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CITY OF MARLBOROUGH
Arthur J. Vigeant
2022 NOV 17 AM 9:56 MAYOR

City of Marlborough
Office of the Mayor

Patricia M. Bernard
CHIEF OF STAFF

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

Candace McGrath
EXECUTIVE ADMINISTRATOR

November 17, 2022

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

Honorable President Ossing and Councilors:

Re: Proposed TIF Agreement with PI (Physik Instrumente), L.P.

Honorable President Ossing and Councilors:

I am requesting the City Council review and accept the enclosed proposed Tax Increment Financing (TIF) agreement with PI (Physik Instrumente), L.P., who anticipate moving their operations to 130 Lizotte Drive, City Assessor's map 90, parcel 2A.

PI is a global manufacturer and supplier of precision positioning technology serving industrial automation, microscopy and life sciences, semiconductor, photonics, and large-scale scientific projects with U.S. headquarters currently in Auburn, MA.

The company will be investing approximately \$4.9 million in combined soft, real property and personal property costs at the project area which includes an existing 100,000 square foot building that has been vacant for close to three years.

In anticipation of the receipt of TIF benefits, PI will develop the site into a corporate headquarters and plan to relocate 64 permanent full-time jobs from their Auburn and Hopkinton sites and create an additional 40 permanent, full-time positions over the 10-year span of the TIF Agreement that will be open to qualified Marlborough residents.

This five-story building is a prime location for PI where they will invest for future growth in our community while bringing in tax dollars and business for our area service providers and restaurants. Additionally, this project will be less intrusive with regards to traffic than a large apartment complex that was previously proposed.

Enclosed for your review are the following: 1) preliminary application from the Commonwealth of Mass; 2) intent to apply; 3) draft resolution; 4) the TIF; and the worksheet depicting estimated real property tax savings for PI.

I am requesting review of PI's TIF application at your earliest convenience to meet their December 8th deadline with the state.

Thank you in advance for your cooperation.

Please don't hesitate to contact me or MEDC Executive Director Meredith Harris 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)
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. Please refer to the EDIP Guidelines, www.mass.gov/hed/edip and your MOBD Regional Director for assistance with this application.

PART I. COMPANY OVERVIEW						
1. COMPANY INFORMATION						
Company Name:	PI Physik Instrumente, LP					
Project Location Address:	Street Address:	130 Lizotte Dr.				
	City:	Marlborough	State:	Massachusetts	Zip Code:	01752
Company Headquarters Location:	Headquarters Location (City, State/Province, Country):	Auburn MA USA				
FEIN # (Federal Employer Identification Number)	36-4547727					
DUA # (Dept. of Unemployment Assistance Number)	86837510					
Type of Organization:	Partnership					
Company's Taxable Year End:	31th DEC					
NAICS Code:	334519					
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:	(a) Current Outside of MA sales as of : 33% (b) Projected Outside of MA sales upon completion of project: 25% Additional Information (if necessary):					
2. COMPANY CONTACT						
	Full Name:	David Rego	Title:	President		
Contact (if different from above)	Full Name:	Katya Maiser	Title:	Human Resources Manager		
Contact Address:	Street Address:	16 Albert St.				
	City:	Auburn	State:	Massachusetts	Zip Code:	01501
Telephone Number:	(508) 832-3456					
Email Address:	k.maiser@physikinstrumente.com					

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 ECONOMIC ASSISTANCE COORDINATING COUNCIL
 MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

3. COMPANY DESCRIPTION & HISTORY

Please provide a brief description and history of the company.

PI (Physik Instrumente) is a global leader in precision automation, motion control, nano-positioning, piezo motor and piezo transducer technologies. PI started more than 50 years ago at a leading Quantum Optics and Physics lab in Germany. Continuous company growth during that time led to establishing a USA subsidiary with headquarters in Massachusetts and now employees nearly 100 people in the US to run R&D, manufacturing/production and technical support for our customers. We provide innovative solutions for all leading companies and research institutes in high tech fields such as the semiconductor, photonics, pharmaceutical, medical and aerospace industry, to name a few. PI products can be found on earth, in space and even on Mars. As a leader in quality, PI has been ISO 9001 certified for almost 30 years.

PART II. ECONOMIC DEVELOPMENT PROJECT

1. PROPOSED BUSINESS EXPANSION 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.)

We are purchasing on 10/31/2022 a mostly vacant building at 130 Lizotte Dr Marlborough with the intent to develop it for our use to consolidate our Headquarters and Manufacturing facilities which are currently growing at a pace that our current facilities will not allow. This is a 100,000 sq ft space on 5 floors that we will need to spend considerable money upgrading and renovating to meet our business needs. This includes : Exterior work: parking lot upgrades, landscaping and grading for new dock door New Capital Items: Repair and replace HVAC Units. New Freight elevator New loading dock door Interior Renovations:: creating clean rooms and manufacturing space creating modern offices and work spaces for engineering and administration upgrading wiring and internet We will also install a fitness facility for our staff, solar panels, and other green amenities to support our business goals. Other projects may include an on site child care facility for both our staff and the community.

(a) Do you plan to use MA-based contractors and suppliers for this project? Please list names and locations of contractors/suppliers already identified.

Primary work as outlined in the next screen has been bid by WD Walker Development & Construction Management based in Marlborough, MA. It is our intent to use as many other MA based contractors as possible with the goal of hiring those who can get the work done as soon as possible.

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:
10/14/2022	11/01/2022	03/31/2023	06/30/2023

Additional Information (if necessary) on Project Timeline:

We will have a staged move-in of our various facilities and operations. First, to move our currently rented space and heavy equipment from Hopkinton MA which includes engineering, shipping, machining, and manufacturing operations as soon as reasonable, projected for March 31, 2023. Second, to move our headquarters operation in as a second stage with the ideal being to have all operations settled in no later than June 30, 2023. Contractor availability may make a more extended timeline but we would expect that to be no later than Fall 2023.

10/31/23 12/1/2023



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MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

3. INCENTIVE NEED

Please provide a description of your project's need for this incentive.

We knew the facility was in need of renovation when we purchased it, however, it was far greater than we realized. The incentive would help us defray the unexpected costs of upgrades and improvements to meet our company needs and to find a new permanent home for us in Marlborough.

4. INVESTMENT BREAKDOWN

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

Investment Type	Cost
Other (New freight elevator)	\$450,000
Other (Interior renovations)	\$1,750,000
Other (high bay area/clean rooms)	\$450,000
Other (Parking Lot seal & strip)	\$125,000
Other (New loading dock door)	\$75,000
Other (Landscape and grading for new dock door)	\$35,000
Other (New roof)	\$400,000
Land Furniture + Fixtures	\$ 450,000
Construction	\$ 715,000
Machinery & Equipment	\$
Other (HVAC Units (repair/replace))	\$500,000
Total	\$3,785,003 4,950,000

Additional Information (if necessary) on Investment:

5. 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?	Auburn MA and Hopkinton MA
(ii) If no, what is the applicant's full-time, permanent employment in Massachusetts (total of all MA facilities)?	64 full-time permanent MA employees as of 10/14/2022

6. PROJECT LOCATION EMPLOYMENT, JOB CREATION & WORKFORCE ANALYSIS

Please take note to comply with EACC Policy 2022-1 On-Site Work Policy when detailing job retention and creation in application. See: <https://www.mass.gov/doc/eacc-policy-2022-1-on-site-work-policy/download>

Please note: If project is approved, these job retention and creation numbers and dates will become part of the executed EDIP Tax Incentive contract, and will be used to measure the applicant's future program compliance.

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ECONOMIC ASSISTANCE COORDINATING COUNCIL
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

(a) MASSACHUSETTS & FACILITY EMPLOYMENT			
(i) Company-wide Permanent Full-Time Employment in Massachusetts (Total of all MA Facilities) at Date of Application:	(ii) Permanent Full-Time Employment at Project Location at Date of Application:	(iii) Permanent Full-Time Employees to be transferred from other Massachusetts Locations to Project Site (if any)	(iv) Total Permanent Full-Time Existing Jobs to be Retained at Project Location (Sum of questions 6. (a) ii & iii):
57	0	57	57
Total number of existing full-time employees that are MA residents and work at the project site:			53
Number of full-time employees that are MA residents working on-site at project facility location two days or more per week:			53
Total number of existing full-time employees that are non-MA residents and work at the project site:			4
Number of full-time employees that are non-MA residents working on-site full-time at project facility location:			2
Please complete the Permanent Full-Time Employee 3-Year History below.			
Calendar Year End	Permanent Full-Time Employee Headcount in Massachusetts	Permanent Full-Time Headcount at Facility	
2019	48	23	
2020	50	25	
2021	52	23	
Please explain any fluctuation in employment:			
Headcount for permanent full time employees is fairly evenly split between the two facilities (Auburn/Hopkinton) for each year. These 2019: 23 Auburn, 25 Hopkinton. 2020: 25 in each 2021: 23 Auburn, 29 Hopkinton			
(b) JOB CREATION SCHEDULE 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.			
Permanent Full-Time Jobs to be Created (net new to facility and Massachusetts):	16 20 40		
2023	5 20		
2024	2 5		
2025	2 5		
2026	2 5		
2027	2 5		

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 ECONOMIC ASSISTANCE COORDINATING COUNCIL
 MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

If any employees proposed to be counted for job creation compliance are anticipated to work remotely for any period of time, please list how many and describe how those jobs will comply with EACC Policy 2022-1 On-Site Work Policy:
 *If the company has an existing remote worker policy, please submit along with this application.
 remote workers not anticipated

(c) WORKFORCE ANALYSIS

For the full-time permanent jobs to be created, please fill-in the chart below:

Category of Job:	Number of Jobs	Average Annual Salary of Each Job	Does the Employer provide healthcare benefits?	Does the employer provide a pension, IRA, and/or 401K?
Management	1	\$100,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Professional	810	\$80,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Skilled-labor	620	\$70,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Unskilled-labor	23	\$60,000	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	0	\$0	<input type="checkbox"/>	<input type="checkbox"/>

Notes on Employment:

7. FACILITY

(a) Will the applicant own or lease/rent the facility where the business expansion/relocation will occur?

Lease Own Rent

(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?

	2023	2024	2025	2026	2027
100k Mgmt	0	1			
80k Professional	10	2		2	2
70k Skilled	10	2	5	3	3
60k Unskilled	-				
Other	-				
40 =	20	5	5	5	5

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 ECONOMIC ASSISTANCE COORDINATING COUNCIL
 MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

8. INCENTIVES & FINANCING		
(a) Please indicate which incentives the applicant is seeking in relation to the expansion project.	State Investment Tax Credit	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	Local Real Estate Tax Incentive	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	State Abandoned Building Renovation Deduction <small>*Building must be 75% or more vacant and have been vacant for a minimum of 2 years.</small>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	Other If Other, details:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(b) Is the applicant seeking tax incentives from the Massachusetts Life Science Center?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If, yes please explain:	
(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.	none at this time	
(d) Has the applicant or related businesses or any shareholder of applying entity previously been approved as a "Certified Project" by the Economic Assistance Coordinating Council (EACC)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
If yes, what is the Project (i) name; (ii) municipality; (iii) approval date?	(i) Project Name:	
	(ii) Project Municipality:	
	(iii) Project Approval Date:	

[Handwritten marks: asterisks and scribbles]

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 ECONOMIC ASSISTANCE COORDINATING COUNCIL
 MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

<p>(e) Please indicate whether the applicant has utilized other sources of public or quasi-public funding in the past. If applicable, please explain specific use of funding and amount. If other, please give details on the funding source.</p>	<p>Select Funding Source:</p> <p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Life Science Center Incentives</p> <p><input checked="" type="checkbox"/> Workforce Training Fund</p> <p><input type="checkbox"/> MA Growth Capital Corporation Financing</p> <p><input type="checkbox"/> MassDevelopment Financing</p> <p><input type="checkbox"/> MassWorks Infrastructure Grant</p> <p><input type="checkbox"/> Other</p>
	<p>If applicable or other, please explain:</p>

PART III. LABOR AFFIRMATION

1. CERTIFICATION OF STATE & FEDERAL EMPLOYMENT LAWS

As an applicant requesting Certified Project approval, PI Physik Instrumente, LP 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.

As an applicant requesting Certified Project approval, PI Physik Instrumente, LP 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):

<p>(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;</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Details:</p>
<p>(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</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Details:</p>
<p>(c) any governmental determination of a violation of any public works law or regulation, or labor law or regulation or any OSHA violation?</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Details:</p>

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

V. AUTHORIZATION & CERTIFICATIONS	
1. CERTIFICATE OF GOOD STANDING	
<p>Provide proof of good tax standing in the Commonwealth of Massachusetts via a <i>Massachusetts Department of Revenue</i> Certificate of Good Standing for <u>each of the businesses</u> intending to take advantage of the state tax incentives.</p> <p>*Applications will not advance to the supplemental round until a Certificate of Good Standing is received. The certificate must be dated within 6 months of the anticipated EACC meeting that the project is coming forth for review.</p> <p>To obtain a Certificate of Good Standing visit: https://www.mass.gov/how-to/request-a-certificate-of-good-standing-tax-compliance-or-a-corporate-tax-lien-waiver</p>	<p>Attached <input checked="" type="checkbox"/></p> <p>Date of DOR Application for Certificate of Good Standing:</p>
2. CERTIFICATE OF COMPLIANCE	
<p>Provide proof of good standing with the <i>Massachusetts Department of Unemployment Assistance</i> by obtaining a Certificate of Compliance for <u>each of the businesses</u> intending to take advantage of the state tax incentives</p> <p>*Applications will not advance to the supplemental round until a Certificate of Compliance is received.</p> <p>To obtain a Certificate of Compliance visit: http://www.mass.gov/lwd/unemployment-insur/employers/</p> <p>From here, log into your DUA account and click on "Payment Information" and then you will see a link for "Request Employer Certificate of Compliance."</p>	<p>Attached <input checked="" type="checkbox"/></p> <p>Please explain why you can't provide a certificate of compliance:</p>

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

3. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT

I/We, PI Physik Instrumente, LP of the applicant business applying for "Certified Project" status from the Commonwealth of Massachusetts, Economic Assistance Coordinating Council hereby certify that I/we have been authorized to file this application and to provide the information within and accompanying this application and that the information provided here in is true and complete and that it reflects the applicant's intentions for investment, job creation and sales to the best of my/our knowledge after having conducted reasonable inquiry. I/We understand that the information provided with this application will be relied upon by the Commonwealth in deciding whether to approve "Certified Project" status and that the Commonwealth reserves the right to take action against the applicant or any other beneficiary of the Certified 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:



Katya Maiser

HR Manager

10/16/2022

Name

Title

Date

updated Katya

HR Manager

11/4/2022



Date 10/14/2022

Mayor Arthur G. Vigeant
Office of the Mayor
140 Main St.
Marlborough MA 01752

RE: Intent to Apply For Massachusetts Economic Development Program (EDIP) in (Municipality)

Dear Mayor Vigeant,

This letter is PI Physik Instrumente, LPs letter of intent as required pursuant to the Economic Development Incentive Program, (EDIP). Our company is commonly referred to by its initials as "P.I."

On 10/12/2022, my company met and spoke with Meredith Harris and subsequently met and spoke again with Meredith on 10/14/2022 and Kevin Kuros to discuss the Marlborough local and State EDIP Programs and the various incentives available.

About our company:

PI Physik Instrumente, LP is a global leader in precision automation, motion control, nano-positioning, piezo motor and piezo transducer technologies. PI started more than 50 years ago at a leading Quantum Optics and Physics lab in Germany. Continuous company growth during that time lead to establishing a USA subsidiary with headquarters in Massachusetts and now employees nearly 100 people in the US to run R&D, manufacturing/production and technical support for our customers. We provide innovative solutions for all leading companies and research institutes in high tech fields such as the semiconductor, photonics, pharmaceutical, medical and aerospace industry, to name a few. PI products can be found on earth, in space and even on Mars.

We are a high tech engineering and manufacturing company whose current US headquarters has been in Auburn MA for over 20 years. We outgrew our Auburn facility in 2014 and expanded our manufacturing operation by renting a facility in Hopkinton MA, which we have now also outgrown. After an extensive search over the last 3 years for suitable real estate in the area in and around Marlborough we have identified and made an offer on the facility at 130 Lizotte Dr. Marlborough which we firmly believe will be our long term and permanent home for our US headquarters for our growing business.

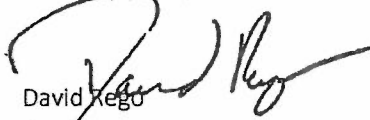
We have plans to upgrade and develop this property to the tune of over \$1M and move into it mid-year 2023. We expect to add both engineering and manufacturing positions as well as professional positions

PI

over the next several years to accommodate our growing business. For numbers, a modest projection of 20 new positions over the next 3-5 years will be added. We have more than sufficient space to grow to even double our size as needed within this facility though we do not foresee that kind of growth any time soon! Still, it will be nice to know that for the foreseeable future we will have more than enough room to grow.

PI Physik Instrumente, LP is therefore requesting that you accept this letter as the formal letter of intent required under the Economic Development Incentive Program, (EDIP).

Sincerely yours,



David Rego
President

cc: Kevin Kuros, Regional Director, MOBD
Meredith Harris, MEDC

Date 10/14/2022

To Whom it May Concern

This letter is PI Physik Instrumente, LP's letter of due diligence. Our company is commonly referred to by its initials as "P.I."

On 10/12/2022, my company met and spoke with Meredith Harris and subsequently met and spoke again with Meredith on 10/14/2022 and Kevin Kuros to discuss the Marlborough local and State EDIP Programs and the various incentives available.

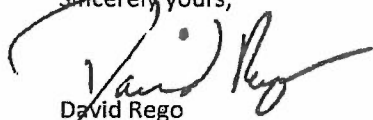
About our company:

PI Physik Instrumente, LP is a global leader in precision automation, motion control, nano-positioning, piezo motor and piezo transducer technologies. PI started more than 50 years ago at a leading Quantum Optics and Physics lab in Germany. Continuous company growth during that time lead to establishing a USA subsidiary with headquarters in Massachusetts and now employees nearly 100 people in the US to run R&D, manufacturing/production and technical support for our customers. We provide innovative solutions for all leading companies and research institutes in high tech fields such as the semiconductor, photonics, pharmaceutical, medical and aerospace industry, to name a few. PI products can be found on earth, in space and even on Mars.

We are a high tech engineering and manufacturing company whose current US headquarters has been in Auburn MA for over 20 years. We outgrew our Auburn facility in 2014 and expanded our manufacturing operation by renting a facility in Hopkinton MA, which we have now also outgrown. After an extensive search over the last 3 years for suitable real estate in the area in and around Marlborough we have identified and made and offer on the facility at 130 Lizotte Dr. Marlborough which we firmly believe will be our long term and permanent home for our US headquarters for our growing business.

PI Physik Instrumente, LP is therefore requesting that you accept this letter as the formal letter of due diligence required under the Economic Development Incentive Program, (EDIP).

Sincerely yours,



David Rego
President

cc: Kevin Kuros, Regional Director, MOBD
Meredith Harris, MEDC

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 90, Parcel 2A (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 PI (Physik Instrumente) L.P. application for an EDIP 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 PI (Physik Instrumente) L.P.'s request that the project be designated by the Massachusetts Economic Assistance Coordinating Council as an EDIP Certified Project for ten (10) years.

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

ADOPTED
 In City Council
 Order No 22-
 Adopted

Approved by Mayor
 Arthur G. Vigeant
 Date:

**TAX INCREMENT FINANCING AGREEMENT BETWEEN
THE CITY OF MARLBOROUGH, AND
PI (PHYSIK INSTRUMENTE) L.P.**

This **TAX INCREMENT FINANCING AGREEMENT** (the "**TIF Agreement**" or the "**Agreement**") is made by and between the City of Marlborough (the "**City**") and PI (Physik Instrumente) L.P. (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 Georgia foreign limited partnership having its principal office located at 1105 W. Peachtree Street NE Suite 1000, Atlanta, Georgia, 30309, and its U.S. headquarters located at 16 Albert Street, Auburn, Massachusetts, 01501, and is authorized to do business in Massachusetts; and

WHEREAS, the Company is the current fee owner of a +/- 5.10 acre parcel of land with building(s) at 130 Lizotte Drive, Marlborough, MA 01752 as further depicted on Marlborough City Assessor's Map 90, Parcel 2A (the "Property") and which is shown on the map attached to this Agreement;

WHEREAS, the Company intends to invest \$4.9 million in combined soft, real property and personal property costs (the "Project") in the Property which includes a 100,000 square foot building (hereinafter, the Property including the building and all associated improvements, is defined as the "Project Area"); and

WHEREAS, the Company also owns a +/- 8.92 acre parcel of land depicted on Marlborough City Assessor's Map 90, Parcel 83, which parcel is not included as part of the Property or Project Area;

WHEREAS, the Company plans to relocate 64 permanent full-time jobs to 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, 40 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 _____ 2022, the Mayor recommended the TIF Agreement to the Marlborough City Council; and

WHEREAS, on _____ 2022, 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 _____, 2022 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 ten (10) years (the "Exemption Term"), commencing on July 1, 2023 (the beginning of fiscal year 2024) and ending on June 30, 2033 (the end of fiscal year 2033). 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	90%
2027	85%
2028	75%

2029	65%
2030	50%
2031	40%
2032	30%
2033	25%

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 December 8, 2022. 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 corporate headquarters, manufacturing, and research & development site; and
 - (b) As part of owning the Project Area, the Company agrees to make capital improvements which are currently estimated to be approximately \$4.9 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 relocate (from Auburn, MA and Hopkinton, MA) and maintain 64 existing permanent full-time jobs at the Project Area, throughout the life

of the Agreement. The Company agrees to create and maintain 40 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 retained jobs and new jobs shall be performed, and maintained, in said building at the Project Area until the termination of this TIF Agreement. The retained jobs and 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	20
2025	25
2026	30
2027	35
2028	40
2029	40
2030	40
2031	40
2032	40
2033	40

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:

(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 2026 is 15 instead of 30, then the real property tax exemption percentage otherwise applicable for FY 2026 would be $(15/30) \times 90\% = 45\%$. Therefore, the Exemption for FY 2026 would be reduced to 45% rather than 90% 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 December 8, 2022, 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: David Rego, President
 16 Albert Street, Auburn, MA 01501

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
PI (PHYSIK INSTRUMENTE), L.P.

By: _____

Dated: _____, 2022

Name: _____

Title: _____

COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On _____, 2022, before me, the undersigned notary public, personally appeared _____ of PI (PHYSIK INSTRUMENTE), L.P. 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: _____, 2022

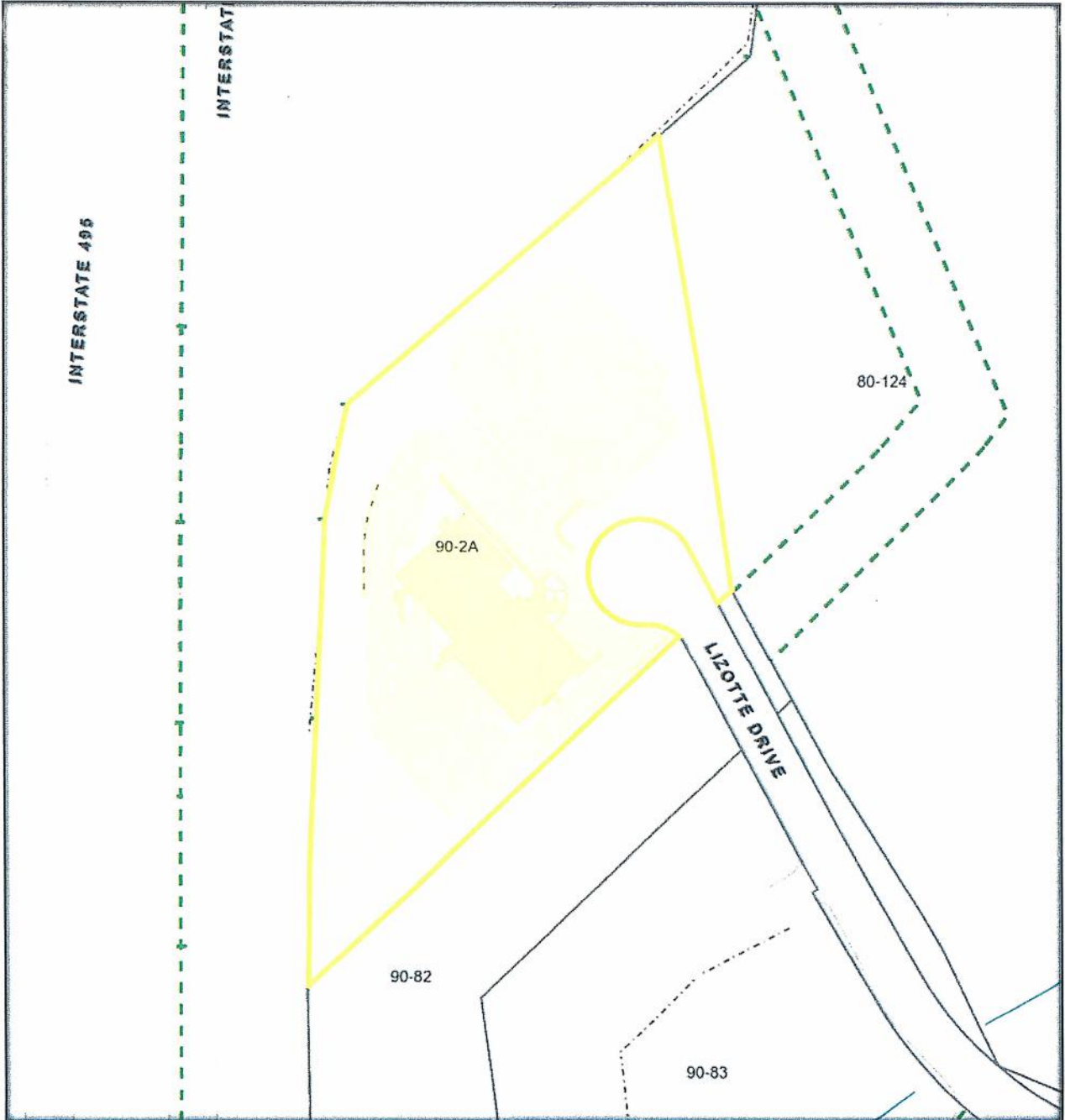
COMMONWEALTH OF MASSACHUSETTS

_____, ss.

On _____, 2022, 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





Estimated Real Property Tax Savings PI - USA - 130 Lizotte Drive, Marlborough, MA

	Year	Base Valuation	Improvement Value	Est. New Assessment	Tax Rate	Tax From New Development	Tax @ 100% Value	TIF Payment Each Year	TIF % Exemption	Taxes Paid Each Year	TIF Benefit Each Year	
Fiscal Year	2023	Base	\$6,423,700		\$22.17	-	\$142,413	-	-	\$142,413	-	
	2025	1	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$30,513	100%	\$142,413	\$30,513
	2026	2	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$30,513	100%	\$142,413	\$30,513
	2027	3	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$27,461	90%	\$145,465	\$27,461
	2028	4	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$25,936	85%	\$146,990	\$25,936
	2029	5	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$22,884	75%	\$150,042	\$22,884
	2030	6	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$19,833	65%	\$153,093	\$19,833
	2031	7	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$15,256	50%	\$157,670	\$15,256
	2032	8	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$12,205	40%	\$160,721	\$12,205
	2033	9	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$9,154	30%	\$163,772	\$9,154
	2034	10	\$6,423,700	\$1,376,300	\$7,800,000	\$22.17	\$30,513	\$172,926	\$7,628	25%	\$165,298	\$7,628
Totals								\$201,383		\$1,670,290	\$201,383	
										Gross Savings	\$201,383	

Assuming:

* Base Assessment	\$6,423,700
** Initial improvement value captured by the TIF	\$1,376,300
*** Tax Rate	\$22.17
****Average TIF Exemption	66%
*****Square Footage	100,000
Improvement value predicated on per sq/ft	\$78.00