

CITY OF MARLBOROUGH MEETING POSTING

Meeting Name: City Council Finance Committee

Date: July 20, 2015

Time: 7:00 PM

Location: City Council Chamber, 2nd Floor, City Hall, 140 Main Street

Agenda Items to be addressed:

RECEIVED
CITY CLERK'S OFFICE
CITY OF MARLBOROUGH
2015 JUL 15 A 10:10

1. **Order No. 15-1006254:** LFB Corporation's ("LFB") Economic Development Incentive Program ("EDIP") Local Incentive-Only Application for a Tax Increment Financing ("TIF") agreement with the City of Marlborough for constructing a pharmaceutical upstream commercial clarification facility.

THE LISTING OF TOPICS THAT THE CHAIR REASONABLY ANTICIPATES WILL BE DISCUSSED AT THE MEETING IS NOT INTENDED AS A GUARANTEE OF THE TOPICS THAT WILL HAVE BEEN DISCUSSED. NOT ALL TOPICS LISTED MAY IN FACT BE DISCUSSED, AND OTHER TOPICS NOT LISTED MAY ALSO BE BROUGHT UP FOR DISCUSSION TO THE EXTENT PERMITTED BY LAW.

The public should take due notice that the Marlborough City Council may have a quorum in attendance due to Standing Committees of the City Council consisting of both voting and non-voting members. However, members attending this duly posted meeting are participating and deliberating only in conjunction with the business of the Standing Committee.

Electronic devices, including laptops, cell phones, pagers, and PDAs must be turned off or put in silent mode upon entering the City Council Chamber, and any person violating this rule shall be asked to leave the chamber. Express authorization to utilize such devices may be granted by the President for recordkeeping purposes.



IN CITY COUNCIL

Marlborough, Mass., JULY 13, 2015

ORDERED:

That the following attached TIF documents for LFB, be and is herewith refer to **FINANCE COMMITTEE.**

- ✓ Economic Development Incentive Program (EDIP), Local Incentive-Only Application
- ✓ Proposed TIF Agreement
- ✓ Proposed City Council Resolution
- ✓ Local Incentive Valuation

ADOPTED

ORDER NO. 15-1006254



RECEIVED
CITY CLERK'S OFFICE
CITY OF MARLBOROUGH

2015 JUL -9 A 11:44

City of Marlborough
Office of the Mayor

140 Main Street
Marlborough, Massachusetts 01752
Tel. (508) 460-3770 Facsimile (508) 460-3698 TDD (508) 460-3610
www.marlborough-ma.gov

Arthur G. Vigeant
MAYOR

Nicholas Milano
EXECUTIVE AIDE

Patricia Bernard
EXECUTIVE SECRETARY

3

July 9, 2015

City Council President Edward J. Clancy
Marlborough City Council
140 Main Street
Marlborough, MA 01752

fin

Re: LFB's EDIP Application Constructing a Pharmaceutical Upstream Commercial Clarification Facility

Honorable President Clancy & Councilors:

I am pleased to submit for your approval LFB Corporation's ("LFB") Economic Development Incentive Program ("EDIP") Local Incentive-Only Application for a Tax Increment Financing ("TIF") agreement with the City of Marlborough.

The EDIP application is enclosed, along with:

- the proposed TIF agreement;
- the proposed City Council resolution; and
- the local incentive valuation.

LFB is planning to expand their current operations here in Marlborough into an approximately 65,000 sq./ft. state of the art pharmaceutical upstream commercial clarification facility located on Crowley Drive. This will result in an approximately \$50 million dollar investment into the construction of a new 65,000 square foot facility on what is currently vacant land on Crowley Drive.

LFB is applying for a Local-Only Certified Project status from the Economic Assistance Coordinating Council and will be seeking a Life Science Investment Tax Credit from the Massachusetts Life Science Center due to the number of new jobs they project to create over the next seven years. LFB is asking us to partner with them to help bring high-quality jobs to Marlborough.

As you know, Marlborough's commercial activity has rebounded because we are a business-friendly community. In addition to creating 50 new jobs in Marlborough, the project also projects to generate \$711,360 in tax revenue. If the site were to remain vacant land, it would generate only \$105,000 in tax revenue over the same time period.

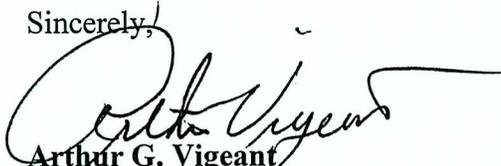
LFB chose to expand in Marlborough due to our access to a well-educated workforce with a high degree of knowledge within the life science sector and our transportation access. It is an

affirmation of Marlborough and a credit to you that companies like LFB continue to move to and expand in Marlborough. .

With your assistance, we can do our part in fostering the economic growth of a life science company, bringing tax revenue and new jobs to the Commonwealth of Massachusetts and the City of Marlborough. I ask that you work with me in expeditiously approving this EDIP application.

Thank you for your kind attention to this request.

