

# CITY OF MARLBOROUGH MEETING POSTING

Meeting Name: City Council Finance Committee

Date: July 29, 2014

Time: 6:30 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

2014 JUL 23 P 12:20

1. **Order No. 14-1005907:** IPG Photonics Tax Increment Finance Agreement

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 21, 2014

ORDERED:

That the IPG Photonics Tax Increment Finance Agreement., be and is herewith refer to **FINANCE COMMITTEE.**

ADOPTED

ORDER NO. 14-1005907

8



# 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

RECEIVED  
CITY CLERK'S OFFICE  
CITY OF MARLBOROUGH

2014 JUL 17 A 11:50

*Arthur G. Vigeant*  
MAYOR

*Michael C. Berry*  
EXECUTIVE AIDE

*Patricia Bernard*  
EXECUTIVE SECRETARY

July 17, 2014

City Council President Patricia Pope  
Marlborough City Council  
140 Main Street  
Marlborough MA, 01752

*Jim*

### Re: IPG Photonics Tax Increment Finance Agreement

Honorable President Pope and Councilors:

I am writing to ask that the Marlborough City Council favorably look upon IPG Photonics Corporation's ("IPG") EDIP application and a proposed, small local tax incentive.

IPG Photonics Corporation, headquartered in Oxford, Massachusetts, is one of the world's leading developers and manufacturers of high-performance fiber lasers and amplifiers.

IPG is a global company with manufacturing facilities in the U.S., Germany, Russia, and Italy, and regional sales offices in many countries, the Company has grown into the world's largest manufacturer in this category and serves customers worldwide in various sectors, including automotive, aerospace, medical, telecommunications, renewable energy, and the federal government.

The Company has outgrown its temporary leased space in Marlborough and has recently purchased two vacant buildings in Marlborough consisting of an estimated 112,000 square feet of space. The Company has proposed plans to renovate the buildings for use as an advanced manufacturing and research and development center. The project investment is estimated at \$13.5 million, including \$7.5 million for renovation costs and \$6 million for personal property.

IPG plans to apply for Certified Project status from the Massachusetts Economic Assistance Coordinating Council (EACC) and plans to seek an EDIP Investment Tax Credit from the Commonwealth of Massachusetts.

IPG's proposed expansion is intended to create an environment that includes system assembly operations along with a research and development center, to further enhance its groundbreaking technology and innovation. As a result of this expansion project, IPG is committed to creating and maintaining one hundred (100) net new, manufacturing and research and development jobs, and retain twenty-four (24) jobs, currently located on Simarano Drive in Marlborough.

Needless to state, fostering the economic growth of a global manufacturing company; such as, IPG in Marlborough is extremely important to the economic health and vitality of our city, especially as we continue to strengthen our fragile economic rebound. Therefore, I am requesting that the City Council work with me in expeditiously approving this EDIP application.

Accordingly, I enclose the following documents supporting this TIF proposal:

1. proposed TIF agreement;
2. proposed TIF plan and zone;
3. proposed Economic Opportunity Area application;
4. proposed EDIP preliminary application;
5. proposed Council resolution regarding the above; and
6. spreadsheets for estimated tax savings on 257 and 259 Cedar Hill Street.

Thank you for your kind attention to this request.

Sincerely,



**Arthur G. Vigeant**  
**Mayor**





257 and 259 Cedar Hill Street

**TAX INCREMENT FINANCING AGREEMENT BETWEEN  
THE CITY OF MARLBOROUGH, IPG PHOTONICS CORPORATION AND IPG REALTY I, LLC**

This **TAX INCREMENT FINANCING AGREEMENT** (the "**TIF Agreement**" or the "**Agreement**") is made by and between the City of Marlborough (the "**City**"), IPG Photonics Corporation ("IPG" or the "**Company**") and IPG Realty I, LLC (the "**Owner**").

**WHEREAS**, the City is a 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**, IPG is a for-profit corporation organized under the laws of Delaware, has its principal U.S. headquarters located at 50 Old Webster Road, Oxford, MA 01540, and is authorized to do business in Massachusetts; and

**WHEREAS**, the Owner is the owner on record of both a parcel of land located at 257 Cedar Hill Street, Marlborough, Massachusetts 01752, as further depicted on Marlborough City Assessor's Map 115, Parcel 1B, as well as a parcel of land located at 259 Cedar Hill Street, Marlborough, Massachusetts, as further depicted on Marlborough City Assessor's Map 115, Parcel 1 (collectively, the "Property"); and

**WHEREAS**, the Company intends to invest approximately \$13.5 million collectively at the two separate buildings located on 257 and 259 Cedar Hill Street (the "Facilities") for redevelopment by creating a state-of-the-art advanced manufacturing and research and development center as outlined in the July 10, 2014 letter to the Marlborough Economic Development Corporation; and

**WHEREAS**, the Company intends to substantially renovate the current approximate 55,983 square feet of space at 257 Cedar Hill Street, and the current approximate 55,983 square feet of space at 259 Cedar Hill Street, with capital expenditures to create the advanced manufacturing operations, together with parking facilities located thereon (hereinafter, the site 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 that term is used in Massachusetts General Laws, Chapter 23A, Section 3D, and referred to below as the "ETA"); and

**WHEREAS**, the Project Area is located within the 257 and 259 Cedar Hill Street Economic Opportunity Area (EOA) (as that term is used in Massachusetts General Law, Chapter 23A, Section 3E, and referred to below as the "EOA"); and

**WHEREAS**, the Company expects to have based out of the Facilities approximately 24 permanent, full-time jobs presently located in Marlborough, Massachusetts, and beginning on the effective date of this agreement, to create and, over the term of the TIF Agreement, to maintain at the Project Area 100 new, permanent, full-time jobs open to qualified residents of Marlborough and the ETA; and

**WHEREAS**, the renovations to the Project Area are estimated to result in an estimated capital investment by the Company of \$13.5 million for renovation and personal property costs (the "Project"); and

**WHEREAS**, the parties to the Agreement are desirous of entering into a TIF Agreement 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 EOA; and

**WHEREAS**, by a letter dated July 17, 2014, the Mayor recommended the TIF Plan and 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 are 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 \_\_\_\_\_, 2014 pursuant to the Resolution attached hereto as Attachment A. 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 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 five (5) years (the "Exemption Term"), commencing on July 1, 2016 (the beginning of fiscal year 2017) and ending on June 30, 2021 (the end of fiscal year 2021). 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	50%
2019	30%
2020	20%
2021	10%

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. The exemption will commence on July 1, 2016, which is the beginning of fiscal year 2017, although, as provided in 760 C.M.R. 22.05(4)(d), see 402 C.M.R. 2.22, the Project will become eligible for the exemption on July 1, 2015 (fiscal year 2016), which is the July 1st following September 24, 2014, the date on which the EACC is anticipated to approve the TIF Plan. Accordingly, the base year for this TIF Agreement will be fiscal year 2015. Consequently, the base valuation for the real property pertinent to the Project Area will be determined as of January 1, 2014.
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 it will operate a state-of-the-art advanced manufacturing and research and development center at the Project Area;
  - (b) As part of proposed improvements in the Project Area, the Company agrees that it will make capital improvements which is currently estimated to be approximately \$13.5 million in renovation 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 Facilities 24 permanent full-time jobs existing as of May 23, 2014 and presently located throughout Massachusetts; and following May 23, 2014, to hire and, over the term of the Agreement, to create a minimum of 100 new permanent full-time employees (as "permanent full-time employee" is defined in 402 C.M.R. 2.03), to be employed at the Facilities as of the beginning of Fiscal Year 2017 (i.e., July 1, 2016) and whose employment by the Company commences on or after May 23, 2014 ("New Permanent Full-Time Employees"). The following schedule details the Company's schedule of job creation:

<b>SCHEDULE OF JOB CREATION</b>	
End of Fiscal Year(s)	Minimum Cumulative New Permanent Full-Time Employee Requirement
June 30, 2017	50
June 30, 2018	50
June 30, 2019	0
June 30, 2020	0
June 30, 2021	0

The Company shall work in good faith in accordance with Section B.1(e) below and shall retain a base employment figure of 24 permanent full-time jobs and create net new 100 full-time jobs over the period starting on May 23, 2014, and maintain said employment job creation, in accordance with the Schedule of Job Creation referenced above, during the life of the Agreement.

- (e) Such New Permanent Full-Time Employees shall be exclusive of the Company's 24 permanent, full-time jobs located throughout Massachusetts as of May 23, 2014 and to be relocated to the Facilities. In meeting its cumulative New Permanent Full-Time Employee commitment above, and consistent with all federal, state and local laws and regulations, the Company shall use commercially 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. Determination of whether any individual is qualified for any specific job or position 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 conducts a job fair in Marlborough for staffing 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 January 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 Facilities at the beginning and end of the reporting period, with a designation of the number of employees that are net new employees as of the effective date of this Agreement and the number of employees that were employed by the Company in Massachusetts prior to the effective date of this Agreement;
  - (b) The specific number of ETA and Marlborough residents respectively employed at the Facilities at the beginning and at the end of the reporting period;

- (c) An accounting of the commercially reasonable 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;
- (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");
- (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, or fails to maintain, its minimum cumulative New 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 2017 is 25 instead of 50, then the real property tax exemption percentage otherwise applicable for FY 2018 would actually be  $(25/50) \times 50\%$ , or 25%.

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 New 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 fails to meet or comply with any of the requirements specified in Paragraphs 1 or 2 of this Section B above or Paragraphs 5, 6 or 7 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 take such action as it deems appropriate to enforce the Company's obligations under this TIF Agreement, including but not limited to a 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. 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 address and simultaneously to IPG Photonics Corporation, Attn: Paolo Sinni, Vice President, Treasurer and Controller and with a copy to IPG General Counsel. Said notice shall be effective upon receipt.

5. As per the Company's letter to the Marlborough Economic Development Corporation dated July 10, 2014 and attached hereto as Attachment B, the Company has committed to operate a state-of-the-art advanced manufacturing and research and development center, and not a warehouse, at the Project Area. If, by the intended start of this TIF Agreement on July 1, 2016 or at any time prior to the expiration of this TIF Agreement, the Company operates a warehouse, or otherwise fails to operate a state-of-the-art advanced manufacturing and research and development center, at the Project Area, the Agreement shall thereupon be deemed null and void, with no Exemption for the Project Area granted to the Company by the City whatsoever.
  
