



STATE OF MAINE
DEPARTMENT OF ECONOMIC
AND COMMUNITY DEVELOPMENT



PAUL R. LEPAGE
GOVERNOR

GEORGE C. GERVAIS
COMMISSIONER

January 18, 2013

Gary Brown
Town Manager
TOWN OF BRUNSWICK
28 Federal Street
Brunswick, ME 04011

RE: Mölnlycke Manufacturing Municipal Tax Increment Financing (TIF) District and Development Program

Dear Gary,

The Maine Department of Economic and Community Development (Department) has reviewed and **effective today approved** the above referenced TIF District and Program. Based on your original designation application, the Department notes:

- a. District term of 30 years through January 17, 2043;
- b. District Original Assessed Value of \$0 as of March 31, 2012 (April 1, 2011)—acreage 19.4;
- c. Increased Assessed Value capture of up to 100% of real and personal property improvements;
- d. TIF revenues to be deposited/held in dedicated accounts and applied ONLY toward approved activities/projects,
 - i) Project Cost accounts to reimburse Mölnlycke Manufacturing US, LLC (Company) AND/OR fund public facilities/improvements/programs,
 - ii) Sinking Fund Account to retire public debt within 20 years (by January 17, 2033), with associated improvements completed within 8 YEARS of this approval (by January 17, 2021);
- e. Company reimbursement is limited to incremental taxes from new actual value and pro-
- jected at \$2,974,008 total or 35/45.5/55% annually during District term respective of Credit Enhancement Agreement (CEA) years 1-2/3-4/5-20. Minimum reimbursement is 35% plus .5% per new full-time equivalent job above 45 jobs, not to exceed 55% in any one year;
- f. TOWN MUST FORWARD COPY OF ANY CEA AND RELATED ADDENDUM/REVISION linked to this District immediately following execution;
- g. Any non-captured incremental property values triggering General Fund revenue/deposits MUST be included/reported with Town equalized assessed value;
- h. Any future amendment MUST comply with 30-A M.R.S. §§ 5221-5235 and Department rules and not impede intent of 5 M.R.S. § 13083-G et seq., as amended from time to time;
- i. Department MUST be notified in writing when District expires or is terminated.

During District term, Town revenue allocation from this and other future districts (as approved) may fund common public activities/projects costs estimated at \$29,700,000. Related funding MUST also comply with established Town appropriation process—with activities/projects for this District COMPLETE by end of District term (January 17, 2043):

WITHIN DISTRICT

- j. Professional and administrative costs including prorated municipal staff salaries \$600,000;

OUTSIDE DISTRICT

- k. Road improvements \$19,200,000;
- l. Public safety improvements including debt service and/or maintenance of up to four police/fire/rescue* vehicles per year \$3,900,000;
- m. Downtown Municipal TIF District portage \$3,000,000;

THROUGHOUT MUNICIPALITY

- n. Brunswick Downtown Association funding \$3,000,000.

This full and unconditional approval does not denote approval of future TIF districts on the former Naval Air Station Brunswick property and/or related development programs, which applications and amendments for this District will also be evaluated per the intent of 30-A M.R.S. §5221(1) and 5 M.R.S. §§ 13083-G et seq., as amended from time to time.

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

Sincerely,



George C. Gervais
Commissioner

cc: Joan Fortin, Bernstein Shur; David Ledew, MRS Director Property Tax Division; Stephen Landry, MDOT Assistant State Traffic Engineer

* Police project cost is not to establish new precedent, but based on (A) municipality gaining acreage as well as (B) future legislation sponsored by Midcoast Regional Redevelopment Authority (MRRA) to cede traffic jurisdiction to Town.



Town of Brunswick, Maine

INCORPORATED 1739

OFFICE OF THE TOWN MANAGER

GARY L. BROWN, MANAGER

December 7, 2012

28 FEDERAL STREET
BRUNSWICK, MAINE 04011
TELEPHONE 725-6659
FAX # 725-6663

Mr. George Gervais, Commissioner
Department of Economic and Community Development
59 State House Station
Augusta, ME 04333-0059

Re: Town of Brunswick Submission of Municipal TIF Application

Dear Commissioner Gervais:

On behalf of the Town of Brunswick, I am very pleased to submit the enclosed application for the designation of the Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District, along with the Development Program for this District (collectively, the Mölnlycke TIF). I certify that, to the best of my knowledge, all information contained in this application is true and correct.

Please note that Exhibit F, the minutes of the public hearing held by the Town Council, are attached to the Development Program in draft form. We will submit a final version of the public hearing minutes once the Town Council approves them on or after December 17, 2012.

Finally, please note that the Mölnlycke TIF envisions a credit enhancement agreement between the Town of Brunswick and Mölnlycke Manufacturing US, LLC. The proposed credit enhancement agreement for the Mölnlycke TIF is described in the Development Program. We will provide you with a copy of the proposed credit enhancement agreement shortly, once we have negotiated the final terms of the agreement.

Thank you in advance for your consideration of this municipal TIF application. I would be happy to address any questions that you may have should they arise.

Sincerely;

Gary L. Brown
Town Manager

Cc: Mölnlycke, Town Council, MRRA

APPLICATION COVER SHEET

MUNICIPAL TAX INCREMENT FINANCING

A. General Information

1. Municipality Name: Town of Brunswick		
2. Address: 28 Federal Street Brunswick, ME 04011		
3. Telephone: (207) 725-6659 4. Fax: (207) 725-6663 5. Email: gbrown@brunswickme.org		
6. Municipal Contact Person: Gary Brown, Town Manager		
7. Business Name: Mölnlycke Manufacturing US, LLC		
8. Address: 192 Admiral Fitch Ave., Brunswick, ME 04011		
9. Telephone: 207-882-0200 (Temporary numbers until moved into Brunswick Factory)	10. Fax: 207-882- 0288	11. Email: james.detert@molnlycke.com
12. Business Contact Person: James W. Detert – Site Director Wiscasset		
13. Principal Place of Business: Brunswick, ME		
14. Company Structure (e.g. corporation, sub-chapter S, etc.): Limited Liability Company (LLC)		
15. Place of Incorporation: Delaware		
16. Names of Officers: James Wetrich, James Detert, Clas Bolander		
17. Principal Owner(s) Name: Molnlycke Healthcare US, LLC		
18. Address: 5550 Peachtree Parkway, Suite 500, Norcross, GA 30092		

B. Disclosure

1. Check the public purpose that will be met by the business using this incentive (any that apply):		
<input checked="" type="checkbox"/> job creation	<input type="checkbox"/> job retention	<input checked="" type="checkbox"/> capital investment
<input checked="" type="checkbox"/> training investment	<input checked="" type="checkbox"/> tax base improvement	<input type="checkbox"/> public facilities improvement
other (list):		
2. Check the specific items for which TIF revenues will be used (any that apply):		
<input type="checkbox"/> real estate purchase	<input checked="" type="checkbox"/> machinery & equipment purchase	<input checked="" type="checkbox"/> training costs
<input checked="" type="checkbox"/> debt reduction	other (list):	

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 (<i>please use next page</i>).
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EMPLOYMENT GOALS
 Company Goals for Job Creation and Job Retention

<i>A. Job Creation Goals</i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Average Wage Level</i>
1. Executive, Professional & Technical	20		\$70,000
2. Administrative Support, inc. Clerical	2		\$32,000
3. Sales & Service	0		\$0
4. Agriculture, Forestry & Fishing	0		\$0
5. Maintenance, Construction, Production, & Transportation	23		\$28,000

<i>B. Job Retention Goals</i>			
<i>Occupational Cluster*</i>	<i>Full-time</i>	<i>Part-time</i>	<i>Wage Level</i>
1. Executive, Professional & Technical			\$
2. Administrative Support, inc. Clerical			\$
3. Sales & Service			\$
4. Agriculture, Forestry & Fishing			\$
5. Maintenance, Construction, Production, & Transportation			\$

**ECONOMIC DEVELOPMENT
BRUNSWICK, MAINE**

An Application for a Municipal Development and Tax Increment Financing District

**MÖLNLYCKE MANUFACTURING
MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT**

Presented to:

TOWN OF BRUNSWICK

DATED: December 3, 2012

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I. Introduction

A. Mölnlycke Health Care and Mölnlycke Manufacturing

Mölnlycke Health Care (“Mölnlycke HC”) is a world-leading manufacturer of single-use surgical and wound products. The company has over 6,700 employees, with a combination of sales offices and manufacturing facilities in over 30 countries around the world. The company’s home office is in Gothenburg, Sweden.

Mölnlycke HC started in a town called Mölnlycke in Sweden in 1849 as a textile manufacturer. In the 1940s, Mölnlycke HC developed a dressing product called Mesorb. In the following decade, the 1950s, Mölnlycke HC developed OP-Plast, the first disposable drape material that helped to increase hospital efficiency and protection against surgical infections. This product helped to establish Mölnlycke HC as one of the world’s leading health care companies in hospital efficiency and infection control.

In the early 1990s, Mölnlycke HC introduced Safetac technology and set the stage for a whole range of wound care products that not only helped wound healing, but also drastically reduced pain and trauma for patients during dressing changes.

Today, Mölnlycke HC has two divisions: Surgical and Wound Care. Together, these divisions produce products that help both health care professionals and patients in the hospital and during patients’ recovery.

Wound Care’s innovation continued and in 2008, Mölnlycke HC acquired Pharmaset, a leading French manufacturer of single-use kits for surgical interventions. In 2009, Mölnlycke HC acquired JKT, a leading Polish provider of single-use hospital clothing and surgical supplies.

In 2010, the Wound Care division launched Avance™, a negative pressure wound treatment. This was also the year when Mölnlycke HC acquired Rynel, a developer and manufacturer of specialty hydrophilic polyurethane foam products in the United States.

One of Mölnlycke HC’s divisions, Surgical, is a full-line supplier of single-use products for the operating room. The division offers drapes, gowns, headgear and face masks, as well as scrub-suits. Surgical also has a line of antiseptics as well as surgical gloves with the proven highest quality in the business. Surgical also offers everything a surgical team needs for a given procedure on a single tray called ProcedurePak—increasing hospital efficiency by reducing set-up time in the operating room, making the ordering and stock-taking processes easier, and reducing waste.

Mölnlycke HC’s other division, Wound Care, provides products that promote wound healing, including a whole range of wound dressings and bandages and more traditional retention and compression products. Wound Care also has emollient products that help skin conditions such as eczema and psoriasis.

During the last few years, Mölnlycke HC has moved into biological and negative pressure wound treatments including Xelma, a biological wound treatment that provides an extra-cellular matrix protein that cells attach themselves to, which then kick-starts the wound

healing process. The company's negative pressure solution, Avance, promotes wound healing by creating negative pressure in the wound cavity.

Mölnlycke HC has manufacturing plants in nine (9) different countries. Production for wound care products currently takes place in Finland, the United Kingdom, and the United States. Surgical production takes place in Malaysia, Thailand, the Czech Republic, France, Poland, and Belgium.

With the U.S. market becoming a growing market for Mölnlycke HC, the company is investing in manufacturing facilities in the U.S. The company currently has a manufacturing facility in Wiscasset, Maine, the Brunswick, Maine site that is under construction, and a distribution center in Anderson, South Carolina. Mölnlycke Manufacturing US, LLC, located in Brunswick, Maine, is owned by Mölnlycke Health Care US, LLC which is located in Norcross, GA. Mölnlycke Health Care US, LLC is owned by Mölnlycke Health Care AB which is headquartered in Gothenburg, Sweden and is the parent entity.

The project that was initially envisioned for Brunswick has expanded since discussions began with the State of Maine and the Town of Brunswick in the second half of 2010. The Brunswick manufacturing facility will include construction of a \$14.5 million dollar building and an over \$36 million investment in equipment and other personal property. The investment in Brunswick will not negatively impact the Wiscasset facility. In fact it will serve to secure that facility since the products developed in Wiscasset will be the "raw materials" that will be used in the products manufactured in Brunswick. Additionally, the Brunswick manufacturing facility is expected to create 45 to 87 quality jobs with medical insurance and ERISA benefits. Total wage and salary estimates approach \$2 million annually.

B. Mölnlycke Manufacturing: Request for Tax Increment Financing Assistance

Representatives of the entity that is now Mölnlycke Manufacturing US, LLC (hereinafter referred to as "Mölnlycke Manufacturing" or the "company") first approached the State of Maine and the Town of Brunswick in the second half of 2010 to explore the possibility of the company locating a new wound care product manufacturing facility in Brunswick—specifically at Brunswick Landing. Since Mölnlycke was then looking at different locations around the world (and around Maine) to locate the next factory, it was imperative that the State of Maine, the Town of Brunswick and the Midcoast Regional Redevelopment Authority ("MRRA") work together, along with the local existing Mölnlycke Manufacturing site in Wiscasset, to come up with the best proposal to the Mölnlycke HC Board of Directors as to why the company should locate the new factory in Brunswick. The Mölnlycke Board later approved the Brunswick location based on a presentation that included all of the estimated economics of the project.

Since those early discussions, the company reviewed its manufacturing strategy to support the continuing growth of the wound care business. Based on that review, Mölnlycke made the decision to greatly increase the level of capacity, automation and overall technology of the production machines slated for Brunswick. The machine upgrades and improvements created the need to also increase the clean room production space within the new Brunswick facility. This expansion of manufacturing capability necessitated additional improvements and upgrades to the overall electrical system for the facility, multiple HVAC systems, supporting

computer systems and software, and other miscellaneous support systems. The equipment upgrades also created the need for more skilled employees to support this investment in sophisticated equipment.

Mölnlycke Manufacturing is requesting that the Town of Brunswick provide tax increment financing assistance for the company to assist with the development of its Brunswick manufacturing facility. This project fits in with the larger effort to redevelop the 1.7 million square feet of industrial, commercial and professional office space at the former Naval Air Station Brunswick (“NASB”), and is in accordance with the adopted Reuse Master Plan for NAS Brunswick (the “Reuse Master Plan”). The proposed tax increment financing district is a 19.4-acre collection of parcels within the former NAS Brunswick. It encompasses the “block” surrounded by Pegasus, Terminal Drive, Admiral Fitch Ave and Seahawk Avenue. Creating a tax increment financing district known as the Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District (the “District”), which will be developed into a world class manufacturing facility, will enhance the competitiveness of the Midcoast region and the State of Maine to attract, grow and create new businesses in the industry clusters identified in the Reuse Master Plan. These industries include: composite manufacturing, information technology, alternative energy development, research, development and manufacturing and tourism and convention businesses in the Midcoast region. The District is to be in place for a total of thirty (30) years, and is more fully described below in Section II(C)(1) of this Development Program, and is depicted on the maps attached as Exhibit A.

In furtherance of these goals, the Town plans to capture zero percent (0%) in year one and all one hundred percent (100%) of the increased assessed taxable real and personal property value located in the District in years 2 through 30 and use such revenues (the “TIF Revenues”) to fund infrastructure improvements, public safety equipment and its existing Downtown TIF District, and other administrative costs, all as further described in Table 1 herein. The Town will also enter into a 20-year credit enhancement agreement with Mölnlycke Manufacturing (the “Mölnlycke Manufacturing CEA”), as further described in this Development Program in Section III – Financial Plan.

C. Designation of TIF District

In designating the District and adopting this Development Program, the Town can accomplish the following goals:

- Maintain existing tax revenues;
- Realize new tax revenues generated by new development within the District;
- Create long-term, stable employment opportunities for areas residents;
- Advance redevelopment of the former Naval Air Station Brunswick by attracting businesses investment and promoting the economic viability and sustainability of the general economy of the Town, and the Midcoast Maine region; and
- Improve the overall economy of the State of Maine.

In addition, by creating the District, the Town will “shelter” the increase in municipal valuation that development in the District will bring about. This is particularly significant, because the original assessed value of the District was zero dollars (\$0) as of March 31, 2012 (April 1, 2011). This tax shelter will mitigate the impacts that the District’s increased assessed property value would have on the Town’s share of state aid to education, municipal revenue sharing and its county tax assessment. An estimate of the tax shelter benefit is shown as Exhibit D-3 attached hereto.

II. Development Program Narrative

A. The Projects

1. Municipal Projects

The Town desires to foster the redevelopment of the 3,300 acres and 1.7 million square feet of industrial, commercial and professional office space at NASB. The commercial redevelopment of the base, however, will have significant impacts on the Town, which the Town plans to mitigate in part through the use of its share of TIF revenues.

Development within the Möhllycke Manufacturing District will provide a revenue source for the Town’s economic development projects. The Town plans to use its portion of the TIF Revenues for several projects that will enhance the exposure and viability of the Town as a vibrant place to locate a business, to visit and to work. The Town plans to invest in its infrastructure by improving roads leading to and from the District, purchasing new public safety equipment needed to provide public safety services to the District and the former NAS Brunswick, and by contributing TIF Revenues to fund projects set forth in the Town’s existing Downtown TIF District, along with additional administrative expenses outlined on Table 1.

Regarding the Town’s proposed road improvements, the Maine Department of Transportation completed a comprehensive traffic study in 2010 that specifically related to enhancing the redevelopment of NASB. Throughout the study and the public meetings leading up to the final report, a constant theme that was raised was the need for safe and efficient travel routes to the former base. The base is located in the geographic center of the Town of Brunswick and does not have direct rail access. All employees, deliveries and exports will likely take place over the various streets and roads that lead into the Town of Brunswick and to Brunswick Landing. The streets and roads that the Town has identified on Table 1 are a combination of local connectors to Brunswick Landing or connectors from the region into the Town of Brunswick that subsequently route traffic to the former NASB.

Regarding the Town’s plan to use TIF revenues to purchase public safety vehicles, the redevelopment of NASB instantly adds over 3,300 acres and 200 non-residential buildings to the jurisdiction of the Town—not counting the new commercial buildings that will be built in the future as a result of redevelopment efforts. In order to provide adequate public safety services to this new area of the Town, the Town will need to stretch its existing fleet of public safety (police, rescue and fire) vehicles further each year. Additionally, MRRA is planning to submit proposed legislation that would cede jurisdiction for traffic enforcement on the base to the Town, which would result in the Town’s police officers enforcing speeding and other traffic laws on the

former base, in addition to providing general public safety services. The Town currently has a fleet of 22 police vehicles, most of which are already on the road 24 hours per day, seven days per week, all 52 weeks of the year. The Town also has a fleet of 13 fire department vehicles, 3 of which are ambulances. The ambulances are replaced approximately every 3 years. As a direct result of the redevelopment of the former NASB, the Town's fleet of public safety vehicles will incur significantly increased mileage, wear and tear, which will require the Town to replace them with greater frequency than prior to any redevelopment activity at the former NASB. Since the Town's need to replace its public safety vehicles (police, fire and rescue vehicles) with much greater frequency is directly related to and made necessary by the redevelopment of the former NASB and the District, the Town will use TIF funds to cover the cost of up to four (4) public safety vehicles each year.

The Town plans to use TIF Revenues as part of its overall plan to use its location and resources to attract and retain businesses that want to take advantage of Brunswick's business-friendly location at the gateway to the Midcoast while offering their employees a rich, dynamic and high quality of life. Please see Table 1 herein for a complete list of authorized projects and their respective cost estimates.

TABLE 1
Town of Brunswick's Project Development Costs

Note: The Town's project list is a global master project list that the Town has created for this District and Development Program and for any future districts and development programs that the Town may create in the future at the location of and to foster the redevelopment of the former Naval Air Station Brunswick ("NASB"). The TIF Revenues from this District are not intended to fully fund each of the projects listed below—indeed, the total project costs for the projects listed below far exceed the Town's estimated share of the TIF Revenues from this District.

Project	Cost Estimate	Statutory Cite
<p><u>Road Improvements:</u> The Town will use TIF funds to improve and maintain Town-owned roads and streets that form the transportation routes most directly impacted by the creation of the District and the redevelopment of the former NASB. Improvements to the designated portions of the roads and streets identified below are directly related to and made necessary by the redevelopment of the NASB and the creation of the District, which will significantly increase the amount of commercial traffic going to/from the District from the Town's Downtown and other locations throughout the Town. Local road/street reconstruction is estimated to cost \$175,000/mile (approximately 36.55 miles), and individual projects are expected to have a 10-year lifespan.</p> <ol style="list-style-type: none"> 1. River Road (5.01 miles) 2. Bath Road (4.75 miles) 3. Federal Street (.59 miles) 4. McKeen Street (1.59 miles) 5. Maine Street (2.22 miles) 6. Pleasant Hill Road (4.12 miles) 7. Jordan Avenue (1.55 miles) 8. Mere Point Road (5.46 miles) 9. Middle Bay Road (1.16 miles) 10. Durham Road (3.44 miles) 11. Casco Road (1.92 miles) 12. Union Street (.77 miles) 13. Church Road (1.93 miles) 14. Bunganuc Road (2.04 miles) 	<p style="text-align: center;">\$640,000/year \$19,200,000 (total 30 years)</p>	30-A M.R.S.A. § 5225(1)(B)(1)

Project	Cost Estimate	Statutory Cite
<p><u>Public Safety Improvements:</u> As a direct result of the redevelopment of the NASB and the creation of the District, the Town will now be required to replace public safety equipment in the form of fire trucks, police cars and ambulances at an increased frequency in order to provide public safety services to the businesses locating in the former NASB and the District. Prior to the closure of the NASB, these areas were under the jurisdiction of the federal government, and did not receive (or require) Town-provided police, fire and rescue services. Since the Town's need to replace its public safety vehicles (police, fire and rescue vehicles) with much greater frequency is directly related to and made necessary by the redevelopment of the former NASB and the District, the Town will use TIF funds to cover the cost of up to four (4) public safety vehicles each year.</p>	<p>\$130,000/year \$3,900,000 (total 30 years)</p>	30-A M.R.S.A. § 5225(1)(B)(2)
<p><u>Downtown TIF Projects:</u> The Town will use TIF funds to mitigate the impacts of the District on the Town's downtown area by funding projects described in the 2010 Brunswick Downtown Municipal Development and Tax Increment Financing District Development Program, as it may be amended from time to time; provided that the provisions of 30-A M.R.S.A. Sec. 5225(1)(B)(3) (Supp. 2011) must continue to be met, as is the case currently. Specifically any public facilities and improvements funded through the Downtown TIF must be located within the Downtown TIF District, and the entire tax increment from the Downtown TIF must be committed to the development program for the Downtown TIF.</p>	<p>\$100,000/year \$3,000,000 (total 30 years)</p>	30-A M.R.S.A. § 5225(1)(B)(3)
<p><u>Brunswick Downtown Association:</u> The Town will be authorized to provide annual funding to the Brunswick Downtown Association to help fund economic development programs or events designed to foster economic development within the Town's Downtown, or to help fund the marketing of the Town as a business location.</p>	<p>\$100,000/year \$3,000,000 (total 30 years)</p>	30-A M.R.S.A. § 5225(1)(C)(1)

Project	Cost Estimate	Statutory Cite
<u>Professional & Administrative Costs:</u> The Town will fund professional services costs and administrative costs (i.e., pro rata portions of the Town Assessor, Town Manager and Business Development Manager salaries) related to the negotiation and completion of this development program and the credit enhancement agreement with Mölnlycke Health Care Company, and the ongoing administration of the Town's TIF programs.	\$20,000/year \$600,000 total 30 years)	30-A M.R.S.A. § 5225(1)(A)(4) and (5)
Total Municipal Project Costs:	\$990,000/year \$29,700,000 (total 30 years)	

2. Mölnlycke Manufacturing Projects

Mölnlycke Manufacturing will use payments made to it by the Town to fund development of its facilities within District boundaries to include: site improvements, building construction, machinery and equipment purchases, project financing and employee training, all of which are authorized project costs pursuant to 30-A M.R.S.A. §§ 5225(1)(A) and 5225(1)(C).

B. Strategic Growth and Development

The Town's designation of the TIF District and pursuit of this Development Program constitute a good and valid public purpose pursuant to Chapter 206 of Title 30-A because it represents a substantial contribution to the economic well-being of both the Town and the Midcoast Maine Region, by providing jobs, contributing to property taxes and diversifying the region's economic base.

C. The Development District

1. Physical Description

The proposed District will encompass a 19.4-acre portion of the former NASB. The District is a rectangle bordered by Pegasus, Terminal Drive, Admiral Fitch Avenue and Seahawk Avenue. The District is comprised of real property that: Mölnlycke Manufacturing leases from MRRA; property that Mölnlycke Manufacturing has an option to lease in the future; and two additional parcels to which Mölnlycke Manufacturing has no current or intended future rights. Maps of the proposed District are presented in Exhibit A.

2. Statutory Requirements and Thresholds

The Statutory Requirements and Threshold limits addressing the conditions for approval mandated by 30-A M.R.S.A. § 5223(3) are set forth in Exhibit B.

3. Duration of the Program

The District will begin with the Town's 2012-2013 fiscal year and will continue for a total of thirty (30) years, culminating in fiscal year 2041-2042.

4. Certification of Original Assessed Value

The original assessed value of the District was zero dollars (\$0) as of March 31, 2012 (April 1, 2011). The Assessor's Certificate of Original Assessed Value is included as Exhibit C.

D. The Development Program

The Town's designation of the District and adoption of this Development Program create a single municipal TIF district in order to capture the value of the taxable real and personal property improvements made within the District and enable the use of TIF Revenues for various municipal economic development projects and company investment.

Under this Development Program, the Town will capture zero percent (0%) in year one and one hundred percent (100%) in all remaining years, of the increased assessed taxable real and personal property value over the original assessed property value of the District and retain the tax revenues generated by the captured assessed taxable real and personal property value for designated economic development purposes.

The Town will enter into a twenty (20) year credit enhancement agreement with Mölnlycke Manufacturing beginning in year two (2013-2014) of the TIF term. The calculation and allocation of TIF Revenues is more specifically described below in Section III – Financial Plan.

By adopting this Development Program, the Town will underscore Brunswick's growing reputation as a commercial hub and desirable place in which to locate a business; support quality economic development in Brunswick by entering into a credit enhancement arrangement with the company; and shelter the new municipal taxable real and personal property value from impacting the overall State valuation for the Town, thereby minimizing (a) decreases in the Town's State school subsidy and State revenue sharing, and (b) potential increases in the Town's county tax assessments.

Further, approval of this Development Program and the designation of the District will have a neutral or positive impact on the existing tax base, because, given that the original assessed value of the entire District is zero dollars (\$0), all of the assessed value within the District will be captured. In addition, at the end of the 30-year term of this Development Program, the Town will emerge with a substantial amount of new taxable real and personal

property value to add to its municipal tax base. Additionally, the company investment includes \$34 million in manufacturing equipment. This equipment is not captured within TIF program and will result in a BETE reimbursement from the State of Maine to the Town for a portion of the taxable value. The annual BETE reimbursement value is estimated to be \$297,400.

This Development Program is structured and proposed pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended (the “TIF Statute”). Subsequent to a Public Hearing and Town Council vote, adoption of this Development Program will be effective upon approval by DECD.

E. Improvements to the Public Infrastructure

As further set forth in Table 1, the Town will use certain TIF Revenues for road improvements set forth as projects within the approved in the Brunswick Downtown TIF, and improvements made necessary by but outside of the District.

F. Operational Components

1. Public Facilities

The Town plans to use a percentage of the TIF Revenues to fund certain projects approved within the existing Downtown TIF District.

2. Commercial Improvements Financed Through Development Program

Mölnlycke Manufacturing plans to complete construction of a 79,000 square foot \$14.5 million facility within the District with over \$34 million in manufacturing equipment and planned occupancy of beginning in February, 2013. TIF revenues will also be used to help fund financing costs, real property assembly costs and professional services associated with the project.

3. Relocation of Displaced Persons.

Not applicable.

4. Transportation Improvements

The Town will fund road improvements made necessary by the increased traffic to the District from other parts of the Town.

5. Environmental Controls

The improvements made under this Development Program will meet or exceed all federal, state and local environmental laws, regulations and ordinances and will comply with all applicable land use requirements for the Town.

6. Plan of Operation

All of the real and personal property improvements made by the company and located within the District will at all times be owned by the Company or a related entity.

During the term of the District, the Town Manager or his designee will be responsible for all administrative matters within the purview of the Town concerning the implementation and operation of the District.

III. Financial Plan

The District will encompass a total of 19.4 acres of property. Since the federal government and MRRA are both tax exempt entities, the collective original assessed value of the property in the District was zero dollars (\$0) as of March 31, 2012 (April 1, 2011). Mölnlycke Manufacturing, however, is not tax-exempt and will pay property taxes on the taxable property located within the District. The Town will capture zero percent (0%) in year one and one-hundred percent (100%) of the increased assessed value for the balance of the 30-year term of the District. The TIF Revenues so collected will fund and/or contribute to the funding of the approved municipal projects, including each of the projects described on Table 1 hereof, which collectively increase the Town's ability to stand out in a competitive marketplace as a dynamic municipality in which to grow a business. All taxable real and personal property value captured in the District will be added to the general tax rolls at the end of the TIF term. The Town will also enter into a 20-year credit enhancement agreement with Mölnlycke Manufacturing. Mölnlycke's annual percentage share of the Tax Increment Revenues will be tied to the number of full-time equivalent ("FTE") employees on Mölnlycke's payroll who are eligible for employment benefits. Each year, Mölnlycke will report the company's FTE employment count to the Town on a quarterly basis on the form attached to the Mölnlycke Manufacturing CEA as Attachment 1. Each January during the term of the CEA, the Town will calculate the average number of FTE employees reported by Mölnlycke during the prior calendar year in order to determine Mölnlycke's percentage share of the Tax Increment Revenues for following Tax Year. Using this calculation, the Town will allocate an amount of Tax Increment Revenues to Mölnlycke as follows: (i) a base minimum of thirty-five percent (35%) of the Tax Increment Revenues each year; and (ii) an additional one-half percent (0.5%) of the Tax Increment Revenues for each additional FTE job created by Mölnlycke in excess of forty-five (45) FTE jobs. Regardless of the number of FTE employees employed by Mölnlycke, the Tax Increment Revenues reimbursement to Mölnlycke shall not exceed fifty-five percent (55%) of the Tax Increment Revenues in any one year.

Upon each payment of property taxes by the Company, the Town will deposit into a development program fund the entirety of the property tax payments constituting TIF Revenues (the "Development Program Fund"). The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. § 5227(3). The Development Program Fund consists of two segregated accounts, a sinking fund account ("Sinking Fund Account") and a project cost account (the "Project Cost Account"). The Town will deposit the TIF Revenues necessary to pay debt service on any bonds issued to pay for District improvements, if any, into the Sinking Fund Account. The money in this account is pledged to and charged with the payment of interest and principal on municipal indebtedness

related to the improvements in the District. The Town will deposit any additional TIF Revenues into (a) a subaccount or subaccounts of the Project Cost Account to be used for credit enhancement payments to the Company pursuant to the Mölnlycke Manufacturing CEA and/or (b) to a subaccount of the Project Cost Account for other approved municipal projects outlined in this Development Program and not financed with Town indebtedness.

Estimates of the increased assessed property values of the District and the anticipated TIF Revenues generated by the District are shown in Exhibits D-1 and D-2; the estimated tax shifts are shown in Exhibit D-3; and projected total Town benefit, including estimated BETE reimbursements are shown in Exhibit D-4.

A. Costs and Sources of Revenues

Mölnlycke Manufacturing will pay for and/or finance all private improvements located within the District through private sources.

B. Public Indebtedness

None of the project costs will be met through public indebtedness at this time. The Town, however, reserves the right to incur bonded indebtedness for approved projects in the future, provided that the timing and funding of any bonded projects complies with all statutory requirements for paying bonded indebtedness with TIF Revenues.

IV. Financial Data

The District satisfies all of the statutory requirements and thresholds set forth in Section 5223(3) of the TIF Statute, as demonstrated in Exhibit B.

Certification by the Town's Tax Assessor of the original assessed value of the District is set forth in Exhibit C.

V. Tax Shifts

In accordance with the TIF Statute, the table set forth in Exhibit D-4 identifies the tax shifts that the Town estimates will result during the term of the District.

VI. Municipal Approvals

A. Notice of Public Hearing

Attached as Exhibit E is a copy of the Notice of Public Hearing regarding the establishment of the Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District and adoption of this Development Program for the District, published in the *Times Record*, a newspaper of general circulation in the Town, on November 23, 2012, a date at least ten (10) days prior to the public hearing. The public hearing on the District designation and Development Program was held on December 3, 2012, in accordance with the requirements of 30-A M.R.S.A. § 5226(1).

B. Minutes of Public Hearing Held by Town Council

Attached as Exhibit F is a certified copy of the minutes of the public hearing held on December 3, 2012, at which time the proposed District and Development Program were discussed by the public.

C. Authorizing Votes

Attached as Exhibit G is a copy of the Brunswick Town Council Resolution designating the District and adopting this Development Program, which Resolution was adopted by the Council at a meeting of the Council duly called and held on December 3, 2012.

EXHIBIT A
TIF District Map
Location Map

Mölnlycke Project



Phase 1 A	5.94 AC
Phase 1 B	3.15 AC
Phase 2	3.65 AC
Phase 3	5.79 AC
Total Acreage	18.53 AC

Building 209 Parcel 0.26 AC
 Building 223 Parcel 0.61 AC
Total Acreage 0.87 AC

EXHIBIT A, Page 1

MOLNLYCKE MANUFACTURING MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING (TIF) DISTRICT
ACREAGE: 19.4 ACRES

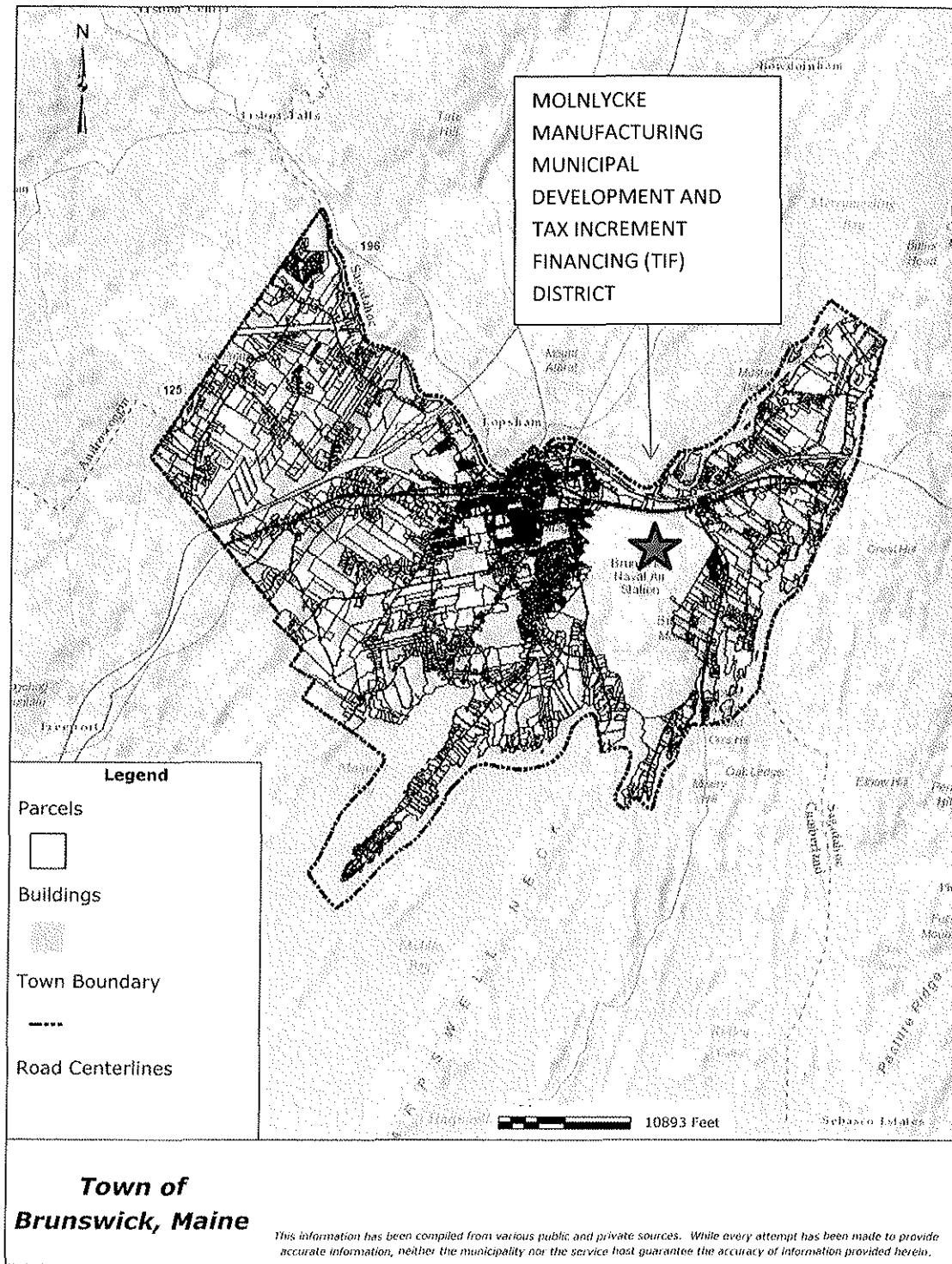
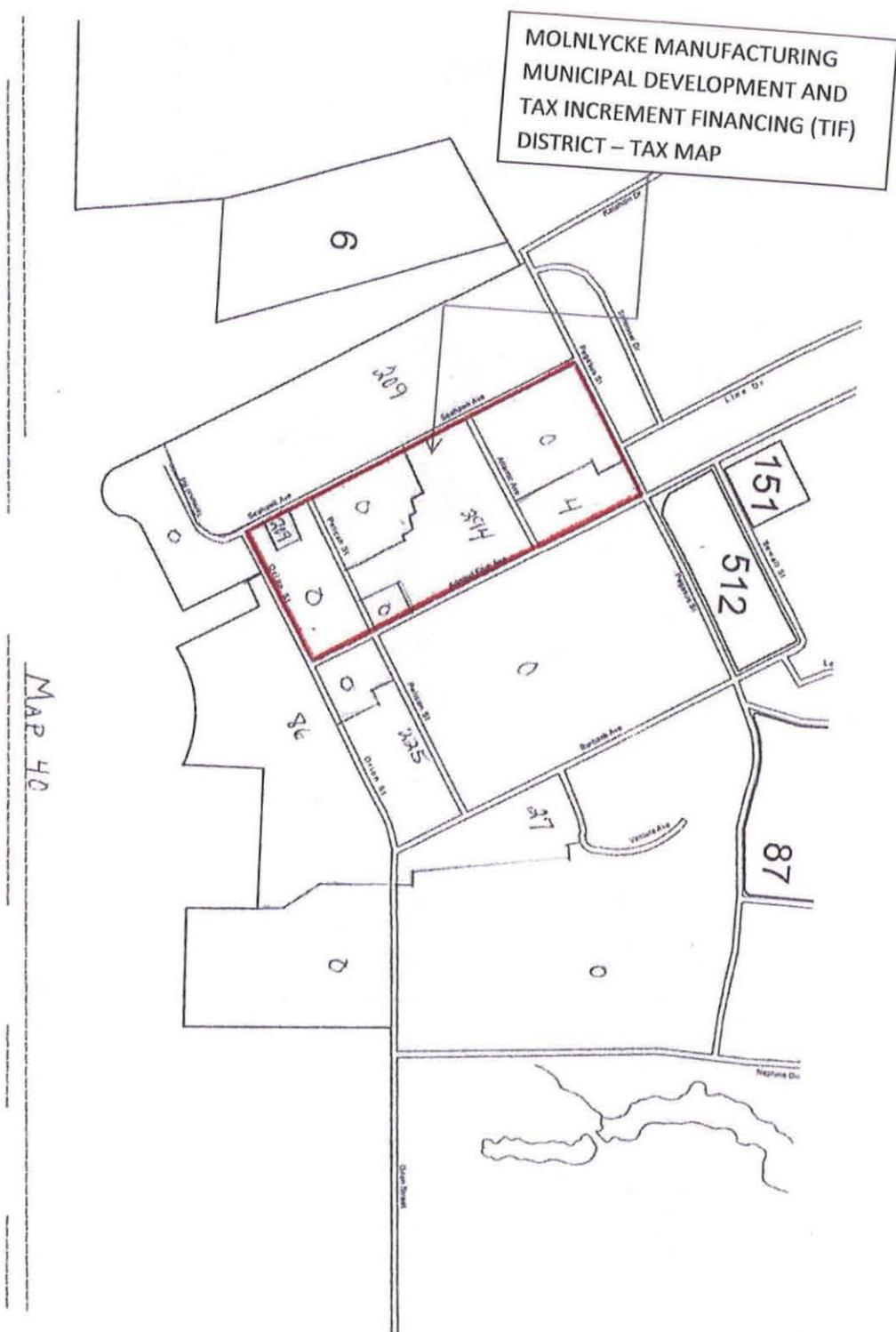


EXHIBIT A, PAGE 2

**MOLNLYCKE MANUFACTURING MUNICIPAL DEVELOPMENT AND TAX INCREMENT FINANCING (TIF)
DISTRICT**



**MOLNLYCKE MANUFACTURING MUNICIPAL DEVELOPMENT AND TAX INCREMENT
FINANCING (TIF) DISTRICT – TAX MAP**
ACREAGE: 19.4 ACRES

EXHIBIT B
Statutory Requirements & Thresholds

Exhibit B – Statutory Requirements & Thresholds

A. ACRE LIMITATION Mölnlycke Manufacturing TIF District		
1. Total Acreage of Municipality		28,800
2. Total Acreage of Proposed Municipal TIF District		19.4
3. Total Downtown acres contained in the Proposed Municipal TIF District		0
4. Total Transit acres contained in the Proposed Municipal TIF District		0
5. Total acreage of Proposed Municipal TIF District counted towards 2% cap (A2-A3-A4)		19.4
6. Percentage of total acreage in proposed municipal TIF District (cannot exceed 2%) Divide A5 by A1		0.06%
7. Total acreage of all existing and proposed municipal TIF districts in the municipality. Add A2 to sum of all existing TIF district acreage. (* as of December 3, 2012)	Existing <u>Mölnlycke</u>	183.63 19.4 Total 203.03
8. Total acreage of an existing or Proposed Downtown TIF District in the municipality.		89.97
9. Total acreage of all <u>existing Pine Tree Development Zone</u> TIF Districts in the municipality.		0
10. Total acreage of all existing or Proposed Transit TIF Districts in the municipality.		0
11. Total acreage of all existing and Proposed Municipal TIF Districts in the municipality counted toward 5% cap. Subtract A8+A9+A10 from A7.		113.06
12. Percentage of total acreage in all existing and proposed Municipal TIF Districts (cannot exceed 5%) Divide A11 by A1.		0.39%
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%)	Acres	%
a. Blighted (Divide acres by A2)		
b. In need of rehabilitation/conservation (Divide acres by A2)		
c. Suitable for industrial/commercial site (Divide acres by A2)	19.4	100%
TOTAL	19.4	100%
B. VALUATION LIMITATION		
1. Total Aggregate Value of Municipality (TAV) <i>Use most recent April 1st</i>		1,332,368,190
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>		80,803,500
4. OAV of an existing or proposed Downtown TIF District in the municipality.		71,082,500
5. OAV of all <u>existing Pine Tree Development Zone</u> TIF Districts in the municipality.		0
6. OAV of all existing or Proposed Transit TIF Districts in the municipality.		0
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>		9,721,000
8. Percentage of total OAV to TAV in all existing and Proposed Municipal TIF Districts (cannot exceed 5%) <i>Divide B7 by B1</i>		.73%

EXHIBIT C
Assessor's Certificate

EXHIBIT C

TOWN OF BRUNSWICK

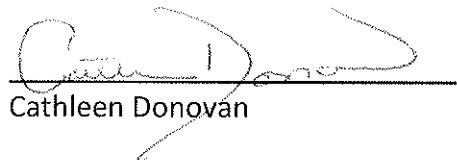
**MOLNLYCKE MANUFACTURING MUNICIPAL DEVELOPMENT AND
TAX INCREMENT FINANCING DISTRICT**

ASSESSOR'S CERTIFICATE

The undersigned Assessor for the Town of Brunswick, Maine does hereby certify pursuant to the provisions of 30-A M.R.S.A. § 5227(2) that the taxable assessed value of Mölnlycke Tax Increment Financing District was zero dollars (\$0) as of March 31, 2012 (April 1, 2011).

IN WITNESS WHEREOF, this Certificate has been executed as of the 15th day of November 2012.

TOWN OF BRUNSWICK ASSESSOR



Cathleen Donovan

EXHIBIT D-1
TIF Revenue Projections

Town of Brunswick
Mölnlycke Manufacturing
Municipal Development and TIF District

EXHIBIT D-1

		Estimated Annual Investment		Projected Cumulative Investment	Projected Increase in Annual Assesed Value			Annual Assesed Value Retained		Mil Rate	Gross New Taxes
		Real Property	Personal Property *		Projected Real Property	Projected Annual Assesed Value	%	\$ Amount			
1	2012-2013	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 1,400,000	\$ 1,400,000	0%	\$ -	24.90	\$ 34,860	
2	2013-2014	\$ 12,482,000	\$ 1,975,000	\$ 14,482,000	\$ 10,137,400	\$ 10,137,400	100%	\$ 10,137,400	24.90	\$ 252,421	
3	2013-2015			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
4	2015-2016			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
5	2016-2017			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
6	2017-2018			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
7	2018-2019			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
8	2019-2020			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
9	2020-2021			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
10	2021-2022			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
11	2022-2023			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
12	2023-2024			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
13	2024-2025			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
14	2025-2026			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
15	2026-2027			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
16	2027-2028			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
17	2028-2029			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
18	2029-2030			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
19	2030-2031			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
20	2031-2032			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
21	2032-2033			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
22	2033-2034			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
23	2034-2035			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
24	2035-2036			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
25	2036-2037			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
26	2037-2038			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
27	2038-2039			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
28	2039-2040			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
29	2040-2041			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
30	2041-2042			\$ 16,457,000	\$ 10,137,400	\$ 11,519,900	100%	\$ 11,519,900	24.90	\$ 286,845	
31	2042-2043										
32	2043-2044										
	Cumulative	\$ 14,482,000								\$ 8,318,941	
	Avg. Annual			\$ 9,846,153	\$ 22,272,973			\$ 11,089,820		\$ 277,298	

ASSUMPTIONS

Years in projection 30
 Mill Rate (per thousand) 24.90
 Original Assessed Valuation \$0
 Assessment Ratio = 70% per Assessor
 * Personal Property value does NOT include manufacturing equipment
 Yellow highlight depicts years of credit enhancement
 Years 31 and 32 shown for tax shift purposes only.

EXHIBIT D-2
TIF Revenue Projections - p.2

Town of Brunswick
Mölnlycke Manufacturing
Municipal Development and TIF District

EXHIBIT D-2

		Total TIF Revenues	Town Revenues			Company TIF Allocation		
			New General Fund	TIF %	Town TIF Revenues	Employment Projections	%	TIF Revenues
1	2012-2013	\$ -	\$ 34,860	100.0%	\$ -	0.0%	\$ -	
2	2013-2014	\$ 252,421	\$ -	65.0%	\$ 164,074	45	35.0%	\$ 88,347
3	2013-2015	\$ 286,845	\$ -	65.0%	\$ 186,449	45	35.0%	\$ 100,396
4	2015-2016	\$ 286,845	\$ -	54.5%	\$ 156,331	66	45.5%	\$ 130,514
5	2016-2017	\$ 286,845	\$ -	54.5%	\$ 156,331	66	45.5%	\$ 130,514
6	2017-2018	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
7	2018-2019	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
8	2019-2020	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
9	2020-2021	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
10	2021-2022	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
11	2022-2023	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
12	2023-2024	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
13	2024-2025	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
14	2025-2026	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
15	2026-2027	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
16	2027-2028	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
17	2028-2029	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
18	2029-2030	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
19	2030-2031	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
20	2031-2032	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
21	2032-2033	\$ 286,845	\$ -	45.0%	\$ 129,080	87	55.0%	\$ 157,765
22	2033-2034	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
23	2034-2035	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
24	2035-2036	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
25	2036-2037	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
26	2037-2038	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
27	2038-2039	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
28	2039-2040	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
29	2040-2041	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
30	2041-2042	\$ 286,845	\$ -	100.0%	\$ 286,845	87	0.0%	\$ -
31	2042-2043							
32	2043-2044							
Cumulative		\$ 8,284,081	\$ 34,860		\$ 5,310,073		\$ 2,974,008	
Avg. Annual		\$ 276,136	\$ 1,162		\$ 177,002		\$ 99,134	

ASSUMPTIONS

Years in projection 30
Mill Rate (per thousand) 24.90
Original Assessed Valuation \$0
Assessment Ratio = 70% per Assessor
* Personal Property value does NOT include manufacturing equipment
Yellow highlight depicts years of credit enhancement
Years 31 and 32 shown for tax shift purposes only.

Company 20-year average annual= \$ 148,700

EXHIBIT D-3
Tax Shift Calculations

Town of Brunswick
Mölnlycke Health Care
Municipal Development and TIF District

Tax Shift Calculation

State/County Projected Tax Shift						
		EPS Education Shift	Revenue Sharing Shift	County Tax Shift	Total Tax Shift	
1	2012-2013	\$ -	\$ -	\$ -	\$ -	-
2	2013-2014	\$ -	\$ -	\$ -	\$ -	-
3	2013-2015	\$ -	\$ 0	\$ -	\$ 0	0
4	2015-2016	\$ 111,367	\$ 15,213	\$ 8,437	\$ 135,017	
5	2016-2017	\$ 126,554	\$ 17,271	\$ 9,838	\$ 153,664	
6	2017-2018	\$ 126,554	\$ 17,271	\$ 10,096	\$ 153,921	
7	2018-2019	\$ 126,554	\$ 17,271	\$ 10,360	\$ 154,185	
8	2019-2020	\$ 126,554	\$ 17,271	\$ 10,631	\$ 154,456	
9	2020-2021	\$ 126,554	\$ 17,271	\$ 10,909	\$ 154,735	
10	2021-2022	\$ 126,554	\$ 17,271	\$ 11,194	\$ 155,020	
11	2022-2023	\$ 126,554	\$ 17,271	\$ 11,487	\$ 155,313	
12	2023-2024	\$ 126,554	\$ 17,271	\$ 11,788	\$ 155,613	
13	2024-2025	\$ 126,554	\$ 17,271	\$ 12,096	\$ 155,922	
14	2025-2026	\$ 126,554	\$ 17,271	\$ 12,412	\$ 156,238	
15	2026-2027	\$ 126,554	\$ 17,271	\$ 12,737	\$ 156,563	
16	2027-2028	\$ 126,554	\$ 17,271	\$ 13,070	\$ 156,896	
17	2028-2029	\$ 126,554	\$ 17,271	\$ 13,412	\$ 157,238	
18	2029-2030	\$ 126,554	\$ 17,271	\$ 13,763	\$ 157,589	
19	2030-2031	\$ 126,554	\$ 17,271	\$ 14,123	\$ 157,949	
20	2031-2032	\$ 126,554	\$ 17,271	\$ 14,492	\$ 158,318	
21	2032-2033	\$ 126,554	\$ 17,271	\$ 14,872	\$ 158,697	
22	2033-2034	\$ 126,554	\$ 17,271	\$ 15,261	\$ 159,086	
23	2034-2035	\$ 126,554	\$ 17,271	\$ 15,660	\$ 159,485	
24	2035-2036	\$ 126,554	\$ 17,271	\$ 16,069	\$ 159,895	
25	2036-2037	\$ 126,554	\$ 17,271	\$ 16,490	\$ 160,315	
26	2037-2038	\$ 126,554	\$ 17,271	\$ 16,921	\$ 160,747	
27	2038-2039	\$ 126,554	\$ 17,271	\$ 17,364	\$ 161,189	
28	2039-2040	\$ 126,554	\$ 17,271	\$ 17,818	\$ 161,644	
29	2040-2041	\$ 126,554	\$ 17,271	\$ 18,284	\$ 162,110	
30	2041-2042	\$ 126,554	\$ 17,271	\$ 18,762	\$ 162,588	
31	2042-2043	\$ 126,554	\$ 17,271	\$ 19,253	\$ 163,079	
32	2043-2044	\$ 126,554	\$ 17,271	\$ 19,757	\$ 163,582	
	Cumulative	\$ 3,654,888	\$ 498,809	\$ 407,357	\$ 4,561,053	
	Avg. Annual	\$ 121,830	\$ 16,627	\$ 13,579	\$ 152,035	

November 15, 2012

EXHIBIT D-4
Projected Town Benefit Including BETE Reimbursement

Town of Brunswick
Mölnlycke Manufacturing
Municipal Development and TIF District

EXHIBIT D-4

Projected Town Benefit Inclusive of Estimated BETE Reimbursement

		Estimated Annual Investment			Projected Cumulative Investment			Projected Increase in Annual Assessed Value			Town Revenues				
		Real Property	Non-BETE Personal Property	BETE Qualified Personal Property	Real Property	Non-BETE Personal Property	BETE Qualified Personal Property	New General Fund	State BETE Reimbursement	TIF %	TIF Revenues	Total Town Revenues			
			\$ 2,000,000	\$ -		\$ 1,400,000	\$ -								
1	2012-2013	\$ 12,482,000	\$ -	\$ 14,482,000	\$ 50,583,000	\$ 10,137,400	\$ -	\$ 34,860	\$ -	100.0%	\$ -	\$ 34,860			
2	2013-2014	\$ 1,975,000	\$ 34,126,000	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ 297,408	65.0%	\$ 164,074	\$ 164,074			
3	2013-2015	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	65.0%	\$ 186,449	\$ 186,449				
4	2015-2016	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	54.5%	\$ 156,331	\$ 156,331				
5	2016-2017	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	54.5%	\$ 156,331	\$ 156,331				
6	2017-2018	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
7	2018-2019	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
8	2019-2020	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
9	2020-2021	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
10	2021-2022	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
11	2022-2023	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
12	2023-2024	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
13	2024-2025	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
14	2025-2026	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
15	2026-2027	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
16	2027-2028	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
17	2028-2029	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
18	2029-2030	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
19	2030-2031	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
20	2031-2032	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
21	2032-2033	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	45.0%	\$ 129,080	\$ 129,080				
22	2033-2034	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
23	2034-2035	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
24	2035-2036	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
25	2036-2037	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
26	2037-2038	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
27	2038-2039	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
28	2039-2040	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
29	2040-2041	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
30	2041-2042	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
31	2042-2043	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
32	2043-2044	\$ 50,583,000	\$ 10,137,400	\$ 1,382,500.00	\$ 23,888,200	\$ -	\$ -	\$ 297,408	100.0%	\$ 286,845	\$ 286,845				
		Cumulative Avg. Annual	\$ 14,482,000		\$ 9,846,153	\$ 11,136,487		\$ 34,860	\$ 8,362,287		\$ 5,310,073	\$ 13,672,359			

ASSUMPTIONS

Years in projection 30
Mill Rate (per thousand) 24.90
Original Assessed Value \$0
Assessment Ratio = 70% per Assessor
BETE Reimbursement estimated at 50% of taxable value.
Assessed values held constant: no appreciation or depreciation included.
Yellow highlight depicts years of credit enhancement
Years 31 and 32 shown for tax shift purposes only.

EXHIBIT E

**NOTICE OF PUBLIC HEARING
TOWN OF BRUNSWICK
Regarding**

**A Municipal Tax Increment Financing Development Program for the District Known As
The “Mölnlycke Manufacturing Municipal Development and Tax Increment Financing
District”**

Notice is hereby given that the Brunswick Town Council will hold a public hearing on

**December 3, 2012,
at the
Brunswick Municipal Meeting Room at 16 Station Avenue, Brunswick, Maine,
The Public Hearing will be at 7:00 p.m.**

The purpose of the public hearing is to receive public comments on the designation of the proposed Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District (the “District”) and adoption of a Development Program and Financial Plan for said District, pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

The designated municipal development and tax increment financing district consists of 19.4 acres of property located at Brunswick Landing at the former NAS Brunswick.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time.

D4 THE TIMES RECORD FRIDAY NOVEMBER 23, 2012

**NOTICE
NOTICE OF PUBLIC HEARING
TOWN OF BRUNSWICK
Regarding**

A Municipal Tax Increment Financing Development Program for the District Known As The Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District

Notice is hereby given that the Brunswick Town Council will hold a public hearing on December 3, 2012, at the Brunswick Municipal Meeting Room at 16 Station Avenue, Brunswick, Maine. The Public Hearing will be at 7:00 p.m.

The purpose of the public hearing is to receive public comments on the designation of the proposed Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District (the District) and adoption of a Development Program and Financial Plan for said District pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. Copies of the proposed Tax Increment Financing documents are available at the Town Clerk and Town Manager's Office during normal business hours.

The designated municipal development and tax increment financing district consists of 19.4 acres of property located at Brunswick Landing at the former NAS Brunswick.

All interested persons are invited to attend the public hearing and will be given an opportunity to be heard at that time.

23-176785

EXHIBIT F

Minutes of Public Hearing and Town Council Meeting

Draft
BRUNSWICK TOWN COUNCIL
Minutes
December 3, 2012
Executive Session - 6:00 P.M.
7:00 P.M.
Municipal Meeting Room
Brussels Station
16 Station Avenue

Draft

Councilors Present: Chair Joanne T. King, W. David Watson, Benjamin J. Tucker, Suzan Wilson, John M. Perreault, Gerald E. Favreau, Margo H. Knight, Sarah E. Brayman, and Benet Pols

Councilors Absent: None

Town Staff Present: Gary Brown, Town Manager; Fran Smith, Town Clerk/Assistant to Town Manager; John Eldridge, Finance Director; Richard Rizzo, Police Chief; Anna Breinich, Director of Planning and Development; Tom Farrell, Director of Parks and Recreation; Dan Devereaux, Marine Resources Officer; Joel Bruce, Police Sergeant; and TV video crew

Chair King called the meeting to order and asked the Town Clerk for roll call.

Executive session – Personnel matter to discuss the Town Manager’s evaluation per M.R.S.A. §405(6)(A)

Councilor Watson moved, Councilor Wilson seconded, to go into executive session for a Personnel matter to discuss the Town Manager’s evaluation per M.R.S.A. §405(6)(A). The motion carried with eight (8) yeas. Councilor Pols arrived after the vote.

MEETING RESUMES

Chair King resumed the meeting and asked for the Pledge of Allegiance.

Public Comment:

John Moncure, Chair of MRRA, read a letter from the Board wishing to establish a committee to improve communications between the Town and MRRA.

Nat Wheelwright, 299 Durham Road, encouraged the Council to speak out against corporate money in politics.

Correspondence:

Councilor Perreault asked a question about a crash on River Road involving a town vehicle, to which Manager Brown responded.

Adjustments to the Agenda:

Approved
BRUNSWICK TOWN COUNCIL
Minutes
December 3, 2012
Executive Session - 6:00 P.M.
7:00 P.M.
Municipal Meeting Room
Brunswick Station
16 Station Avenue

Councilors Present: Chair Joanne T. King, W. David Watson, Benjamin J. Tucker, Suzan Wilson, John M. Perreault, Gerald E. Favreau, Margo H. Knight, Sarah E. Brayman, and Benet Pols

Councilors Absent: None

Town Staff Present: Gary Brown, Town Manager; Fran Smith, Town Clerk/Assistant to Town Manager; John Eldridge, Finance Director; Richard Rizzo, Police Chief; Anna Breinich, Director of Planning and Development ; Tom Farrell, Director of Parks and Recreation; Dan Devereaux, Marine Resources Officer; Joel Bruce, Police Sergeant; and TV video crew

Chair King called the meeting to order and asked the Town Clerk for roll call.

Executive session – Personnel matter to discuss the Town Manager’s evaluation per M.R.S.A. §405(6)(A)

Councilor Watson moved, Councilor Wilson seconded, to go into executive session for a Personnel matter to discuss the Town Manager’s evaluation per M.R.S.A. §405(6)(A).
The motion carried with eight (8) yeas. Councilor Pols arrived after the vote.

MEETING RESUMES

Chair King resumed the meeting and asked for the Pledge of Allegiance.

Public Comment:

John Moncure, Chair of MRRA, read a letter from the Board wishing to establish a committee to improve communications between the Town and MRRA.

Nat Wheelwright, 299 Durham Road, encouraged the Council to speak out against corporate money in politics.

Correspondence:

Councilor Perreault asked a question about a crash on River Road involving a town vehicle, to which Manager Brown responded.

Adjustments to the Agenda:

Town Council Minutes

December 3, 2012

Page 2

Removing item 130

MANAGER'S REPORT:

(a) Council Committee Updates

No reports were given.

(b) People Plus Update

Stacy Frizzle, Executive Director of People Plus, made this update.

(c) Permission to accept and expend the State Department of Conservation shoreline and harbor management planning grant (*Action required*)

Manager Brown spoke regarding this item.

Councilor Wilson spoke regarding this item.

Councilor Wilson moved, Councilor Tucker seconded, to accept and expend the State Department of Conservation shoreline and harbor management planning grant in an amount of \$20,000. The motion carried with nine (9) yeas.

(A copy of a memo from Dan Devereaux and the grant application will be attached to the official minutes are included in your packet.)

(d) Acceptance of Forfeited Asset (*Action Required*)

Councilor Watson moved, Councilor Favreau seconded, to accept and expend Forfeited Assets related to Criminal Action Docket No. CR-12-3997, with a total value of \$2,210.00 and Criminal Action Docket No. CR-12-3215, with a total value of \$1,080.00. The motion carried with nine (9) yeas.

(A copy of the court documents will be attached to the official minutes.)

(e) (ADDED) Passengers numbers on AMTRAK

Manager Brown provided this information and responded to a question from Councilor Watson.

Councilor Favreau and Councilor Pols spoke regarding this item.

PUBLIC HEARINGS

Town Council Minutes

December 3, 2012

Page 3

123. The Town Council will hear public comments on an ordinance to exempt active duty military from paying excise tax on vehicles, and will take any appropriate action. (Chair King and Councilor Watson)

Manager Brown spoke regarding this item.

Chair King opened the public hearing.

Marty Diller, Vice Chairman American Legion - Brunswick, spoke regarding this item.

Chair King closed the public hearing.

Councilor Pols, Chair King, Councilor Tucker, and Councilor Watson spoke regarding this item.

Councilor Perreault asked a question, to which Chair King responded

Councilor Watson, moved, Chair King seconded, to adopt an ordinance to exempt active duty military from paying excise tax on vehicles. The motion carried with eight (8) yeas. Councilor Pols was opposed.

(A copy of the proposed ordinance will be attached to the official minutes.)

124. The Town Council will hear public comments on amendments to the General Assistance Ordinance Maximums, to be enacted on an emergency and regular basis, and will take any appropriate action. (Manager)

Chair King opened and closed public hearing.

Councilor Watson spoke regarding this item.

Councilor Favreau moved, Councilor Knight seconded, to adopt amendments to the General Assistance Ordinance Maximums, to be enacted on an emergency and regular basis. The motion carried with nine (9) yeas.

(A copy of adopted amounts will be attached to the official minutes.)

125. The Town Council will hear public comments on the Mölnlycke TIF proposal, and will take any appropriate action. (Manager)

Chair King opened the public hearing.

Steve Levesque, Executive Director of MRRA, spoke regarding this item. MRRA has reviewed application materials for the TIF and the Credit Enhancement Agreement. They have met with the Town Manager to discuss this item, and the MRRA Board supports this TIF.

Town Council Minutes

December 3, 2012

Page 4

No one else spoke for or against the TIF proposal.

Chair King closed the public hearing.

Councilor Tucker asked if there any factors that the Council must consider or findings that the Council needs to make in supporting this TIF.

Manager Brown responded that the prepared Resolution contains the specific findings that the Council must make in order to designate the District and adopt the Development Program for the District. He added this is a unique business so there are no findings needed indicating that the company is not competing with an existing business.

Councilor Watson welcomed Mölnlycke to Brunswick, stating it's a huge benefit for the Town, MRRA and the region. This TIF is a great way to support them.

Chair King agreed with Councilor Watson's sentiment.

Councilor Wilson moved, Councilor Watson seconded, to adopt the "Town Council Resolution Designating the Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District." The motion carried with nine (9) yeas.

(A copy of the adopted Development program and credit enhancement agreement will be attached to the official minutes.)

NEW BUSINESS

126. The Town Council will consider setting a public hearing for December 17, 2012, to consider an amendment to the Town Zoning Ordinance, Chapter 2, Section 216, relating to the review of demolitions in the Village Review Overlay Zone, and will take any appropriate action. (Manager)

Manager Brown spoke regarding this item.

Councilor Brayman, Councilor Tucker, Councilor Favreau, Councilor Watson, Councilor Perreault, Councilor Knight, Councilor Wilson, and Councilor Pols spoke regarding this item.

Charles Frizzle, chair of the Planning Board, spoke and responded to questions from Councilor Brayman.

Councilor Perreault asked questions, to which Chair King responded.

Councilor Watson moved, Councilor Wilson seconded, to set a public hearing for December 17, 2012, to consider an amendment to the Town Zoning Ordinance, Chapter 2, Section 216, relating to the review of demolitions in the Village Review Overlay Zone.

Town Council Minutes

December 3, 2012

Page 5

The motion carried with six (6) yeas. Councilor Perreault, Councilor Brayman and Councilor Pols were opposed.

127. The Town Council will consider adopting the “Resolution Pertaining to Use Of The Special Revenue Fund for Recreation Programs To Fund A Feasibility Study For An Outdoor Aquatic Facility,” and will take any appropriate action. (Manager)

Manager Brown and **Jeff Ward**, Chair of the Recreation Commission, spoke regarding this item.

Councilor Favreau spoke regarding this item.

Councilor Pols asked a question, to which Mr. Farrell responded.

Councilor Wilson moved, Councilor Watson seconded, to adopt the “Resolution Pertaining to Use Of The Special Revenue Fund for Recreation Programs To Fund A Feasibility Study For An Outdoor Aquatic Facility.” The motion carried with nine (9) yeas.

(A copy of the adopted resolution will be attached to the official minutes.)

128. The Town Council will consider reappointing Larissa Darcy to the Brunswick Development Corporation for a three year term to expire on September 7, 2015, and will take any appropriate action. (Chair King)

Chair King spoke regarding this item.

Councilor Knight, Councilor Wilson, Councilor Tucker,

Councilor Perreault and Councilor Pols asked questions, to which Councilor Wilson, Manager Brown and Chair King responded.

Chair King moved, Councilor Favreau seconded, to reappoint Larissa Darcy to the Brunswick Development Corporation for a three year term to expire on September 7, 2015. The motion carried with nine (9) yeas.

129. The Town Council will consider appointments to the Town’s Boards and Committees, and will take any appropriate action. (Appointments Committee)

Councilor Watson made the following nominations, which were supported unanimously by the Council.

Benjamin Duffy to serve on the Cable TV Committee

William Locke to serve on the Personnel Board

Alex Anesko and Michael Wilson to serve on the Recycling & Sustainability Committee

Town Council Minutes

December 3, 2012

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130. The Town Council will discuss the Town Manager's performance review, and determine if any action is needed.

This item was removed.

CONSENT AGENDA

- (a) Approval of the minutes of November 19, 2012**
- (b) Appointment of Fran Smith as Registrar of Voters**
- (c) Approval of tax abatement for James Miller D/B/A Cosmic Bodyworks**

Councilor Watson moved, Councilor Favreau seconded, to approve the consent agenda.
The motion carried with nine (9) yeas.

Councilor Watson moved, Councilor Favreau seconded, to adjourn the meeting. The motion carried with nine (9) yeas.

The meeting adjourned at 8:15 p.m.

PLEASE NOTE: THESE MINUTES ARE ACTION MINUTES. THE ENTIRE MEETING CAN BE VIEWED AT WWW.BRUNSWICKME.ORG.



*Frances M. Smith
Town Clerk/Assistant to the Town Manager
December 5, 2012*

December 17, 2012
Date of Approval

Council Chair

A TRUE RECORD
ATTEST: 
TOWN CLERK, BRUNSWICK, ME

**TOWN OF BRUNSWICK, MAINE
TOWN COUNCIL RESOLUTION**

**Designating the Mölnlycke Manufacturing Municipal Development and Tax Increment
Financing District**

WHEREAS, the Town of Brunswick (the "Town") is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate specific areas within the Town as the Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District (the "District") and to adopt a development program for the District (the "Development Program"); and

WHEREAS, there is a need to encourage and facilitate the rapid redevelopment of industrial, commercial and professional office space within the Town at the former naval air base known as the Naval Air Station Brunswick ("NAS Brunswick"); and

WHEREAS, the recent closure of NAS Brunswick creates an acute need to provide additional employment opportunities for the residents of the Town and the surrounding region; to improve and broaden the tax base of the Town; and to improve the general economy of the Town, the surrounding region and the State of Maine; and

WHEREAS, adopting and implementing the District and Development Program will help to create new employment for the citizens of the Town and the surrounding region; improve and broaden the tax base of the Town; and improve the economy of the Town and the State of Maine; and

WHEREAS, the Town Council has held a public hearing on December 3, 2012, upon at least ten (10) days prior notice published in a newspaper of general circulation within the Town, on the question of establishing the District in accordance with the requirements of 30-A M.R.S.A. § 5226; and

WHEREAS, the Town Council has considered the comments provided at the public hearing, both for and against the designation of the District, if any; and

WHEREAS, the Town desires to designate the District and adopt the Development Program; and

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

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

Section 1. The Town Council hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is in need of rehabilitation, redevelopment or conservation or is suitable for commercial uses as defined in 30-A M.R.S.A. § 5223(3); and

b. The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all development districts within the Town (including this proposed District, but not including the Town's Downtown TIF District) does not exceed five percent (5%) of the total acreage of the Town; and

c. The original assessed value of all existing and proposed tax increment financing districts (including this proposed District, but not including the Town's Downtown TIF District) does not exceed five percent (5%) of the total value of equalized taxable property within the Town as of April 1, 2011; and

d. The designation of the District and pursuit of the Development Program will generate substantial economic benefits for the Town and its residents and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of the Town, including stimulating new employment opportunities, a broadened and improved tax base and economic stimulus, and therefore the designation of the District and adoption of the Development Program constitutes a good and valid public purpose. The Town Council has considered all evidence, if any, presented to the Council with regard to any adverse economic effect on or detriment to any existing business and has found and determined that such adverse economic effect on or detriment to any existing business, if any, is outweighed by the contribution expected to be made through the designation of the District and adoption of the Development Program.

e. To the best of the Town's knowledge, the aggregate value of municipal and plantation general obligation indebtedness financed through the proceeds of any tax increment financing districts within Cumberland County do not exceed \$50 million.

Section 2. Pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, the Town Council hereby designates the Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District and adopts the Development Program, all as more particularly described in the Development Program presented to the Town Council and such Development Program is hereby incorporated by reference into this vote as the Development Program for the District.

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

Section 4. The Town Manager, or his duly appointed representative, is hereby authorized, empowered and directed to submit the proposed designation of the District and Development Program to Department for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226(2).

Section 5. The foregoing designation of the District and adoption of the Development Program shall automatically become final and shall take full force and effect upon receipt by the Town of approval of the designation of the District and adoption of the Development Program by the Department, without requirement of any further action by the Town, the Town Council, or any other party.

Section 6. The Town Manager, or his duly appointed representative, is hereby authorized and empowered, at his discretion, from time to time, to make such revisions to the documents designating the District and adopting the Development Program as he may deem reasonably necessary or convenient in order to facilitate the process for review and approval of the District and the Development Program by the Department, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Council in designating the District and adopting the Development Program.

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

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

Proposed to Town Council:

December 3, 2012

Public Hearing:

December 3, 2012

Adopted by Town Council:

A TRUE RECORD
ATTEST: 
TOWN CLERK, BRUNSWICK, MI

TIF: District Synopsis for Commissioner Consideration

DISTRICT DATA

Municipality:	Brunswick		County:	Cumberland		Term:	30
District Name:	Mölnlycke Manufacturing						
Original District (OD): Y/N	Y		Amended: Y/N	N		AMD #	N
Dwntn. Exemption: Y/N	N	Paper Mill Exemption: Y/N		N	PTZ Exemption: Y/N		-
APPLICATION BASIS: District purpose to support private investment by manufacturer of single-use surgical and wound products. Location is former Naval Air Station Brunswick (NASB). IAV capture 0/100% real and personal property improvements YRS 1/2-30. Public purpose is tax base improvement; job creation; training/capital investment.							

Increased Assessed Value (IAV); Captured Assessed Value (CAV); Real/Personal Property (RE/PP)

COMPANY/DEVELOPER DATA

CO/DEV and Address:	Mölnlycke Manufacturing US, LLC 192 Admiral Fitch Avenue, Brunswick ME 04011					
PROJECT: Establishment of wound care products manufacturing facility including \$14.5MM building and \$36MM equipment/personal property investment. Private purpose is machinery/equipment purchase and related debt reduction; training costs [note majority of equipment under BETE Program and only \$11.08MM new investment captured in District].						
NEW INVSTMNT	\$50,500,000	FT JOBS NEW	20	2	23	
NEW JOBS	45	AVG WAGE/YR	\$70,000	\$32,000	\$28,000	
NEW PAYROLL	\$2,108,000	FT JOBS RETAINED	n/app			

Company (CO); Developer (DEV)

STATUTORY REQUIREMENTS

* Acreage Limit Met?	19.4	\$0	* Value Limit Met?	Y
Municipal Bonds Issued?	TBD		8-Year Limit in Effect?	Y
* Below County Debt Cap?	Y	On Suitable Property?		
OAV Certified?	\$0	Y	Tax Shifts Calculated?	Y
Public Notice and Hearing?	Y	(9-0)	Passed by Majority Vote?	Y

* Downtown; Wind Power; Paper Mill; Transit-Oriented exemptions if applicable

TIF: District Synopsis for Commissioner Consideration

PLANNED REVENUE DISTRIBUTION

To General Fund (non-TIF)?	\$0	
(May bond.) For Municipal Debt?	TBD	§5223(3)(D) \$50MM cap in effect
For Credit Enhancement Agreement?	\$2,974,008	
REIMBURSEMENT SCHEDULE:	Minimum 35% plus .5% per new FT equivalent job above 45 jobs, not to exceed 55% in any one year. Projected at 35/45.5/55% over 20YR CEA respective of years 1-2/3-4/5-20.	
For Bona-Fide Economic Development?	\$5,310,073	
<p>PUBLIC PROJECTS/COSTS (\$29,700,000): (T1) Professional and administrative costs including prorated municipal staff salaries \$600K... (T2) Road improvements per MDOT 2010 Study in support of increased commercial traffic \$19.2MM; public safety improvements including debt service and/or maintenance of up to four police/fire/rescue vehicles/year \$3.9MM; Downtown District portage \$3MM... (T3) Brunswick Downtown Association (BDA) funding \$3MM.</p> <p>Projects unique to this District/Program? [] YES <input checked="" type="checkbox"/> NO. If "No," identify shared expenditures/districts: The above represents global/master list common to any future district/program created by Town in support of NASB redevelopment.</p>		

Over TIF Term (OTT); §5225(1)(A-C) = Tier (T) 1, T2, T3

STAFF RECOMMENDATION

Program Director has reviewed Municipal TIF application and offers this advice to assist Commissioner: **Recommend approval with stipulation allowance for Police project cost is not to establish new precedent, but based on (A) municipality gaining acreage as well as (B) future legislation sponsored by Midcoast Regional Redevelopment Authority (MRRA) to cede traffic jurisdiction to Town... The proposed public safety vehicle project cost appears reasonable given four (4) vehicles represent 11.46% of 35-vehicle municipal fleet and 3,300 MRRA acres represent 11.46% of Brunswick acreage (28,800).**

PD recommends Commissioner Approval? Y/N	Y		LSS	/ /
Date of Application receipt:	12/11/12	Approval LTR prepared:	INITIALS CB	DATE / /

CREDIT ENHANCEMENT AGREEMENT

between

THE TOWN OF BRUNSWICK, MAINE

and

MÖLNLYCKE MANUFACTURING US, LLC

DATED: May 17, 2013

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ATTACHMENTS

Attachment 1 Quarterly Reporting Form for Reporting Full-Time Equivalent Employees

EXHIBITS

Exhibit 1 Copy of Exhibit A from Development Program – District Map

THIS CREDIT ENHANCEMENT AGREEMENT dated as of May 17, 2013, between the Town of Brunswick, Maine (the “Town”), a municipal corporation and political subdivision of the State of Maine, and Mölnlycke Manufacturing US, LLC (“Mölnlycke” or the “Company”), a Delaware Limited Liability Company registered to do business under the laws of the State of Maine.

WITNESSETH THAT

WHEREAS, the Town designated the Mölnlycke Manufacturing 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 action of the Town Council at a meeting of the Town Council held on December 3, 2012 (the “Vote”) and pursuant to the same Vote adopted a development program and financial plan for the District (the “Development Program”); and

WHEREAS, the Town anticipates the approval of the District and the Development Program by the Maine Department of Economic and Community Development (the “Department”); and

WHEREAS, during the Vote, the Town Council also approved a credit enhancement agreement with Mölnlycke as contemplated by the Development Program in the name of and on behalf of the Town; and

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

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

**ARTICLE I
DEFINITIONS**

Section 1.1. Definitions.

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

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

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

“Captured Assessed Value” means the amount, stated as a percentage, of the Increased Assessed Value of the Mölnlycke Property that is retained in the District in each Tax Year during the term of the District, as specified in Section 2.3 hereof.

“Commissioner” means the Commissioner of the Maine Department of Economic and Community Development.

“Current Assessed Value” means the then-current assessed value of the Mölnlycke Property located in the District as determined by the Town Tax 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 hereto.

“Development Program Fund” means the Development 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.A. § 5227(3)(A). The Development Program Fund shall consist of a Sinking Fund Account (as and if necessary) and a Project Cost Account with two subaccounts: the Town Project Cost Subaccount and Mölnlycke Project Cost Subaccount.

“District” shall have the meaning given such term in the first recital hereto, which is more specifically comprised of approximately 19.4 acres of real property and identified on Exhibit A to the Development Program and any future improvements to such real property, including any taxable personal property thereon. A copy of Exhibit A is attached hereto for convenience.

“Effective Date of the Development Program” means the date of final approval of the Development Program by the Commissioner pursuant to the Act.

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

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

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

“Mölnlycke Project Cost Subaccount” means that portion of the Project Cost Account of the Development Program Fund set aside for Mölnlycke as described in the Financial Plan Section of the Development Program and established and maintained pursuant to Article II hereof.

“Mölnlycke Property” means the taxable real and personal property located in the District and taxable to Mölnlycke Manufacturing US, LLC and/or its parent or any affiliated entities of Mölnlycke or its parent. The Mölnlycke Property expressly does not include any taxable real or personal property now or later located within the District but not taxable to Mölnlycke, its

parent, and/or any affiliated entities of Mölnlycke or its parent. For this purpose, property in the District shall be deemed taxable to Mölnlycke, notwithstanding that actual tax payments to the Town on account of the property concerned are made by Brunswick Landing MHC USA, LLC (“Brunswick Landing”) or an affiliated or successor entity of Brunswick Landing, pursuant to section 5.1 of an existing Lease between Mölnlycke and Brunswick Landing dated November 2, 2011, or any future Mölnlycke lease, under which Mölnlycke pays annual Real Estate Taxes (as defined in said Lease) to Brunswick Landing as additional rent.

“Original Assessed Value” means zero dollars (\$0), the taxable assessed value of the Mölnlycke Property as of March 31, 2012 [April 1, 2011].

“Project Cost Account” means the project cost account described in the Financial Plan Section of the Development Program and established and maintained pursuant to Title 30-A M.R.S.A. § 5227(3)(A)(1) and Article II hereof.

“Property Taxes” means any and all *ad valorem* property taxes levied, charged or assessed against the Mölnlycke Property located in the District by the Town, 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 Title 30-A M.R.S.A. § 5227(3)(A)(2) and Article II hereof.

“State” means the State of Maine.

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

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

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

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

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

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.

Within sixty (60) days after the Effective Date of the Development Program, the Town shall create and establish a segregated fund in the name of the Town designated as the “Mölnlycke Manufacturing Municipal Development and Tax Increment Financing District 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). The Development Program Fund shall consist of 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, if necessary, may also consist of a Sinking Fund Account that is pledged to and charged with the payment of Town indebtedness, if any, 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 subaccounts designated as the “Mölnlycke Project Cost Subaccount” and the “Town Project Cost Subaccount.” 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) and as set forth in Section 3.1(b) below.

Section 2.2. Liens.

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

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

(a) Each year during the term of this Agreement, commencing with the Tax Year following the Tax Year in which the Effective Date of the Development Program falls (i.e., starting in year 2 of the District) and continuing thereafter for the following nineteen (19) years for a total of twenty (20) years (collectively the “CEA Years”), the Town shall retain in the District one hundred percent (100%) of the Increased Assessed Value as Captured Assessed Value.

(b) For each of the CEA Years, the Town shall deposit into the Development Program Fund contemporaneously with each payment of Property Taxes during the term of this Agreement an amount equal to one hundred percent (100%) of that portion of the property tax payment constituting Tax Increment Revenues. Mölnlycke’s percentage share of the Tax Increment Revenues shall be tied to the number of full-time equivalent (“FTE”) employees on Mölnlycke’s payroll who are eligible for employment benefits. Each January during the CEA years, Mölnlycke shall report the Company’s FTE employment count for the previous quarter to the Town using a form substantially similar to the form attached to this Agreement as Attachment 1. Based on the report, the Town shall allocate an amount of Tax Increment Revenues so deposited in the Development Program Fund to the Mölnlycke Project Cost Subaccount of the Project Cost Account as follows: (i) a base minimum of thirty-five percent (35%) of the Tax Increment Revenues each year; and (ii) an additional one-half percent (0.5%) of the Tax Increment Revenues for each additional FTE job created by Mölnlycke in excess of forty-five (45) FTE jobs, provided, however, that the percentage of Tax Increment Revenues so deposited in the Development Program Fund to the Mölnlycke Project Cost Subaccount of the Project Cost Account shall not increase by more than ten percent (10%) over and above the percentage allocated in the prior year. In the interest of clarity and by way of example only, if Mölnlycke creates 20 or more FTE jobs in year two of the TIF District over the base of 45 FTE jobs, the percentage of Tax Increment Revenues allocated to the Mölnlycke Project Cost Subaccount would increase from 35% to 45% of the total Tax Increment Revenues for that year. Regardless of the number of FTE employees employed by Mölnlycke, the Tax Increment

Revenues reimbursement to Mölnlycke shall not exceed fifty-five percent (55%) of the Tax Increment Revenues in any one year.

(c) Except as provided in Section 3.1(b) hereof, for each of the CEA Years, the Town shall deposit the remaining Tax Increment Revenues not deposited to the Mölnlycke Project Cost Subaccount of the Project Cost Account into the Sinking Fund Account to the extent and in such amounts necessary to finance the costs for any municipal projects undertaken by the Town and financed with bonded indebtedness, if any, and otherwise to the Town Project Cost Subaccount of the Project Cost Account for use by the Town to fund the cost of Town projects as described in the Development Program.

Section 2.4. Use of Monies in Development Program Fund.

All monies in the Development Program Fund that are allocable to and/or deposited in Mölnlycke Project Cost Subaccount shall in all cases be used and applied to fund fully the Town's payment obligations to Mölnlycke as described in Articles II and III hereof.

Section 2.5. Monies Held in Segregated Account.

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

ARTICLE III PAYMENT OBLIGATIONS

Section 3.1. Company Payments.

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

(b) Notwithstanding anything to the contrary contained herein, if, with respect to any Tax Payment Date, any portion of the property taxes assessed against real or personal property located in the District remain unpaid, because of a valuation dispute or otherwise, the property taxes actually paid with respect to such Tax Payment Date shall, first, be applied to taxes due on account of Original Assessed Value; and second, shall constitute payment of Property Taxes with respect to Increased Assessed Value, to be applied first to payment in full of the applicable Town percent share of the Tax Increment Revenues for the year concerned and deposited into the Sinking Fund and/or the Town Project Cost Subaccount in accordance with Article II hereof; and third, to the extent of funds remaining, to payment of Mölnlycke's share of the Tax Increment Revenues for the year concerned, to be deposited into Mölnlycke Project Cost Subaccount.

Section 3.2. Failure to Make Payment.

(a) In the event the Town should fail to, or be unable to, make any of the payments at the time and in the amount required under the foregoing provisions of this Article III including in

the event that the amount deposited into Mölnlycke Project Cost Subaccount is insufficient to reimburse Mölnlycke for the full amount due to Mölnlycke under this Agreement, the amount or installment so unpaid shall continue as a limited obligation of the Town, under the terms and conditions hereinafter set forth, until the amount unpaid shall have been fully paid. Mölnlycke shall have the right to initiate and maintain an action to specifically enforce the Town's obligations hereunder, including without limitation, the Town's obligation to deposit Tax Increment Revenues to Mölnlycke Project Cost Subaccount and its obligation to make payment out of Mölnlycke Project Cost Subaccount to Mölnlycke.

(b) Any payment from the Town to Mölnlycke not paid within thirty (30) days following the Tax Payment Date, as specified in Section 3.1 above, shall be subject to payment of interest by the Town at the same rate applicable to refunds of abated property taxes. The provision in this section 3.2(b) of an interest rate on late payments by the Town shall not limit Mölnlycke's right under section 5.2 below to collect or require immediate payment of past due Town payments.

Section 3.3. Manner of Payments.

The payments provided for in this Article III shall be paid directly to Mölnlycke at the address specified in Section 8.7 hereof in the manner provided hereinabove for Mölnlycke's own use and benefit by check drawn on the Town.

Section 3.4. Obligations Unconditional.

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

Section 3.5. Limited Obligation.

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

ARTICLE IV **PLEDGE AND SECURITY INTEREST**

Section 4.1. Pledge of and Grant of Security Interest in Mölnlycke Project Cost Subaccount.

In consideration of this Agreement and other valuable consideration and for the purpose of securing payment of the amounts provided for hereunder to Mölnlycke 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 Mölnlycke Project Cost Subaccount described in Section 2.1 hereof and all sums of money and other securities and investments therein to Mölnlycke.

Section 4.2. Perfection of Interest.

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

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

Section 4.3. Further Instruments.

The Town shall, upon the reasonable request of Mölnlycke, 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; and provided further that the cost of executing and delivering such further instruments (including the reasonable and related costs of counsel to the Town with respect thereto) shall be borne exclusively by Mölnlycke.

Section 4.4. No Disposition of Mölnlycke Project Cost Subaccount.

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

Section 4.5. Access to Books and Records.

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

(b) All non-confidential books, records and documents in the possession of Mölnlycke relating to the number and length of service of Mölnlycke's FTE employees shall upon reasonable notice be open to inspection by the Town, its agents and employees. All inspections of such records shall take place at Mölnlycke's regular business offices in Brunswick or Wiscasset, Maine. No such books, records or documents may be removed or copied by the Town or the Town's agents or employees during the course of such inspections, although the Town may make notes concerning the contents of such records. Books, documents and records that are subject to inspection under this section shall not include the personnel files, social security numbers, medical information, disciplinary records, individual employment applications, employee evaluations, personal contact information or financial history information relating to any Mölnlycke employee or applicant for employment. Prior to making any such books, records or documents available for inspection, Mölnlycke may take reasonable steps to protect the privacy of its individual employees, *e.g.*, redacting copies of the records concerned to delete individual identifying information.

ARTICLE V

DEFAULTS AND REMEDIES

Section 5.1. Events of Default.

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

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

- (b) Any failure by the Town to make deposits into Mölnlycke Project Cost Subaccount as and when due;
- (c) Any failure by the Town or Mölnlycke to observe and perform in all material respects any covenant, condition, agreement or provision contained herein on the part of the Town or Mölnlycke to be observed or performed, which failure is not cured within thirty (30) days following written notice thereof; and
- (d) If a decree or order of a court or agency or supervisory authority having jurisdiction in the premises of the appointment of a conservator or receiver or liquidator of, any insolvency, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding up or liquidation of the Town's affairs shall have been entered against the Town or the Town shall have consented to the appointment of a conservator or receiver or liquidator in any such proceedings of or relating to the Town 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 Town or the failure by the Town to have an involuntary petition in bankruptcy dismissed within a period of ninety (90) consecutive days following its filing or in the event an order for release has been entered under the Bankruptcy Code with respect to the Town.

Section 5.2. Remedies on Default.

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

Section 5.3. Remedies Cumulative.

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

ARTICLE VI

EFFECTIVE DATE, TERM AND TERMINATION

Section 6.1. Effective Date and Term.

Notwithstanding any other provision of this Agreement, this Agreement is conditioned upon receipt of the Commissioner's unconditional approval of the Town's designation of the District and adoption of the Development Program. Following execution and delivery of this Agreement, the Agreement shall not be or become binding and enforceable until receipt of such unconditional approval. Upon receipt of such approval, this Agreement shall remain in full force from the Effective Date of the Development Program and shall expire upon the later of the twenty-first (21st) anniversary thereof or the payment of all amounts due to Mölnlycke hereunder and the performance of all obligations on the part of the Town hereunder unless sooner terminated pursuant to Section 3.4 or any other applicable provision of this Agreement.

Section 6.2. Cancellation and Expiration of Term.

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

ARTICLE VII

ASSIGNMENT AND PLEDGE OF MÖLNLYCKE'S INTEREST

Section 7.1. Consent to Pledge and/or Assignment.

The Town hereby acknowledges that Mölnlycke may from time to time pledge and assign its right, title and interest in, to and under this Agreement as collateral for financing improvements by or on behalf of Mölnlycke within the District, although no obligation is hereby imposed on Mölnlycke to make such assignment or pledge. Recognizing this possibility, the Town does hereby consent and agree to the pledge and assignment of all Mölnlycke's right, title and interest in, to and under this Agreement and in, and to the payments to be made to Mölnlycke hereunder, to third parties as collateral or security for financing such development, on one or more occasions during the term hereof. The Town agrees to execute and deliver any assignments, pledge agreements, consents or other confirmations required by such 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. The Town agrees to execute and deliver any 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 such pledgee or assignee such rights and/or remedies as Mölnlycke or such pledgee or assignee may reasonably deem necessary for the establishment, perfection and protection of its interest herein. Mölnlycke shall be responsible for the Town's necessary and reasonable costs of counsel with respect to any such pledge or assignment.

Section 7.2. Pledge, Assignment or Security Interest.

Except as provided in Section 7.1 hereof, and except for the purpose of securing financing for improvements by or on behalf of Mölnlycke within the District, Mölnlycke shall not transfer or assign any portion of its rights in, to and under this Agreement without the prior written consent of the Town, which consent shall not be unreasonably withheld.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Successors.

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

Section 8.2. Parties-in-Interest.

Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Town and Mölnlycke 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 Mölnlycke.

Section 8.3. Severability.

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

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

(a) No covenant, stipulation, obligation or agreement of the Town contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future elected or appointed official, officer, agent, servant or employee of the Town in his or her individual capacity, and neither the Town Council 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.

(b) No covenant, stipulation, obligation or agreement of Mölnlycke contained herein shall be deemed to be a covenant, stipulation or obligation of any present or future officer, agent, servant or employee of Mölnlycke in his or her individual capacity, and no official, officer,

employee or agent of Mölnlycke shall be liable personally with respect to this Agreement or be subject to any personal liability or accountability by reason hereof.

Section 8.5. Counterparts.

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

Section 8.6. Governing Law.

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

Section 8.7. Notices.

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

If to the Town:

Town of Brunswick
28 Federal Street
Brunswick, Maine 04011
Attention: Town Manager

With a copy to:

Bernstein Shur
100 Middle Street
P.O. Box 9729
Portland, Maine 04104-5029
Attn: Joan Fortin, Esq.

If to Mölnlycke:

Mölnlycke Manufacturing US, LLC
192 Admiral Fitch Avenue
Brunswick, ME 04011
Attention: James W. Detert

With a copy to:

Shawana Traynor – Senior Company Counsel
Mölnlycke Health Care US, LLC
5550 Peachtree parkway

Suite 500
Norcross, GA 30092

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

Section 8.8. Amendments.

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

Section 8.9. Reserved.

Section 8.10. Benefit of Assignees or Pledgees.

The Town agrees that this Agreement is executed in part to induce assignees or pledgees to provide financing for improvements by or on behalf of Mölnlycke within the District 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 Mölnlycke's right, title and interest herein.

Section 8.11. Integration.

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

Section 8.12. Reserved.

Section 8.13. Dispute Resolution.

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

Section 8.14. Tax Laws and Valuation Agreement.

The parties acknowledge that all laws of the State now in effect or hereafter enacted with respect to taxation of property shall be applicable and that the Town, by entering into this Agreement, is not excusing any non-payment of taxes by Mölnlycke. Without limiting the foregoing, the Town and Mölnlycke shall always be entitled to exercise all rights and remedies regarding assessment, collection and payment of taxes assessed on Mölnlycke's property. In addition, the Development Program makes certain assumptions and estimates regarding valuation, depreciation of assets, tax rates and estimated costs. The Town and Mölnlycke 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 Mölnlycke'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.

IN WITNESS WHEREOF, the Town and Mölnlycke 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:

Debra F. Blum

TOWN OF BRUNSWICK

By:

Name: Gary L. Brown
Its Town Manager

WITNESS:

Theresa Sorel

MÖLNLYCKE MANUFACTURING US, LLC

By:

Name: James W. Detert
Its Director - BUSINESS DEVELOPMENT

ATTACHMENT 1

**QUARTERLY REPORTING FORM FOR REPORTING FULL-TIME
EQUIVALENT EMPLOYEES**

	EMPLOYEE NAME OR ID NUMBER:	START DATE:	END DATE (if applicable):	% FTE
1.				
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29.				
30.				

Date of Report: _____

Report Filed By (signature): _____

Printed Name:

Title

EXHIBIT 1 to Mölnlycke Manufacturing Credit Enhancement Agreement:
Exhibit A to Mölnlycke Manufacturing Development Program - TIF District Map

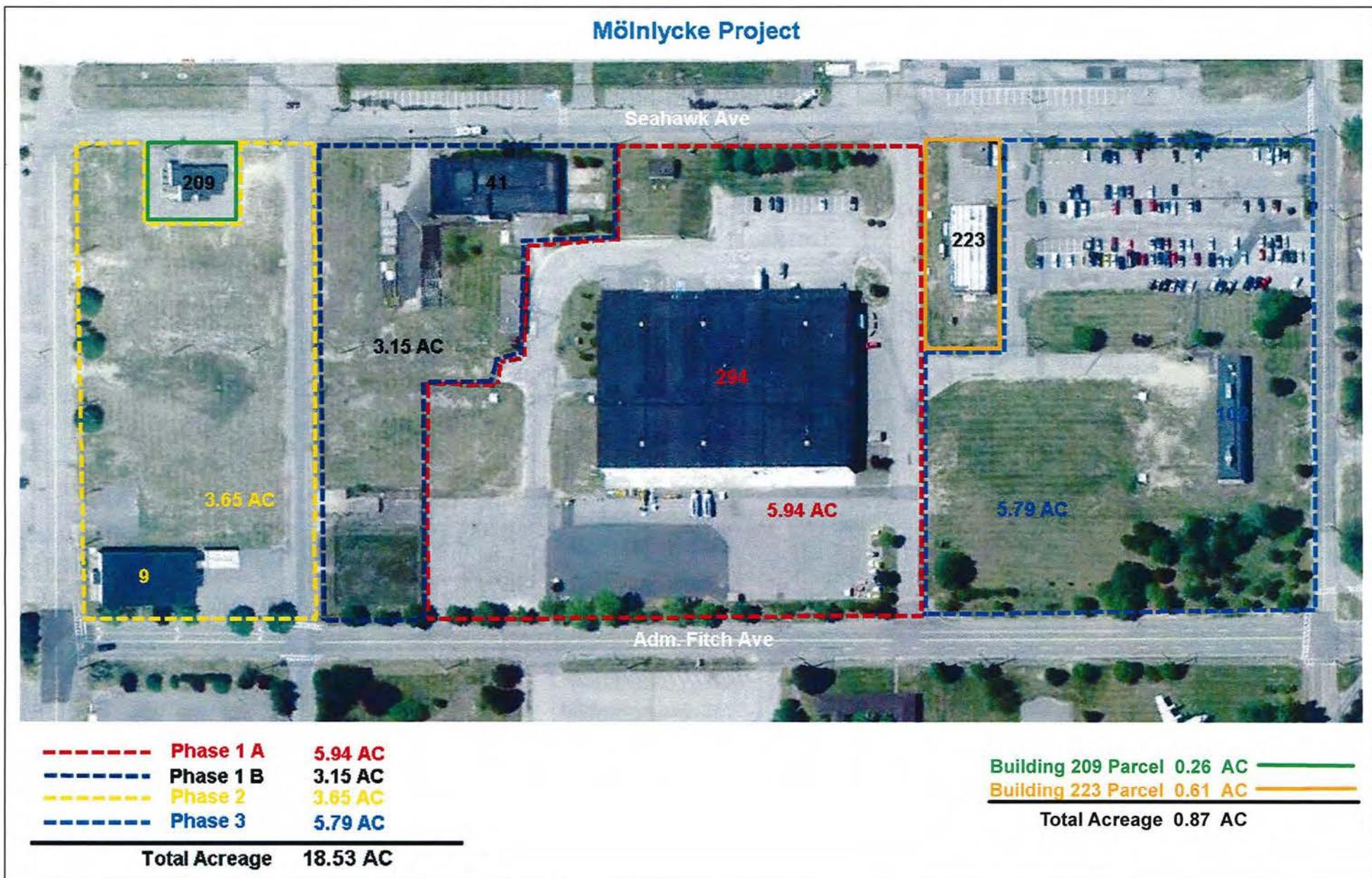


EXHIBIT 1 to Mölnlycke Manufacturing Credit Enhancement Agreement:
Exhibit A to Mölnlycke Manufacturing Development Program - TIF District Map

Mölnlycke Project



Phase 1 A	5.94 AC
Phase 1 B	3.15 AC
Phase 2	3.65 AC
Phase 3	5.79 AC

Total Acreage 18.53 AC

Building 209 Parcel	0.26 AC
Building 223 Parcel	0.61 AC
Total Acreage	0.87 AC