Sincerely,



Arthur G. Vigeant
Mayor

Enclosures: EDIP Local Incentive-Only Application
Proposed TIF Agreement
Proposed City Council Resolution
Local Evaluation Form



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 ECONOMIC ASSISTANCE COORDINATING COUNCIL
 MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

**Economic Development Incentive Program (EDIP)
 LOCAL INCENTIVE-ONLY APPLICATION**

A complete application with all required attachments must be submitted in electronic form to your MOBD Regional Director by 5:00 P.M. on the application deadline date. A hardcopy with original signatures and attachments must be postmarked no later than 1 day after the submission deadline and mailed to: EDIP Manager, MOBD, 10 Park Plaza, Suite 3730, Boston, MA 02116. **Applications that are incomplete or submitted after the deadline will not be considered at the scheduled EACC meeting, without exception.**

For assistance with this application please work with your MOBD Regional Director, local municipal officials and refer to the EDIP Guidelines and 402 CMR 2.00.

PART I. COMPANY OVERVIEW					
1. COMPANY INFORMATION					
Company Name:	LFB USA, Inc.				
Project Location Address:	Street Address:	Crowley Drive			
	City:	Marlborough	MA	Zip Code:	01752
FEIN # (Federal Employer Identification Number):	#46-4974456				
DUA # (Dept. of Unemployment Assistance Number):	#22006705				
2. COMPANY CONTACT					
Executive Officer/ Company Designee:	Full Name:	William Gavin	Title:	President	
Contact (if different from above)	Full Name:	Michael Megna	Title:	V.P. Finance & Accounting	
Contact Address:	Street Address:	175 Crossing Blvd			
	City:	Framingham	State:	MA	Zip Code: 01702
Telephone Number:	508-370-5100				
Email Address:	mike.megna@lfb-usa.com				

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3. COMPANY DESCRIPTION & HISTORY

Please provide a brief description and history of the company.

LFB USA is a company within the LFB Group, a leading European biopharmaceutical company specializing in innovative biotherapies, marketing its medicinal products in more than 30 countries around the world. Within the LFB Group, LFB USA is a development, manufacturing and services provider to LFB S.A. in France and rEVO Biologics in the United States. LFB USA is a catalyst for the advancement of revolutionary medicine. The company is committed to overcoming barriers to advancing medical care by utilizing its own innovative technology to develop programs, and through establishing and fostering dynamic relationships with its partners with a full range of services offered. LFB USA is rooted in science, and driven to answer unmet medical needs. A deep understanding of disease states and complex medical conditions, and a determination not to be confined by science, but empowered by it, fuels the company's ultimate purpose – commercialization of life-changing therapeutics.

PART II. ECONOMIC DEVELOPMENT PROJECT

1. NATURE & PURPOSE OF PROPOSED PROJECT

Please provide a description of the proposed expansion project. Additionally, please explain why the local incentives are necessary for this project to move forward.

LFB USA is planning to establish a biomanufacturing center at an owned facility on Crowley Drive, Marlborough. The proposed project will involve new construction creating a site that will be a state of the art manufacturing facility also containing lab and office space. The project is estimated to result in an initial capital investment of approximately \$37 million.

2. PROJECT TIMELINE

(a) Please indicate the date a Letter of Intent was sent to the municipality and cc: MOBD Regional Director:	(b) Date the applicant expects to begin the project:	(c) Date the applicant expects to complete the project:	(d) Date the applicant expects to open the facility:
6/18/2015	11/1/2015	1/1/2017	3/1/2017

Additional Information (if necessary) on Project Timeline: This will be construction of a new facility and if site work can happen in the fall then the above schedule will be fast-tracked.

3. PRIVATE INVESTMENT

Total Projected Private Investment: \$37M

Additional Information (if necessary) on Investment: Phase 2 will require another \$13M investment

4. MASSACHUSETTS EMPLOYMENT

(a) Is the applicant new to Massachusetts?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
(i) If no, where are the existing Massachusetts facilities?	175 Crossings Blvd, Framingham; 87 New Spencer Road, Charlton	N/A <input type="checkbox"/>
(b) Will the proposed economic development project require and/or trigger the closing or consolidation of any Massachusetts facilities or the elimination of any other jobs currently in Massachusetts? If yes, please give location of facility and explain.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please explain:	

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5. EMPLOYMENT & JOB CREATION

(a) LFB USA EXISTING EMPLOYMENT AT PROJECT LOCATION

Please indicate the number of Permanent Full-Time Jobs to be created in total and by year. If job creation timeline exceeds five years, please complete the "Extended Job Creation Schedule" and attach as an addendum.