6. 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 as a state-of-the-art advanced manufacturing and research and development center at the Project Area especially as described to the city in the letter attached hereto as Attachment B, 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 as a state-of-the-art advanced manufacturing and research and development center 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 as a State-of-the-Art Advanced Manufacturing and Research and Development Center at the 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%

Such pay-back amounts shall be paid back by the Company in full within thirty (30) 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 sixty (60) days' written notice prior to any Company announcement to the general public (specifically excluding any communications the Company's employees) of a proposed move from, vacation of, abandonment of, or other termination of operations as a state-of-the-art advanced manufacturing and research and development center at the Project Area during the term of this Agreement, unless such notice 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 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.

7. 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 7. However, the extent to which the Company shall hire or purchase from local businesses, vendors and suppliers under this Section 7 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 September 24, 2014, the (presumptive) date of the Economic Assistance Coordinating Council's approval of the TIF Plan and Zone and TIF Agreement.

6. All notices, reports or other communications required or permitted under this TIF Agreement must be in writing signed by a duly authorized representative of the City or the Company 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: IPG Photonics Corporation  
Attention: Paolo Sinni, Vice President, Treasurer and Controller  
50 Old Webster Road  
Oxford, MA 01540

cc: Angelo LoPresti, General Counsel, Secretary and Senior Vice President  
IPG Photonics Corporation

OWNER: IPG Realty I, LLC  
Attention: IPG Photonics Corporation  
50 Old Webster Road  
Oxford, MA 01540

cc: Angelo LoPresti, General Counsel, Secretary and Senior Vice President  
IPG Photonics Corporation

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:

**IPG Photonics Corporation**

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

Dated: \_\_\_\_\_, 2014

Paolo Sinni  
Vice President, Treasurer and Controller  
IPG Photonics Corporation

**COMMONWEALTH OF MASSACHUSETTS**

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

On \_\_\_\_\_, 2014, before me, the undersigned notary public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of IPG Photonics Corporation, 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: \_\_\_\_\_

**IPG Realty I, LLC**

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

Dated: \_\_\_\_\_, 2014

Its Manager  
IPG Photonics Corporation  
Paolo Sinni  
Vice President, Treasurer and Controller  
IPG Photonics Corporation

**COMMONWEALTH OF MASSACHUSETTS**

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

On \_\_\_\_\_, 2014, before me, the undersigned notary public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of IPG Realty I, 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: \_\_\_\_\_, 2014

**COMMONWEALTH OF MASSACHUSETTS**

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

On \_\_\_\_\_, 2014, 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 VOTE**

I, \_\_\_\_\_, \_\_\_\_\_ of IPG Photonics Corporation (the "Corporation"), hereby certify that, at a meeting of the Board of Directors of the Corporation duly held on \_\_\_\_\_, 2014, which date is earlier than the effective date of the Tax Increment Financing Agreement between the City of Marlborough, IPG Photonics Corporation and IPG Realty I, LLC, at which a quorum was present and voting throughout, the following vote was duly passed and is now in full force and effect:

"Voted: That \_\_\_\_\_ be and hereby is authorized, directed and empowered for, in the name of and on behalf of the Corporation, to sign, seal, execute, acknowledge and deliver the Tax Increment Financing Agreement between the City of Marlborough, IPG Photonics Corporation and IPG Realty I, LLC by said \_\_\_\_\_ to be valid and binding upon the Corporation for all purposes; and that a certificate of the Clerk of the Corporation setting forth this vote shall be delivered to the Mayor for the City of Marlborough; and that this vote shall remain in full force and effect unless and until the same has been altered, amended or revoked by a subsequent vote of such directors and a certificate of such later vote attested to by the Clerk of the Corporation is delivered to the Mayor for the City of Marlborough."

I further certify that \_\_\_\_\_ is the duly-elected \_\_\_\_\_ of the Corporation.

Signed: \_\_\_\_\_ Dated: \_\_\_\_\_, 2014

[name]  
[title]  
IPG Photonic Corporation

Place of Business: 50 Old Webster Road  
Oxford, MA 01540

AFFIX SEAL

In the event that the Clerk or Secretary is the same person as the Officer authorized to sign the said Agreement for the Corporation, this Certificate must be counter-signed by another officer of the Corporation.

Countersignature:

**ATTACHMENT A**

**RESOLUTION:**

**WHEREAS**, the City Council of the City of Marlborough strongly supports increased economic development to provide additional jobs for qualified residents of the City and the Framingham-Marlborough Regional Economic Target Area ("ETA"), which shall enhance the commercial and industrial activity within the City, and to promote and develop a healthy economy and stronger tax base; and

**WHEREAS**, the City of Marlborough is part of a regional ETA; and

**WHEREAS**, the City Council of the City of Marlborough supports and endorses the economic development goals for the ETA; and

**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 Map 115, Parcels 1B and 1 on the Marlborough Assessor's Map; and

**WHEREAS**; the City Council of the City of Marlborough further supports and endorses the economic development goals contained in the 257 and 259 Cedar Hill Street Economic Opportunity Area application; and

**WHEREAS**, the City Council of the City of Marlborough finds that the 257 and 259 Cedar Hill Street Economic Opportunity Area meets the regulatory criteria defined as a "decadent area"; and

**WHEREAS**, the City Council of the City of Marlborough finds that the 257 and 259 Cedar Hill Street Economic Opportunity Area meets the local criteria and economic development goals set forth in the original Economic Target Area application; 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 within the 257 and 259 Cedar Hill Street Economic Opportunity Area in the City of Marlborough be authorized:

1. The City Council of the City of Marlborough hereby endorses the 257 and 259 Cedar Hill Street Economic Opportunity Area ("EOA") and authorizes the submission of the 257 and 259 Cedar Hill Street EOA application (attached hereto as Exhibit 1) to the Massachusetts Economic Assistance Coordinating Council, said EOA to be comprised of Map 115, Parcels 1B and 1 on the Marlborough Assessor's Map; and
2. The City Council of the City of Marlborough hereby adopts the tax increment financing plan and authorizes the submission of a tax increment financing plan (attached hereto as Exhibit 2) to the Massachusetts Economic Assistance Coordinating Council; and

3. 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 (attached hereto as Exhibit 3) to the Massachusetts Economic Assistance Coordinating Council; and
4. The City Council of the City of Marlborough hereby requests that the Massachusetts Economic Assistance Coordinating Council approve IPG Photonics Corporation's application for an EDIP Certified Project (attached hereto as Exhibit 4); and further, that:
  - a. The project, as proposed, is consistent with and can reasonably be expected to benefit significantly from inclusion in the 257 and 259 Cedar Hill Street EOA;
  - b. The project will not overburden the City of Marlborough's infrastructure and utilities servicing the 257 and 259 Cedar Hill Street EOA;
  - c. The project as described in the proposal will have a reasonable chance of increasing employment opportunities for residents of the Framingham - Marlborough Regional ETA; and
  - d. The City Council approves IPG Photonics Corporation's request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Certified Project for five (5) years.

ADOPTED  
In City Council  
Order No 14-100\_\_\_\_  
Adopted

Approved by Mayor  
Arthur G. Vigeant  
Date:

A TRUE COPY  
ATTEST:

**ATTACHMENT B**



July 10, 2014

Timothy Cummings

Executive Director

Marlborough Economic Development Corporation

91 Main Street Suite 204

Marlborough, MA 01752

***RE: IPG Photonics Corporation***

***Proposed Advanced Manufacturing Center - Marlborough, Massachusetts***

Dear Tim:

Thank you for your continued interest to attract the proposed IPG Photonics advanced manufacturing center to Marlborough. We continue to be attracted to the positive business climate the City has to offer.

As previously noted, IPG has outgrown its temporary space in Marlborough and has recently purchased two vacant buildings in the city consisting of an estimated 112,000 square feet of space for warehouse purposes or for the renovation as a state-of-the art advanced manufacturing center.

The Company's preferred option, which necessitates favorable state and local incentives, is the development of the manufacturing center with dedicated space as described below.

Building 1 - 257 Cedar Hill Street

80% - Manufacturing

20% - Office

Building 2 - 259 Cedar Hill Street

100% - Research and Development/Clean Rooms/Labs



Should the Company proceed with the proposed renovation and development of the buildings, the properties would not be utilized as a warehouse.

We look forward to establishing a beneficial partnership with the City of Marlborough. It is essential that favorable state and local tax incentives be secured to ensure that our advanced manufacturing center remains in Massachusetts.

Please do not hesitate to contact me if you need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paolo Sinni', with a stylized flourish at the end.

Paolo Sinni

Vice President, Treasurer, and Controller

cc: Marlborough Mayor Arthur Vigeant  
Marlborough City Council President Pope  
Marlborough City Councilor Delano  
Michael Berry, Executive Aide, Marlborough Mayor  
Lynn Tokarczyk, Business Development Strategies, Inc.

**TAX INCREMENT FINANCING  
PLAN & ZONE**

*City of Marlborough*

257 and 259 Cedar Hill Street EOA  
IPG Photonics Corporation  
and  
IPG Realty I, LLC

July 2014

1) Location

A. Framingham - Marlborough Regional Economic Target Area (ETA):

*The City of Marlborough established a site-specific Economic Opportunity Area ("EOA") at 257 and 259 Cedar Hill Street, as further depicted on Marlborough City Assessor's Map 115 Parcel 1B and Map 115 Parcel 1, respectively. The City of Marlborough and IPG Photonics propose a Tax Increment Financing Zone ("TIF Zone") within the 257 and 259 Cedar Hill Street EOA, which consists of two buildings on two separate Map and Parcels; each building is an estimated 55,983 square feet, and combined contain approximately 111,966 square feet, all within the broader Framingham – Marlborough ETA.*

B. Municipality:

*City of Marlborough, County of Middlesex, Commonwealth of Massachusetts.*

C. TIF Zone:

1. Location and Map:

*The TIF Zone is the entirety of 257 and 259 Cedar Hill Street located on Marlborough City Assessor's Map 115, Parcel 1B and Map 115, Parcel 1, respectively. The TIF Zone consists of nearly 112,000 square feet of space spread over two buildings, which are owned by IPG Realty I, LLC, including parking facilities, located at 257 and 259 Cedar Hill Street, Marlborough, Massachusetts 01752. A map showing the location of the TIF Zone is attached as Attachment A.*

2. Legal Description:

*A description of the TIF Zone is attached as Attachment B.*

3. TIF Zone Issues:

*None.*

4. Property Owners within the proposed Zone:

*257 and 259 Cedar Hill Street, shown on the City of Marlborough Assessor's Map as Map 115 Parcel 1B and Map 115 Parcel 1, respectively, is currently owned by IPG Realty I, LLC and is targeted for a redevelopment project. IPG Photonics Corporation ("IPG Photonics" or "IPG") is the manager of IPG Realty I, LLC.*

