

City of Marlborough Public Meeting Posting

RECEIVED
CITY CLERK'S OFFICE
CITY OF MARLBOROUGH

Meeting Name: City Council Finance Committee

2023 APR 26 PM 2: 03

Date: May 1, 2023

Time: 7:00 PM

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

This meeting will be held in the City Council Chamber. Public attendance is permitted. The meeting will be televised on WMCT-TV (Comcast Channel 8 or Verizon/Fios Channel 34) or you can view the meeting using the link under the Meeting Videos tab on the city's website, home page (www.marlborough-ma.gov).

04-24-23 – Order No.23-1008868: Communication from Mayor Vigeant together with proposed Tax Increment Financing (TIF) Agreement with ModernaTX, a biotech company with plans to purchase and operate a bio manufacturing facility and office space at 149 Hayes Memorial Drive (Map 99, Parcel 3).

-REFER TO FINANCE

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., APRIL 24, 2023

ORDERED:

That the Proposed Tax Increment Financing (TIF) Agreement with ModernaTX, Inc. a biotech company with plans to purchase and operate a bio manufacturing facility and office space at 149 Hayes Memorial Drive (Map 99, Parcel 3), be and is herewith referred to the **FINANCE COMMITTEE**.

ADOPTED

ORDER NO. 23-1008868



City of Marlborough
Office of the Mayor

RECEIVED
CITY CLERK'S OFFICE
CITY OF MARLBOROUGH
2023 APR 20 AM 11:26

10
Arthur G. Vigeant
MAYOR

Patricia M. Bernard
CHIEF OF STAFF

Meredith Roberts
INTERIM
EXECUTIVE ADMINISTRATOR

140 Main Street
Marlborough, Massachusetts 01752
508.460.3770 Fax 508.460.3698 TDD 508.460.3610
www.marlborough-ma.gov

April 20, 2023

City Council President Michael Ossing
Marlborough City Council
140 Main Street
Marlborough, MA 01752

Re: Tax Increment Financing Agreement – ModernaTX, Inc.

Honorable President Ossing and Councilors:

Please find the enclosed for your review a tax-increment financing (TIF) agreement with ModernaTX, Inc. Moderna, a biotech company currently based in Cambridge, Massachusetts with plans to purchase 149 Hayes Memorial Drive, a 24-acre parcel of land combined with a new 140,000 square feet empty bio manufacturing facility to house manufacturing and office space.

Moderna will create and maintain a minimum of 200 permanent, full-time jobs available to qualified Marlborough residents at this facility. Moderna has plans to add 60,000 square feet to maximum build out with a total capital investment estimated at \$322,200,000 combined soft and real property costs. Additionally, they are applying for Certified Project status from the Economic Assistance Coordinating Council for a local only application.

Moderna, a leader in biotechnology and recognized for its COVID-19 vaccine, is creating a new generation of transformative medicines for patients and currently employs 3,900 across the globe. Moderna currently has 48 mRNA (*Messenger RNA is a type of single-stranded RNA involved in protein synthesis*) programs in their pipeline. In 2022, their platform technology delivered the world's first-ever mRNA cancer treatment to show efficacy in a randomized Phase 2 study and they continue to develop individualized treatment and therapy for disease.

In addition to its success in biotechnology, Moderna, a distinguished employer, has earned the following accolades:

- 2021 & 2022 TIME100 recognized as the Most Influential Companies
- 2022 Ranked #1 in large employer category in BioSpace's Best Places to Work
- 2021 Ranked #1 Fast Company's Best Workplaces for Innovators

FINANCE

- 2021 Ranked #1 among Fortune's Change the World Vaccine Makers
- 2021 PM360 Pharma Company of the Year (*premier magazine for marketing decision makers in the pharmaceutical, biotech, and medical device industries*)

Due to its commitment to the life sciences industry, Marlborough is rated a Platinum BioReady™ Community by the Massachusetts Biotechnology Council (MassBio). This puts the city among the most favorable biotech destinations in the state. This investment equates to new job opportunities in our community and additional tax revenue ensuring the tax burden does not fall solely on our residents.

All active TIF agreements are monitored and tracked by the MEDC on a continual basis to ensure job numbers and other commitments surrounding annual reporting and investment are being met.

Enclosed for your review are the following: 1) preliminary application from the Commonwealth of Mass; 2) intent to apply; 3) resolution; and 4) the TIF agreement.

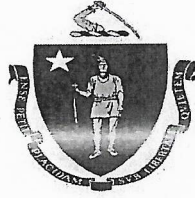
I look forward to discussing with you further. Please do not hesitate to contact me with any questions.

Sincerely,



Arthur G. Vigeant
Mayor

Enclosures



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

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

A complete application with all required attachments must be submitted in electronic form to your MOBD Regional Director by 5:00 P.M. on the application deadline date. **Applications that are incomplete or submitted after the deadline will not be considered at the scheduled EACC meeting, without exception.**

For assistance with this application please work with your MOBD Regional Director and local municipal official. Refer to 402CMR 2.00

PART I. COMPANY OVERVIEW					
1. COMPANY INFORMATION					
Company Name:	ModernaTX, Inc. (Alternatively "Moderna" or the "Company")				
Project Location Address:	Street Address:	149 Hayes Memorial Drive			
	City:	Marlborough	Massachusetts	Zip Code:	01752
FEIN # (Federal Employer Identification Number)	#27-0226313				
DUA # (Dept. of Unemployment Assistance Number)	#10035825				

2. COMPANY CONTACT					
Executive Officer/ Company Designee:	Full Name:	Stephane Bancel	Title:	Chief Executive Officer	
Contact (if different from above)	Full Name:	Jed Larkin	Title:	Senior Vice President of Tax	
Contact Address:	Street Address:	1 Hampshire Street			
	City:	Cambridge	State:	Massachusetts	Zip Code: 02139
Telephone Number:	(671) 803-7627				
Email Address:	jed.larkin@modernatx.com				

3. COMPANY DESCRIPTION & HISTORY	
Please provide a description of the proposed expansion project. Additionally, please explain why the local incentives are necessary for this project to move forward.	
Founded in 2010 and headquartered in Cambridge, Massachusetts, ModernaTX, Inc. ("Moderna" or "we" or "the	

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Company") is a biotechnology company pioneering RNA (mRNA) therapeutics and vaccines. mRNA medicines are designed to direct the body's cells to produce intracellular, membrane, or secreted proteins that have a therapeutic or preventive benefit with the potential to address a broad spectrum of diseases. Our platform builds on continuous advances in basic and applied mRNA science, delivery technology, and manufacturing, providing us the capability to pursue in parallel a robust pipeline of new development candidates. We are developing therapeutics and vaccines for infectious diseases, immuno-oncology, rare diseases, autoimmune and cardiovascular diseases, independently and with strategic collaborators. As of January 2023, Moderna's pipeline is composed of 48 programs in development, including 36 in clinical trials across 7 modalities. We as a company care deeply about our patients, employees, the environment, and our communities. We recognize that we have an opportunity to change medicine for all and will continue to make corporate responsibility a critical part of who we are and what we do. While we want to build the most impactful drug company in the world, we want to do it with a sense of purpose. That means being a great company for employees, as exemplified by our eighth consecutive year ranked as a best company to work for by Science and our recognition as the #1 employer in BioSpace's Best Places to Work in Biopharma report for the second consecutive year. In April 2022, we launched the Moderna Charitable Foundation, which focuses on advancing scientific education and innovation, supporting local and global communities impacted by COVID-19, promoting public health and access to healthcare, and advocating for inclusion and diversity. This is another way we are extending Moderna's societal impact, particularly in underserved populations. During 2022, grants to organizations working within Massachusetts exceeded \$2.5 Million, including: Heading Home; Year Up; Boston Medical Center's Good Grief Program; Community Servings; Brigham and Women's Hospital; Boston Community Pediatrics; the UMass Medical School Foundation; the MassBIO Education Foundation; Family Services of the Merrimack Valley; Circle of Hope, and others. Moderna actively engages in the communities where we have operations. In Norwood, as an example, we are involved with STEM programs, internships, college co-op programs and local job fairs. Moderna also supports the Norwood 150th Anniversary and the Neponset River Chamber of Commerce. We are committed to a wide range of non-profits throughout the Commonwealth, including our partnership with Project Onramp to encourage underserved students to start careers in the life sciences. We encourage volunteerism among our employees by providing paid time off for volunteering. This is representative of our dedication and commitment to the local community, and we will look to build upon these types of endorsements to the City of Marlborough. As Moderna continues to grow, we are committed to doing the right thing in the right way for patients. One example is the company's global public health strategy which includes its patent pledge to never enforce COVID-19 patents in the Gavi COVAX AMC for 92 low- and middle-income countries as part of the Company's continued support for achieving global health equity. The Company also committed to address priority pathogens by expanding its global public health portfolio to 15 vaccine programs targeting emerging or neglected infectious diseases by 2025 which has a significant impact to low- and middle-income countries. We believe this is the right thing to do to continue to contribute to society for ultra-rare diseases where our mRNA platform can help. Moderna also invested significantly to ensure that we were able to meet demand from low- and middle-income countries for the supply of our COVID-19 vaccine, and we have committed to providing these countries with vaccines at our lowest price. We have also entered into a framework agreement to supply up to 100 million doses to Gavi/COVAX in 2023. Additionally, Moderna announced that we will build a state-of-the-art mRNA facility in Kenya, in part to ensure future access to mRNA vaccines in future pandemics. Finally, we announced the launch of the Moderna Fellowship Program to support the next generation of scientists and healthcare professionals as they innovate in the field of mRNA research towards improving patient care and population health. As the Company continues to scale, we will embed corporate responsibility into our DNA and culture. We will continue to be an active contributor to the communities where we live and work.

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ECONOMIC ASSISTANCE COORDINATING COUNCIL
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

PART II. ECONOMIC DEVELOPMENT PROJECT**1. NATURE & PURPOSE OF PROPOSED PROJECT**

Please provide a description of the proposed expansion project. Please be sure to include reason for expansion/relocation, scope of project overall (ex. capital improvements to property, project timeline, square footage, misc. enhancements, etc.)

The proposed project would look to build out the existing Core and Shell of 149 Hayes Memorial Drive. This facility is anticipated to be a mRNA manufacturing facility with Process Equipment including, but not limited to, a full Manufacturing Clean Room Environment, QC Laboratories, Just-in-Time Satellite Warehouse, Offices for Manufacturing and engineering personnel, and small food service area to support the facility. No additional expansion of the current building footprint is expected at this time.

2. PROJECT TIMELINE

(a) Please indicate the date a Letter of Intent was sent to the municipality and cc: MOBD Regional Director:	(b) Date the applicant expects to begin the project:	(c) Date the applicant expects to complete the project:	(d) Date the applicant expects to open the facility:
03/30/2023	04/27/2023	06/30/2024	09/01/2024

Additional Information (if necessary) on Project Timeline:

3. PRIVATE INVESTMENT

Total Projected Private Investment:	\$250,000,000
Additional Information (if necessary) on Investment:	

4. MASSACHUSETTS EMPLOYMENT

(a) Is the applicant new to Massachusetts?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(i) If no, where are the existing Massachusetts facilities?	Cambridge, Norwood, Burlington
(b) Will the proposed economic development project require and/or trigger the closing or consolidation of any Massachusetts facilities or the elimination of any other jobs currently in Massachusetts? If yes, please give location of facility and explain.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please explain:

Additional Information (if necessary) on Investment:

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5. EMPLOYMENT & JOB CREATION

(A) MODERNATX, INC. (ALTERNATIVELY "MODERNA" OR THE "COMPANY") EXISTING EMPLOYMENT AT PROJECT LOCATION

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

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

Notes (if necessary) on Current Project Location Employment

(B) MODERNATX, INC. (ALTERNATIVELY "MODERNA" OR THE "COMPANY") JOB CREATION SCHEDULE AT PROJECT LOCATION

Permanent Full-Time Jobs to be Created (net new to facility and Massachusetts):	200
2024	50
2025	100
2026	50
2028	0
2029	0

6. FACILITY

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

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PART III. LOCAL INCENTIVE AGREEMENT INFORMATION

Please work with the local municipality and your MOBD Regional Director in completing the below section.

1. MUNICIPAL CONTACT

Municipal Contact:	Full Name:	Meredith Harris	Title:	Executive Director		
Contact Address:	Street Address:	91 Main Street, Suite 204				
	City:	Marlborough	State:	Massachusetts	Zip Code:	01752
Telephone Number:	(508) 229-2010					
Email Address:	mharris@marlboroughedc.com					

2. LOCAL INCENTIVE AGREEMENT

(a) Type of Local Incentive:	<input checked="" type="checkbox"/> Tax Increment Financing (TIF) <input type="checkbox"/> Special Tax Assessment (STA) <input type="checkbox"/> Other
Value (if Other):	
Detail from where the amount is (if Other):	
i) Duration of Local Incentive:	20
ii) Exemption Schedule of Local Incentive:	100-100-100-100-90-90-80-80-70-70-60-60-50-40-30-30-20-20-10-5
iii) Start & Expiration Date of Local Incentive: If Agreement commences upon certificate of occupancy please check box:	Start Date: 07/01/2023 Expiration Date: 06/30/2043 <input type="checkbox"/> Local Incentive Agreement commences upon certificate of occupancy and the dates represent best projections of the start & expiration of the local incentive based on the project timeline.
iv) Date Municipality Approved Local Tax Incentive or Date of Scheduled Vote:	Date Municipality Approved Local Tax Incentive: Date of Scheduled Vote: <input checked="" type="checkbox"/> N/A

COMMONWEALTH OF MASSACHUSETTS
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MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

(b) Attachment A: Local Incentive Agreement Please attach a signed copy of the TIF, STA, or other municipal incentive agreement.	Attached <input checked="" type="checkbox"/>
	Not Completed <input type="checkbox"/>
	N/A <input type="checkbox"/>
(c) Attachment B: Municipal Vote by Authoritative Body Approving Incentive Please attach a copy of the vote approving the local incentive.	Attached <input type="checkbox"/>
	Not Completed <input checked="" type="checkbox"/>
	N/A <input type="checkbox"/>
(d) Exhibit 1: Local Incentive Valuation Please complete the attached exhibit detailing the estimated property tax exemption over the life of the agreement. https://www.mass.gov/doc/exhibit-1-local-incentive-valuation-local-incentive-only/download	Attached <input checked="" type="checkbox"/>
	Not Completed <input type="checkbox"/>
	N/A <input type="checkbox"/>
PART IV. LABOR AFFIRMATION & DISCLOSURES	
1. CERTIFICATION OF STATE & FEDERAL EMPLOYMENT LAWS	
<input checked="" type="checkbox"/> As an applicant requesting Certified Project approval, <u>ModernaTX, Inc.</u> , affirms 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.	
<input checked="" type="checkbox"/> As an applicant requesting Certified Project approval, <u>ModernaTX, Inc.</u> , affirms that this business will not knowingly employ developers, subcontractors, or other third parties that unlawfully misclassify workers as self-employed or as independent contractors, or that fail to comply with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.	
2. COMPANY DISCLOSURE	
Within the past five years, has the applicant or any of its officers, directors, employees, agents, or subcontractors of which the applicant has knowledge, been the subject of (if yes, please provide details):	
(a) an indictment, judgment, conviction, or grant of immunity, including pending actions, for any business-related conduct constituting a crime under state or federal law;	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:
(b) a government suspension or debarment, rejection of any bid or disapproval of any proposed contract subcontract, including pending actions, for lack of responsibility, denial or revocation of prequalification or a voluntary exclusion agreement; or	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:
(c) any governmental determination of a violation of any public works law or regulation, or labor law or regulation or any OSHA violation deemed "serious or willful?"	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:

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

V. AUTHORIZATION & CERTIFICATIONS

1. CERTIFICATE OF GOOD STANDING

Provide proof of good tax standing in the Commonwealth of Massachusetts via a Massachusetts Department of Revenue Certificate of Good Standing for each of the businesses intending to take advantage of the state tax incentives.
 *Applications will not be reviewed by the Economic Assistance Coordinating Council until a Certificate of Good Standing has been received.
 To obtain a Certificate of Good Standing visit: <https://www.mass.gov/how-to/request-a-certificate-of-good-standing-tax-compliance-or-a-corporate-tax-lien-waiver>

Attached

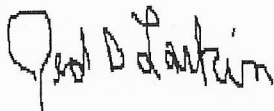
Date of DOR Application for Certificate of Good Standing:

2. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT

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

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

Signed:



Jed Larkin

Senior Vice President of Tax

04/19/2023

Name

Title

Date

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

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

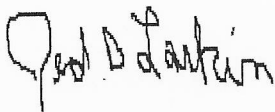
Consent for the Disclosure of Wage Reporting Information for Federal Employment Identification Number (FEIN): # 27-0226313

Division of Unemployment Assistance (DUA) Number: # 10035825

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

This authorization is effective upon date of signature and will be valid until superseded by a subsequent application or revoked in writing.

Signed:



Jed Larkin

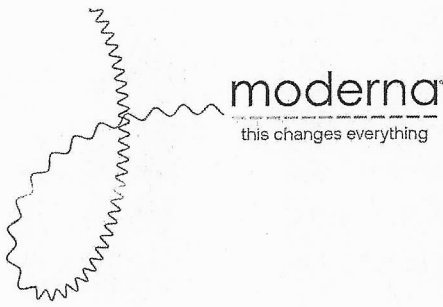
Senior Vice President of Tax

04/19/2023

Name

Title

Date



200 Tech Square, Cambridge, MA 02139

617-714-6500

617-583-1999

****CONFIDENTIAL / PROPRIETARY****

March 29, 2023

Mayor Arthur Vigeant
City of Marlborough
140 Main Street, 4th Floor
Marlborough, MA 01752

RE: Intent to Apply for Massachusetts Economic Development Program (EDIP) in Marlborough

Dear Mayor Vigeant,

This letter is ModernaTX, Inc.'s ("Moderna" or "the Company") letter of intent as required pursuant to the Economic Development Incentive Program (EDIP).

On March 24, 2023, representatives from the Company met with Mayor Vigeant and Meredith Harris, Executive Director of the Marlborough Economic Development Corporation to discuss the EDIP Program and the various incentives available.

Founded in 2010 and headquartered in Cambridge, Massachusetts, Moderna is a leading global biotechnology company. The Company has pioneered a new class of medicines made of messenger RNA (mRNA). Moderna has advanced mRNA science to develop therapeutics and vaccines for diverse areas including infectious diseases, immune-oncology, rare diseases, cardiovascular diseases, and auto-immune diseases.

Moderna's corporate headquarters and Research and Development functions are based in Cambridge. The Company maintains its Clinical Manufacturing and Process Development operations in Norwood, MA. The Company also occupies clean room space in Burlington, MA.

To prepare for the Company's anticipated growth, Moderna has a need to expand its internal manufacturing of mRNA vaccines. As such, the Company is evaluating sites in the Marlborough area. The proposed project has an estimated investment of \$350M to \$450M (including machinery, equipment, building core and shell). The facility is estimated to employ between 200 to 250 people, including engineering, process management, maintenance, and manufacturing

technicians, and would be a 24/7 shift rotation. These would be additional jobs and not a relocation of existing roles.

Moderna is therefore requesting that you accept this letter as the formal letter of intent required under the Economic Development Incentive Program (EDIP).

Sincerely yours,

Scott C Nickerson

Scott C Nickerson (Mar 29, 2023 21:41 EDT)

Scott Nickerson
SVP Manufacturing
ModernaTX, Inc.

cc: EDIP Director
Regional Director

RESOLUTION:

WHEREAS, the City Council of the City of Marlborough desires a beneficial economic use creating jobs for local residents, expanding business within the City, and developing a healthy robust economy and stronger tax base for Map 99, Parcel 3 (including portions thereof) on the Marlborough Assessor's Map; and

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

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

1. The City Council of the City of Marlborough hereby requests that the Massachusetts Economic Assistance Coordinating Council approve the ModernaTX, Inc. application for an EDIP Local Incentive-Only Certified Project; and further, that:
 - a. The project is consistent with the City of Marlborough's economic development objectives and is likely to increase employment opportunities for Marlborough residents;
 - b. The project will not overburden the City of Marlborough's infrastructure and utilities;
 - c. The project as described in the proposal has a strong likelihood that it will cause a significant influx or growth in business activity, will create a significant number of jobs, and will contribute significantly to the resiliency of the Marlborough economy; and
 - d. The City Council approves ModernaTX, Inc.'s request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Local Incentive-Only Certified Project for twenty (20) years.

2. The City Council of the City of Marlborough agrees to authorize the use of tax increment financing, authorizes the Mayor to enter into a tax increment financing agreement with ModernaTX, Inc. and authorizes submission of the tax increment financing agreement (attached hereto) to the Massachusetts Economic Assistance Coordinating Council.

ADOPTED
In City Council
Order No 23-
Adopted

Approved by Mayor
Arthur G. Vigeant

Date:

A TRUE COPY
ATTEST:

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

This **TAX INCREMENT FINANCING AGREEMENT** (the "**TIF Agreement**" or the "**Agreement**") is made by and between the City of Marlborough (the "**City**") and ModernaTX, Inc. (the "**Company**").

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, the Company is a Delaware corporation having its principal office and its U.S. headquarters located at 200 Technology Square, Cambridge, Massachusetts 02139, is authorized to do business in Massachusetts; and

WHEREAS, the Company intends to purchase a +/- 24 acre parcel of land with building(s) at 149 Hayes Memorial Drive, Marlborough, MA 01752 as further depicted on Marlborough City Assessor's Map 99, Parcel 3 (the "Property") and which is shown on the map attached to this Agreement;

WHEREAS, the Company intends to invest approximately \$350 million in combined soft, real property and personal property costs (the "Project") in the Property, including adding an additional 60,000 square feet to the existing 140,000 square foot building (hereinafter, the Property including the building and all associated improvements, is defined as the "Project Area"); and

WHEREAS, beginning on the effective date of this Agreement, the Company plans to create, according to the schedule set forth herein, and maintain, over the term of the TIF Agreement, 200 permanent, full-time jobs at the Project Area open to qualified residents of Marlborough; and

WHEREAS, the parties to the Agreement are desirous of entering into a TIF Agreement which shall pertain solely to the Project Area, and which shall be in accordance with the Massachusetts Economic Development Incentive Program (EDIP) under Chapter 23A and Chapter 40 Section 59 of the Massachusetts General Laws; and

WHEREAS, the City strongly supports increased economic development to provide additional jobs for residents of Marlborough, 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 of the City; and

WHEREAS, by letter dated _____ 2023, the Mayor recommended the TIF Agreement to the Marlborough City Council; and

WHEREAS, on _____ 2023, the Marlborough City Council voted to approve the TIF Agreement.

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

A. THE CITY'S OBLIGATIONS.

1. The City Council approved the provisions of this TIF Agreement on _____, 2023 pursuant to the Resolution attached hereto. The City Council hereby authorizes the Mayor to execute this TIF Agreement on the City's behalf, and to monitor and enforce compliance by the Company with this TIF Agreement's terms. The Mayor is authorized to act for and on behalf of the City in proceedings relating to the approval of this Agreement by the Massachusetts Economic Assistance Coordinating Council (the "EACC").
2. A Tax Increment Financing exemption (the "Exemption") for the Project Area is hereby granted to the Company by the City in accordance with Chapter 23A, Section 3E, as amended; Chapter 40, Section 59, as amended; and Chapter 59, Section 5, Cl. Fifty-first, of the Massachusetts General Laws and the applicable regulations thereunder. The Exemption shall be for a period of twenty (20) years (the "Exemption Term"), commencing on July 1, 2023 (the beginning of fiscal year 2024) and ending on June 30, 2043 (the end of fiscal year 2043). The Exemption shall pertain only to real property taxes for the Project Area, and shall provide an exemption from taxation of the new incremental value of the Project Area resulting from the Project, as determined by the City of Marlborough Assessor, according to the following schedule:

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

Fiscal Year	Real Property Exemption Percentage
2024	100%
2025	100%
2026	100%
2027	100%
2028	90%
2029	90%
2030	80%
2031	80%

2032	70%
2033	70%
2034	60%
2035	60%
2036	50%
2037	40%
2038	30%
2039	30%
2040	20%
2041	20%
2042	10%
2043	5%