(i) Permanent Full-Time Employment at Project Location at Date of Application:	(ii) Permanent Full-Time Employees to be Transferred from other Massachusetts Site to Project Location:	(iii) Total Permanent Full-Time Existing Jobs to be Retained at Project Location (sum of questions 5 (a) i. & ii.):
0	0	0

Notes (if necessary) on Current Project Location Employment: N/A

(b) LFB USA JOB CREATION SCHEDULE AT PROJECT LOCATION

Permanent Full-Time Jobs to be Created (net new to facility and Massachusetts):	2019	2020	2021	2022	2023
50	20	15	5	5	5

Notes (if necessary) on Job Creation:

6. FACILITY

(a) Will the applicant own or lease/rent the facility where the business expansion/relocation will occur?	Lease <input type="checkbox"/> Own <input checked="" type="checkbox"/>
(i) If leasing/renting, identify the developer/landlord and state who will be the taxpayer of record for purpose of paying local real estate taxes?	N/A <input checked="" type="checkbox"/>
(b) Is the site of the facility a 43D Preferred Development Site?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, name site: Crowley Drive - Marlborough N/A <input type="checkbox"/>
(c) Does the applicant intend to utilize the Commonwealth's Abandoned Building Deduction? Please note: To be eligible for the deduction the applicant the building the applicant plans to inhabit must have been at least 75% vacant or unused for 24 months or more.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, name vacancy percentage and duration: % Vacant for months N/A <input type="checkbox"/>

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PART III. LOCAL INCENTIVE AGREEMENT INFORMATION					
Please work with the local municipality and your MOBD Regional Director in completing the below section.					
1. MUNICIPAL CONTACT					
Municipal Contact:	Full Name:	Tim Cummings	Title:	Executive Director	
Contact Address:	Street Address:	91 Main Street #204			
	City:	Marlborough	MA	Zip Code:	01752
Telephone Number:	508-229-2010				
Email Address:	tcummings@marlboroughedc.com				
2. LOCAL INCENTIVE AGREEMENT					
(a) Name of Economic Target Area (ETA) Project is Located in:	Framingham-Marlboro ETA				
(b) Economic Opportunity Area (EOA):	Name of EOA:				
	Is this a newly designated EOA? Yes <input type="checkbox"/> No <input type="checkbox"/>				
	(i) If yes, what is the duration of the designation? Years				N/A <input checked="" type="checkbox"/>
	(ii) If no, how many years are remaining on the designation? Years				N/A <input checked="" type="checkbox"/>
(c) Type of Local Incentive:	<input checked="" type="checkbox"/> Tax Increment Financing (TIF) Agreement <input type="checkbox"/> Special Tax Assessment (STA)				
i) Duration of Local Incentive:	7 Year Local Incentive				
ii) Exemption Schedule of Local Incentive:	100%, 100%, 75%, 65%, 55%, 35%, 25%				
iii) Start & Expiration Date of Local Incentive: If Agreement commences upon certificate of occupancy please check box:	Start Date: 7/1/2016 Expiration Date: 6/30/2023 <input checked="" type="checkbox"/> Local Incentive Agreement commences upon certificate of occupancy and the dates represent best projections of the start & expiration of the local incentive based on the project timeline.				
iv) Date Municipality Approved Local Tax Incentive or Date of Scheduled Vote:	8/24/2015				
(d) Attachment A: Economic Opportunity Area (EOA) Designation Application (for newly designated EOA's only)					Attached <input type="checkbox"/>
Please attached a signed copy of the EOA Designation Application.					N/A <input checked="" type="checkbox"/>
(e) Attachment B: Local Incentive Agreement					Attached <input checked="" type="checkbox"/>
Please attach a signed copy of the TIF or STA Agreement.					

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(f) Attachment C: Local Incentive Zone & Plan Please attach the municipal TIF/STA Zone & Plan.	Attached <input type="checkbox"/>
(g) Attachment D: Municipal Vote by Authoritative Body Approving Incentive Please attach a copy of the vote approving the local incentive.	Attached <input checked="" type="checkbox"/>
(h) Attachment E: Municipal Vote by Authoritative Body Approving submission of application of the Economic Assistance Coordinating Council (EACC)	Attached <input checked="" type="checkbox"/>
(i) Exhibit 1: Local Incentive Valuation Please complete the attached exhibit detailing the estimated property tax exemption over the life of the agreement.	Complete <input checked="" type="checkbox"/>

PART IV. LABOR AFFIRMATION & DISCLOSURES

1. CERTIFICATION OF STATE & FEDERAL EMPLOYMENT LAWS

- As an applicant requesting Certified Project approval, William Gavin, affirms (**check box**) that this business will not unlawfully misclassify workers as self-employed or as independent contractors, and certifies compliance with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.
- As an applicant requesting Certified Project approval, William Gavin, affirms (**check box**) that this business will not knowingly employ developers, subcontractors, or other third parties that unlawfully misclassify workers as self-employed or as independent contractors, or that fail to comply with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.

2. COMPANY DISCLOSURE

Within the past five years, has the applicant or any of its officers, directors, employees, agents, or subcontractors of which the applicant has knowledge, been the subject of (if yes, please provide details):

(a) an indictment, judgment, conviction, or grant of immunity, including pending actions, for any business-related conduct constituting a crime under state or federal law;	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:
(b) a government suspension or debarment, rejection of any bid or disapproval of any proposed contract subcontract, including pending actions, for lack of responsibility, denial or revocation of prequalification or a voluntary exclusion agreement; or	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:
(c) any governmental determination of a violation of any public works law or regulation, or labor law or regulation or any OSHA violation deemed "serious or willful?"	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:

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V. AUTHORIZATION & CERTIFICATIONS

1. CERTIFICATE OF GOOD STANDING

Provide proof of good tax standing in the Commonwealth of Massachusetts via a Massachusetts Department of Revenue Certificate of Good Standing for each of the businesses intending to take advantage of the state tax incentives.

*Applications will not be reviewed by the Economic Assistance Coordinating Council until a Certificate of Good Standing has been received.

To obtain a Certificate of Good Standing visit:

<https://wfb.dor.state.ma.us/webfile/Certificate/Public/WebForms/Welcome.aspx>

Attached

Date of DOR Application for Certificate of Good Standing: 5/20/2014

Notes:

2. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT

I/We, William Gavin, President (names and titles) of the applicant business applying for "Certified Local Incentive Only Project" status from the Commonwealth of Massachusetts, Economic Assistance Coordinating Council hereby certify that I/we have been authorized to file this application and to provide the information within and accompanying this application and that the information provided herein is true and complete and that it reflects the applicant's intentions for investment, job creation and sales to the best of my/our knowledge after having conducted reasonable inquiry. I/We understand that the information provided with this application will be relied upon by the Commonwealth in deciding whether to approve "Certified Local Incentive Only Project" status and that the Commonwealth reserves the right to take action against the applicant or any other beneficiary of the Certified Local Incentive Only Project is the Commonwealth discovers that the applicant intentionally provided misleading, inaccurate, or false information I/We make this certification under the pains and penalties of perjury. I/we agree to submit a Calendar Year Annual Report to the Massachusetts Office of Business Development to give updates on the progress of the project.

The signatories also hereby acknowledge that, under the Public Records law of the Commonwealth of Massachusetts, this application and all documents submitted in support thereof are public records under the provisions of Massachusetts G. L., Ch. 4, sec. 7 (26).

Signed:

	President	August 24, 2015
Name	Title	Date

		<i>Select mm/dd/yyyy</i>
Name	Title	Date

3. DEPARTMENT OF UNEMPLOYMENT ASSISTANCE CONSENT FOR DISCLOSURE OF WAGE REPORTING INFORMATION

Consent for the Disclosure of Wage Reporting Information for Federal Employment Identification Number (FEIN): # 46-4974456

Division of Unemployment Assistance (DUA) Number: # 22006705

I/We, William Gavin, a duly authorized representative of LFB USA, Inc., and of all the other businesses listed in this Local Incentive Only Application (hereinafter "Employer"), hereby releases and gives authority to the Massachusetts Department of Unemployment Assistance, pursuant to G.L. c. 151A, §46(1), to provide the Economic Assistance Coordinating Council, upon its request, with the Employer's information, including but not limited to, wage reporting information, that is (a) necessary to verify the amount and tax year in which the Employer claims any of the Tax Incentives awarded in the Economic Development Incentive Program or Employer's fulfillment of job creation and job retention commitments as indicated in the supplemental application and job chart, or (b) otherwise necessary to ensure the proper operation or enforcement of this Agreement or the Program. This authorization is effective upon date of signature and will be valid until superseded by a subsequent application or revoked in writing.

Signed:

_____	President	August 24, 2015
Name	Title	Date
_____		<i>Select mm/dd/yyyy</i>
Name	Title	Date



The Commonwealth of Massachusetts
Secretary of the Commonwealth
State House, Boston, Massachusetts 02133

William Francis Galvin
Secretary of the
Commonwealth

Date: June 18, 2015

To Whom It May Concern :

I hereby certify that according to the records of this office,

LFB USA, INC.

a corporation organized under the laws of

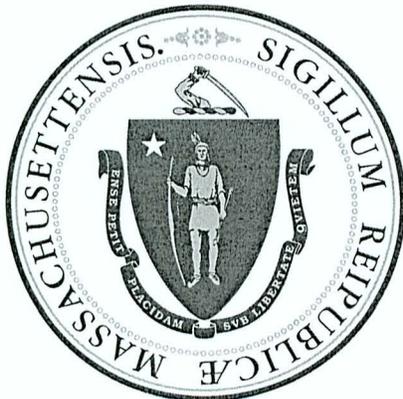
DELAWARE

on **February 28, 2014** was qualified to do business in this Commonwealth on

March 03, 2014 under the provisions of the General Laws, and I further certify that said

corporation is still qualified to do business in this Commonwealth.

I also certify that said corporation is not delinquent in the filing of any annual reports required to date.



In testimony of which,
I have hereunto affixed the
Great Seal of the Commonwealth
on the date first above written.

William Francis Galvin

Secretary of the Commonwealth

Certificate Number: 15063855160

Verify this Certificate at: <http://corp.sec.state.ma.us/CorpWeb/Certificates/Verify.aspx>

Processed by: nmc

**TAX INCREMENT FINANCING AGREEMENT BETWEEN
THE CITY OF MARLBOROUGH AND LFB USA, INC.**

This **TAX INCREMENT FINANCING AGREEMENT** (the "**TIF Agreement**" or the "**Agreement**") is made this _____ day of _____, 2015 by and between the City of Marlborough (the "**City**") and LFB USA, Inc. (the "**Company**").