2) Duration of TIF Zone and Plan

A. Length of Time:

*The duration of the TIF Zone, Tax Increment Financing Plan ("TIF Plan") will be for a period of 5 years (Fiscal Year 2017 through 2021). The TIF Plan and Agreement herein shall commence upon final approval of the TIF Plan by the Economic Assistance Coordinating Council ("EACC"). IPG Photonics' eligibility for the tax increment exemption under the proposed Tax Increment Financing Agreement would commence on the first day of July of 2016.*

### 3) TIF Zone and Economic Development

#### A. Continued Development Opportunity:

*Per its proposed local TIF Agreement with the City of Marlborough, IPG Photonics intends to make capital investments at 257 and 259 Cedar Hill Street estimated to be \$13.5 million. The company also anticipates retaining 24 full-time jobs and creating 100 new, permanent full-time jobs at the location over the first two (2) years of the proposed TIF Agreement, and maintaining all such jobs over the entire term of the proposed TIF Agreement.*

#### B. Net Economic Benefit to the City of Marlborough:

*The benefits of IPG Photonics' investments that will accrue to the City of Marlborough are considerable and include the following:*

- *Retention of 24 permanent full-time employees to Marlborough;*
- *Creation of 100 new, net permanent full-time jobs over the first two (2) years of the proposed TIF Agreement;*
- *Maintaining all 124 such jobs over the entire term of the proposed TIF Agreement;*
- *Significant new capital investment estimated to be \$13.5 million;*
- *Increase in commercial tax revenues/base; and*
- *Higher and better use of existing land and building located at 257 and 259 Cedar Hill Street that is currently vacant and obsolete.*

#### C. Analysis of Proposed and Potential Land Uses and Zoning

*The 257 and 259 Cedar Hill Street site is located within the City of Marlborough's Industrial zoning district that allows for commercial/industrial uses per the City's Zoning Ordinance. IPG's proposed investment and use of the land/property will conform to the intent of the zoning districts in which it is located and achieve the economic development goals of the municipality for this corridor.*

#### 4) TIF Zone Project

##### A. Private Project (Company Description):

*IPG Photonics Corporation, headquartered in Oxford, Massachusetts, is one of the world's leading developers and manufacturers of high-performance fiber lasers and amplifiers. Since its founding in 1990, IPG has pioneered the development and commercialization of optical fiber-based lasers for use in a wide range of markets. Fiber lasers have revolutionized the industry by delivering superior performance, reliability and usability at a lower total cost compared with conventional lasers, allowing end users to increase productivity and decrease operating costs. IPG's lasers should continue to displace traditional lasers in many existing applications due to their superior performance and value. In February 2014, the Company unveiled a new portfolio of lasers that showcases its innovative technology and provides customers with better value and expanding applications.*

*IPG is a global company with manufacturing facilities in the U.S., Germany, Russia and Italy, and regional sales offices in Japan, Korea, India and the United Kingdom. Since the Company's founding, it has grown into the largest manufacturer in the world in this category with sales in the U.S., Canada, Asia, and other countries.*

*IPG currently leases temporary space in Marlborough and due to customer demands, The Company, acting through IPG Realty I, LLC, has recently purchased two vacant buildings in Marlborough consisting of an estimated 111,966 square feet of space. The Company has proposed plans to renovate the buildings for use as a state-of-the-art advanced manufacturing and research and development center, with dedicated space for clean rooms, labs and manufacturing.*

*IPG Photonics is the only project envisioned for the TIF Zone.*

*A Marlborough City Council vote approving the 257 and 259 Cedar Street EOA, and the TIF Plan and Zone, as certified by the Marlborough City Clerk is provided as part of Attachment C, attached hereto.*

##### B. Public Projects:

*No other projects, public or private, are anticipated for the TIF Zone.*

5. Financing for Planned TIF Project

A. Anticipated Financing for the 257 and 259 Cedar Hill Street Project:

*Financing for the TIF Project will be self-financed from private sources.*

B. Anticipated Financing for Other Projects:

*No other projects, public or private are anticipated for the TIF Zone.*

6. Tax Increment Financing

*A Marlborough City Council vote, as certified by the Marlborough City Clerk approving the TIF Agreement, and which has been executed by the Marlborough Mayor, as directed by the Marlborough City Council, pursuant to M.G. L. c. 40 § 59 and M.G.L. c. 59, § 5, is provided in Attachment D, attached hereto.*

7. Approval of the TIF Project

A. Approval Process:

*All projects seeking EACC approval as an EDIP certified project, local execution of a TIF Agreement and local designation for a defined area as an EOA are forwarded to the Marlborough City Council upon recommendation from the Marlborough Economic Development Corporation and the Mayor along with other local stakeholders comprising an Ad-Hoc Advisory TIF Committee. The Marlborough City Council will then send the EOA application and proposed TIF Agreement to the City Council's Finance Committee for consideration and a recommendation as to approval. Upon review and the approval recommendation by the Finance Committee, the Marlborough City Council then formally approves the TIF Agreement and EOA designation. Once the TIF Agreement is executed by the Mayor and the Project's signatories, the EOA application and TIF Agreement are forwarded to the EACC for request for approval of an EDIP certified project.*

B. Person authorized to execute the TIF Agreement with IPG Photonics:

*The Mayor of the City of Marlborough is authorized to execute the TIF Agreement, as directed by the vote of the Marlborough City Council.*

C. Evidence of Local Approval:

*See Attachment C: The Marlborough City Council Resolution dated \_\_\_\_\_*

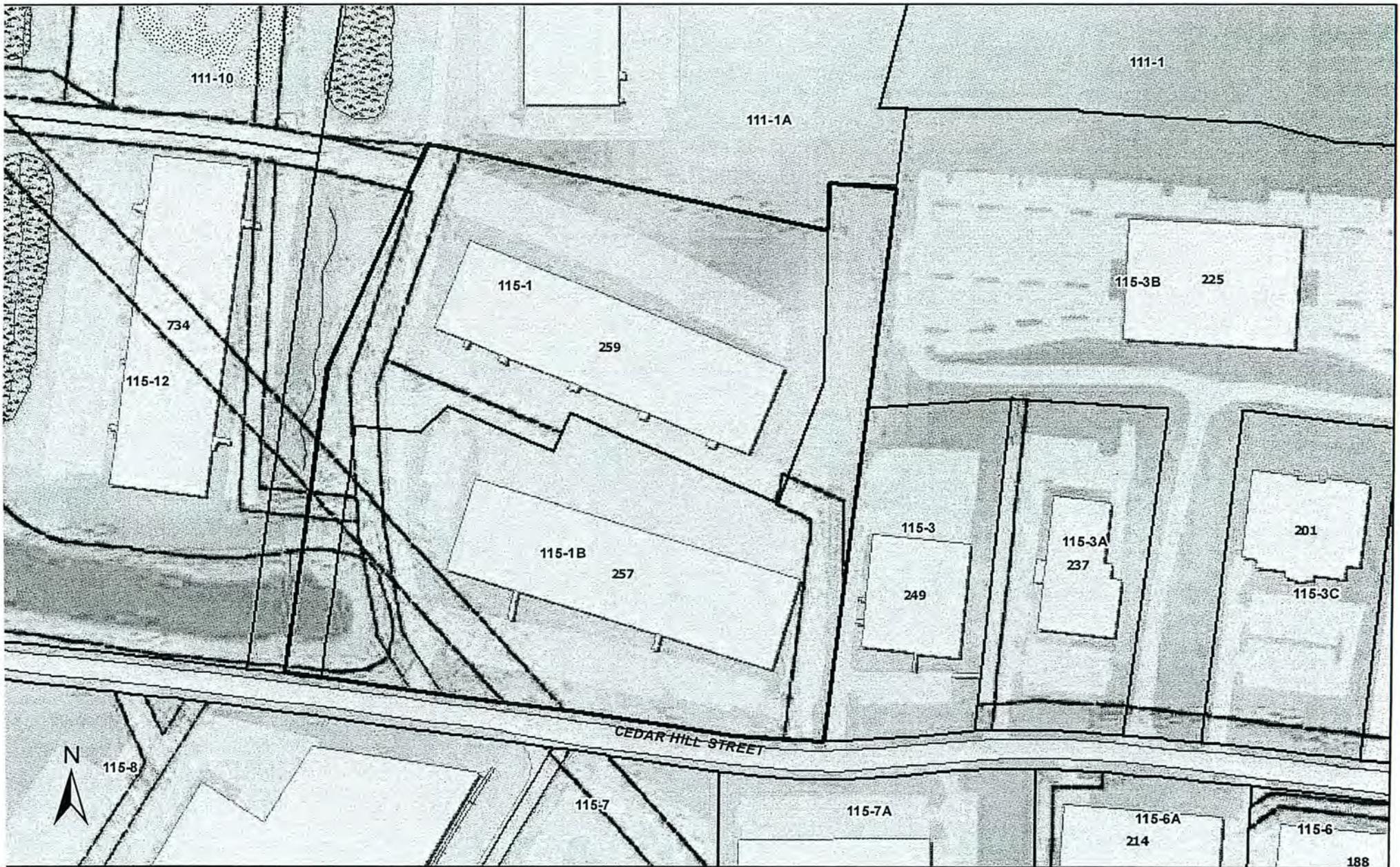
D. EACC Approval

*The request to the EACC for approval of the TIF Plan and Zone and EOA Application is provided as part of this document.*

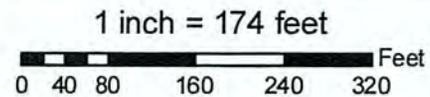
# **Attachment A**

(Map of TIF Zone)

# GIS Map



Easements	Parking Lots	DEP WETLAND
Driveways	<b>Type</b>	
Paved	Paved	
Unpaved	Unpaved	



July 17, 2014

City of Marlborough



All Marlborough GIS data is to be considered a generalized spatial representation that is subject to revisions. This information is provided as a visual representation only and is not to be used as a legal or official representation of legal boundaries. This web site is not intended to be used as the exclusive basis for decision-making.

## **Attachment B**

(Legal Description of TIF Zone)

## EXHIBIT A

### Legal Description

#### 257 Cedar Hill

That certain parcel of land situated on the northerly side of Cedar Hill Street, Marlborough, Middlesex County, Massachusetts, shown as Lot A on a Plan entitled "Subdivision Plan of Land in Marlborough, MA Middlesex County", dated September 30, 1985, prepared by: Beals & Thomas, Inc., recorded with Middlesex South District Registry of Deeds, as Plan No. 1360 of 1985 (the "Plan") and more particularly bounded and described as follows:

Beginning at a point which is located at the southeasterly corner of the premises herein described and the northerly sideline of Cedar Hill Street as shown on said Plan; thence

S 86° 48' 56" W a distance of seven and 64/100 (7.64) feet to a point; thence  
S 86° 01' 27" W a distance of twelve and 97/100 (12.97) feet to a point; thence  
S 88° 15' 47" W a distance of seventy-nine and 38/100 (79.38) feet to a point; thence  
N 80° 00' 00" W a distance of two hundred ten and 00/100 (210.00) feet to a point; thence  
N 81° 43' 23" W a distance of one hundred thirty-eight and 89/100 (138.89) feet to a point; thence  
N 83° 12' 23" W a distance of two hundred thirty five and 38/100 (235.38) feet to a point, the previous six (6) courses bounding on the northerly side of Cedar Hill Street; thence  
N 08° 26' 57" E a distance of three hundred thirty-four and 04/100 (334.04) feet to a point; thence  
S 81° 33' 08" E a distance of eighty-four and 74/100 (84.74) feet to a point; thence  
N 45° 02' 44" E a distance of forty nine and 37/100 (49.37) feet to a point; thence  
S 67° 52' 02" E a distance of one hundred fifty-seven and 09/100 (157.09) feet to a point; thence  
N 22° 07' 58" E a distance of fifty-eight and 00/100 (58.00) feet to a point; thence  
S 67° 52' 02" E a distance of two hundred ninety and 00/100 (290.00) feet to a point; thence  
N 22° 07' 58" E a distance of one hundred eighty and 00/100 (180.00) feet to a point; the previous seven (7) courses bounding on Lot B; thence  
N 00° 17' 50" E a distance of two hundred fifty-three and 49/100 (253.49) feet to a point bounding in part on Lot B and in part on Lot C; thence  
S 89° 42' 10" E a distance of eighty-eight and 76/100 (88.76) feet to a point bounding on Lot C; thence  
S 06° 28' 41" W a distance of seven hundred forty-three and 21/100 (743.21) feet to the point of beginning, bounding in part on land now or formerly of Cedar Hill Place, LLC, and on land now or formerly of Alan G. Germaine, et al.

The exclusive and non-exclusive reciprocal easements, rights, benefits and appurtenances for drainage, ingress, egress, vehicular and pedestrian passage, installation, operation and maintenance of separate and common utilities and other miscellaneous purposes including, but not limited to, use of a detention pond, appurtenant to Parcel I and Parcel II as said easements are shown on that certain plan entitled "Easement Plan of land in Marlborough MA (Middlesex County)" Scale 1"=50' date: December 27, 1985, and revised on February 20, 1986, prepared by Beals and Thomas, Inc., Two Westborough Business Park, 200 Friburg Parkway, Westborough,

MA 01581, and recorded in said Deeds as Plan No. 434 of 1986, all as more particularly described in and incorporated into that certain Declaration of Easement dated as of April 2, 1986 and recorded in said Deeds in Book 16893, Page 434, as affected by First Amendment to Declaration of Easements dated September 28, 1987 and recorded in Book 18687, Page 456, as further affected by an Easement Agreement dated August 29, 1988 and recorded in Book 19304, Page 459.

### **259 Cedar Hill**

That certain parcel of land situated on the northerly side of Cedar Hill Street, Marlborough, Middlesex County, Massachusetts, shown on Lot B on a Plan entitled "Subdivision Plan of Land in Marlborough, MA (Middlesex County), dated September 30, 1985, prepared by: Beals & Thomas, Inc., recorded with Middlesex South District Registry of Deeds, as Plan No. 1360 of 1985 (the "Plan") and more particularly bounded and described as follows:

Beginning at a point which is located at the southwesterly corner of the premises herein described and the northerly street line of Cedar Hill Street, as shown on said Plan; thence

N 08° 26' 57" E a distance of four hundred twenty and 00/100 (420.00) feet to a point; thence  
N 24° 33' 31" E a distance of three hundred fifteen and 29/100 (315.29) feet to a point; thence  
S 75° 53' 34" E a distance of one hundred fifty and 00/100 (150.00) feet to a point; thence  
S 79° 01' 54" E a distance of three hundred ninety-one and 25/100 (391.25) feet to a point; the previous four (4) courses bounding on Lot C; thence  
S 00° 17' 50" W a distance of one hundred ninety-two and 26/100 (192.26) feet to a point; thence  
S 22° 07' 58" W a distance of one hundred eighty and 00/100 (180.00) feet to a point; thence  
N 67° 52' 02" W a distance of two hundred ninety and 00/100 (290.00) feet to a point; thence  
S 22° 07' 58" W a distance of fifty-eight and 00/100 (58.00) feet to a point; thence  
N 67° 52' 02" W a distance of one hundred fifty-seven and 09/100 (157.09) feet to a point; thence  
S 45° 02' 44" W a distance of forty-nine and 37/100 (49.37) feet to a point; thence  
N 81° 33' 08" W a distance of eighty-four and 74/100 (84.74) feet to a point; thence  
S 08° 26' 57" W a distance of three hundred thirty-four and 04/100 (334.04) feet to a point, the previous eight (8) courses bounding on Lot A; thence  
N 83° 12' 23" W a distance of fifty and 02/100 (50.02) feet to the point of beginning. Bounding on the northerly side of Cedar Hill Street.

The exclusive and non-exclusive reciprocal easements, rights, benefits, and appurtenances for drainage, ingress, egress, vehicular and pedestrian passage, installation, operation and maintenance of separate and common utilities and other miscellaneous purposes including, but not limited to, use of detention pond, appurtenant to Parcel I and Parcel II as said easements are shown on that certain Plan entitled "Easement Plan of Land in Marlborough MA (Middlesex County)" Scale 1"=50' date: December 27, 1985, and revised on February 20, 1986, prepared by Beals and Thomas, Inc., Two Westborough Business Park, 200 Friburg Parkway, Westborough, MA 01581, and recorded in said Deeds as Plan No. 434 of 1986, all as more particularly described in and incorporated into that certain Declaration of Easement dated as of April 2, 1986

and recorded in said Deeds in Book 16893, Page 434. As affected by First Amendment to Declaration of Easements dated September 28, 1987 and recorded in Book 18687, Page 456. As further affected by an Easement Agreement dated August 29, 1988, and recorded in Book 19304, Page 459.

# **Attachment C**

(City Council Resolution)

**RESOLUTION:**

**WHEREAS**, the City Council of the City of Marlborough strongly supports increased economic development to provide additional jobs for qualified residents of the City and the Framingham-Marlborough Regional Economic Target Area ("ETA"), which shall enhance the commercial and industrial activity within the City, and to promote and develop a healthy economy and stronger tax base; and

**WHEREAS**, the City of Marlborough is part of a regional ETA; and

**WHEREAS**, the City Council of the City of Marlborough supports and endorses the economic development goals for the ETA; and

**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 Map 115, Parcels 1B and 1 on the Marlborough Assessor's Map; and

**WHEREAS**; the City Council of the City of Marlborough further supports and endorses the economic development goals contained in the 257 and 259 Cedar Hill Street Economic Opportunity Area application; and

**WHEREAS**, the City Council of the City of Marlborough finds that the 257 and 259 Cedar Hill Street Economic Opportunity Area meets the regulatory criteria defined as a "decadent area"; and

**WHEREAS**, the City Council of the City of Marlborough finds that the 257 and 259 Cedar Hill Street Economic Opportunity Area meets the local criteria and economic development goals set forth in the original Economic Target Area application; 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 within the 257 and 259 Cedar Hill Street Economic Opportunity Area in the City of Marlborough be authorized:

1. The City Council of the City of Marlborough hereby endorses the 257 and 259 Cedar Hill Street Economic Opportunity Area ("EOA") and authorizes the submission of the 257 and 259 Cedar Hill Street EOA application (attached hereto as Exhibit 1) to the Massachusetts Economic Assistance Coordinating Council, said EOA to be comprised of Map 115, Parcels 1B and 1 on the Marlborough Assessor's Map; and
2. The City Council of the City of Marlborough hereby adopts the tax increment financing plan and authorizes the submission of a tax increment financing plan (attached hereto as Exhibit 2) to the Massachusetts Economic Assistance Coordinating Council; and

3. 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 (attached hereto as Exhibit 3) to the Massachusetts Economic Assistance Coordinating Council; and
4. The City Council of the City of Marlborough hereby requests that the Massachusetts Economic Assistance Coordinating Council approve IPG Photonics Corporation's application for an EDIP Certified Project (attached hereto as Exhibit 4); and further, that:
  - a. The project, as proposed, is consistent with and can reasonably be expected to benefit significantly from inclusion in the 257 and 259 Cedar Hill Street EOA;
  - b. The project will not overburden the City of Marlborough's infrastructure and utilities servicing the 257 and 259 Cedar Hill Street EOA;
  - c. The project as described in the proposal will have a reasonable chance of increasing employment opportunities for residents of the Framingham - Marlborough Regional ETA; and
  - d. The City Council approves IPG Photonics Corporation's request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Certified Project for five (5) years.

ADOPTED  
In City Council  
Order No 14-100 \_\_\_\_\_  
Adopted

Approved by Mayor  
Arthur G. Vigeant  
Date:

A TRUE COPY  
ATTEST:

# **Attachment D**

(TIF Agreement)

257 and 259 Cedar Hill Street

**TAX INCREMENT FINANCING AGREEMENT BETWEEN  
THE CITY OF MARLBOROUGH, IPG PHOTONICS CORPORATION AND IPG REALTY I, LLC**

This **TAX INCREMENT FINANCING AGREEMENT** (the "**TIF Agreement**" or the "**Agreement**") is made by and between the City of Marlborough (the "**City**"), IPG Photonics Corporation ("IPG" or the "**Company**") and IPG Realty I, LLC (the "**Owner**").

**WHEREAS**, the City is a 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**, IPG is a for-profit corporation organized under the laws of Delaware, has its principal U.S. headquarters located at 50 Old Webster Road, Oxford, MA 01540, and is authorized to do business in Massachusetts; and

**WHEREAS**, the Owner is the owner on record of both a parcel of land located at 257 Cedar Hill Street, Marlborough, Massachusetts 01752, as further depicted on Marlborough City Assessor's Map 115, Parcel 1B, as well as a parcel of land located at 259 Cedar Hill Street, Marlborough, Massachusetts, as further depicted on Marlborough City Assessor's Map 115, Parcel 1 (collectively, the "**Property**"); and

**WHEREAS**, the Company intends to invest approximately \$13.5 million collectively at the two separate buildings located on 257 and 259 Cedar Hill Street (the "**Facilities**") for redevelopment by creating a state-of-the-art advanced manufacturing and research and development center as outlined in the July 10, 2014 letter to the Marlborough Economic Development Corporation; and

**WHEREAS**, the Company intends to substantially renovate the current approximate 55,983 square feet of space at 257 Cedar Hill Street, and the current approximate 55,983 square feet of space at 259 Cedar Hill Street, with capital expenditures to create the advanced manufacturing operations, together with parking facilities located thereon (hereinafter, the site 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 that term is used in Massachusetts General Laws, Chapter 23A, Section 3D, and referred to below as the "**ETA**"); and

**WHEREAS**, the Project Area is located within the 257 and 259 Cedar Hill Street Economic Opportunity Area (EOA) (as that term is used in Massachusetts General Law, Chapter 23A, Section 3E, and referred to below as the "**EOA**"); and

**WHEREAS**, the Company expects to have based out of the Facilities approximately 24 permanent, full-time jobs presently located in Marlborough, Massachusetts, and beginning on the effective date of this agreement, to create and, over the term of the TIF Agreement, to maintain at the Project Area 100 new, permanent, full-time jobs open to qualified residents of Marlborough and the ETA; and

**WHEREAS**, the renovations to the Project Area are estimated to result in an estimated capital investment by the Company of \$13.5 million for renovation and personal property costs (the "**Project**"); and

**WHEREAS**, the parties to the Agreement are desirous of entering into a TIF Agreement 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 EOA; and

**WHEREAS**, by a letter dated July 17, 2014, the Mayor recommended the TIF Plan and 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 are 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 \_\_\_\_\_, 2014 pursuant to the Resolution attached hereto as Attachment A. 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 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 five (5) years (the "Exemption Term"), commencing on July 1, 2016 (the beginning of fiscal year 2017) and ending on June 30, 2021 (the end of fiscal year 2021). 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	50%
2019	30%
2020	20%
2021	10%

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. The exemption will commence on July 1, 2016, which is the beginning of fiscal year 2017, although, as provided in 760 C.M.R. 22.05(4)(d), see 402 C.M.R. 2.22, the Project will become eligible for the exemption on July 1, 2015 (fiscal year 2016), which is the July 1st following September 24, 2014, the date on which the EACC is anticipated to approve the TIF Plan. Accordingly, the base year for this TIF Agreement will be fiscal year 2015. Consequently, the base valuation for the real property pertinent to the Project Area will be determined as of January 1, 2014.
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 it will operate a state-of-the-art advanced manufacturing and research and development center at the Project Area;
  - (b) As part of proposed improvements in the Project Area, the Company agrees that it will make capital improvements which is currently estimated to be approximately \$13.5 million in renovation 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 Facilities 24 permanent full-time jobs existing as of May 23, 2014 and presently located throughout Massachusetts; and following May 23, 2014, to hire and, over the term of the Agreement, to create a minimum of 100 new permanent full-time employees (as "permanent full-time employee" is defined in 402 C.M.R. 2.03), to be employed at the Facilities as of the beginning of Fiscal Year 2017 (i.e., July 1, 2016) and whose employment by the Company commences on or after May 23, 2014 ("New Permanent Full-Time Employees"). The following schedule details the Company's schedule of job creation:

<b>SCHEDULE OF JOB CREATION</b>	
End of Fiscal Year(s)	Minimum Cumulative New Permanent Full-Time Employee Requirement
June 30, 2017	50
June 30, 2018	50
June 30, 2019	0
June 30, 2020	0
June 30, 2021	0

The Company shall work in good faith in accordance with Section B.1(e) below and shall retain a base employment figure of 24 permanent full-time jobs and create net new 100 full-time jobs over the period starting on May 23, 2014, and maintain said employment job creation, in accordance with the Schedule of Job Creation referenced above, during the life of the Agreement.

- (e) Such New Permanent Full-Time Employees shall be exclusive of the Company's 24 permanent, full-time jobs located throughout Massachusetts as of May 23, 2014 and to be relocated to the Facilities. In meeting its cumulative New Permanent Full-Time Employee commitment above, and consistent with all federal, state and local laws and regulations, the Company shall use commercially 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. Determination of whether any individual is qualified for any specific job or position 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 conducts a job fair in Marlborough for staffing 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 January 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 Facilities at the beginning and end of the reporting period, with a designation of the number of employees that are net new employees as of the effective date of this Agreement and the number of employees that were employed by the Company in Massachusetts prior to the effective date of this Agreement;
  - (b) The specific number of ETA and Marlborough residents respectively employed at the Facilities at the beginning and at the end of the reporting period;

- (c) An accounting of the commercially reasonable 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;
- (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");
- (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, or fails to maintain, its minimum cumulative New 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 2017 is 25 instead of 50, then the real property tax exemption percentage otherwise applicable for FY 2018 would actually be  $(25/50) \times 50\%$ , or 25%.

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 New 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 fails to meet or comply with any of the requirements specified in Paragraphs 1 or 2 of this Section B above or Paragraphs 5, 6 or 7 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 take such action as it deems appropriate to enforce the Company's obligations under this TIF Agreement, including but not limited to a 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. 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 address and simultaneously to IPG Photonics Corporation, Attn: Paolo Sinni, Vice President, Treasurer and Controller and with a copy to IPG General Counsel. Said notice shall be effective upon receipt.

5. As per the Company's letter to the Marlborough Economic Development Corporation dated July 10, 2014 and attached hereto as Attachment B, the Company has committed to operate a state-of-the-art advanced manufacturing and research and development center, and not a warehouse, at the Project Area. If, by the intended start of this TIF Agreement on July 1, 2016 or at any time prior to the expiration of this TIF Agreement, the Company operates a warehouse, or otherwise fails to operate a state-of-the-art advanced manufacturing and research and development center, at the Project Area, the Agreement shall thereupon be deemed null and void, with no Exemption for the Project Area granted to the Company by the City whatsoever.
6. 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 as a state-of-the-art advanced manufacturing and research and development center at the Project Area especially as described to the city in the letter attached hereto as Attachment B, 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 as a state-of-the-art advanced manufacturing and research and development center 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 as a State-of-the-Art Advanced Manufacturing and Research and Development Center at the 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%

Such pay-back amounts shall be paid back by the Company in full within thirty (30) 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 sixty (60) days' written notice prior to any Company announcement to the general public (specifically excluding any communications the Company's employees) of a proposed move from, vacation of, abandonment of, or other termination of operations as a state-of-the-art advanced manufacturing and research and development center at, the Project Area during the term of this Agreement, unless such notice 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 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.

7. 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 7. However, the extent to which the Company shall hire or purchase from local businesses, vendors and suppliers under this Section 7 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 September 24, 2014, the (presumptive) date of the Economic Assistance Coordinating Council's approval of the TIF Plan and Zone and TIF Agreement.

6. All notices, reports or other communications required or permitted under this TIF Agreement must be in writing signed by a duly authorized representative of the City or the Company 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: IPG Photonics Corporation  
Attention: Paolo Sinni, Vice President, Treasurer and Controller  
50 Old Webster Road  
Oxford, MA 01540

cc: Angelo LoPresti, General Counsel, Secretary and Senior Vice President  
IPG Photonics Corporation

OWNER: IPG Realty I, LLC  
Attention: IPG Photonics Corporation  
50 Old Webster Road  
Oxford, MA 01540

cc: Angelo LoPresti, General Counsel, Secretary and Senior Vice President  
IPG Photonics Corporation

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:

**IPG Photonics Corporation**

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

Dated: \_\_\_\_\_, 2014

Paolo Sinni  
Vice President, Treasurer and Controller  
IPG Photonics Corporation

**COMMONWEALTH OF MASSACHUSETTS**

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

On \_\_\_\_\_, 2014, before me, the undersigned notary public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of IPG Photonics Corporation, 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: \_\_\_\_\_

**IPG Realty I, LLC**

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

Dated: \_\_\_\_\_, 2014

Its Manager  
IPG Photonics Corporation  
Paolo Sinni  
Vice President, Treasurer and Controller  
IPG Photonics Corporation

**COMMONWEALTH OF MASSACHUSETTS**

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

On \_\_\_\_\_, 2014, before me, the undersigned notary public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of IPG Realty I, 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: \_\_\_\_\_, 2014

**COMMONWEALTH OF MASSACHUSETTS**

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

On \_\_\_\_\_, 2014, 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: \_\_\_\_\_





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

**Economic Development Incentive Program (EDIP)  
ECONOMIC OPPORTUNITY AREA (EOA) DESIGNATION 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 Economic Assistance Coordinating Council (EACC) meeting, without exception.**

<b>PART I. PROPOSED EOA</b>	
<b>1. DESIGNATION OVERVIEW</b>	
<b>Name of Proposed EOA:</b>	257 and 259 Cedar Hill Street EOA
<b>Municipality:</b>	City of Marlborough
<b>EOA Designation is for:</b>	<input checked="" type="checkbox"/> New EOA within a previously approved Economic Target Area <input type="checkbox"/> Amendment to a previously approved EOA
The area is being proposed for designation as the applicable parcels meet the eligibility criteria (see definitions as defined in M.G.L. Chapter 121A, §1 and M.G.L. Chapter 23A §3E):	<input type="checkbox"/> Blighted Open Area <input checked="" type="checkbox"/> Decadent Area <input type="checkbox"/> Substandard Area <input type="checkbox"/> Cumulative Job Loss
<b>Effective Time Period for EOA Designation</b> (Designation must remain in effect for a minimum of 5 Years and Maximum of 20 Years)	<b>5 Years</b>
<b>2. EOA BOUNDARIES</b>	
<b>(a) Attachment A: Map of Proposed EOA</b> Please attach a detailed map of the proposed EOA, indicating the existing streets, highways, waterways, natural boundaries and other physical features.	<input checked="" type="checkbox"/> <b>Attached</b>
<b>(i)</b> Please provide a detailed description of the EOA boundaries including parcel numbers and how said area conforms to the definition of either “Blighted Open Area”, “Decadent Area”, “Substandard Area and/or “Cumulative Job Loss” as marked in section 1.  The proposed EOA is located at 257 and 259 Cedar Hill Street consisting of two buildings in Marlborough, Massachusetts and is listed in Marlborough City Assessor's files as Map 115 Parcel 1B and Map 115 Parcel 1. Please see the location map attached in "Attachment A". The proposed EOA is located along southwest quadrant off Simarano Drive with easy access to Rt. 90 & Rt. 495. The proposed EOA is in an industrial zoned area and is a designated area within	

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ECONOMIC ASSISTANCE COORDINATING COUNCIL  
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

the city for employment growth. The proposed EOA has been targeted because it meets the definition of a "decadent area". The 100% vacant properties require substantial building upgrades in order to meet the company's business requirements for a proposed advanced manufacturing and research and development center. The factors that makes this site eligible for EOA designation are because the buildings are in need of major maintenance and repair, a substantial change in business conditions and inadequate light, air and open space.

### 3. REASON FOR DESIGNATION

**(a) Please describe the reason for the proposed EOA Designation. Please include:**

- (i) A brief narrative of why the EOA designation is important to the community.
- (ii) If a business has indicated an intention to locate or expand within the proposed EOA, please provide the name and brief description of the company. If applicable, attach the letter of intent.

(i) The City of Marlborough is seeking an EOA designation, because the community aspires to increase the number of jobs offered within the municipality and in the region. The City of Marlborough is within the Framingham-Marlborough Economic Target Area ("ETA") and achieving the EOA designation will enhance in helping the community redevelop these properties and achieve its long term economic goals.

(ii) IPG Photonics Corporation ("IPG") has indicated an intention to locate within the proposed EOA. IPG, headquartered in Oxford, Massachusetts, is one of the world's leading developers and manufacturers of high-performance fiber lasers and amplifiers. Since the Company's founding in 1990, it has grown into the largest manufacturer in the world in this category and sells to customers worldwide in various sectors including automotive, aerospace, medical, telecommunications, renewable energy, and the federal government. Please find the enclosed letter of intent in "Attachment B".

**(b) Please describe the economic development goals for the proposed EOA during the first five years of EOA designation.**

IPG has targeted the proposed EOA to create a state-of-the-art advanced manufacturing and research and development center. The proposed EOA site is currently owned by IPG Realty I, LLC and is currently 100% vacant and unoccupied.

Additionally, the economic development goals for the proposed EOA for the next five years include:

1. Retain 24 permanent full-time jobs in the proposed EOA located within the Framingham-Marlborough ETA,
2. Create 100 new permanent, full-time jobs at the proposed EOA,
3. The proposed EOA will benefit from a private investment of approximately \$13.5 million in renovation and personal property costs,
4. Increasing the city's commercial tax base,
5. Encouraging productivity in a commercially zoned area of the City; and
6. Promoting the redevelopment and revitalization of a decadent site.

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**PART II. MUNICIPAL DESIGNATION PROCESS**

**1. MUNICIPAL AUTHORITATIVE REVIEW**

EOA Authoritative Review Municipal Official or Board/Council/Etc.	The Mayor and Marlborough Economic Develop. Corp.				
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				

**(a) Indicate the local standards and procedures for review of project proposals including:**

- (i) the application procedures,
- (ii) the timeframe for review and determination
- (iii) and the criteria and process for approval of project proposals
- (iv) Attachments of any additional documentation required (if applicable)

(i) The Mayor and Marlborough Economic Development Corporation are authorized to review project proposals on behalf of the City of Marlborough. The Marlborough City Council is the legislative entity that ultimately approves all EOA Designations and Tax Increment Financing Agreements. All projects seeking EACC approval as an EDIP Certified Project, local execution of a TIF Agreement and local designation for a defined area as an EOA are forwarded to the Marlborough City Council upon recommendation from the Marlborough Economic Development Corporation and the Mayor along with other local stakeholders comprising of an Ad-Hoc Advisory TIF Committee. The Marlborough City Council will then send the EOA application and proposed TIF Agreement to the City Council Finance Committee for consideration and approval. Upon review and approval by the Finance Committee, the Marlborough City Council then formally approves the TIF Agreement and EOA Designation. Once the TIF Agreement is executed by the Mayor and the Project's signatory, the EOA application and TIF Agreement are forwarded to the EACC for approval and EDIP Project certification. (ii) The timeframe for review and determination is approximately 10 weeks. (iii) the municipality wants to ensure there is a substantial private investment and a corresponding commitment to increase the number of jobs located at a proposed EOA while also meeting community development objectives.

**2. LOCAL APPROVAL STREAMLINING**

(a) Provide a proposal and plan (or attach existing plan) to increase the ease of doing business by streamlining delivery of local services within the EOA such as the municipality's permit, approval and license procedures. See: "Best Practice Model for Streamlined Local Permitting"

The City of Marlborough is a business-friendly community whose municipal officials are always willing to work with businesses to promote economic development. City officials help companies navigate the local permitting and zoning process and expedite these approvals whenever possible. The City of Marlborough implements an expedited permit review process that is coordinated by the City's administrative Site Plan Review Committee. The City's Building Inspector, Fire and Police Chief, as well as other professional staff, sit on the Site Plan Review Committee. Additionally, the EOA is in a industrial zoned area of the municipality and the use is "by-right", which further streamlines the review process. The municipality has also charged the Marlborough Economic Development Corporation to be an ombudsman local contact for private entities that may need assistance through the permitting review process. Lastly, it would be remiss not to point out the fast-paced track record the City has when permitting projects. The proposed EOA is already adequately serviced by sewer, water, gas, electric, voice data and cable. At this time, no additional services are envisioned for the EOA.

(b) **Compliance with Community Reinvestment Act:** Include a copy of a municipal plan or policy, if any exists, which links the municipality's choice of banking institutions to the bank's compliance with the requirements of the Community Reinvestment Act.

Attached  
 N/A

**PART III. SPECIAL REQUIREMENTS FOR LARGE MUNICIPALITIES**

**This section must be completed by any municipality or member of a regional ETA with a population that exceeds fifty thousand (50,000) people. The population threshold should be calculated based on the most recent statistics available from the U.S. Bureau of the Census.**

Please check appropriate selection:

- Municipality or regional ETA population exceeds 50,000 people (if checked, please complete the below Part III.)
- Municipality or regional ETA population is less than 50,000 people (if checked, Part III. is not required, please skip to Part IV.)

**1. MUNICIPAL INFRASTRUCTURE SUPPORT**

Provide an analysis of the existing infrastructure support and municipal services, including transportation access, water and sewer hook-ups, lighting, and fire and police protection to and for certified projects within the proposed EOA(s). Indicate if the existing level of services and infrastructure is adequate to support the anticipated development in the proposed EOA(s).

Provide a proposal for meeting additional demand for municipal services and infrastructure improvement, including costs and funding sources available for these improvements.

The proposed EOA site meets the demand needs and sufficiently supports the certified projects infrastructure requirements.

**2. JOB TRAINING PROGRAMS**

Describe the municipality's plans to secure access to publicly or privately sponsored training programs for employees of certified projects and for residents of the municipality/ETA.

The city through Marlborough Economic Development plans to assist the certified project in accessing the Commonwealth's workforce training fund program as needed.

**3. LOCAL COMMUNITY INVOLVEMENT**

Describe the municipality's plans to increase the level of private sector involvement and the level of involvement by community development organizations in the economic revitalization of the area proposed for designation. For example, local involvement could include commitments from private persons to provide jobs and job training to residents or to employees who for certified projects in the proposed EOA(s).

The city using the resources of Marlborough Economic Development Corporation shall actively promote the Cedar Hill Street corridor for business attraction and expansion. The city plans to partner with the various property owners to appropriately market the area.

**PART IV. MUNICIPAL BINDING WRITTEN OFFER**

The municipality completing this application must provide a **binding written offer** to provide either tax increment financing or a special tax assessment to each certified project located within the proposed EOA(s).

Please attach a copy of the municipality's binding written offer.

- (i) **In cities**, this shall be in the form of a City Council Order or Resolution, along with a Certified Vote by the City Clerk.
- (ii) **In towns with Town Meeting form of government**, this shall be in the form of a Town Meeting Motion, along with a Certified Vote by the Town Clerk.
- (iii) **In towns with Town Council form of government**, this shall be in the form of a Town Council Order or Resolution, along with a Certified Vote by the Town Clerk.

**Attached**

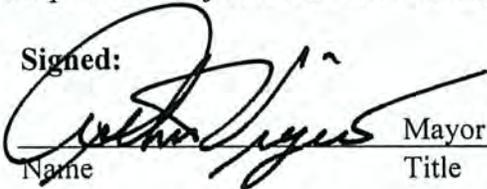
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ECONOMIC ASSISTANCE COORDINATING COUNCIL  
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

**PART V. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT**

*I/We Arthur Vigeant (fill in name and title) of the applicant municipality applying for "Economic Opportunity Area" Designation 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. I/we understand that the information provided with this application will be relied upon by the Commonwealth in deciding whether to approve "Economic Opportunity Area" Designation and that the Commonwealth reserves the right to take action against the applicant or any other beneficiary of the Economic Opportunity Area if 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:**



Mayor

July 17, 2014

Name

Title

Date

*Select mm/dd/yyyy*

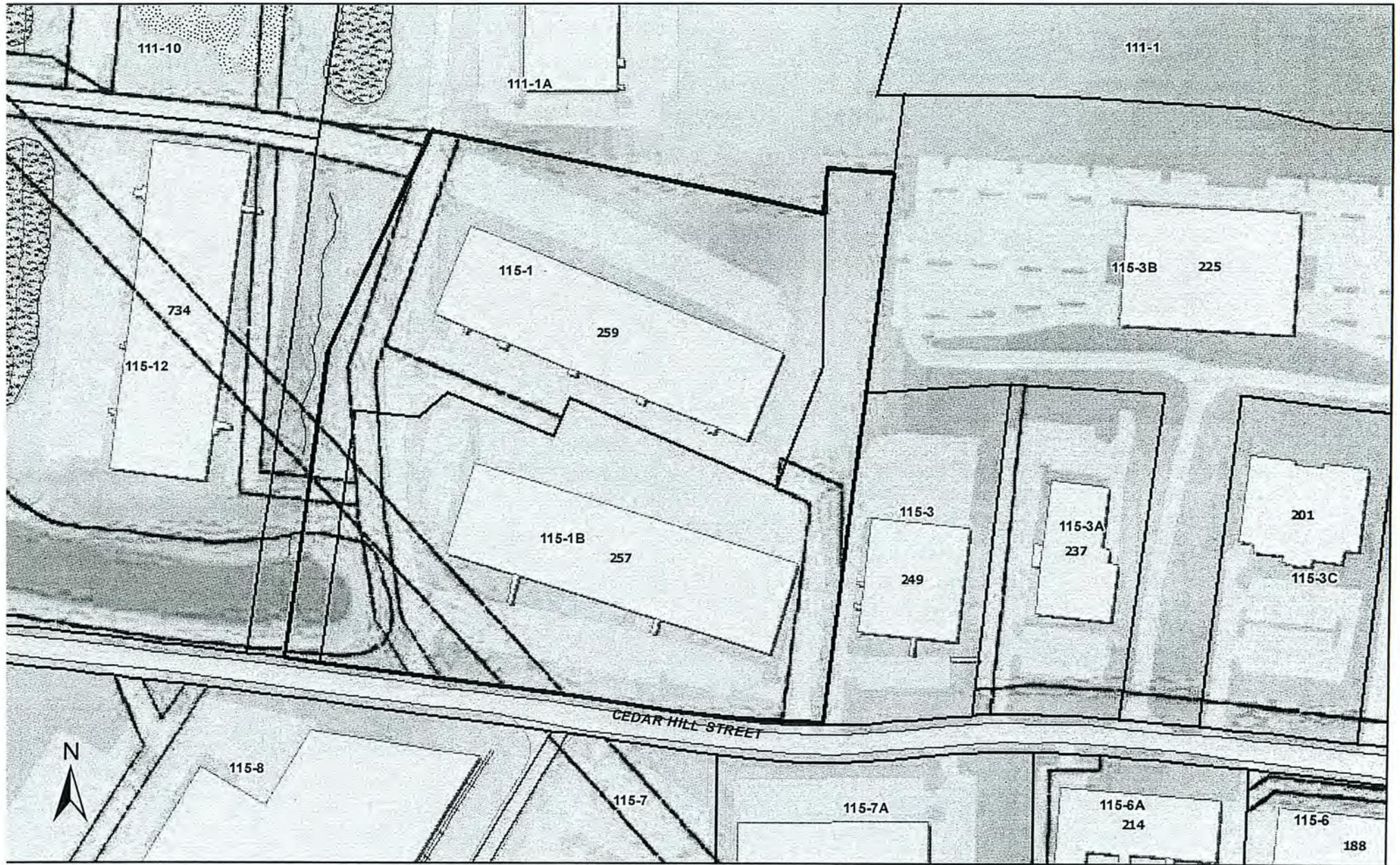
Name

Title

Date

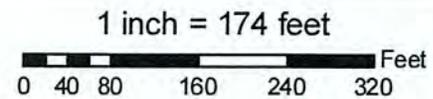
**ATTACHMENT A**

# GIS Map



Easements	Parking Lots	DEP WETLAND
Driveways	<b>Type</b>	
Paved	Paved	
Unpaved	Unpaved	

Map 115 Parcel 1  
 Map 115 Parcel 1B  
 257 & 259 Cedar Hill EOA



July 13, 2014

City of Marlborough  
 Massachusetts



All Marlborough GIS data is to be considered a generalized spatial representation that is subject to revisions. This information is provided as a visual representation only and is not to be used as a legal or official representation of legal boundaries. This web site is not intended to be used as the exclusive basis for decision-making.

**ATTACHMENT B**



May 23, 2014

Arthur Vigeant, Mayor  
City of Marlborough  
Marlborough City Hall  
140 Main Street  
Marlborough, MA 01752

***RE: Massachusetts Economic Development Incentive Program  
Formal Incentives Intent Letter – Marlborough, Massachusetts***

Dear Mayor Vigeant:

It was a pleasure meeting with Mike Berry and Tim Cummings on April 30th, 2014, to discuss IPG Photonics' ("IPG") proposed expansion plans in the City of Marlborough and the available economic incentives.

Founded in 1990, IPG Photonics Corporation, currently headquartered in Oxford, Massachusetts, is one of the world's leading developers and manufacturers of high-performance fiber lasers and amplifiers.

Due to increased customer demand for IPG's products, the Company has proposed plans to expand its operations in Massachusetts. IPG maintains its global headquarters, research and development, and manufacturing operations in Oxford. The Company also leases temporary space in Marlborough, Massachusetts.

IPG has outgrown its temporary space and has recently purchased two vacant buildings in Marlborough consisting of an estimated 112,000 square feet of space. Among the options under consideration is the renovation of the buildings for use as an advanced manufacturing center, with dedicated space for clean rooms, labs and manufacturing. Another option is to keep the facility as a warehouse for storage. Should IPG proceed with the manufacturing center option, the project investment is estimated at \$13.5 million, including \$7.5 million for renovation costs and \$6 million for personal property. The Company plans to retain 24 jobs in Marlborough and create 100 new permanent full-time jobs.

Please accept this letter pursuant to the requirements of the Commonwealth's Economic Development Incentive Program (EDIP) as IPG's formal Letter of Intent to apply for incentives

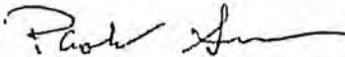
that may include a state EDIP Investment Tax Credit (ITC) and local real estate property tax relief in the form of Tax Increment Financing (TIF).

As an innovative Company with a significant global market and presence, IPG has become an economic engine in the region, spending significant dollars on products and services with local businesses. The Company's proposed expansion in Marlborough would attract a highly educated and technical workforce whose focus is on skilled manufacturing, and research and development.

Over the nearly 25 years since its founding, IPG has established deep roots in Massachusetts as evidenced by its dedication to education, community involvement and support for local programs. The proposed expansion project would provide substantial immediate and long-term economic benefits to the City of Marlborough, the region, and the Commonwealth of Massachusetts.

We look forward to establishing a mutually beneficial partnership with the City of Marlborough as we consider this advanced manufacturing center project.

Sincerely,



Paolo Sinni  
Vice President, Treasurer, and Controller

cc: Michael Berry, Executive Aide, Marlborough Mayor  
Tim Cummings, Executive Director, Marlborough Economic Development Corporation  
Annamarie Kersten, EDIP Director  
Rob Anderson, MOBD Regional Director  
Lynn Tokarczyk, Business Development Strategies, Inc.



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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.

<b>PART I. COMPANY OVERVIEW</b>					
<b>1. COMPANY INFORMATION</b>					
Company Name:	IPG Photonics Corporation (Alternatively, "IPG" or the Company") IPG Realty I, LLC (Alternatively, the "LLC") a disregarded entity				
Project Location Address:	Street Address:	Two separate IPG Project Locations: 257 Cedar Hill Street 259 Cedar Hill Street  (Alternatively, the "Project")			
	City:	Marlborough	MA	Zip Code:	01752
Company Headquarters Location:	City:	Oxford	State:	MA	
FEIN (Federal Employer Identification Number):	IPG Photonics Corporation 04-3444218 IPG Realty I, LLC 00-1132421				
DUA # (Dept. of Unemployment Assistance #):	83047220				
Type of Organization:	<b>Type of Organization:</b> IPG is a Corporation The LLC is a Limited Liability Company, a disregarded entity				
Company's Taxable Year End:	December 31st				
NAICS Code:	333513				
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:	<p>(a) <b>Current Outside of MA sales as of 07/14/14 : 99%</b></p> <p>(b) <b>Projected Outside of MA sales upon completion of project: 99%</b></p> <p><b>Additional Information (if necessary):</b> The out-of-state sales are expected to be maintained as a result of the proposed project.</p>				

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**2. COMPANY CONTACT**

Executive Officer/ Company Designee:	Full Name:	Paolo Sinni	Title:	Vice President, Treasurer & Controller	
Contact (if different from above):	Full Name:	Same	Title:		
Contact Address:	Street Address:	50 Old Webster Road			
	City:	Oxford	State:	MA	Zip Code: 01540
Telephone Number:	(508) 373-1122				
Email Address:	<a href="mailto:psinni@ipgphotonics.com">psinni@ipgphotonics.com</a>				

**3. COMPANY DESCRIPTION & HISTORY**

**Please provide a brief description and history of the company.**

IPG Photonics Corporation, headquartered in Oxford, Massachusetts, is one of the world’s leading developers and manufacturers of high-performance fiber lasers and amplifiers. Since its founding in 1990, IPG has pioneered the development and commercialization of optical fiber-based lasers for use in a wide range of markets. Fiber lasers have revolutionized the industry by delivering superior performance, reliability and usability at a lower total cost compared with conventional lasers, allowing end users to increase productivity and decrease operating costs. IPG’s lasers should continue to displace traditional lasers in many existing applications due to their superior performance and value. In February 2014, the Company unveiled a new portfolio of lasers that showcases its innovative technology and provides customers with better value and expanding applications.

IPG is a global company with manufacturing facilities in the U.S., Germany, Russia and Italy, and regional sales offices in Japan, Korea, India, and the United Kingdom. Since the Company’s founding, it has grown into the largest manufacturer in the world in this category, with sales in the U.S., Canada, Asia, and other countries. IPG has shipped more than 40,000 units to over 500 customers worldwide in various sectors, including automotive, aerospace, medical, telecommunications, solar, renewable energy, and the federal government.

IPG is an environmental leader. The Company has developed fiber lasers that are “greener” than conventional lasers and are more electrically efficient than other competing technologies. These practices have allowed IPG’s customers to become more energy efficient. The Company has also developed an energy savings calculator, available on their website, to assist its customers in estimating potential energy savings for using fiber lasers as compared with other types of industrial lasers. These innovative developments have positioned IPG to become more competitive in the marketplace.

IPG’s revolutionary fiber-based lasers have garnered numerous awards and accolades for the Company. In 2013, IPG was named one of Fortune Magazine’s Top 100 Fastest Growing Companies and one of Forbes’s Fastest Growing Tech Companies. In addition, IPG received the Business Leader of the Year Award from the Worcester Business Journal in 2014.

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**PART II. ECONOMIC DEVELOPMENT PROJECT**

**1. PROPOSED BUSINESS EXPANSION PROJECT**

**(a) Please provide a description of the proposed expansion project.**

As noted above, IPG currently owns and occupies an estimated 420,000 square feet of space in Oxford, Massachusetts, and leases temporary space in Marlborough. Due to customer demands, the Company, acting through IPG Realty I, LLC, has recently purchased two vacant buildings in Marlborough. Each building is an estimated 55,983 square feet, totaling an estimated 111,966 square feet of space. The Company has proposed plans to renovate the buildings for use as a state-of-the art advanced manufacturing, and research and development center, with dedicated space for clean rooms, labs, and manufacturing.

**(b) Does the current public infrastructure meet the proposed certified project's needs? If no, please explain.**

Yes  No

If no, please explain:

**2. PROJECT TIMELINE**

<b>(a) Please indicate the date a Letter of Intent was sent to the municipality and cc: MOBD Regional Director:</b>	<b>(b) Date the applicant expects to begin the project:</b>	<b>(c) Date the applicant expects to complete the project:</b>	<b>(d) Date the applicant expects to open the facility:</b>
<i>06/05/2014</i>	<i>10/1/2014</i>	<i>12/31/2015</i>	<i>03/31/2016</i>

**Additional Information (if necessary) on Project Timeline:**

**3. INVESTMENT BREAKDOWN**

**Please provide a breakdown of the expected investment required and associated costs.**

Land: \$0  
 Construction: \$7,500,000  
 Machinery & Equipment: \$6,000,000  
 Other : \$0

**Total Projected Investment: \$ 13,500,000**

**Additional Information (if necessary) on Investment:**

The total Project investment is estimated at \$13.5 million. The investment breakdown is as follows:

257 Cedar Hill Street, project investment is estimated at \$6.5 million for manufacturing operations.

- \$3.5 million renovation investment including improvements for assembly, and office.
- \$3 million personal property investment including equipment for cleaning, compressors, chiller and water treatment equipment, hoods and laminar floor benches.

259 Cedar Hill Street, project investment is estimated at \$7 million for research and development operations.

- \$4 million renovation investment including improvements for R&D, application labs, and cleanrooms,
- \$3 million personal property investment including equipment for robots, laser testing and enclosures, labs, metrology and information technology.

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**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?	50 Old Webster Road Oxford, MA 01540  377 Simarano Drive (Temporary leased Space) Marlborough, MA 01752	N/A <input type="checkbox"/>
(ii) If no, what is the applicant's full-time, permanent employment in Massachusetts (total of all MA facilities)?	911 full-time permanent MA employees as of 06/30/2014	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 checked="" type="checkbox"/> No <input type="checkbox"/>  <b>If yes, please explain:</b> The Company leases temporary space in Marlborough. The employees will be transferred to the new facility located at 257 and 259 Cedar Hill Street in Marlborough once renovations are completed.	

**5. PROJECT LOCATION EMPLOYMENT**

Please indicate the number of:

(a) Full-Time Permanent Jobs to be Created (net new to facility and Massachusetts):	(b) Full-Time Permanent Employment to be Retained (number of employees currently at the Project Location, if any):	(c) Full-time Permanent Employees to be transferred from other Massachusetts Locations to Project Location (if any):	(d) Total Full-Time Permanent Existing Jobs to be Retained at Project Location (Sum of questions 5b. and 5c.):
100	0	24	24

**Additional Information (if necessary) on Project Location Employment:** The Company currently has 24 employees located at a temporary facility in Marlborough. These employees will be transferred to the new facility in Marlborough. No employees will be transferred from the Oxford location. The new jobs will require candidates with a wide range of talents and skills, such as engineers, scientists, assembly workers, technicians, and information technology specialists.

**(e) What action will the applicant take to recruit employees from among residents of the municipality and/or Economic Target Area?**

IPG plans to recruit qualified job applicants from Marlborough, the ETA region, and the Commonwealth of Massachusetts. IPG plans to advertise open positions online and in local and regional newspapers, including *The MetroWest Daily News*, *The Marlborough Enterprise*, and with professional recruiters. In addition, the Company expects to participate in local job fairs and Massachusetts Division of Career Services programs for its recruitment efforts.

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**(f) Will the project result in significant spin off economic benefit and support Massachusetts based suppliers and contractors? Please explain.**

Yes. The Company plans to entertain bids from qualified suppliers and contractors for the proposed Project from within the Commonwealth of Massachusetts. If a qualified supplier or contractor is selected, the addition of jobs to other industries is expected. IPG has an extensive track record of using local suppliers and spends an estimated \$15 million annually for a wide array of products and services. The Company engages over 400 Massachusetts companies to provide products, parts and services, including welders, machine and repair shops, tools, metals, plating, electrical supplies, plastics, crating, office supplies, and technology services among others. Should this project proceed, IPG expects to increase its expenditures with Massachusetts vendors to an estimated \$17 million annually.

**6. FACILITY**

<b>(a)</b> 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"/>	
<b>(i)</b> 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>(ii)</b> If owning, will the applicants fully occupy the space?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>(iii)</b> If the applicant will not fully occupy the space, does it intend to lease/rent the remaining space? If yes, to whom (if known)?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, to whom?	N/A <input checked="" type="checkbox"/>
<b>(b)</b> Is the site of the facility a 43D Preferred Development Site? If yes, name site.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, name site:	N/A <input type="checkbox"/>
<b>(c)</b> Does the proposed expansion project involve the renovation and reuse of an abandoned building?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>(i)</b> If yes or unsure, how long has the building been vacant or unused (if known, state date)	30 months Vacant since: December 2011	N/A <input type="checkbox"/>
<b>(ii)</b> 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.	100 % vacant  <b>Details:</b> The buildings have been 100% vacant for more than two years.	N/A <input type="checkbox"/>

**7. INCENTIVES & FINANCING**

<b>(a)</b> Please indicate which incentives the applicant is seeking in relation to the	<b>State Investment Tax Credit</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	<b>Local Real Estate Tax Incentive</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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expansion project.	<b>State Abandoned Building Renovation Deduction</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
(b) Is the applicant seeking tax incentives from the Massachusetts Life Science Center? <b>If yes</b> , please explain as this may affect the potential EDIP benefits.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If, yes please explain:</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.	The Company does not plan to pursue other sources of public or quasi-public financing programs.	
(d) Has the applicant previously been approved as a "Certified Project" by the Economic Assistance Coordinating Council (EACC)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
<b>If yes</b> , what is the Project (i) name; (ii) municipality; (iii) approval date?	(i) <b>Project Name:</b> IPG Photonics Corporation (ii) <b>Project Municipality:</b> Oxford (iii) <b>Project Approval Date:</b> 12/21/2011	N/A <input type="checkbox"/>
(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.	<i>Select Funding Source</i> The Company has received a Workforce Training Fund from the MA Executive Office of Labor and Workforce Development in 2007 in the amount of \$33,535 for Lean Manufacturing.	N/A <input type="checkbox"/>
	<i>Select Funding Source</i>	N/A <input checked="" type="checkbox"/>
	<i>Select Funding Source</i>	N/A <input checked="" type="checkbox"/>
	<b>If applicable or other, please explain:</b>	N/A <input checked="" type="checkbox"/>

**PART III. LABOR AFFIRMATION**

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

- As an applicant requesting Certified Project approval, IPG Photonics Corporation and IPG Realty I, LLC, 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, IPG Photonics Corporation and IPG Realty I, LLC, 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.

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**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  No

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  No

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  No

Details:

**IV. 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 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.

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: 7/10/14

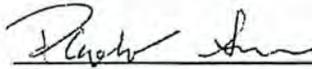
Notes: The Company intends to apply for an EDIP ITC. The LLC is a disregarded entity for federal and state tax purposes. The LLC will file under IPG Corporation tax ID number.

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**2. AUTHORIZATION & CERTIFICATION**

I, Paolo Sinni, Vice President, Treasurer & Controller, of the applicant businesses applying for "Certified Project" status from the Commonwealth of Massachusetts, Economic Assistance Coordinating Council hereby certify that I 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. I 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 if the Commonwealth discovers that the applicant intentionally provided misleading, inaccurate, or false information. I make this certification under the pains and penalties of perjury.

Signed:



Name

7/17/14

Date

Paolo Sinni

Name

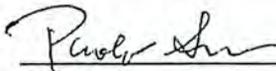
Vice President, Treasurer & Controller

Title

**3. CERTIFICATION AS TO ACCURACY AND PUBLIC RECORDS LAW ACKNOWLEDGEMENT**

The signatories hereby certify that the answers in this application and the documents submitted in support thereof are accurate and complete representations of the applicant. They 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:



Name

VP, Treasurer + Controller

Title

7/17/14

Date

Paolo Sinni

Name

Vice President, Treasurer & Controller

Title

**RESOLUTION:**

**WHEREAS**, the City Council of the City of Marlborough strongly supports increased economic development to provide additional jobs for qualified residents of the City and the Framingham-Marlborough Regional Economic Target Area ("ETA"), which shall enhance the commercial and industrial activity within the City, and to promote and develop a healthy economy and stronger tax base; and

**WHEREAS**, the City of Marlborough is part of a regional ETA; and

**WHEREAS**, the City Council of the City of Marlborough supports and endorses the economic development goals for the ETA; and

**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 Map 115, Parcels 1B and 1 on the Marlborough Assessor's Map; and

**WHEREAS**; the City Council of the City of Marlborough further supports and endorses the economic development goals contained in the 257 and 259 Cedar Hill Street Economic Opportunity Area application; and

**WHEREAS**, the City Council of the City of Marlborough finds that the 257 and 259 Cedar Hill Street Economic Opportunity Area meets the regulatory criteria defined as a "decadent area"; and

**WHEREAS**, the City Council of the City of Marlborough finds that the 257 and 259 Cedar Hill Street Economic Opportunity Area meets the local criteria and economic development goals set forth in the original Economic Target Area application; 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 within the 257 and 259 Cedar Hill Street Economic Opportunity Area in the City of Marlborough be authorized:

1. The City Council of the City of Marlborough hereby endorses the 257 and 259 Cedar Hill Street Economic Opportunity Area ("EOA") and authorizes the submission of the 257 and 259 Cedar Hill Street EOA application (attached hereto as Exhibit 1) to the Massachusetts Economic Assistance Coordinating Council, said EOA to be comprised of Map 115, Parcels 1B and 1 on the Marlborough Assessor's Map; and
2. The City Council of the City of Marlborough hereby adopts the tax increment financing plan and authorizes the submission of a tax increment financing plan (attached hereto as Exhibit 2) to the Massachusetts Economic Assistance Coordinating Council; and

3. 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 (attached hereto as Exhibit 3) to the Massachusetts Economic Assistance Coordinating Council; and
4. The City Council of the City of Marlborough hereby requests that the Massachusetts Economic Assistance Coordinating Council approve IPG Photonics Corporation's application for an EDIP Certified Project (attached hereto as Exhibit 4); and further, that:
  - a. The project, as proposed, is consistent with and can reasonably be expected to benefit significantly from inclusion in the 257 and 259 Cedar Hill Street EOA;
  - b. The project will not overburden the City of Marlborough's infrastructure and utilities servicing the 257 and 259 Cedar Hill Street EOA;
  - c. The project as described in the proposal will have a reasonable chance of increasing employment opportunities for residents of the Framingham - Marlborough Regional ETA; and
  - d. The City Council approves IPG Photonics Corporation's request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Certified Project for five (5) years.

ADOPTED  
In City Council  
Order No 14-100\_\_\_\_  
Adopted

Approved by Mayor  
Arthur G. Vigeant  
Date:

A TRUE COPY  
ATTEST:



