

# CITY OF MARLBOROUGH MEETING POSTING

Meeting Name: City Council Finance Committee

Date: October 26, 2015

Time: 7:00 PM

Location: City Council Chamber, 2<sup>nd</sup> Floor, City Hall, 140 Main Street

Agenda Items to be addressed:

RECEIVED  
CITY CLERK'S OFFICE  
CITY OF MARLBOROUGH

2015 OCT -6 A 11:19

**Order No. 15-1006335:** OYO Sportstoys' EDIP Application (TIF) Constructing a State-of-the-Art Manufacturing Facility and Corporate Headquarters to be located at 111 Locke Drive.

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., OCTOBER 5, 2015

**ORDERED:**

That the OYO Sportstoy's EDIP Application (TIF) Constructing a State-of-the-Art Manufacturing Facility and Corporate Headquarters to be located at 111 Locke Dr., with following documents attached, be and is herewith refer to **FINANCE COMMITTEE.**

1. EDIP Preliminary application
2. Proposed TIF Agreement
3. the Proposed Council Resolution
4. the Local Incentive Valuation

**ADOPTED**

**ORDER NO. 15-1006335**

**Attachment**  
**Preliminary EDIP Application**



September 9, 2015

The Honorable Arthur Vigeant, Mayor  
City of Marlborough  
Marlborough City Hall  
140 Main Street 4<sup>th</sup> Fl.  
Marlborough, MA 01752

***RE Intent to Apply For Massachusetts Economic Development Program (EDIP) in Marlborough***

Dear Mayor Vigeant:

This letter is OYO Sportstoy, Inc. "OYO Sports" letter of intent as required pursuant to the Economic Development Incentive Program, (EDIP).

On February 24<sup>th</sup> 2015, I met with Tim Cummings of Marlborough's Economic Development Corporation to discuss the EDIP Program and the various incentives available during the initial phase of our site selection process. Needless to state, through Tim's diligence Marlborough remained a particularly attractive community due to Marlborough Economic Development's boosterism.

Today I am submitting this letter, because after an exhaustive seven month search of property along Route 495. OYO Sports identified a property and would lease 65,000 square feet initially with an eye to growing into the remainder of the space. The proposed project entails an initial private investment in excess of \$8.0 million. This proposed investment would be made in a building located on 111 Locke Drive creating a state of the art advanced manufacturing facility and corporate headquarters. The initial move would bring 95 full time jobs to Marlborough by mid-2016. It is Oyo Sports' intent to create 100 net new jobs to the Commonwealth of Massachusetts over ten years starting in 2017.

OYO Sports is privately held company founded in 2011 that has seen tremendous growth due to its licensing agreements with professional sports franchises and leagues. OYO has quickly capitalized on these assets and has secured wonderful distribution into big-box retailers while simultaneously creating an online presences that can customize and expedite sales through the company's online portal.

OYO Sports is an advanced manufacturer founded in the Commonwealth of Massachusetts and remaining in Massachusetts is a high priority; however, being a manufacturer in Massachusetts can prove to be challenging, which is why I am turning to you and the Commonwealth to partner with us for our shared mutual benefit. OYO Sports is therefore requesting that you accept this letter as the formal letter of intent required under the Economic Development Incentive Program, (EDIP).

We would welcome this potential opportunity to create a partnership with Marlborough and your willingness to assist OYO Sports as we grow.

Sincerely yours,

Craig Gainsboro  
CFO

A handwritten signature in black ink, appearing to read "Craig Gainsboro", written over a horizontal line.

cc: Jon Golnik, MOBD Regional Director  
Tim Cummings, Marlborough Economic Development Corporation



COMMONWEALTH OF MASSACHUSETTS  
ECONOMIC ASSISTANCE COORDINATING COUNCIL  
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

**Economic Development Incentive Program (EDIP)  
PRELIMINARY APPLICATION**

The following information is required by the Massachusetts Office of Business Development (MOBD) and the Economic Assistance Coordinating Council (EACC) to make a preliminary determination on the eligibility of a project under the Economic Development Incentive Program. This application must be returned in electronic form to your MOBD Regional Director and a hardcopy with original signature(s) mailed to: EDIP Manager, MOBD, 10 Park Plaza, Suite 3730, Boston, MA 02116. Please refer to the EDIP Guidelines, [www.mass.gov/hed/edip](http://www.mass.gov/hed/edip) and your MOBD Regional Director for assistance with this application.