WHEREAS, the City is a duly organized Massachusetts municipal corporation acting through its City Council and Mayor, having its principal office located at Marlborough City Hall, 140 Main Street, Marlborough, MA 01752; and

WHEREAS, the Company is a for-profit corporation organized under the laws of Delaware, has its principal United States Headquarters located at 175 Crossing Blvd, Framingham, MA 01702, and is authorized to do business in Massachusetts; and

WHEREAS, First Colony Crowley Drive One, LLC ("the Owner") is the current fee owner of a n 11.38 acre parcel of vacant land on Crowley Drive, Marlborough, Massachusetts 01752, as further depicted on Marlborough City Assessor's Map 15, Parcel 22 (the "Property"); and

WHEREAS, the Company intends to purchase approximately 8.5 acres of commercially buildable land from the Owner to be subdivided out of the Property's 11.38 acres, and plans to invest approximately \$50 million dollars over two separate phases with a private investment of approximately \$37 million to occur in the first phase for the construction of approximately 65,000 square feet building to be an upstream commercial clarification facility located at Crowley Drive, Marlborough, together with parking facilities and other improvements located thereon (hereinafter, the subdivided space is defined as the "Project Area"); and

WHEREAS, the Project Area is to be located within the boundaries of the Framingham-Marlborough Regional Economic Target Area (ETA) as designated by the Massachusetts Economic Assistance Coordinating Council pursuant to Massachusetts General Laws Chapter 23A, Section 3D; and

WHEREAS, through this certified project the Company commits to creating and retaining fifty (50) new permanent full-time jobs over a period of seven (7) years at the Project Area (once improvements are completed) open to qualified residents of Marlborough and the ETA; and

WHEREAS, the improvements to the Project Area are estimated to result in an initial capital investment by the Company of approximately \$37 million in combined soft, construction, real property and personal property costs (the "Project"); and

WHEREAS, the Owner shall make additional improvements to the Project Area in accordance with the terms of the purchase and sale agreement; and

WHEREAS, the parties to the Agreement are desirous of entering into a TIF Agreement which shall pertain solely to the Project Area and not to any other portion of the Property, and which shall be in accordance with the Massachusetts Economic Development Incentive Program (EDIP) and Chapter 23A of the Massachusetts General Laws; and

WHEREAS, the Company intends to apply for “Certified Project” status under the Massachusetts Economic Development Incentive Program as outlined in their Letter of Intent to the City of Marlborough on June 18, 2015; and

WHEREAS, the City strongly supports increased economic development to provide additional jobs for residents of Marlborough and the ETA, to expand business within the City, and to develop a healthy robust economy and stronger tax base; and

WHEREAS, the Project and its related job creation will further the economic development goals and criteria established for the Framingham-Marlborough ETA; and

WHEREAS, by a letter dated July 9, 2015, the Mayor recommended the TIF Agreement to the Marlborough City Council;

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and contingent upon receipt of authorization from the City Council and in accordance with applicable law, the parties hereby agree as follows:

A. THE CITY’S OBLIGATIONS:

1. The City Council approved the provisions of this TIF Agreement on _____, 2015 pursuant to the Resolution attached hereto. The City Council hereby authorizes the Mayor to execute this TIF Agreement on the City's behalf, and to monitor and enforce compliance by the Company with this TIF Agreement's terms. The Mayor is authorized to act for and on behalf of the City in proceedings relating to the approval of this Agreement by the Massachusetts Economic Assistance Coordinating Council (the "EACC").
2. A Tax Increment Financing exemption (the "Exemption") for the Project Area is hereby granted to the Company by the City in accordance with Chapter 23A, Section 3E; Chapter 40, Section 59; and Chapter 59, Section 5, Cl. Fifty-first, of the Massachusetts General Laws. The Exemption shall be for a period of seven (7) years (the "Exemption Term"), commencing on July 1, 2016 (the beginning of fiscal year 2017) and ending on June 30, 2023 (the end of fiscal year 2023). The Exemption shall pertain to real property taxes for the Project Area, according to the following schedule:

**PROJECT AREA'S REAL PROPERTY
TAX EXEMPTION SCHEDULE**

REAL PROPERTY EXEMPTION	
Fiscal Year	Exemption Percentage
2017	100%
2018	100%
2019	75%
2020	65%
2021	55%
2022	35%
2023	25%

3. The base valuation for the Project Area shall be the assessed valuation of the Project Area in the base year. The base year is the most recent fiscal year immediately preceding the fiscal year in which the property becomes eligible for the TIF exemption. As provided in 760 C.M.R. 22.05(4)(d), see 402 C.M.R. 2.22, the Project shall become eligible for the Exemption on the July 1st following the date on which the EACC approves the TIF Agreement, which is expected to be September 23, 2015. Therefore, the exemption is expected to commence on July 1, 2016, which is the beginning of fiscal year 2017. Accordingly, the base year for this TIF Agreement is fiscal year 2016, and the base valuation for the real property pertinent to the Project Area will be determined as of January 1, 2015.

