032,100

Exhibit D: Tax Shift Calculations

TAX INCREMENT FINANCING DISTRICT TAX SHIFT CALCULATIONS

TIF YR.	TAX YEAR (ends Mar 31)	EPS Education Shift	Revenue Sharing Shift	County Tax Shift	Total Tax Shift
Base	2005				
1	2006	\$ -	\$ -	\$ -	\$ -
2	2007	\$ -	\$ -	\$ -	\$ -
3	2008	\$ 3,770	\$ 1,014	\$ 476	\$ 5,260
4	2009	\$ 11,777	\$ 2,151	\$ 1,040	\$ 14,969
5	2010	\$ 25,749	\$ 3,746	\$ 1,866	\$ 31,361
6	2011	\$ 40,136	\$ 3,857	\$ 1,975	\$ 45,968
7	2012	\$ 58,475	\$ 4,910	\$ 2,589	\$ 65,975
8	2013	\$ 77,459	\$ 5,081	\$ 2,756	\$ 85,296
9	2014	\$ 96,181	\$ 5,012	\$ 2,796	\$ 103,989
10	2015	\$ 231,985	\$ 34,976	\$ 20,792	\$ 287,752
11	2016	\$ 369,146	\$ 35,310	\$ 21,595	\$ 426,051
12	2017	\$ 507,679	\$ 35,647	\$ 22,430	\$ 565,756
13	2018	\$ 647,598	\$ 35,987	\$ 23,296	\$ 706,881
14	2019	\$ 788,916	\$ 36,331	\$ 24,196	\$ 849,443
15	2020	\$ 931,646	\$ 36,677	\$ 25,131	\$ 993,455
16	2021	\$ 1,075,805	\$ 37,027	\$ 26,102	\$ 1,138,933
17	2022	\$ 1,221,404	\$ 37,380	\$ 27,110	\$ 1,285,894
18	2023	\$ 1,368,460	\$ 37,736	\$ 28,157	\$ 1,434,354
19	2024	\$ 1,516,986	\$ 38,095	\$ 29,245	\$ 1,584,327
20	2025	\$ 1,666,998	\$ 38,458	\$ 30,375	\$ 1,735,831
21	2026	\$ 1,818,510	\$ 38,824	\$ 31,548	\$ 1,888,882
22	2027	\$ 1,971,536	\$ 39,193	\$ 32,767	\$ 2,043,496
23	2028	\$ 2,126,093	\$ 39,565	\$ 34,033	\$ 2,199,691
24	2029	\$ 2,282,196	\$ 39,941	\$ 34,033	\$ 2,356,170
25	2030	\$ 2,439,860	\$ 40,320	\$ 35,347	\$ 2,515,527
26	2031	\$ 2,599,100	\$ 40,703	\$ 36,713	\$ 2,676,516
27	2032	\$ 2,759,933	\$ 41,089	\$ 39,604	\$ 2,840,625
28	2033	\$ 2,922,374	\$ 41,478	\$ 41,134	\$ 3,004,986
29	2034	\$ 3,086,439	\$ 41,871	\$ 42,723	\$ 3,171,033
30	2035	\$ 3,252,145	\$ 42,268	\$ 44,373	\$ 3,338,786
31	2036	\$ 3,419,508	\$ 42,668	\$ 46,087	\$ 3,508,263
32	2037	\$ 3,588,545	\$ 43,071	\$ 47,867	\$ 3,679,483
Cumulative		\$ 42,906,412	\$ 920,387	\$758,154	\$44,584,953
Avg. Annual		\$1,430,214	\$30,680	\$25,272	\$1,486,165

Exhibit E: Assessor's Certificates



City of Caribou, Maine

*Municipal Building
25 High Street
Caribou, ME 04736
Telephone (207) 493-3324
Fax (207) 498-3954
www.cariboumaine.org*

CERTIFICATE
CITY OF CARIBOU, MAINE
MUNICIPAL ASSESSOR

The undersigned City Assessor for the City of Caribou, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. Section 5227(2) that the taxable real assessed value of the **Downtown Tax Increment Financing District** as described in the Development Program Application to which this Certificate is included was

\$21,619,600.00 as of April 1, 2006 (March 31, 2007)

The undersigned further certifies that the tax map and municipal map on which the District is delineated and which are attached to the Development Program referenced above as Exhibits and are accurate depictions of the District and the municipality.

IN WITNESS WHEREOF, this Certificate has been executed this 22nd day of August, 2013.

City of Caribou


Elizabeth E. O'Bar, CMA
Assessor's Agent



City of Caribou, Maine

*Municipal Building
25 High Street
Caribou, ME 04736
Telephone (207) 493-3324
Fax (207) 498-3954
www.cariboumaine.org*

**CERTIFICATE
CITY OF CARIBOU, MAINE
MUNICIPAL ASSESSOR**

The undersigned City Assessor for the City of Caribou, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. Section 5227(2) that the taxable real assessed value of the **Downtown Tax Increment Financing District** as described in the Development Program Application to which this Certificate is included was

\$27,412,500.00 as of April 1, 2004 (March 31, 2005)

The undersigned further certifies that the tax map and municipal map on which the District is delineated and which are attached to the Development Program referenced above as Exhibits and are accurate depictions of the District and the municipality.

IN WITNESS WHEREOF, this Certificate has been executed this 22nd day of August, 2013.

City of Caribou


Elizabeth E. O'Bar, CMA
Assessor's Agent

Exhibit F: Notice of Public Hearing

AROOSTOOK REPUBLICAN AND NEWS, WEDNESDAY, AUGUST 21, 2013, PAGE 8

CARIBOU CITY COUNCIL NOTICE OF PUBLIC HEARINGS

The Caribou City Council will hold Public Hearings on Monday, September 9, 2013 at 7:00 pm in City Council Chambers, 25 High Street to receive written and verbal comments on the following:

Public Hearing #1: A proposed Boarding House Moratorium Ordinance for the City of Caribou.

Public Hearing #2: A Charter Amendment which reads:
Shall the municipality approve the charter amendment reprinted below?

Amending Caribou City Charter Section 2.01 (c) to read:
The terms of municipal officials shall begin the first ~~Monday~~ business day of January.

Public Hearing #3: A Charter Amendment which reads:
Shall the municipality approve the charter amendment reprinted below?

Amending Caribou City Charter Section 2.02 to read:
A councilor may elect to receive all of, a portion of or not to receive compensation for a calendar year.

Public Hearing #4: A Charter Amendment which reads:
Shall the municipality approve the charter amendment summarized below?

A Charter Amendment which modifies Section 5 of the Caribou City Charter to change the operating fiscal year for the City from a Calendar Year to a July 1 – June 30 Fiscal Year beginning July 1, 2015 and modifies the budget timelines in the Caribou City Charter accordingly.

Public Hearing #5: A Charter Amendment which reads:
Shall the municipality approve the charter amendment reprinted below?

Amending Caribou City Charter Section 2.01 (b) to read:
(b) Eligibility. Only qualified voters of the City, ~~who are current for all annual personal and real property taxes due to the city on or before December 31st of the previous year,~~ shall be eligible to hold the office of Councilor.

And Amending Caribou City Charter Section 2.06 (b) (6) to remove:

~~fails to pay all annual personal and real property taxes on or before December 31st of the previous year,~~

Public Hearing #6: To solicit comments regarding the approval of an amendment to the Tax Increment Financing District for the Caribou Downtown TIF District pursuant to Title 30-A M.R.S.A. §5226.

A copy of these proposed Ordinances and Charter Amendments are available in the City Clerk's Office and on the City website, www.cariboumaine.org, for public review. Interested individuals are encouraged to attend. All people requiring special accommodations to participate in these hearings, and those wishing to submit comments in writing may contact Austin Bleess, City Manager, 25 High St, Caribou, Maine 04736 telephone 207-493-3324 ext. 230, fax 207-498-3954, or via email at citymanager@cariboumaine.org.

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Exhibit G: Attested Minutes of Public Hearing and Record of Council Action

(We have these and will insert them.)

September 9, 2013

Please Print

~~Exhibition Site~~

Milo Harney

~~Shirley Martin~~

VAUGHN BREWER

Seth Williams

ROBERT HUSTON

NORMA MITTON

SAM COLLINS

HUGH KIRKPATRICK

DAVE CHUELLETTE

William Tasker

Scott Susi

Brenda St. Peter

CLINTON ST. PETER

Kirsten Albair

STEVE WENTWORTH

Patrick Bennett

Philip ST. PETER

Torice St. Peter



City of Caribou, Maine

*Municipal Building
25 High Street
Caribou, ME 04736
Telephone (207) 493-3324
Fax (207) 498-3954
www.cariboumaine.org*

Below is an excerpt from the minutes of the January 27, 2014 Caribou City Council Meeting.

Council Agenda Item #5: Approval of Downtown TIF District Amendment

On September 9, 2013 the Council approved several changes to Caribou's Downtown Tax Increment Financing District program. That Council-approved application is currently being reviewed by the Department of Economic and Community Development. The City is not aware of any private investments that are currently planned within the Downtown District. However, as part of that same amendment approved by the Council on September 9, 2013, the City would like to include the designation of the Downtown TIF District as an "omnibus" district, which would allow the City Council to enter into Credit Enhancement Agreements with future developers on a case-by-case basis and allow the Council to negotiate a tax reimbursement between 0% and 100% of the development's annual taxes for a fixed number of years. These terms would be decided at the Council's sole discretion. The council would provide opportunity for public comment on a proposed credit enhancement agreement. The advantage of creating an omnibus downtown district is that the City does not need to submit a Downtown TIF amendment every time they want to enter into a CEA with a developer. Other changes, such as changing the district boundaries or amending the development plan for example, would require an amendment.

Although this concept was included in the original amendment, DECD asked that the terms on which the Council could negotiate credit enhancement agreements be clarified.

7:03 p.m. Public Hearing opened.

No public input or questions.

7:04 p.m. Public Hearing closed.

Motion made by D. Martin, seconded by P. McDonough, to approve the Downtown Omnibus TIF District Amendment. (6 yes) So voted.

January 29, 2014

A True Copy Attest:

Jayne R. Farrin
City Clerk

01/27/2014
Meeting

Please sign

Dave Ouellette PW

Natalie Aroostook Republican



City of Caribou, Maine

Municipal Building
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Fax (207) 498-3954
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Below is an excerpt from the minutes of the September 9, 2013 Caribou City Council Meeting. The Minutes were approved October 15, 2013 by a vote of the Caribou City Council.

Council Agenda Item #7: Downtown TIF District Plan Approval

Manager Bleess stated the proposed amendments to the downtown Tax Increment Financing District (TIF) plan will give the City more flexibility on the spending of TIF money. Over the life of the TIF District, the City expects to receive about \$9 million. Maine Department of Economic & Community Development (DECD) wants to know how the City plans to spend the \$9 million or even a higher amount. Manager Bleess reviewed a proposed list of projects that totaled \$18,471,200. Manager Bleess stated that the City will not spend more than is taken in from the TIF. The TIF District will end in 2035.

Councilor Martin asked whether the proposed investment to the fire station could be used to remodel the Municipal Building. Manager Bleess stated that DECD does not allow TIF money to be spent on municipal buildings.

Councilor Kouhoupht complimented administration for the work done on the proposed amendment.

8:24 p.m. Public Hearing Opened.

Wilfred Martin spoke in opposition to TIF Districts and Credit Enhancement Agreements (CEA).

Mark Reschke spoke in favor of the proposed amendment.

8:34 p.m. Public Hearing Closed

Motion made by A. Kouhoupht, seconded by P. McDonough, to approve the proposed Downtown TIF District Plan Amendment. (6 yes) So voted

January 29, 2013

A True Copy Attest:

A handwritten signature in black ink that reads "Kalen Hill".

Kalen Hill

Deputy City Clerk

September 9, 2013

Please Print

~~Frederick C. T.~~

Milo Henry

~~Shirley Martin~~

Vaughan Brewer

Seth Williams

Robert Huston

Norma Milton

Sam Collins

Hugh Kirkpatrick

Dave Chellette

William Tasker

~~Scott~~ Susi

Brenda St. Peter

CLINTON ST. PETER

Kirsten Albair

STEVE WENTWORTH

Patrick Bennett

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Tanice St. Peter



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CERTIFICATE CITY OF CARIBOU, MAINE MUNICIPAL ASSESSOR

The undersigned City Assessor for the City of Caribou, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. Section 5227(2) that the taxable real assessed value of the 267.18 acres of land contained within the Downtown Tax Increment Financing District as described in Exhibit C of the March 14, 2006 Caribou Management Company, LLC Development Program Application was **\$27,412,500.00** as of April 1, 2004 (March 31, 2005).

Of the above original assessed value, a portion of Map 39 Lot 58 containing the Skyway Plaza project commercial property owned by Caribou Management Company, LLC was the subject of a credit enhancement agreement between the City and the Company as described in Section I-D of the March 14, 2006 Caribou Management Company, LLC Development Program Application. The property had a taxable real assessed value of **\$335,500.00** as of April 1, 2004 (March 31, 2005).

Further, the taxable real assessed value of the 368 acres of land as described in Exhibit B of the March 21, 2008 Downtown Development and Tax Increment Financing District Plan, Amendment 1 was **\$21,619,600.00** as of April 1, 2006 (March 31, 2007).

Therefore, the total taxable real assessed value of the Downtown Tax Increment Financing District is:

\$27,412,500.00 as of April 1, 2004 (March 31, 2005)
+ \$21,619,600.00 as of April 1, 2006 (March 31, 2007)
\$49,032,100.00

The undersigned further certifies that the tax map and municipal map on which the District is delineated and which are attached as Exhibit B to this Omnibus Downtown Development and Tax Increment Financing District Development Program and Financing Plan, Amendment 2 are accurate depictions of the District and the municipality.

IN WITNESS WHEREOF, this Certificate has been executed this 10th day of January, 2014.

City of Caribou


Penny Thompson, CMA
Assessor's Agent



City of Caribou, Maine

*Municipal Building
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Fax (207) 498-3954
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DATE: February 13, 2014

TO: Laura Santini-Smith, Director of Tax Incentive Programs

FROM: Austin Bleess, City Manager

RE: Second Amendment of the City of Caribou Omnibus Downtown Development and Tax Increment Financing District Development Program

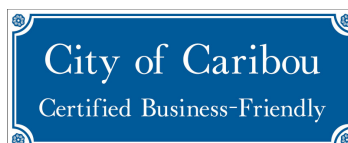
The City of Caribou is providing the following information in order to facilitate the issuance of the statutory advisory from the Department of Agriculture, Conservation and Forestry (DACF) that will lead to the approval of the Second Amendment of the "City of Caribou Omnibus Downtown Development and Tax Increment Financing District Development Program".

The 2008 estimates in the City of Caribou's Downtown Development Plan were based on one-time costs for the specific projects listed. These cost estimates are not reflective of the cost to complete these projects today, and for that reason estimates of the specific project costs listed in the Downtown Development Plan have been increased by 10% to reflect 2014-2015 estimated costs.

Further, as with many municipalities that create TIF District investment plans, the City of Caribou has chosen to allocate maximum allowable expenditures in each Public Projects category that may be used during the life of the TIF District. The City of Caribou's Downtown TIF District will expire in 2035. Although the cost estimates may appear inflated as compared to the specific 2008 project allocation, budgeting additional money to specific Public Projects allows the municipality to expend TIF revenues appropriately according to TIF Statute without having to undergo the TIF amendment application process.

Clarification on the "Riverfront" area of the Downtown District was requested. The Riverfront is cited on page 17 of the March 24, 2008 Downtown District Plan. A citation justifying the use of funds for the Riverfront in Item #1 on the Public Projects table should have been made for page 9, bullet 4, which states that, "Improvements recommended in this Plan, including streetscape, signage, trail connections, and other public investments should be an option for these additional areas tied to the Downtown as part of Caribou Center."

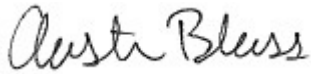
The City of Caribou has further proposed "The demolition, alteration, remodeling, repair or reconstruction of existing downtown fire station." The need for an updated fire station in the Downtown District has become apparent as a result of the growth of and investment in the Downtown District since 2008. Between 2006 and 2013, the annual assessed value of the TIF district jumped from \$479,600 to \$17,277,800, partially due to new investment in the Downtown



and partially as a result of the City's revaluation in 2012. In order to comply with the Downtown District Plan directive to continue to ensure that infrastructure and services needed to support promotion and establishment of Caribou as a government service center (page 9, bullet 3) are adhered to, the City felt it necessary to specifically earmark funds to ensure that the downtown fire station is equipped to meet the infrastructure and service needs of the growing Downtown. The City of Caribou anticipates updating their current Downtown District Plan in the next 18 to 24 months. However, there are pressing needs in the Downtown District that the City must address immediately, which is the driver for this Second Amendment. The City would like to avoid incurring additional expense and resources on future TIF District amendments, which is a main driver for the comprehensive nature of this TIF amendment.

Please let me know if there is additional information that I can provide to you.

Sincerely,

A handwritten signature in dark ink that reads "Austin Bleess". The signature is written in a cursive, flowing style.

Austin Bleess
City Manager

City of Caribou Downtown Municipal TIF District Public Projects

Public Project		Eligibility Under Title 30-A	Estimated Cost
PUBLIC PROJECTS WITHIN THE PROPOSED TIF DISTRICT			
1	Capital costs of improvements including all fees and expenses, including, but not limited to, contractor expenses; development of the Riverfront area of the Downtown District; and construction and improvements to public ways within the District, including sidewalks and public landscaping. This item is related to page 7, bullet 4; page 8, bullets 2-5; and page 9, bullet 1 of the Caribou Downtown District Plan.	30-A §5225 (1)(A)(1)(a)	\$4,431,200
2	Transit-oriented development district capital costs, including but not limited to a signage system for traffic in the Downtown to guide visitors to key destinations within the downtown, bicycle lane construction and recreational trails. This item is related to page 7, bullets 1-2 of the Caribou Downtown District Plan.	30-A §5225 (1)(A)(1)(a)	\$40,000
3	The demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures and fixtures for commercial use, including but not limited to building upgrades and repairs, the implementation of a municipal façade improvement program. This item is related to page 7, bullet 5 of the Caribou Downtown District Plan.	30-A §5225 (1)(A)(1)(b)	\$2,320,000
4	The demolition, alteration, remodeling, repair or reconstruction of existing downtown fire station. This item is related to page 9, bullet 3 of the Caribou Downtown District Plan.	30-A §5225 (1)(A)(1)(b)	\$1,000,000



City of Caribou, Maine

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March 6, 2014

Laura Santini-Smith
Director of Tax Incentive Programs
Department of Economic and Community Development
Burton Cross Building, 3rd Floor
111 Sewall Street
Augusta, ME 04330-6830

Dear Ms. Santini-Smith,

This letter is to recap on and follow up with you from our phone call earlier today.

In the application of our Downtown TIF District Amendment the words "and prorated municipal salaries" should have been included in Box 8 of our estimated costs. This was certainly discussed with the City Council and the public during the public hearing held on this back on September 9, 2013 as is evidenced by the attached memo (labeled page 19) that went to the City Council that evening.

Throughout the Amendment process our Consultant, Ms. Raegan LaRochelle of Eaton Peabody, and I discussed paying for the Professional Service Costs needed for this amendment and any future professional service costs necessary relating to this TIF District with TIF Funds. This is authorized in State Statute 30-A §5225 1 A (4). We had allocated \$27,000 in Professional Costs. It appears these costs were inadvertently rolled into the costs listed in Box 8 (costs allowable under §5225 (1)(C)(1)) of our estimated costs. If it can be noted in our approval that \$27,000 may be used for Professional Costs I would greatly appreciate it.

This information is true and correct to the best of my knowledge.

Please let me know if there is additional information that I can provide to you.

Thank you for your assistance in this matter.

Sincerely,


Austin Bleess
City Manager



OFFICE OF THE CITY MANAGER
CARIBOU, MAINE

To: Mayor and Council Members
From: Austin Bleess, City Manager
Date: September 9, 2013
Re: Downtown TIF District Plan Approval

As requested by Council we are working on an amendment to the Downtown TIF District Plan. That amendment will allow us to provide Credit Enhancement Agreements to businesses within the Downtown Area.

The Amendment will also give us much more flexibility in how we spend TIF money. Over the life of the TIF District we anticipate to bring in about \$9 million. DECD wants to see how we would spend that money or a higher amount. On the next pages you will see the proposed expenditures of the TIF Money. The amount that is totaled is \$18,471,200.

It is important to note that we will not spend more than we take in. Because of the life of the TIF District, which is through 2035, we anticipate that property values will increase and that more development will occur within the district. We are projecting to spend the \$18 million to avoid the requirement to seek another amendment to the TIF District Plan in the future.

Some of the things that we will be spending TIF Money on include Marketing and Economic Development, this includes salaries and benefits for the Chamber and half of my annual salary. We have received approval from DECD to pay for the entire Chamber of Commerce, including building costs such as heat, electricity, etc. from TIF Funds. All together this can save approximately \$120,000 out of the general fund budget. Given the fact we will lose about \$155,000 in Revenue Sharing next year this will certainly help.

Some of the other proposed expenditures include trail maintenance for ATV and Snowmobile Trails, bike trails, slum/blight removal, façade grants for the downtown area, improvements to or possibly a new Fire Station, a permanent revolving loan fund, and other projects.

The draft plan and full list is on the following pages.

At this time the Council needs to hold a Public Hearing on the Downtown TIF Amendment. After that the Council can act on the amendment.



STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



PAUL R. LEPAGE
GOVERNOR

GEORGE C. GERVAIS
COMMISSIONER

March 7, 2014

Austin Bleess,
City Manager
CITY OF CARIBOU
25 High Street
Caribou, ME 04736

RE: Downtown Omnibus Municipal Tax Increment Financing (TIF) District; Development Program; Second Amendment (AMD-2)

Dear Mr. Bleess,

The Maine Department of Economic and Community Development (Department) has reviewed and EFFECTIVE TODAY APPROVED your application to amend above referenced Municipal TIF District Program. Based on application, the Department notes/approves:

- a. District revenues deposited/held in dedicated accounts and applied ONLY toward approved activities/projects,
 - i) Project Cost accounts to reimburse companies or developers for costs of economic development activities authorized by 30-A M.R.S. § 5225 (1)(A) and Department rules as amended from time to time AND/OR fund public activities/projects,
 - ii) Per original designation City may NOT establish Sinking Fund NOR incur public indebtedness without formal amendment;
- b. Negotiation/Execution of multiple credit enhancement agreements with companies/developers within sole Council discretion may include up to 100% reimbursement limited to incremental taxes from NEW actual value.
- c. AFTER EXECUTION CITY MUST FORWARD COPY of any credit enhancement agreement linked to this District to the Department—with corresponding **Application Cover Sheet** (if Company or Developer) including detailed private project description and (if Company) **Employment Goals Form**.

City revenue allocation projected at \$9,042,039 may facilitate funding for an estimated \$18,471,200 in public costs as further described in Development Program. This funding MUST comply with already established appropriation process—with activities/projects COMPLETE BEFORE/BY March 29, 2036:

WITHIN DISTRICT

- d. Capital costs including fees/expenses for development of Riverfront area and public ways improvements including sidewalks and landscaping \$4.4 million; Φ
- e. Transit-Oriented Development (TOD) capital costs including signage system, bicycle lane and recreational trails \$40,000;
- f. Building demolition/remodeling for commercial use, municipal façade program \$2.32 million;
- g. Fire station upgrades/reconstruction \$1 million;
- h. Site preparation/finishing work \$50,000;
- i. Professional service costs \$27,000;
- j. Business relocation costs \$300,000; Δ

OUTSIDE DISTRICT

- k. Prorated facility construction/alteration/expansion including storm water and sewer line upgrades \$125,000; Ψ

THROUGHOUT MUNICIPALITY

- l. Economic development programs/events, targeted commercial marketing, municipal staff salaries, Caribou Chamber of Commerce funding including prorated salaries and operational costs \$7,948,000;
- m. Capitalization of revolving loan/investment funds or grant programs administered by Caribou Economic Growth Council/other per § 5225(1)(C)(3) for costs of economic development activities authorized by 30-A

- M.R.S. § 5225 and Department rules as amended from time to time \$1.1 million;
- n. Recreational trails including equipment \$1.1 million; Φ
 - o. Environmental improvement projects development/implementation including boat landing/riverfront shoreline improvements \$30,000.

Per March 30, 2006 original designation and first amendment approvals, Department restates:


- p. District term of 30 years starting March 30, 2006 and ending March 29, 2036;
- q. District taxable Original Assessed Value of \$49,032,100 as of April 1 2004/2006—acreage 635.18;
- r. Increased Assessed Value (IAV) capture of up to 100% of real property improvements. Please note § 5225(1)(B)(3)(b) allows portage of revenue from other Caribou Municipal TIF districts into this District only while capture remains 100% and such portage is an allowable project cost in Department-approved development program for other districts;
- s. Any non-captured incremental property values resulting in General Fund revenue/deposits MUST be included/reported with City equalized assessed value;
- t. Any future amendment MUST comply with 30-A M.R.S. §§ 5221-5235 and Department rules;
- u. CITY MUST NOTIFY DEPARTMENT IN WRITING when District expires or is otherwise terminated.

The Department encourages City to take Maine Department of Agriculture, Conservation and Forestry (MDOACF) and Maine Department of Transportation (MDOT) downtown-designation advisories into consideration ahead of public projects/activities implementation and prior to any future update of existing downtown redevelopment plan (Caribou Downtown District Plan adopted 3/24/2008).

Before implementation of TOD projects/activities additional to bicycle lane/recreational trail construction and signage system within the District, the Department asks City forward map exhibit of TOD area(s) AND/OR corridor(s), as defined by § 5222(22)(23).

MAINE IS OPEN FOR BUSINESS. Please contact Municipal Tax Increment Financing Program Director Laura Santini-Smith with questions about this certification letter or Department review. With this approval, the Department extends an open ended offer of assistance and best wishes for the success of your District.

Sincerely,


George C. Gervais
Commissioner

enc: MDOACF/MDOT advisories

cc: Senator Troy Jackson (SD-35) and Representative Carol McElwee (HD-4), 126th Legislature; David Ledew, MRS Director Property Tax Division; Brian Doyle, Governor's Account Executive; Ruta Dzenis, DOACF Senior Planner Municipal Planning Assistance Program; Duane Scott, MDOT Director Bureau of Planning Outreach Division; Raegan LaRochelle, Eaton Peabody Consulting

- Φ Exclusive of public park(s) costs.
- Δ Exclusive of rent and operational costs.
- Ψ Exclusive of private residential distribution line(s) costs.



STATE OF MAINE
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY

22 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0022

PAUL R. LePAGE
GOVERNOR

WALTER E. WHITCOMB
COMMISSIONER

MEMORANDUM
February 27, 2014

TO: Laura Santini-Smith, Tax Incentives Program Director DECD
FROM: Ruta Dzenis AICP, Senior Planner Municipal Planning Assistance Program 287-2851
RE: City of Caribou Downtown TIF District Amendment
C: Duane Scott, Director MaineDOT Outreach Division

mf

I have reviewed the City of Caribou Downtown Development and TIF District Development Program and Financing Plan Second Amendment dated September 27, 2013 ("Second Amendment"). Supporting materials submitted by the applicant include Caribou's Downtown Development TIF District Amendment Request dated March 21, 2008 ("First Amendment") which includes as Exhibit J Caribou Downtown District Plan adopted in 2008.

The Development Program narrative on page 3 of the Second Amendment states that the purpose of the amendment is to modify the municipal TIF investment plan and that the Caribou Downtown TIF takes its project and program directives from the 2008 Caribou Downtown District Plan.

The 2008 Caribou Downtown District Plan identifies three overarching goals the plan:

1. Assess downtown revitalization needs and opportunities.
2. Establish priorities for public investment and outline action strategies for revitalization
3. Establish a program and qualified costs for the Downtown TIF district.

The narrative on page 6 of the First Amendment requests the inclusion of the recently completed Caribou Downtown District Plan, which includes and outlines "qualified costs" for the District. The Caribou Downtown District Plan presented in Appendix J describes priority actions and recommendations and identifies a list of prioritized improvements, estimated costs and target completion dates.

The City of Caribou has amended its Description of Public Projects presented on pages 4 and 5 of the Second Amendment to clarify which priority projects described in the 2008 Caribou Downtown District Plan are being referred as proposed public projects for the TIF district. Attached is a table prepared by the Municipal Planning Assistance Program of the Proposed TIF District Public Projects and Estimated Costs based on the additional information provided in a memo dated February 13, 2014 from the City Manager to DECD.

Received

MAR 6 - 2014

DECD

page two

Caribou Downtown TIF Review

The following provides an overview of the TIF amendment estimate of costs for the public projects within the proposed TIF district described in the Second Amendment Application.

Public Project Item 1

TIF amendment estimate of cost: \$4,431,200 (2014)

Estimate based on Downtown Plan (itemized in spreadsheet): \$3,338,500 (2014)

The Downtown Plan provides a preliminary cost estimates for "Conservation/development opportunities on the Riverfront" on page 31 as \$500,000.

Public Project Item 2

TIF amendment estimate of cost: \$40,000 (2014)

Estimate based on Downtown Plan (itemized in spreadsheet): \$30,800 (2014)

Public Project Item 3

TIF amendment estimate of cost: \$2,320,000 (2014)

Estimate based on Downtown Plan (itemized in spreadsheet): \$247,500 (2014)

Public Project Item 4

TIF amendment estimate of cost: \$1,000,000 (2014)

Public Project Item 5

TIF amendment estimate of cost: \$50,000 (2014)

Public Project Item 6

TIF amendment estimate of cost: \$300,000 (2014)

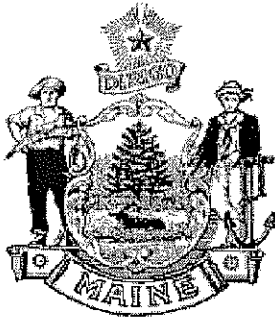
There appears to be no discussion of relocation in the Downtown Plan. Exhibit I is the 2008 TIF Amendment Request. The fourth page of the 2008 Amendment Application Narrative notes "The proposed and anticipated activities in the District will have no affect families or individuals as well as can be determined at this time" (no plans for relocation of displaced individuals)

Received
MAR 6 - 2014
DECD

Proposed Downtown Municipal TIF District Public Projects for Caribou updated
2.20.14.

Public Project Item TIF list	High Priority Items from Caribou Downtown Plan (pp 30-31)	Cost Estimate from Caribou Downtown Plan	Updated Cost Estimate (assume 10% increase in costs 2008-2014 per Caribou City Manager)
1	Make Sidewalk, Streetscape and landscaping improvements along Herschel St	\$ 425,000	
1	Extend downtown streetscape elements west along Sweden	\$ 180,000	
1	and east along Water Street	\$ 285,000	
1 & 10	Implement Trail Connections to Downtown and Bennet Drive	\$ 135,000	
1	Make Sidewalk, Streetscape and landscaping improvements to High Street	\$ 675,000	
1	Extend downtown streetscape elements west along Bennett Drive	\$ 685,000	
	Make traffic calming and ped improvements Bennet Drive	\$ 150,000	
1	Riverfront Area (Conceptual Master Plan for Caribou's Riverfront depicted on page 18)	\$ 500,000	
		\$ 3,035,000	\$ 3,338,500
2	Add gateway signs at key entrance points to downtown	\$ 12,000	
2	Establish a wayfinding signage system Downtown	\$ 16,000	
		\$ 28,000	\$ 30,800
3 & 9	Work with bldg owners along Herschel on bldg/façade improvements	\$ 75,000	
3	Façade grant program (Herschel, Water, main, High and Bennet)	\$ 150,000	
		\$ 225,000	\$ 247,500
Proposed Downtown Municipal TIF District Public Projects for Caribou		TOTAL	\$ 3,616,800

Received
MAR 6 - 2014
DECD



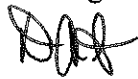
Paul R. LePage,
Governor

**Maine Department of
Transportation**

**16 State House Station
Augusta, Maine 04333-0016**

Telephone: 207-624-3309
Fax: 207-624-3301
Email: duane.scott@maine.gov

David Bernhardt,
Commissioner

Date: January 22, 2014
To: Laura Santini-Smith, Director, Tax Incentive Programs, DECD
From: Duane Scott, Director, Outreach Division 
Re: City of Caribou Downtown Tax Increment Financing District Plan Review

On behalf of the Maine Department of Transportation (MaineDOT), I reviewed the City of Caribou's Downtown District Plan adopted March 24, 2008 and have found no adverse transportation issues. Upon municipal request, MaineDOT will work with the City when improvements within the State of Maine right-of-way are needed.

Please feel free to contact me should you have any questions regarding this review and finding.

cc: Ruta Dzenis, Municipal Planning Assistance Program, DACF

Received
JAN 24 2014
DECD

CREDIT ENHANCEMENT AGREEMENT

THIS CREDIT ENHANCEMENT AGREEMENT (hereinafter "Credit Enhancement Agreement" or "Agreement") dated as of June 9, 2015, is hereby made between the **City of Caribou**, a municipal body corporate and politic and a political subdivision of the State of Maine (hereinafter the "City"), and **SITEL OPERATING CORPORATION**, a Delaware corporation, with a place of business in Caribou, Maine (hereinafter the "Company").

WITNESSETH THAT:

WHEREAS, the City has designated an Omnibus Downtown Tax Increment Financing District as amended (hereinafter the "District") pursuant to Title 30-A M.R.S.A. Chapter 206 by vote at a City Council Meeting duly noticed and held on September 9, 2013, (the "Vote"); and

WHEREAS, pursuant to the Vote the City adopted a Omnibus Development Program and Financial Plan for the District (herein the "Development Program"); and

WHEREAS, the District and the Development Program has been reviewed and approved by Maine Department of Economic and Community Development on March 7, 2014; and

WHEREAS, the Development Program authorizes the execution and delivery of a credit enhancement agreement between the City and the Company; and

WHEREAS, the City and Company desire to execute and deliver a credit enhancement agreement contemplated by and described in the Development Program, with such terms and provisions not inconsistent with the Development Program; and

WHEREAS, the City and the Company desire and intend that this Credit Enhancement Agreement be and constitute the credit enhancement agreement contemplated by and described in the Development Program; and

WHEREAS, the City designated the District, adopted the Development Program, and entered into this Agreement in order to induce the Company to complete the Project by enabling the City to contribute toward the capital cost of the Project the amounts contemplated by the Development Program and this Agreement.

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

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

As used in this Agreement, unless the context otherwise indicates, the following terms shall have the following meanings:

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

“Agreement” shall mean this Credit Enhancement Agreement between the City and the Company 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, stated in a percentage, of Increased Assessed Value that is retained in the District with respect to each Tax Year as specified in this Agreement during the term of the District.

“Captured Assessed Value – Sitel Tract” shall mean the amount, stated in a percentage, of Increased Assessed Value that is retained in the District with respect to each Tax Year and which is attributable to the Sitel Tract as specified in this Agreement during the term of the District.

“City” means the City of Caribou, Maine, a municipality duly organized and existing under the laws of the State of Maine.

“City Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund for the District as defined in the Financial Plan Section of the Development Program and established and maintained according to Article II hereof.

“City Improvements” means the improvements described in the Development Program, as such may be approved by the City from time to time.

“Company” means Sitel Operating Corporation.

“Current Assessed Value” means the assessed value of the District certified by the municipal assessor as of April 1st of each year that the Development District remains in effect.

“Current Assessed Value – Sitel Tract” means the assessed value of the Sitel Tract certified by the municipal assessor as of April 1st of each year that the Development District remains in effect.

“DECD” means the Maine Department of Economic & Community Development.

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

“Development Program Fund” means the Downtown Municipal Development and Tax Increment Financing District Program Fund described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof and 30-A M.R.S. § 5227(3)(A). The Development Program Fund shall consist of a Sinking Fund (as necessary) and a Project Cost Account with at least two subaccounts.

“District” means the Downtown Tax Increment Financing District.

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

“Fiscal Year” means January 1 to December 31 or such other fiscal year as the City may from time to time establish.

“Increased Assessed Value” means, for each Tax Year during the term of this Agreement, the amount by which the Current Assessed Value – Sitel Tract for such year exceeds the Original Assessed Value – Sitel Tract. If the Current Assessed Value – Sitel Tract is equal to or less than the Original Assessed Value – Sitel Tract in any given Tax Year, there is no Increased Assessed Value in that year.

“Original Assessed Value – Sitel Tract” means \$1,114,800.00, the taxable assessed value of the Sitel Tract as of March 31, 2007 [April 1, 2006].

“Project” means the renovation and development of office space at 63 Sweden Street, Map 031 Lot 032, to be developed in the District by the Company.

“Project Costs” means any costs incurred or expected to be incurred that are authorized by Title 30-A MRSA Section 5225, as may be amended.

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

“Sinking Fund Account” means the development sinking fund account described in the Financial Plan Section of the Development Program and established and maintained pursuant to 30-A M.R.S.A. § 5227(3)(A)(2) and Article II hereof.

“Sitel Cost Subaccount” means the portion of the Project Cost Account of the Development Program Fund set aside for the Developer contemplated in this Agreement and as described in the Financial Plan section of the Development Program and established and maintained pursuant to Article II hereof.

“Sitel Tract” means the property located at 63 Sweden Street, Tax Map 031 Lot 032 according to the current municipal records of the City.

“Tax Increment” means all property taxes assessed and paid to the City in any given Tax Year, in excess of any state, county or special district tax, upon the Captured Assessed Value of the property in the District.

“Tax Increment – Sitel Tract” means all property taxes assessed and paid to the City in any given Tax Year, in excess of any state, county or special district tax, upon the Captured Assessed Value – Sitel Tract.

“Tax Payment Date” means the date as determined by the City from time to time on which property taxes assessed by the City are due and payable without interest from owners of property located within the City.

“Tax Year” shall have the meaning given such term in 30-A M.R.S.A. § 5222(18), as amended, to wit: April 1 to March 31.

Section 1.2. Interpretation and Construction.

In this Agreement, unless the context otherwise requires:

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

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

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

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

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

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

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

ARTICLE II

DEVELOPMENT PROGRAM FUND AND FUNDING REQUIREMENTS

Section 2.1. Creation of Development Program Fund.

The City has created and established a segregated fund in the name of the City designated as the "Downtown Tax Increment Financing District Program Fund" (hereinafter the "Development Program Fund") pursuant to, and in accordance with the terms and conditions of, the Development Program and 30-A M.R.S.A. § 5227(3), as amended from time to time. The Development Program Fund consists of: (i) a Project Cost Account that is pledged to and charged with the payment of Project Costs as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(1); and (ii) the Sinking Fund Account (as necessary) that is pledged to and charged with the payment of municipal indebtedness as outlined in the Financial Plan of the Development Program and as provided in 30-A M.R.S.A. § 5227(3)(A)(2). The Project Cost Account shall also contain two subaccount designated as the "City Cost Subaccount" (the City's Project Cost subaccount) and the "Sitel Cost Subaccount" (the Company's Project Cost subaccount).

The Sitel Cost Subaccount referred to in this Agreement shall be specific to the Sitel project. Other developer project cost subaccounts may be established for other projects within the District that have qualified for tax increment financing assistance.

Section 2.2. Timing for Deposits Into Sitel Cost Subaccount.

The City shall deposit the Company Tax Increment Revenues in the Sitel Cost Subaccount within fifteen (15) days of each Tax Payment Date, or, if not a business day, on the next succeeding business day consistent with the terms of this Agreement.

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

(a) Each year during the term of this Agreement, commencing with the City's 2015 Tax Year and continuing thereafter for up to a maximum of ten (10) Tax Years to and including the City's 2024 Tax Year, the City shall retain in the District one hundred percent (100%) of the Increased Assessed Value – Sitel Tract as Captured Assessed Value – Sitel Tract.

(b) Each year during this Agreement, the City shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Sitel Operating Corporation's Tax Increment Revenues. The Development Program Fund is pledged to and charged with the payment of costs in the manner and priority provided in 30-A M.R.S.A. § 5227(3)(B). Each year the Company must certify that as of April 1

of the given year Company employed at least 100 Full Time Employees of the Company working at the Project Site. The City shall allocate Company Tax Increment Revenues so deposited in the Development Program Fund between the Sitel Cost Subaccount of the Project Cost Account, and the City as set forth in the Table below:

Allocation of Taxes on Incremental Assessed Value

Tax Years	Company Allocation	City Allocation
2015 to 2019	Up to \$5,000 per Tax Year	Amount over \$5,000 per Tax Year
2020 to 2024	0%	100%

It is understood and agreed that the credit to the Company Reimbursement Account as specified above shall be due and payable solely from such Property Tax payments by Company.

(c) Each year during the second five Tax Years (2020 to 2024) the Company must certify that as of April 1 of the given year Company employed at least 100 Full Time Employees of the Company working at the Project Site. If during this time period Company is unable to certify there are at least 100 Full Time Employees of the Company working at the Project Site, Company shall reimburse the City 1% for each Full Time Employee below 100 Full Time Employees, such reimbursement percentage to be applied to the Company Allocation actually provided in the fifth previous Tax Year (in the 2015 to 2019 Tax Year range) which shall then be returned to the City.

For example: if in Tax Year 2021 the Company can only certify 95 Full Time Employees at the Project site the Company shall repay 5% of the Company Allocation in 2016.

The City shall retain one hundred percent of any City Tax Increment Revenues after Tax Year 2019 associated with the Increased Assessed Value – Sitel Tract; the Company is not entitled to reimbursement of any portion of these City Tax Increment Revenues.

Section 2.3. Use of Monies in the Development Program Fund.

Monies credited in the Development Program Fund contemplated in this Agreement that are allocable to and/or deposited in the Sitel Cost Subaccount shall be in all cases be used and applied to fund fully the City's payment obligations to Company in accordance with the terms of this Agreement.

Section 2.4. Monies Held By City

All monies actually paid by the Company to the City pursuant to this Agreement and credited to the City Cost Subaccount under the provisions hereof and the provisions of the Development Program shall be held by the City in accordance with the terms and conditions of this Agreement.

Section 2.5. Allocation of Partial Tax Payments

If in any year during the term of this Agreement, the Company fails to pay any portion of the Property Taxes assessed by the City, the Property Taxes actually paid by the Company shall be applied: (a) first to the payment of Property Taxes due on the Original Assessed Value of Company property in the District for any and all outstanding Tax Years; (b) second to payment of Property Taxes with respect to Increased Assessed Value – Sitel Tract for the year or years concerned (including any delinquent taxes from prior Tax Years), and (c) third, to the extent of funds remaining, to payment of the Company's share of Tax Increment Revenues contemplated in this Agreement to the Sitel Cost Subaccount.

ARTICLE III

PAYMENT OBLIGATIONS

Section 3.1. Company Payments

Within fifteen (15) days following the payment of Property Taxes by Company on the Sitel Tract, or, if not a business day, on the next succeeding business day, the City shall pay to the Company all amounts then on deposit in the Sitel Cost Subaccount, exclusive of any deduction or withholding required by Federal or State law.

All payments made to Company contemplated in this Agreement shall be utilized consistent with this Agreement and the Act.

Section 3.2. Manner of Payments.

The payments provided for in this Article III shall be paid in immediately available funds directly to the Company in the manner provided hereinabove for its own use and benefit.

Section 3.3. Obligations Unconditional.

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

Section 3.4. Limited Obligation.

The City's obligations of payment hereunder shall be limited obligations of the City payable solely from Tax Increment Revenues attributable to the Sitel Tract and any earnings thereon, pledged under this Agreement. The City's obligations hereunder shall not constitute a general debt or a general obligation on the part of the City or a general obligation or charge against or pledge of the faith and credit or taxing power of the City, the State of Maine, or of any

municipality or political subdivision thereof, but shall be payable solely from the Tax Increment Revenues received by the City, and any earnings thereon.

This Agreement shall not directly or indirectly or contingently obligate the City, the State of Maine, or any other municipality or political subdivision to levy or to pledge any form of taxation whatever therefore or to make any appropriation for payment due under this Agreement, excepting the City's obligation to assess property taxes upon the Project and to appropriate the Tax Increment Revenues, and earnings thereon, pledged under this Agreement.

ARTICLE IV

FURTHER INSTRUMENTS

The City shall, upon the reasonable request of the Company, 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 City, materially disadvantage the City, or materially change this Agreement.

ARTICLE V

LIENS

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

ARTICLE VI

ACCESS TO BOOKS AND RECORDS.

All books, records and documents in the possession of the City relating to the District, the Development Program, the Agreement and the monies, revenues and receipts on deposit or required to be deposited into the Development Program Fund contemplated by this Agreement shall be open to inspection by the Company, its agents and employees during normal business hours upon 48 hours written notice.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1. Events of Default.

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

- (a) Any failure by the City to pay any amounts due to the Company when the same shall become due and payable;
- (b) Any failure by the City to credit to the Sitel Cost Subaccount as and when due;
- (c) Any failure by the City or the Company to observe and perform in all material respects any respective covenant, condition, agreement or provision contained herein on the part of the City or the Company respectively to be observed or performed which failure is not cured within thirty (30) days following written notice thereof;
- (d) If a receiver, conservator or liquidator is appointed for the Company by any court of competent jurisdiction; or if the Company should file a voluntary petition in bankruptcy or fail to have a petition in bankruptcy dismissed within a period of 90 consecutive days following its filing; or if a court of competent jurisdiction orders the winding up or liquidation of the Company.

Section 7.2. Remedies on Default.

Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing for a period of thirty (30) days 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 7.3. Remedies Cumulative.

No remedy herein conferred upon or reserved to the Company or City 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 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 a 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 either party with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default be continued or repeated.

Section 7.4. Agreement to Pay Attorney's Fees and Expenses.

Notwithstanding the application of any other provision hereof, in the event a party should default under any of the provisions of this Agreement and the other party shall require and employ attorneys or incur other expenses or costs for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the party herein contained, the prevailing party in any litigation to enforce the provisions of this Agreement shall be entitled to be reimbursed for reasonable attorneys fees from the party in default.

Section 7.5. 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 City, by entering into this Agreement, is not excusing any non-payment of taxes by Company. Without limiting the foregoing, the City and the Company shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Company's property.

Section 7.6. Failure of Company to timely pay property taxes.

Should the Company fail to pay its assessed Property Taxes for the Sitel Tract for two consecutive years the City is under no further obligation for payments to the Company, except in the case of a pending property tax valuation appeal. In the case of a pending property tax valuation appeal, the Company shall pay any uncontested amount by the Property Tax due date and the remainder immediately upon resolution of the appeal

ARTICLE VIII

TERM

Section 8.1. Effective Date

Except as otherwise provided in this Agreement, this Agreement shall remain in full force and effect and shall expire upon the end of Tax Year 2024 or upon the payment of all amounts due to the Company hereunder and the performance of all obligations on the part of the City and Company hereunder (the "Term").

Section 8.2. Expiration of Term.

Upon the expiration of the Term, or the earlier termination of this Agreement, and following full payment of all amounts due and owing to the Company hereunder or provision for payment thereof, the City and the Company 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 IX

ASSIGNMENT AND PLEDGE OF COMPANY'S INTEREST

Section 9.1. Consent to Pledge and/or Assignment.

The City hereby acknowledges that the Company may pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing for the Project, although no obligation is hereby imposed on the Company to make such assignment or pledge. Recognizing this possibility, the City does hereby consent and agree to the pledge and assignment of all the Company's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Company hereunder, to third parties as collateral or security for indebtedness or otherwise, on one or more occasions during the term hereof.

Section 9.2. Pledge, Assignment or Security Interest.

The City hereby consents to the pledge, assignment or granting of a security interest by the Company of its right, title and interest in, to and under this Agreement to any lender which is financing the Project in whole or part.

Section 9.3. Assignment

The Company 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 Company may, in its sole discretion, deem appropriate.

ARTICLE X

NO ADDITIONAL DEVELOPMENT

It is understood and agreed that any additional development within the District by Company not within the scope of the original Project or any additional development within the District by any person other than the Company shall be outside the scope of this Agreement. The City shall have no obligations to make any payments into the Development Program Fund from any increased revenues received by the City from assessments made against such additional development.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Successors.

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

Section 11.2 Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City and the Company or its assigns 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 City and the Company; provided, however, that if the payment obligations of the City to the Company 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 11.3 Severability.

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

Section 11.4 No Personal Liability of Officials of the City.

No covenant, stipulation, obligation or agreement of the City 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 City in his or her individual capacity and neither the members of the City Council, City Council members nor any official, officer, employee or agent of the City shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 11.5 Counterparts.

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

Section 11.6 Governing Law.

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

Section 11.7 Notices.

All notices, certificates, requests, requisitions or other communications by the City or the Company 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 City:

City of Caribou
Attn: City Manager
25 High Street
Caribou, Maine 04736

With copies, which shall not constitute notice, to:

Solman & Hunter, P.A.
P.O. Box 665
Caribou, Maine 04736

and

Eaton Peabody
Attn: Jonathan A. Pottle, Esq.
80 Exchange Street
P.O. Box 1210
Bangor, ME 04402-1210

If to the Company:

Sitel Operating Corporation
3102 West End Ave., Suite 900
Nashville, TN 37203
Attn: Law Department

With a copy, which shall not constitute notice, to:

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 11.8 Amendments.

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

Section 11.9 Benefit of Assignees or Pledges.

The City agrees that this Agreement is executed in part to induce assignees or pledgees to provide financing for the Project and accordingly all covenants and agreements on the part of the City 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 Company's right, title and interest herein.

Section 11.10 Integration.

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

Section 11.11 No Obligation to Build Project

The Company and the City agree, and the City hereby acknowledges that the Company shall have no obligation to go forward with the capital projects referred to herein or in the Development Program. All such projects are subject to final approval by the Company. Failure of Company to go forward with the capital projects referred to herein shall result in termination of this Agreement.

Section 11.12 Authority of City

The Company and the City waive any right which either may have to contest, and shall not take any action to challenge, the other's authority to enter into, perform or enforce the Agreement or to carry out the Development Program or the validity or enforceability of this Agreement, the District or the Development Program. The City and the Company shall each utilize their respective best efforts to uphold the District, the Development Program, this Agreement and the City's authority to enter into this Agreement and the validity and enforceability of the District, the Development Program and this Agreement, including without limitation opposing, to the extent permitted by law, any litigation or proceeding challenging such authority, validity or enforceability.

Section 11.13 Indemnification.

The Company shall at its own expense defend, indemnify, and hold harmless the City, its officers, agents, and employees from and against any and all liability, claims, damages, penalties, losses, expenses, or judgments relating in any manner to, or arising out of the Development

Program or this Agreement, except to the extent that such liability, claims, damages, penalties, losses, or expenses, result in whole or in part from any negligent act or intentional omission of the City, its officers, agents, employees or servants. Company shall, at its own cost and expense, defend any and all suits or actions, just or unjust which may be brought against City upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. In cases in which the City is a party, the City shall have the right to participate at its own discretion and at its own expense and no such suit or action shall be settled without prior written consent of the City. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement.

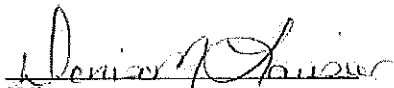
In the event of any litigation or proceeding challenging this Agreement or the authority of the parties to enter into or perform hereunder, the Company shall indemnify and hold harmless the City against all costs, including the cost of defense and legal fees resulting from such challenges. Provided, however, that if the Company assumes the defense of all challenges, the City agrees to let the Company's attorney represent both parties at Company's expense.

SECTION XII

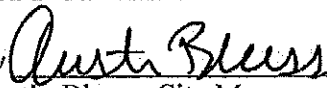
CITY COSTS.


The Company shall pay or reimburse the City for all reasonable fees, expenses and other charges of the City and its consultants, including the City's attorneys and the City's Consultant, in connection with the negotiation, execution and approval of this Agreement and the negotiation, approval and approval of the Development Program. The amount of these fees shall not exceed \$500. If this is not done, the City shall deduct such payment due from credit enhancement payments due the Company. Notwithstanding any other provision of this Agreement, this section shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the City and the Company 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.

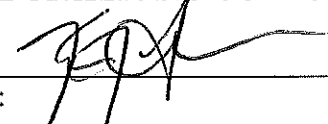


Witness

CITY OF CARIBOU

By 
Austin Bleess, City Manager
Duly Authorized


Witness

SITEL OPERATING CORPORATION

By 
Name:
Its:
Duly Authorized  Kim J. Facer
Site!