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PART I. COMPANY OVERVIEW					
1. COMPANY INFORMATION					
Company Name:	OYO Sportstoys, Inc.				
Project Location Address:	Street Address:	20 Main Street			
	City:	Acton	MA	Zip Code:	01720
Company Headquarters Location:	City:	Acton	State:	MA	
FEIN (Federal Employer Identification Number):	451683287				
DUA # (Dept. of Unemployment Assistance #):	10054349				
Type of Organization:	<b>(a) Type of Organization:</b> Corporation				
Company's Taxable Year End:	12/31				
NAICS Code:	339930				
Is the applicant classified as a MA Department of Revenue Manufacturer?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
Company's outside of Massachusetts sales as a percentage of total sales: (a) currently (b) projected upon completion of proposed project:	<b>(a) Current Outside of MA sales as of 8/31/2015 : 80%</b> <b>(b) Projected Outside of MA sales upon completion of project: 80%</b> Additional Information (if necessary):				
2. COMPANY CONTACT					
Executive Officer/ Company Designee:	Full Name:	Craig Gainsboro	Title:	Chief Financial Officer	
Contact (if different from above):	Full Name:	Martin Hanssmann	Title:	Senior V.P.	
Contact Address:	Street Address:	20 Main Street			
	City:	Acton	State:	MA	Zip Code: 01720
Telephone Number:	978-264-2000				
Email Address:	hanssmann@oyosportstoys.com				
3. COMPANY DESCRIPTION & HISTORY					
<p><b>Please provide a brief description and history of the company.</b></p> <p>OYO Sporttoys, Inc., headquartered in Acton, Massachusetts is a local manufacturing company that produces minifigure toys that resemble star athletes and their corresponding playing fields. OYO Sportstoys was founded in 2011 as a start up business raising \$14 million in funding to date. Today, the company has agreements with Major League Baseball, the NFL, NCAA and the National Hockey League along with their players associations to produce toys featuring their star players. OYO will expand to include soccer, basketball and other sports nationally and internationally. In addition, the company is able to quickly manufacture products in a way that keeps up with social trends.</p>					

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OYO Sportstoys has received numerous accolades and is well capitalized with support from Mandalay Sports based in Los Angeles, Boston Seed Capital and Cambridge based Atlas Venture.

For more information, visit [www.oyosportstoys.com](http://www.oyosportstoys.com).

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<b>PART II. ECONOMIC DEVELOPMENT PROJECT</b>			
<b>1. PROPOSED BUSINESS EXPANSION PROJECT</b>			
<p><b>(a) Please provide a description of the proposed expansion project.</b></p> <p>OYO Sportstoy, Inc. currently leases 30,000 square feet of space in Acton, Massachusetts. Due to customer demands, the company is looking to expand in the City of Marlborough. The company intends to lease a minimum of 65,000 square feet and bring 95 jobs to the city while creating an additional 100 new jobs in the Commonwealth. OYO Sportstoy has proposed plans to renovate 111 Locke Drive for use as a state-of-the art manufacturing facility and corporate headquarters.</p>			
<p><b>(b) Does the current public infrastructure meet the proposed certified project's needs? If no, please explain.</b></p>	<p>Yes <input checked="" type="checkbox"/>    No <input type="checkbox"/></p> <p>If no, please explain:</p>		
<b>2. PROJECT TIMELINE</b>			
<p><b>(a) Please indicate the date a Letter of Intent was sent to the municipality and cc: MOBD Regional Director:</b></p>	<p><b>(b) Date the applicant expects to begin the project:</b></p>	<p><b>(c) Date the applicant expects to complete the project:</b></p>	<p><b>(d) Date the applicant expects to open the facility:</b></p>
9/9/2015	1/1/2016	3/15/2016	3/31/2016
<p><b>Additional Information (if necessary) on Project Timeline:</b></p>			
<b>3. INVESTMENT BREAKDOWN</b>			
<p><b>Please provide a breakdown of the expected investment required and associated costs.</b></p> <p>Land: \$0</p> <p>Construction: \$2,000,000</p> <p>Machinery &amp; Equipment: \$5,000,000</p> <p>Other : _____ \$1,000,000</p> <p><b>Total Projected Investment: \$8,000,000</b></p>			
<p><b>Additional Information (if necessary) on Investment:</b></p> <p>Construction: Electrical, Mechanical, Furnishings</p> <p>Machinery and Equipment: Automation Equipment, Printers, Stalkers, Molds</p> <p>Other: Computers, Office Equipment</p>			
<b>4. MASSACHUSETTS EMPLOYMENT</b>			
<p><b>(a) Is the applicant new to Massachusetts?</b></p>	<p>Yes <input type="checkbox"/>    No <input checked="" type="checkbox"/></p>		
<p><b>(i) If no, where are the existing Massachusetts facilities?</b></p>	Acton MA	N/A <input type="checkbox"/>	

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<p><b>(ii) If no, what is the applicant's full-time, permanent employment in Massachusetts (total of all MA facilities)?</b></p>	<p style="text-align: center;"><b>95 full-time permanent MA employees as of 9/9/2015</b></p>	<p style="text-align: center;">N/A <input type="checkbox"/></p>	
<p><b>(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.</b></p>	<p style="text-align: center;">Yes <input type="checkbox"/>    No <input checked="" type="checkbox"/></p> <p><b>If yes, please explain:</b></p>		
<b>5. PROJECT LOCATION EMPLOYMENT</b>			
<b>Please indicate the number of:</b>			
<p><b>(a) Full-Time Permanent Jobs to be Created (net new to facility and Massachusetts):</b></p>	<p><b>(b) Full-Time Permanent Employment to be Retained (number of employees currently at the Project Location, if any):</b></p>	<p><b>(c) Full-time Permanent Employees to be transferred from other Massachusetts Locations to Project Location (if any):</b></p>	<p><b>(d) Total Full-Time Permanent Existing Jobs to be Retained at Project Location (Sum of questions 5b. and 5c.):</b></p>
100	0	95	95
<b>Additional Information (if necessary) on Project Location Employment:</b>			
<p><b>(e) What action will the applicant take to recruit employees from among residents of the municipality and/or Economic Target Area?</b></p> <p>Oyo Sportstoy, Inc. intends to continue to recruit and hire locally. Job postings will be made on major recruiting websites and Oyo Sportstoy, Inc. will participate in the City of Marlborough sponsored job fairs.</p>			
<p><b>(f) Will the project result in significant spin off economic benefit and support Massachusetts based suppliers and contractors? Please explain.</b></p>			
<b>6. FACILITY</b>			
<p><b>(a) Will the applicant own or lease/rent the facility where the business expansion/relocation will occur?</b></p>	<p style="text-align: center;">Lease <input checked="" type="checkbox"/>    Own <input type="checkbox"/></p>		
<p><b>(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?</b></p>	<p style="text-align: center;">US REIF 111 Locke Drive Massachusetts LLC</p>	<p style="text-align: center;">N/A <input type="checkbox"/></p>	
<p><b>(ii) If owning, will the applicants fully occupy the space?</b></p>	<p style="text-align: center;">Yes <input type="checkbox"/>    No <input type="checkbox"/></p>		
		<p style="text-align: center;">N/A <input checked="" type="checkbox"/></p>	

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<p><b>(iii) If the applicant will not fully occupy the space, does it intend to lease/rent the remaining space? If yes, to whom (if known)?</b></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, to whom?</p>	<p>N/A <input checked="" type="checkbox"/></p>
<p><b>(b) Is the site of the facility a 43D Preferred Development Site? If yes, name site.</b></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, name site:</p>	<p>N/A <input type="checkbox"/></p>
<p><b>(c) Does the proposed expansion project involve the renovation and reuse of an abandoned building?</b></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	
<p><b>(i) If yes or unsure, how long has the building been vacant or unused (if known, state date)</b></p>	<p>months</p> <p><b>Vacant since:</b> <i>Select mm/dd/yyyy</i></p>	<p>N/A <input checked="" type="checkbox"/></p>
<p><b>(ii) If yes, during the period of time that the building has been vacant or unused, what percentage of the building was vacant and unused? If the percentage varied during this time period, provide information for each change in the percent of vacant space and the applicable time period.</b></p>	<p>% vacant</p> <p><b>Details:</b></p>	<p>N/A <input checked="" type="checkbox"/></p>
<b>7. INCENTIVES &amp; FINANCING</b>		
<p><b>(a) Please indicate which incentives the applicant is seeking in relation to the expansion project.</b></p>	<p><b>State Investment Tax Credit</b></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
	<p><b>Local Real Estate Tax Incentive</b></p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
	<p><b>State Abandoned Building Renovation Deduction</b></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>
<p><b>(b) Is the applicant seeking tax incentives from the Massachusetts Life Science Center? If yes, please explain as this may affect the potential EDIP benefits.</b></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If, yes please explain:</p>	
<p><b>(c) Please provide detailed information on any other sources of public or quasi-public funding that has been received or will be sought to contribute towards the financing of the proposed expansion.</b></p>	<p>None</p>	
<p><b>(d) Has the applicant previously been approved as a "Certified Project" by the Economic Assistance Coordinating Council (EACC)?</b></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	

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<p><b>If yes, what is the Project (i) name; (ii) municipality; (iii) approval date?</b></p>	<p><b>(i) Project Name:</b></p>	
	<p><b>(ii) Project Municipality:</b></p>	N/A <input checked="" type="checkbox"/>
	<p><b>(iii) Project Approval Date: <i>Select mm/dd/yyyy</i></b></p>	
<p><b>(e) Please indicate whether the applicant has utilized other sources of public or quasi-public funding in the past. <b>If applicable</b>, please explain specific uses of funding and amount. <b>If other</b>, please give details on the funding source.</b></p>	<p><i>Select Funding Source</i></p>	N/A <input checked="" type="checkbox"/>
	<p><i>Select Funding Source</i></p>	N/A <input checked="" type="checkbox"/>
	<p><i>Select Funding Source</i></p>	N/A <input checked="" type="checkbox"/>
	<p><b>If applicable or other, please explain:</b></p>	N/A <input checked="" type="checkbox"/>

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**PART III. LABOR AFFIRMATION**

**1. CERTIFICATION OF STATE & FEDERAL EMPLOYMENT LAWS**

- As an applicant requesting Certified Project approval, OYO Sportstoys, Inc., 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, OYO Sportstoys, Inc., 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:

**IV. AUTHORIZATION & CERTIFICATIONS**

**1. CERTIFICATE OF GOOD STANDING**

<p>Provide proof of good tax standing in the Commonwealth of Massachusetts via a <u>Massachusetts Department of Revenue</u> Certificate of Good Standing for <b>each of the businesses</b> intending to take advantage of the state tax incentives.</p> <p>*Applications will not advance to the supplemental round until a Certificate of Good Standing is received. The certificate must be dated within 6 months of the anticipated EACC meeting that the project is coming forth for review.</p> <p>To obtain a Certificate of Good Standing visit: <a href="https://wfb.dor.state.ma.us/webfile/Certificate/Public/WebForms/Welcome.aspx">https://wfb.dor.state.ma.us/webfile/Certificate/Public/WebForms/Welcome.aspx</a></p>	<p>Attached <input checked="" type="checkbox"/></p> <p>Date of DOR Application for Certificate of Good Standing: 9/16/2015</p> <p>Notes:</p>
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**2. COMPLIANCE WITH MASSACHUSETTS OBLIGATIONS**

**The following section will be sent to The Commonwealth of Massachusetts' Joint Task Force on the Underground Economy and Employee Misclassification which will certify that the applicant is in compliance with its obligations to the state of Massachusetts. The Joint Task Force will contact the applicant directly if there is an outstanding issue.**

Legal Business Name:	OYO Sportstoys, Inc.					
Doing Business As:	OYO Sports					
Primary Business Address:	Address:	20 Main Street				
	City:	Acton	State:	MA	Zip Code:	01720
FEIN (Federal Employer Identification Number):	451683287					
DUA # (Dept. of Unemployment Assistance #):	10054349					
Type of Organization:	Corporation					
Total Number of MA Employees:	95					
List Address(es) of other Business Locations in MA:						

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**3. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT**

*I/We, Craig Gainsboro, Chief Financial Officer (names and titles) of the applicant business applying for "Certified 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 Project" status and that the Commonwealth reserves the right to take action against the applicant or any other beneficiary of the Certified 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.*

*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:**

	Chief Financial Officer	<i>Select mm/dd/yyyy</i>
Name	Title	Date
		<i>Select mm/dd/yyyy</i>
Name	Title	Date

**Attachment**  
**Good Standing Certificate**



THE COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT  
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

Charles D. Baker  
GOVERNOR

Karyn E. Polito  
LT. GOVERNOR



74088370

Ronald L. Walker, II  
SECRETARY

Robert T. Cunningham  
DUA DIRECTOR

Oyo Sportstoy's Inc  
Attn: Suzi Burger  
20 Main Street  
ACTON, MA 01720-2327

EAN: 10054349  
September 16, 2015

Certificate Id:1605

The Department of Unemployment Assistance certifies that as of 9/16/2015, Oyo Sportstoy's Inc is current in all its obligations relating to contributions, payments in lieu of contributions, and the employer medical assistance contribution established in G.L.c.149, §189.

This certificate expires in 30 days from the date of issuance.

Robert T. Cunningham, Director

Department of Unemployment Assistance

MASSACHUSETTS DEPT. OF REVENUE  
P.O. BOX 7066  
BOSTON, MA 02204



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AMY PITTER, COMMISSIONER  
ROBERT O'NEILL, BUREAU CHIEF

OYO SPORTSTOYS, INC.  
20 MAIN ST  
ACTON, MA 01720

T/P ID 451683287  
Date 6/19/2014  
Bureau CERTIFICATE

### CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

The Commissioner of Revenue certifies as of the above date, that the above named individual or entity is in compliance with its tax obligations payable under M.G.L. c. 62C, including corporation excise, sales and use taxes, sales tax on meals, withholding taxes, room occupancy excise and personal income taxes, with the following exceptions.

This Certificate certifies that individual taxpayers are in compliance with income tax obligations and any sales and use taxes, sales tax on meals, withholding taxes, and/or room occupancy taxes related to a sole proprietorship. Persons deemed responsible for the payment of these taxes on behalf of a corporation, partnership or other business entity may not use our automated process to obtain a Certificate.

This Certificate does not certify that the entity's standing as to taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law. Taxpayers required to collect or remit the following taxes must submit a separate request to certify compliance: Alcoholic Beverage Excise, Cigarette Excise, Sales Tax on Boats, International Fuels Tax Agreement, Smokeless Tobacco or Ferry Embarkation.

THIS IS NOT A WAIVER OF LIEN ISSUED UNDER GENERAL LAWS, CHAPTER 62C,  
SECTION 52.

Very truly yours

A handwritten signature in black ink, appearing to read "Robert O'Neill", written over a horizontal line.

Robert O'Neill, Bureau Chief

**Attachment  
TIF Agreement**

**TAX INCREMENT FINANCING AGREEMENT BETWEEN  
THE CITY OF MARLBOROUGH, OYO SPORTSTOYS, INC. AND  
U.S. REIF 111 LOCKE DRIVE MASSACHUSETTS, LLC**

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**"), OYO Sportstoys, Inc. (the "**Company**"), and U.S. REIF 111 Locke Drive Massachusetts, LLC (the "**Owner**").

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

**WHEREAS**, the Company is a foreign for-profit corporation organized under the laws of Delaware, having its principal U.S. headquarters located at 20 Main Street, Acton, MA 01720, and is authorized to do business in Massachusetts; and

**WHEREAS**, the Owner is the fee owner of the parcel of land located at 111 Locke Drive, Marlborough, Massachusetts 01752, as further depicted on Marlborough City Assessor's Map 54, Parcel 1 (the "**Property**"); and

**WHEREAS**, the Company intends:

- 1) To lease from the Owner a minimum of 65,000 rentable square feet of space in an approximately 131,489 square foot building located at 111 Locke Drive, Marlborough, together with parking facilities and other improvements located thereon (hereinafter, the leased space is defined as the "**Project Area**"); and
- 2) To make improvements to the Project Area in furtherance of constructing a state-of-the-art advanced manufacturing facility, and corporate headquarters; and

**WHEREAS**, the Project Area is to be located within the boundaries of the Framingham-Marlborough Regional Economic Target Area (ETA) (as that term is used in Massachusetts General Laws, Chapter 23A, Section 3D, and referred to below as the "**ETA**"); and

**WHEREAS**, the Company expects to have based out of the Project Area approximately ninety-five (95) permanent, full-time jobs presently located throughout Massachusetts, and beginning on the effective date of this agreement, to create and, over the term of the agreement, to maintain at the Project Area one hundred (100) new, permanent, full-time jobs 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 \$8 million in combined soft, 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 lease 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 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 ETA; and

**WHEREAS**, by a letter dated October 1, 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 and the Owner 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 and the Owner 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 ten (10) years (the "Exemption Term"), commencing on July 1, 2016 (the beginning of fiscal year 2017) and ending on June 30, 2026 (the end of fiscal year 2026). 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**

<b>REAL PROPERTY EXEMPTION</b>	
<b>Fiscal Year</b>	<b>Exemption Percentage</b>
2017	100%
2018	100%
2019	50%
2020	50%
2021	30%
2022	25%
2023	25%
2024	5%
2025	5%
2026	5%

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 Plan, which is expected to be December 16, 2015. However, the initial improvements to the Project Area are expected to be completed in approximately March 2016. 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 will be fiscal year 2016. Consequently, 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 AND THE OWNER'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 lease of the Project Area from the Owner and development of the site into a state-of-the-art advanced manufacturing center and corporate headquarters;

- (b) As part of leasing the Project Area, the Company agrees that it will make capital improvements, which are currently estimated to be approximately \$8 million in combined soft, 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) The Company and the Owner agree to timely pay all of the taxes owed to the City by the Company and the Owner, respectively, over the term of this TIF Agreement; and
- (d) The Company agrees to relocate to the Project Area, following completion of the improvements in approximately March 2016, ninety-five (95) permanent full-time jobs which are existing as of the effective date of this Agreement and which are presently located throughout Massachusetts, and thereafter to create and maintain over the term of the Agreement a minimum of one hundred new permanent full-time jobs, for a minimum cumulative of one hundred and ninety-five (195) 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 ("Permanent Full-Time Employees"). The following schedule details the Company's schedule of job creation at the Project Area:

<b>SCHEDULE OF JOB CREATION</b>			
End of Fiscal Year(s)	Permanent Full-Time Employees Relocated	Permanent Full-Time Employees New	Minimum Cumulative Total of Permanent Full-Time Employees
June 30, 2017	95	10	105
June 30, 2018	105	15	120
June 30, 2019	120	25	145
June 30, 2020	145	25	170
June 30, 2021	170	25	195
June 30, 2022	195	0	195
June 30, 2023	195	0	195
June 30, 2024	195	0	195
June 30, 2025	195	0	195
June 30, 2026	195	0	195

The Company shall work in good faith in accordance with Section B.1(e) below and, during the life of the Agreement, shall maintain an employment figure of one hundred ninety-five (195) 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 shall 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 Total of Permanent Full-Time Employees requirement detailed in the Schedule of Job Creation above;
  - (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 and the Owner shall provide the City with any and all information related to the Project Area, including the Company's and the Owner'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 Total of Permanent Full-Time Employees requirements detailed 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 Minimum Cumulative Total of Permanent Full-Time Employees level at the end of FY 2018 is 100 instead of 120, then the real property tax exemption percentage otherwise applicable for FY 2019 would actually be  $(100/120) \times 50\%$ , or 41.67%.

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 Total of Permanent Full-Time Employees requirement for that later year. If the Company meets or exceeds its Minimum Cumulative Total of Permanent Full-Time Employees requirement, 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 at the Project Area's street address. 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, 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 immediately prior to 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	90%
2018	80%
2019	70%
2020	60%
2021	50%
2022	40%
2023	30%
2024	20%
2025	10%
2026	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 Owner or 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 tenant, if any; may include information about such prospective new 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 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 or the Owner.

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, and upon the Owner 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. The Owner shall pass along to the Company all real property tax savings resulting from this Agreement.
4. 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.
5. The effective date of this Agreement shall be December 16, 2015, the (presumptive) date of the Economic Assistance Coordinating Council's approval of the TIF Agreement.
6. 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, Company, or Owner or 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 parties 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: OYO Sportstoys, Inc.  
Attention: Craig Gainsboro, Chief Financial Officer  
20 Main Street  
Acton, MA 01720

cc: Martin Hanssmann, Senior Vice President  
OYO Sportstoys, Inc.  
20 Main Street  
Acton, MA 01720

Beginning with the start of fiscal year 2017, all communications should be delivered to the Company at the Project Area's street address: 111 Locke Drive, Marlborough, MA 01752.

OWNER: U.S. REIF 111 Locke Drive Massachusetts, LLC  
Attention: Scott Kelly  
Intercontinental Management Corp.  
1270 Soldiers Field Road  
Boston, MA 02135

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

AGREED TO:

**OYO Sportstoys, Inc.**

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2015

**Craig Gainsboro**  
Chief Financial Officer  
OYO Sportstoys, Inc.

**COMMONWEALTH OF MASSACHUSETTS**

\_\_\_\_\_, ss.

On \_\_\_\_\_, 2015, before me, the undersigned notary public, personally appeared Craig Gainsboro, as Chief Financial Officer of OYO Sportstoys, 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: \_\_\_\_\_

**U.S. REIF 111 LOCKE DRIVE MASSACHUSETTS, LLC**  
a Delaware limited liability company

By: U.S. REIF 111 Locke Drive Massachusetts Manager, LLC  
a Delaware limited liability company, its Manager

By: U.S. Real Estate Investment Fund REIT, Inc.  
a Delaware corporation, its Manager

By: \_\_\_\_\_  
Name: Peter Palandjian  
Title: President, Treasurer and Secretary

**COMMONWEALTH OF MASSACHUSETTS**

\_\_\_\_\_, ss.

On \_\_\_\_\_, 2015, before me, the undersigned notary public, personally appeared Peter Palandjian, as President, Treasurer and Secretary of U.S. Real Estate Investment Fund REIT, Inc.,

the Manager of U.S. REIF 111 Locke Drive Massachusetts Manager, LLC, the Manager of U.S. REIF 111 Locke Drive Massachusetts, LLC, 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**  
**(as to OYO Sportstoys, Inc.)**

I, Thomas K. Skripps, a director of OYO Sportstoys, Inc. (“the Company”), a Delaware corporation, do hereby certify that Craig Gainsboro is the Chief Financial Officer of the Company; that Craig Gainsboro, in his capacity as Chief Financial Officer of the Company, is authorized and empowered to sign, seal, execute, acknowledge and deliver the Tax Increment Financing Agreement between the City of Marlborough, the Company and U.S. REIF 111 Locke Drive Massachusetts, LLC; and that the signature of said Craig Gainsboro, in his capacity as Chief Financial Officer of the Company, shall be and is valid and binding upon the Company, and its successors and assigns, for all purposes.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_, 2015  
Thomas K. Skripps  
President, Treasurer and Secretary  
OYO Sportstoys, Inc.

Place of Business: 20 Main Street, Acton, MA 01720

AFFIX SEAL

**CERTIFICATE OF AUTHORIZATION**  
**(as to U.S. REIF 111 Locke Drive Massachusetts, LLC)**

I, Paul Nasser, Director of U.S. Real Estate Investment Fund REIT, Inc. (the “Corporation”), a Delaware corporation, do hereby certify that Peter Palandjian is the President, Treasurer and Secretary of the Corporation; that the Corporation is the Manager of U.S. REIF 111 Locke Drive Massachusetts Manager, LLC, which is the Manager of U.S. REIF 111 Locke Drive Massachusetts, LLC, (“the Owner”); that Peter Palandjian, in his capacity as the President, Treasurer and Secretary of the Corporation, is authorized and empowered to sign, seal, execute, acknowledge and deliver the Tax Increment Financing Agreement between the City of Marlborough, the Owner and OYO Sportstoys, Inc.; and that the signature of said Peter Palandjian, in his capacity as the President, Treasurer and Secretary of the Corporation, shall be and is valid and binding upon the Company, and its successors and assigns, for all purposes.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_, 2015  
Paul Nasser  
Director  
U.S. Real Estate Investment Fund REIT, Inc.,  
as Manager of U.S. REIF 111 Locke Drive Massachusetts Manager, LLC,  
as Manager of U.S. REIF 111 Locke Drive Massachusetts, LLC

Place of Business: 1270 Soldiers Field Road, Boston, MA 02135

AFFIX SEAL

**Attachment  
Resolution**

**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 54, Parcel 1 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 OYO Sportstoys, Inc.'s application for an EDIP Certified Project, which includes a state investment tax credit and a local real estate tax incentive; 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 OYO Sportstoys, Inc.'s request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Certified Project for ten (10) 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.

**Attachment  
Local Incentive Valuation  
Spreadsheet**



**Estimated Real Property Tax Savings OYO Sports - 111 Locke Drive, Marlborough, MA**

	Year	Base Valuation	Improvement Value	Est. New Assessment	Tax Rate	Tax From New Development	Tax @ 100% Value	TIF Payment Each Year	TIF % Exemption	Taxes Paid Each Year	TIF Benefit Each Year	
Fiscal Year	2015	Base	\$8,057,100		\$27.43	-	\$221,006	-	-	\$221,006		
	2017	1	\$8,300,626	\$2,000,000	\$10,300,626	\$27.43	\$54,860	\$282,546	\$54,860	100%	\$227,686	\$54,860
	2018	2	\$8,425,135	\$2,030,000	\$10,455,135	\$27.43	\$55,683	\$286,784	\$55,683	100%	\$231,101	\$55,683
	2019	3	\$8,551,512	\$2,060,450	\$10,611,962	\$27.43	\$56,518	\$291,086	\$28,259	50%	\$262,827	\$28,259
	2020	4	\$8,679,785	\$2,091,357	\$10,771,142	\$27.43	\$57,366	\$295,452	\$28,683	50%	\$266,769	\$28,683
	2021	5	\$8,809,982	\$2,122,727	\$10,932,709	\$27.43	\$58,226	\$299,884	\$17,468	30%	\$282,416	\$17,468
	2022	6	\$8,942,131	\$2,154,568	\$11,096,699	\$27.43	\$59,100	\$304,382	\$14,775	25%	\$289,608	\$14,775
	2023	7	\$9,076,263	\$2,186,887	\$11,263,150	\$27.43	\$59,986	\$308,948	\$14,997	25%	\$293,952	\$14,997
	2024	8	\$9,212,407	\$2,219,690	\$11,432,097	\$27.43	\$60,886	\$313,582	\$3,044	5%	\$310,538	\$3,044
	2025	9	\$9,350,593	\$2,252,985	\$11,603,579	\$27.43	\$61,799	\$318,286	\$3,090	5%	\$315,196	\$3,090
	2026	10	\$9,490,852	\$2,286,780	\$11,777,632	\$27.43	\$62,726	\$323,060	\$3,136	5%	\$319,924	\$3,136
<b>Totals</b>												
											<b>Gross Savings</b>	<b>\$223,995</b>

**Assuming:**

* Base Assessment	\$8,057,100
** Initial improvement value captured by the TIF	\$2,000,000
*** Tax Rate	\$27.43
*** Inflation Factor	1.50%
**** Square Footage	131,489
Improvement value predicated on per sq/ft	\$78.34

\* Current base valuation

\*\* Assumes an initial improvement value of approximately \$2.4M

\*\*\* Rather than add an inflation factor to the Commercial tax rate a generally accepted inflation factor of 1.5% was added