



State of Maine  
 Community Development Block Grant Program  
 2009 Economic Development Program

## Letter of Intent to Apply

Round 1 due at DECD on or before January 9, 2009, 4:00 p.m.)  
 (Round 2 due at DECD on or before April 3, 2009, 4:00 p.m.)  
 (Round 3 due at DECD on or before June 12, 2009, 4:00 p.m.)  
 (Dates are contingent on availability of funds)

All communities wishing to apply for assistance under the 2009 Economic Development Program must use this Letter of Intent to document compliance with requirements established by Title I of the Housing and Community Development Act of 1974, as amended and the State of Maine CDBG program. Applicants who submit a completed Letter of Intent deemed to be fully compliant will be notified by OCD that they are eligible to submit a final application. Eligibility to submit a final application does not imply final project approval or funding.

### A. EDP PROJECT PARTICIPANTS

#### Legal Applicant:

Applicant:	Town of Milo	Phone:	207-943-2202
Address:	7 Pleasant Street	Fax:	207-943-2437
City, ZIP:	Milo, Maine 04463	E-Mail:	jeff@townofmilo.net
Contact:	Jeff Gahagan, Town Manager		

#### Applying on Behalf of Utility (if applicable): (e.g.: Water District, Sewer District, etc.)

Sub-Grantee:		Phone:	
Address:		Fax:	
City, ZIP:		E-Mail:	
Contact:		Title	

#### Business to be assisted:

Business	Ox-Yoke Farms	Phone:	(617) 592-2588
Address:	34 West Main Street	Fax:	
City, ZIP:	Milo, Maine 04463	E-Mail:	bgrosse@razorrock.net
Contact:	Brian Grosse	Title	CEO

#### Engineer/Architect consulted for project & providing cost estimates (if applicable):

Firm:	Integrated Energies	Phone:	(617) 895-7278
Contact:	Paul Rodenbush	Fax:	
Address:	7 Tide Street	E-Mail:	prodenbush@integratedenergies.com
City, ZIP:	Boston, Massachusetts 02110		

**B. EDP ELIGIBLE ACTIVITY CATEGORIES** (Check box to the left of the applicable activity group.)

1.	<p><b>Grants to Municipalities for <u>gap</u> financing.</b> Eligible activities include acquisition, relocation, demolition, clearance, construction, reconstruction, installation and rehabilitation <u>associated with public infrastructure</u> projects such as water and sewer facilities, flood and drainage improvements, publicly-owned commercial and industrial buildings, parking, streets, curbs, gutters, sidewalks, etc. All public infrastructure must be owned by the municipality or public or private utility and be in support of an <u>identified business</u>.  <b>Maximum Grant Award: \$300,000</b></p>
<input checked="" type="checkbox"/> 2.	<p><b>Grants to Municipalities for Direct Business Support for <u>gap</u> financing.</b> Eligible activities include non-capital equipment, land and site improvements, rehabilitation or construction of commercial or industrial buildings.  <b>Maximum Grant Award: \$200,000</b></p>
3.	<p><b>Grants to Municipalities for Direct Business Support for <u>gap</u> financing.</b> Eligible activities include working capital and capital equipment.  <b>Maximum Grant Award: \$100,000</b></p>
<p><b><i>Applicants may apply in only one specific <u>grant</u> activity group. Applicants for Activity Group Numbers 2 and 3 below may also utilize the DF Loan Activity for the same project but are limited to a total of \$400,000 in EDP assistance. (This would require a DF application also.)</i></b></p>	
<p><b>**ECONOMIC DEVELOPMENT PROGRAM FUNDS CANNOT BE USED TO REFINANCE EXISTING DEBT**</b></p>	

**C. PROJECT INFORMATION**

Provide a clear, concise description of the proposed project using the space below. Be sure to include exactly how EDP funds will be expended.

Ox-Yoke Farms will produce and distribute organic vegetables, ornamental plants, and nursery plants to the New England wholesale and retail markets.

Construction of eight, 30' x 200' greenhouses on existing foundations located behind current structures will be required. Existing buildings will be used for shipping and receiving, offices and storage. The existing buildings will be repaired and made energy efficient.

In addition, a roof-mounted photovoltaic solar system will be installed. This green technology will satisfy 75-99 percent of the building's electrical requirements. Heating systems for the greenhouses will utilize clean-burning biofuel and/or wood byproducts reclaimed from regional lumber companies.

Generally, commercial greenhouses require a significant amount of labor. Once plantings are started, continuous care is required. Initially, the start-up operation will require 4-6 people through the first year. The number of employees is expected to increase to 6-10 during the second and third years.

**D. EDP DOLLARS PER JOB CREATED/RETAINED**

The maximum CDBG participation per job created or retained with EDP funds in a **non** Pine Tree Development Zone or not in an identified Empowerment Zone or HUB Zone is \$20,000. The maximum CDBG participation per job created or retained with EDP funds for a **certified** Pine Tree Development Zone business and/or a business located in an Empowerment Zone or HUB Zone is \$30,000.

**E. SPECIAL DEVELOPMENT ZONE DESIGNATION: (Check appropriate boxes at right below)**

Will EDP project activities take place in a Designated Pine Tree Zone?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the business to be assisted a Certified Pine Tree Zone Business?	Yes	<input type="checkbox"/>	No*	<input checked="" type="checkbox"/>

*\*If the business to be assisted is Pine Tree Zone certified attach a copy of the PTZ certificate to this Letter of Intent. A business must be Pine Tree Zone certified and a copy of the certification provided to the Office of Community Development prior to the EDP application date deadline in order to qualify for the \$30,000 per job.*

Will EDP project activities take place in a Designated HUB or Empowerment Zone?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	If Yes, complete table below:
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Municipality	Physical Address	Tax Map & Lot #(s) <b>OR</b> Census Tract #(s) Where Proposed Activities Will Occur
Milo	34 West Main Street	Tax Map 17, Lot 54

**F. JOB CREATION/RETENTION INFORMATION (Fill in job information below)**

Number of Jobs to be Created: 6	Number of Jobs to be Retained:
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Occupation/Job Title	# of Jobs	Work Location	Hire Date	Hourly Salary	Hourly Salary with eligible fringe benefits
Plant manager	1	Milo	4/1/2010	\$28.57	\$28.57
Laborer	4	Milo	4/1/2010	\$15.65	\$15.65
Shipping/Receiving	1	Milo	4/1/2010	\$15.65	\$15.65

In determining CDBG National Objective compliance with job retention only **Permanent** jobs may be counted; temporary jobs may not. Full time jobs require a worker to work at least 1750 hours per year. Part time jobs require a worker to work at least 875 hours but less than 1750 hours per year. Part-time jobs **must** be converted to Full Time Equivalents (FTE). An FTE is defined as two part time jobs. **Seasonal** jobs may count only if the seasonal job lasts long enough and provides sufficient income to be considered the employee's principal occupation. (Contact OCD prior to counting seasonal jobs towards LMI benefit.) All permanent jobs created by the project must be counted, regardless of funding source(s). Jobs indirectly created by the project (i.e., remote location, "trickle down" jobs) do not count.

**2009 EDP JOB CREATION THRESHOLD REQUIREMENTS**

**Each** job created with EDP assistance must meet or exceed the Per Capita Income earnings listed below for the Maine county where the EDP project will take place. "Earnings" means the base pay paid by the qualified business, plus any overtime, incentives or commissions paid. In addition, the following categories may be used for

**Other:** Other paid benefits, including education benefits and dependent care benefits means education expenses and dependent care expenses paid by the qualified business on behalf of a participating qualified employee for education assistance and dependent care assistance provided as part of employee benefits.

County	Annual Income*
Androscoggin	\$ 30,275
Aroostook	\$ 26,633
Cumberland	\$ 40,423
Franklin	\$ 25,543
Hancock	\$ 31,771
Kennebec	\$ 30,350
Knox	\$ 33,974
Lincoln	\$ 32,323
Oxford	\$ 25,393
Penobscot	\$ 29,324
Piscataquis	\$ 27,373
Sagadahoc	\$ 33,075
Somerset	\$ 25,428
Waldo	\$ 27,556
Washington	\$ 26,148
York	\$ 33,034

### G. COST ESTIMATES & PROJECT FUNDING

Provide the estimated project cost, amount of CDBG funds to be requested and sources, amounts and dates secured for all anticipated cash matching funds.

Communities applying for Economic Development Program funds must certify that they will provide a 100% cash match of the total EDP award. Matching funds must be directly related to the activities undertaken with EDP funding and must be firm commitments from non-CDBG funds and must be documented by binding commitment letters submitted with the final application. Prior commitments and in-kind contributions can not be considered as match.

Communities receiving an EDP award may not receive any other EDP award for the same project or business during the same program year or for the same or project or business from a prior program year that has not met final closeout status.

All construction estimates should be prepared by the Engineer/Architect. Take into account the inflation rate in relation to the anticipated starting date of the project and applicable DAVIS/BACON wage rates as they apply to construction costs. ***Please note projects with a total cost exceeding \$5,000,000 are not eligible for EDP assistance. The minimum request for EDP assistance is \$50,000.***

<b>Total Estimated Project Cost:</b>	<b>\$600,000</b>	<b>CDBG Request:</b>	<b>\$180,000</b>

Funding Source	Amount	Date Secured
Cash	\$300,000	6/4/09
Fed Tax Credit-PV System	\$27,000	Application to be processed
USDA Rural Energy Program	\$22,500	Application to be processed
USDA Energy Efficiency Program	\$15,000	Application to be processed
Loan	\$100,000	Application to be processed
<b>TOTAL:</b>	<b>\$464,500</b>	

**H. EDP PROJECTS IN SUPPORT OF RETAIL BUSINESSES**

**EDP applications in support of a retail business must attach written documentation to this Letter of Intent for each of the following limited conditions:**

1. The retail business represents the provisions of new products and services previously unavailable in the community or is a tourism-related business; and
2. The development or expansion of the retail business represents a net economic gain for the community and the region. Applications supporting a retail business or businesses are required to certify that the development represents a new overall gain for the region economy and not a shift from existing established businesses to a new or expanded one; and
3. The retail business is located in either a downtown district meeting the definition of PL 776 enacted by the 119<sup>th</sup> legislature; or a designated local growth area contained in an adopted and consistent comprehensive plan; and
4. At least 50% of the jobs created by the retail business must be full time jobs.

## Applicant & Business Certifications

As an authorized official of the applicant community and/or business, I certify under the penalties of perjury that:

1. To the best of my knowledge and belief, all information contained in this Letter of Intent and all attached documentation is true and correct and current as of the date signed below;
2. This Letter of Intent complies with all applicable State and federal laws and regulations;
3. Both parties signing this Letter of Intent are cognizant of the requirement that should the intended Job Creation/Retention National Objective of the CDBG program not be met all CDBG funds must be repaid to the State of Maine CDBG program;
4. Each job created with EDP assistance will meet the earnings requirement set forth in Section 3 (A) (3) (b) of the 2009 Program Statement and of this Letter of Intent; and
5. Approval of this Letter of Intent by OCD to submit a final application does not imply final project approval or funding.

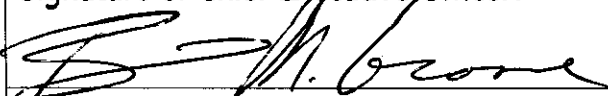
Signature of Chief Executive Officer:

Printed or Typed Name:

Jeff Gahagan

Name of Community: Milo

Date: June 12, 2009

Signature of Chief Executive Officer: 	Printed or Typed Name: Brian M. Grosse
Name of <b>Business</b> : Ox-Yoke Farms	Date: June 5, 2009