3. The base valuation for the Project Area shall be the Project Area's assessed valuation 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 Project shall become eligible for the Exemption on the July 1st following the date on which the EACC approves the TIF Agreement which is expected to be June 15, 2023. Therefore, the exemption is expected to commence on July 1, 2023, which is the beginning of fiscal year 2024. Accordingly, the base year for this TIF Agreement will be fiscal year 2023.
4. The base valuation shall be adjusted annually by an inflation factor, which is based on a portion of the increased commercial and industrial property values within the community, as provided in Chapter 40, Section 59(iii) of the Massachusetts General Laws. 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.
5. The Exemption shall not apply to personal property taxes.

B. THE COMPANY'S OBLIGATIONS

1. The City is granting the Tax Increment Financing Exemption for the Project Area in consideration of the following commitments:
 - (a) In anticipation of the receipt of the TIF benefits described in this Agreement, the Company agrees that it will develop the Project Area into a state-of-the-art internal manufacturing site; and
 - (b) As part of owning the Project Area, the Company agrees to make capital improvements which are currently estimated to be approximately \$350 million in combined soft, real property and personal property costs, and that it will timely pay all municipal permit fees required in connection with such improvements and investment;

- (c) The Company agrees to timely pay all of the taxes owed to the City by the Company, respectively, over the term of this TIF Agreement; and
- (d) The Company agrees to create and maintain at least 200 new permanent full-time jobs at the Project Area for permanent full-time employees (as "permanent full-time employee" is defined in Chapter 23A Section 3A of the Massachusetts General Laws), to begin employment at the Project Area as set forth in the schedule below, and whose employment by the Company commences on or after the effective date of this Agreement ("New Permanent Full-Time Employees"). The new jobs shall be performed, and maintained, in said building at the Project Area until the termination of this TIF Agreement. The new jobs shall not be performed remotely. The following schedule details the Company's schedule of job creation:

SCHEDULE OF JOB CREATION	
End of Fiscal Year(s)	Minimum Cumulative New Permanent
2024	50
2025	150
2026	200
2027	200
2028	200
2029	200
2030	200
2031	200
2032	200
2033	200
2034	200
2035	200
2036	200
2037	200
2038	200
2039	200
2040	200
2041	200
2042	200
2043	200

The Company shall maintain said employment job creation, in accordance with the Schedule of Job Creation referenced above, during the life of the Agreement.

- (e) In meeting its cumulative New Permanent Full-Time Employee commitment above, and consistent with all federal, state and local laws and regulations, the Company may use commercially reasonable efforts to make available application opportunities for the New Permanent Full-Time Employee positions to qualified residents of Marlborough. 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, MEDC, and Mayor and to EACC by the end of December of each calendar year with respect to the immediately preceding fiscal year during which this TIF Agreement is in effect. Reports shall be submitted for fiscal year 2024 and for every fiscal year thereafter falling within the term of this TIF Agreement; thus report for fiscal year 2024, ending on June 30, 2024, shall be submitted by the end of December 2024. In addition to information that may be required by the EACC pursuant to G.L. c. 40 § 59(viii), the annual report shall be comprised of the following information:
 - (a) Employment levels at the Project Area at the beginning and end of the reporting period, with a designation of the number of employees that are 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 Marlborough residents respectively employed at the Project Area 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;
 - (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 reasonably related to the Project Area including the Company's improvements to the Project Area as the City may deem necessary to monitor the Company's compliance with this TIF Agreement.

The Company shall also submit any reports required by law, including annual reports required through the Commonwealth's on-line portal, with a written copy to the City.

3. The Tax Increment Financing Exemption percentage applicable to the tax exemption schedule above will automatically be adjusted downward in any particular fiscal year that the Company does not meet its minimum cumulative 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:

$$\left(\frac{\text{Actual Cumulative New Permanent Full-Time Employee Level}}{\text{Minimum Cumulative New Permanent Full-Time Employee Requirement}} \right) \times \text{Scheduled Exemption Percentage} = \text{Actual Exemption Percentage.}$$

For example, if the actual cumulative New Permanent Full-Time Employee level at the end of FY 2026 is 100 instead of 200, then the real property tax exemption percentage otherwise applicable for FY 2026 would be $(100/200) \times 100\% = 50\%$. Therefore, the Exemption for FY 2026 would be reduced to 50% rather than 100% as set forth in the schedule.