4. The base valuation shall be adjusted annually by an adjustment factor, which reflects increased commercial and industrial property values within the community, as provided in Chapter 40, Section 59 of the Massachusetts General Laws and in 760 C.M.R. 22.05(4)(b), see 402 C.M.R. 2.22. This adjusted base valuation will remain fully taxable (i.e., the Tax Increment Financing Exemption shall not apply to or be calculated with respect to the adjusted base valuation and no portion of the adjusted base valuation shall be eligible for exemption from Chapter 59 property taxation) throughout the term of this TIF Agreement. Only the increased value or "increment" created by improvements will be the amount eligible for exemption from taxation.

B. THE COMPANY'S OBLIGATIONS.

1. The City is granting the Tax Increment Financing Exemption for the Project Area in consideration of the following commitments:
 - (a) In anticipation of the receipt of the TIF benefits described in this Agreement, the Company agrees that receipt of such TIF benefits is conditioned upon the Company's purchase of the Project Area from the Owner and development of the site into an upstream commercial clarification facility;

 - (b) As part of purchasing the Project Area, the Company agrees that it will make initial capital improvements, which are currently estimated to be approximately \$37 million in combined soft, construction, real property and personal property costs, and that it will timely pay all municipal permit fees required in connection with such improvement and investment;

- (c) Upon acquisition of the Project Area, the Company agrees to timely pay all of the taxes owed to the City by the Company over the term of this TIF Agreement; and
- (d) The Company agrees to create and to maintain over the term of the Agreement a minimum cumulative of 50 permanent full-time employees (as "permanent full-time employee" is defined in 402 C.M.R. 2.03), to be employed at the Project Area ("New Permanent Full-Time Employees"). The following schedule details the Company's schedule of job creation at the Project Area:

SCHEDULE OF JOB CREATION

End of Fiscal Year(s)	Permanent Full-Time Employee Retained	Permanent Full-Time Employee New	Minimum Cumulative Total
June 30, 2017	0	0	0
June 30, 2018	0	0	0
June 30, 2019	0	20	20
June 30, 2020	20	15	35
June 30, 2021	35	5	40
June 30, 2022	40	5	45
June 30, 2023	45	5	50

The Company shall work in good faith in accordance with Section B.1(e) below and, during the life of the Agreement, shall maintain the appropriate employment figure of permanent full-time jobs in accordance with the Schedule of Job Creation referenced above.

- (e) In maintaining its minimum cumulative New Permanent Full-Time Employee commitment outlined above, and consistent with all federal, state and local laws and regulations, the Company may use reasonable efforts to make available application opportunities for the New Permanent Full-Time Employee positions to qualified residents of Marlborough and then the regional ETA through advertisements in local newspapers and online job sites encouraging such qualified residents to apply for employment with the Company. Determination of whether any individual is qualified for any specific job or position opening shall be in the Company's sole discretion, and nothing herein shall be deemed to create any obligation of the Company to hire any of said residents. The Company will meet its obligation to make such application opportunities available to such residents if, in conjunction with the Mayor's office and the Marlborough Economic Development Corporation, the Company participates in a job fair in Marlborough that is sponsored by the Marlborough Economic Development Corporation for staffing open positions at its Project Area.
2. The Company shall submit annual written reports on job creation and maintenance at, job relocation to, and new investments at, the Project Area to the City of Marlborough Board of Assessors and Mayor and to the EACC by the end of December of each calendar year with respect to the immediately preceding fiscal year during which this TIF Agreement is in effect. Reports shall be submitted for fiscal year 2017 and for every fiscal year thereafter falling within the term of this TIF Agreement; thus, the report for fiscal year 2017, ending on June 30, 2017, shall be submitted by the end of December 2017. In addition to information that may be required by the EACC pursuant to 402 C.M.R. 2.14, the annual report shall be comprised of the following information:
- (a) Employment levels at the Project Area at the beginning and end of the reporting period, with a designation of the number of employees that are employees at the Project Area as of

the effective date of this Agreement and the number of employees that were employed by the Company in Marlborough and the ETA prior to the effective date of this Agreement;

- (b) The specific number of ETA and Marlborough residents respectively employed at the Project Area at the beginning and at the end of the reporting period;
- (c) An accounting of the efforts made by the Company to make New Permanent Full-Time Employee positions available to qualified residents of Marlborough and then to the regional ETA as needed to maintain the minimum cumulative Permanent Full-Time Employee requirement;
- (d) A narrative of the reasonable efforts made by the Company to solicit Marlborough businesses, vendors and suppliers to participate in requests for quotations for goods and services to be purchased by the Company as part of the Project, including but not limited to the improvements to the Project Area, as well as the purchase of new machinery and equipment as part of the Project (collectively, "Engage Local Businesses"), if applicable for a particular fiscal year;
- (e) The Company's financial contribution to the City (including property taxes, motor vehicle excise taxes, and water and sewer fees) for the fiscal year; and
- (f) A description of any private investment, including but not limited to donations and/or perpetual maintenance of land for recreational purposes, made by the Company for the benefit of the community during the reporting period.

During the term of this TIF Agreement, the Company shall provide the City with any and all information related to the Project Area, including the Company's improvements to the Project Area, which the parties mutually agree should be provided.

- 3. The Tax Increment Financing Exemption percentage applicable to the tax exemption schedule above will automatically be adjusted downward in any particular fiscal year that the Company does not meet its minimum cumulative permanent full-time employee requirements described in the Schedule of Job Creation above. Under this Paragraph 3, the exemption percentage applicable to the exemption schedule above will be adjusted for the fiscal year beginning after the job requirement date, utilizing the following formula:

(Actual Cumulative New Permanent Full-Time Employee Level / Minimum Cumulative New Permanent Full-Time Employee Requirement) x Scheduled Exemption Percentage = Actual Exemption Percentage.

For example, if the actual cumulative New Permanent Full-Time Employee level at the end of FY 2019 is 10 instead of 20, then the real property tax exemption percentage otherwise applicable for FY 2020 would actually be $(10/20) \times 65\%$, or 32.5%.

The exemption percentages applicable to the tax exemption schedule above will, for later fiscal years, revert back to the original exemption schedule if the Company restores the job level based on the minimum cumulative permanent full-time employee requirement for that later year. If the Company meets or exceeds its minimum cumulative new permanent full-time employee requirements, the exemption schedule will not be adjusted.

4. The Company will be in default of its respective obligations under this TIF Agreement if the City determines that the Company materially fails to meet or comply with any of the requirements specified in Paragraphs 1 or 2 of this Section B or Paragraph 5 or 6 of this Section B below, and the City further determines that such failure continues or remains uncured for sixty (60) days (or such longer time as the City may deem appropriate under the circumstances) after the date of written notice, provided by the City to the Company, explaining in reasonable detail the grounds for or nature of such failure. Upon the City's determination that any default by the Company has continued or remained uncured for such period after the date of such written notice, the City may request that EACC revoke its certification of the Project for eligibility for a Tax Increment Financing Exemption; any such request would be in addition to the automatic downward adjustment of the exemption schedules, as described in Section B.3 above, and in addition to the City's rights to take actions to collect any amounts owed by the Company under Section B.5. below. Upon any such decertification, the City shall have the right, upon written notice to the Company, to terminate the Tax Incremental Financing Exemption benefits described in Paragraph 2 of Section A, commencing as of the fiscal year in which the City has determined the Company to be in default or, if such benefits have already been received by the Company, for the fiscal year in which the City has determined the Company to be in default, commencing as of the fiscal year immediately following that fiscal year. Any notice required hereunder shall be sent, certified mail, return receipt requested, or delivered in hand, to the Company as provided in Paragraph 5 of Section C below. Said notice shall be effective upon receipt.

5. If, at any time prior to the expiration of the term on this Agreement, the Company moves from, vacates, abandons, or otherwise fails to maintain operations in the Project Area, and the Company's successor or assign, if any, does not agree to assume this TIF agreement, then the City shall be entitled to be paid back forthwith by the Company a sum equal to a proportionate share of the amount of tax savings that had been received by the Company under this Agreement in the fiscal year when the Company moves from, vacates, abandons, or otherwise fails to maintain operations at the Project Area, according to the following schedule:

COMPANY'S PAY-BACK SCHEDULE

FY that the Company Moves From, Vacates, Abandons, or Otherwise Fails to Maintain Operations at Project Area	Percentage of Tax Savings from Prior Fiscal Year to be Paid Back to City
2017	N/A
2018	N/A
2019	75%
2020	50%
2021	30%
2022	15%
2023	5%

Such pay-back amounts shall be paid back by the Company in full within sixty (60) days of a written demand by the City. If payment is not timely made, interest shall accrue at the rate of one percent (1%) per month until such time as full repayment has been made.

The City shall be given thirty (30) days' written notice prior to any Company announcement to the general public (specifically excluding any communications to the Company's employees) of a proposed move from, vacation of, abandonment of, or other termination of operations at, the Project Area during the term of this Agreement, unless such notice (and/or notice period) would be in violation of any law, regulation or contractual obligation of the Company. Said notice shall identify the prospective new owner or tenant, if any; may include information about such prospective new owner or tenant which is not otherwise subject to a confidentiality agreement; and shall be given to: Mayor's Office and to the Board of Assessor's Office, City Hall, 140 Main Street, Marlborough, MA 01752. Said notice will be the confidential information of the Company and the City shall not, except as required by law, disclose any information provided by the Company regarding any proposed disposition of the Project Area or any portion thereof by the Company.

6. The Company shall use reasonable efforts to engage local businesses to participate in requests for quotations for goods and services to be purchased by the Company as part of the Project, including but not limited to the improvements to the Project Area, as well as the purchase of new machinery and equipment as part of the Project. So long as the Company contacts the Marlborough Economic Development Corporation at the later of (i) the beginning of the Project, or (ii) within a reasonable amount of time after the Agreement has been executed by all parties, with a description of the qualifications of the local businesses, vendors and suppliers from whom, at that time, the Company is seeking requests for quotations, the Company shall be deemed to have made reasonable efforts to engage local businesses under this Section 6. However, the extent to which the Company shall hire or purchase from local businesses, vendors and suppliers under this Section 6 shall be in Company's sole discretion, and nothing herein shall be deemed to require the Company to hire or purchase from local businesses, vendors and suppliers.