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 Section B of this TIF Agreement, and the City further determines that such failure continues or remains uncured for one hundred eighty (180) 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 revocation, the City shall have the right, upon written notice to the Company, to terminate the Tax Increment 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 effective upon receipt.

5. In addition to discontinuance of benefits as set forth in Paragraph B(4) above, if the Agreement is revoked because the Company has failed to satisfy any of the requirements in Section B, then, pursuant to Massachusetts General Laws Chapter 23A, Section 3F(e), the City may recapture the value of any taxes not paid due to the Exemption provided herein. Said recapture shall be made through a special assessment on the Company in the municipal fiscal year that follows the EACC's decision to revoke project certification. The assessment, payment, and collection of said special assessment shall be governed by procedures provided for the taxation of omitted property pursuant to Massachusetts General Laws Chapter 59, Section 75, notwithstanding the time period set forth in said Chapter 59 for which omitted property assessments may be imposed for each of the fiscal years included in the special assessment.
6. The City shall be given sixty (60) days' written notice prior to any Company announcement to the general public of a proposed move from, vacation of, abandonment of, or other failure to maintain operations 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 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 the 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 G.L. c. 40 § 59(v)(d), this Agreement shall be binding upon the Company and its successors and assigns, and upon any subsequent owner of the Property and its successors and assigns, and upon the City and its successors and assigns.

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 and the applicable regulations thereunder.
3. No other building or structure (or portion thereof) at the Property shall be eligible for a Tax Increment Financing Exemption, unless specifically authorized by a separate tax increment financing agreement. The parties acknowledge and agree that there is no public construction contemplated by this Agreement and, therefore, no betterment schedule referred to in Massachusetts General Laws Chapter 40, Section 59 is required.
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 June 15, 2023, the (presumptive) date of the Economic Assistance Coordinating Council's approval of the EDIP Local Incentive-Only Application 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 and Company, as the case may be, and shall be (i) hand delivered, (ii) delivered by a nationally recognized overnight delivery service, or (iii) mailed by certified or registered mail, return receipt requested, postage prepaid, to the 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, 4th Floor
Attention: Mayor's Office
140 Main Street
Marlborough, MA 01752

With a copy to: Legal Department at same address

With a copy to: Marlborough Economic Development Corporation
91 Main Street, Suite 204
Marlborough, MA 01752

COMPANY: ModernaTX, Inc.
Attention: Jed Larkin
200 Technology Square
Cambridge, MA 02139

With a copy to: Legal Department at same address

7. This TIF Agreement may be executed in counterparts by the parties, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.
8. This TIF Agreement may be amended, changed, modified, or altered only by a written instrument signed by the parties to this TIF Agreement. This Agreement and the terms contained herein shall not be altered or modified unless approved by the EACC.
9. This TIF Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. The rights and obligations of the parties hereto shall be construed and enforced in accordance with, and governed by, the laws of the Commonwealth of Massachusetts.

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

AGREED TO:

COMPANY
MODERNATX, INC.

By: _____

Dated: _____, 2023

Name: Jed Larkin

Title: Senior Vice President of Tax

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On _____, 2023, before me, the undersigned notary public, personally appeared _____ of ModernaTX, Inc., and proved to me through satisfactory evidence of identification, which was _____, that s/he is the person whose name is signed on the preceding or attached document.

Notary Public
Printed Name: _____
My Commission Expires: _____

CERTIFICATE OF AUTHORITY

The undersigned, _____, hereby certifies as follows:

1. The undersigned is the _____ of the Company.
2. The undersigned hereby certifies that _____, _____ of the Company, is authorized to execute binding agreements on the Company's behalf, including without limitation this Agreement.

The undersigned has executed this certificate as of this date.

Name:
Title:
Dated: _____

CITY OF MARLBOROUGH

By: _____

Arthur G. Vigeant
Mayor
City of Marlborough

Dated: _____, 2023

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On _____, 2023, 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: _____

ATTACHMENT
Property Map