C. OTHER CONSIDERATIONS.

1. Pursuant to 760 C.M.R. 22.05(8)(d), *see* 402 C.M.R. 2.22, this Agreement shall be binding upon the Company and its successors and assigns, so long as the Project's certification has not been revoked by EACC.
2. This Agreement is subject to M.G.L. Chapter 23A, Sections 3A-3F inclusive; M.G.L. Chapter 40, Section 59; and M.G.L. Chapter 59, Section 5, Cl. Fifty-first.
3. Should any part, term or provision of this Agreement be determined by any court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this agreement.
4. The effective date of this Agreement shall be September 23, 2015 the (presumptive) date of the Economic Assistance Coordinating Council's approval of the TIF Agreement.
5. All notices, reports or other communications require or permitted under this TIF Agreement must be in writing signed by a duly authorized representative of the City and the Company as the case may be, and shall be (i) hand delivered, (ii) delivered by a nationally recognized overnight delivery service, or (iii) mailed by certified or registered mail, return receipt requested, postage prepaid, to the other party at the following addresses or such other addresses as each may have specified to the other by such a notice:

CITY: City of Marlborough
City Hall
Attention: Mayor's Office
140 Main Street
Marlborough, MA 01752

COMPANY: LFB USA, Inc.
Attention: William Gavin, President
175 Crossing Blvd
Framingham, MA 01702

cc: Michael Megna, Comptroller
LFB USA, Inc.
175 Crossing Blvd
Framingham, MA 01702

WITNESSETH, the execution and delivery of this Agreement by the Company and the City as an instrument under seal as of the date last written below by the signatories hereto.

AGREED TO:

LFB USA, INC.

By: _____
WILLIAM GAVIN
President
LFB USA Inc.

Dated: _____, 2015

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On _____, 2015, before me, the undersigned notary public, personally appeared _____, as President of LFB USA, Inc., and proved to me through satisfactory evidence of identification, which was _____, that he is the person whose name is signed on the preceding or attached document.

Notary Public
Printed Name: _____
My Commission Expires: _____

CITY OF MARLBOROUGH

By: _____
Arthur G. Vigeant
Mayor
City of Marlborough

Dated: _____, 2015

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On _____, 2015, before me, the undersigned notary public, personally appeared Arthur G. Vigeant, as Mayor of the City of Marlborough, and proved to me through satisfactory evidence of identification, which was _____, that he is the person whose name is signed on the preceding or attached document.

Notary Public
Printed Name: _____
My Commission Expires: _____

CERTIFICATE OF AUTHORIZATION

I, Michael R. Megna, the duly elected Treasurer of LFB USA, Inc. (“the Company”), a Delaware corporation, do hereby certify that William Gavin is President of the Company; that William Gavin, in his capacity as President of the Company, is authorized and empowered to sign, seal, execute, acknowledge and deliver the Tax Increment Financing Agreement between the City of Marlborough and the Company; and that the signature of said William Gavin, in his capacity as President of the Company, shall be and is valid and binding upon the Company, and its successors and assigns, for all purposes.

Signed: _____ Dated: _____, 2015

Michael R. Megna
Treasurer
LFB USA, Inc.

Place of Business: 175 Crossing Blvd, Framingham, MA 01702

AFFIX SEAL

RESOLUTION:

WHEREAS, the City Council of the City of Marlborough desires a beneficial economic use creating jobs for local residents, expanding business within the City, and developing a healthy robust economy and stronger tax base for a portion of Map 15, Parcel 22 on the Marlborough Assessor's Map; and

WHEREAS, the City Council of the City of Marlborough intends to use tax increment financing as an economic development tool created by the Massachusetts Economic Development Incentive Program based on the ability of the City of Marlborough, in accordance with needs and community benefits of a specific project, that are reasonably proportional to the economic development incentives from State and local government and the resulting economic development benefits;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Marlborough that the following activities which are necessary to pursue a Certified Project designation be authorized:

1. The City Council of the City of Marlborough hereby requests that the Massachusetts Economic Assistance Coordinating Council approve LFB USA, Inc.'s local incentive-only application for an EDIP Certified Project (attached hereto); and further, that:
 - a. The project will not overburden the City of Marlborough's infrastructure and utilities;
 - b. The project as described in the proposal will have a reasonable chance of increasing employment opportunities for residents of Marlborough; and
 - c. The City Council approves LFB USA, Inc.'s request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Certified Project for seven (7) years.
2. The City Council of the City of Marlborough agrees to authorize the use of tax increment financing and the submission of the tax increment financing agreement to the Massachusetts Economic Assistance Coordinating Council.

ADOPTED
In City Council
Order No 15-100____
Adopted

Approved by Mayor
Arthur G. Vigeant
Date:

A TRUE COPY
ATTEST:

