

**TAX INCREMENT FINANCING AGREEMENT**  
**between**  
**CITY /TOWN OF \_\_\_\_\_**  
**and**

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This Agreement is made this \_\_\_ day of \_\_\_\_\_, 200\_ by and between the City /Town of \_\_\_\_\_, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at \_\_\_\_\_, acting through its City Council /Town Meeting/Mayor (hereinafter called “the CITY”) and \_\_\_\_\_ with a place of business at \_\_\_\_\_ (hereinafter called the “COMPANY”). This Agreement will take effect upon approval from the Economic Assistance Coordinating Committee on the \_\_\_\_\_ Day of \_\_\_\_\_, 200\_.

WHEREAS, the COMPANY has made improvements and intends to construct a \_\_\_\_\_ and make other renovations to the facility located at \_\_\_\_\_, City Assessor’s Map \_\_\_\_\_, Block \_\_\_\_\_ Lots \_\_\_\_\_ and obtain certain tax incentives from the CITY for said facility; and

WHEREAS, the CITY is willing to grant said tax incentives in return for an undertaking of the COMPANY (1) to make the capital investment at said facility and (2) to create \_\_\_\_\_ net, new, permanent, full-time jobs in conjunction with the Company’s project and \_\_\_\_\_ net, new, permanent, Part-time jobs, a minimum of 51% of which (\_\_\_\_\_ jobs) will be made available to or taken by residents of the City of \_\_\_\_\_ Economic Target Area/ Econmic opportunity Area / Area of Exceptional Economic oportunity.

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties do mutually agree as follows:

**A. THE COMPANY’S OBLIGATIONS**

1. The COMPANY intends to build/ expand on existing operations through the building of expansion of the existing facility, located at \_\_\_\_\_, in \_\_\_\_\_, and the purchase of equipment to expand on the COMPANY’S operational capacity. New investments for the project total approximately \$\_\_\_\_\_, consisting of demolition costs estimated to be \$\_\_\_\_\_ and renovations costs are estimated to be \$\_\_\_\_\_ and new equipment purchases estimated at \$\_\_\_\_\_, which will result in an estimated increase in property value of \$ \_\_\_\_\_(est.), as determined by the City of \_\_\_\_\_ Assessor’s Office.

2. The COMPANY expects to create \_\_\_\_\_ net, new, permanent, full-time positions, and \_\_\_\_\_ net, new permanent part-time positions, all of which will be created in 200\_\_\_\_. The COMPANY shall agree to operate a business and make all commercially reasonable efforts to maintain and add to the level of jobs described as long as the Tax Increment Financing Agreement is effective.
  
3. The COMPANY will work with the \_\_\_\_\_ Office of Employment and Training (designated town agency and other local employment agencies to further this local hiring objective. Specifically, the COMPANY has agreed to make every effort to ensure that 51% of new jobs (\_\_\_\_ jobs) are made available to or taken by \_\_\_\_\_ residents. Within ten (10) days of the approval of the Certified Project designation by the City of Worcester and the state's Economic Assistance Coordinating Council, the company(s) representatives will contact the City Manager's Office of Employment and Training to outline the jobs profiles for those positions to be created and will work with O.E.T. to identify qualified City residents.
  
4. If the COMPANY decides to sell one or more of the facilities documented in this Agreement or the business or to otherwise transfer control of one or more of said facilities or business and/or its operation, the COMPANY shall give the CITY as much notice as is practicable. Said notice shall be given to: City Manager \_\_\_\_\_  
\_\_\_\_\_
  
5. The COMPANY shall provide to the CITY, upon written request, Semi-Annual Reports during each year of this Agreement, which will begin on the July 1 proceeding local and State approval of the COMPANY'S Certified Project application. Said reports, which will be forwarded to the COMPANY by the CITY prior to each noted due date, shall contain the following information: (a) employment levels at the facility at the beginning and end of the reporting period, (b) the specific number of \_\_\_\_\_ ETA /EOA residents employed at the facility at the beginning and end of the reporting period; (c) the COMPANY'S financial contribution to the CITY (i.e. property taxes, motor vehicle excise taxes, water and sewer fees, and charitable contributions relating to the City or its Districts) for the fiscal year; (d) updated financial statements, of the type previously submitted, as required; and (e) a description of any private investment made for the benefit of the community during the reporting period, and (f) a copy of the most recent quarterly WR-1 form filed with the Massachusetts Department of Revenue Employer's Quarterly Report of Wages Paid or a list of employees identified by an employee number, name address, wages and place of residence as agreed upon by the City of \_\_\_\_\_. The COMPANY will also provide the CITY with any information related to this project deemed to be legally available to the CITY spanning the duration of the Tax Increment Financing Agreement.
  
6. It shall be a material obligation of the parties with whom the City has executed a TIF Agreement to provide to the Office of Economic Development and to the City Assessor a listing of all Income (including copies of all leases, rent rolls or other tenant listing) and expenses pertaining to the operation of the Certified real estate. Such Income and Expense Statement shall be delivered each year in which the TIF exemption is in effect. Such information shall be delivered to the Economic Development Dept. and the City Assessor by June 15 of each year.

7. Approval of this Agreement is contingent upon the COMPANY'S ability to meet the requirements documented within all local regulations and ordinances pertaining to this project, as governed by the CITY and local boards and commissions empowered by the CITY to oversee the implementation of said regulations and ordinances.
8. (OPTIONAL)The Company agrees to make an annual Contribution in the amount of \$25,000 to the local Habitat for Humanity to specifically aid in the renovation, repair and/or build-out of housing for low – moderate income residents of the City. In the event that Habitat for Humanity is no longer active in these pursuits within the City of \_\_\_\_\_, then it shall be decided upon the Company and the City what other local charitable organization(s) will be substituted for these donations.

**B. THE CITY'S OBLIGATIONS**

1. The CITY shall grant a tax increment financing exemption to the COMPANY in accordance with Massachusetts General Laws, Chapter 23A; Section 3A, Chapter 40; Section 59, and Chapter 59; Section 5 for City Assessor's Map 13 , Block 022, Lots 01 & 03. The exemption shall be granted and shall apply only to the new value of the facility as described in A1 above.

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**COMPANY**

*Proposed TIF Plan*

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F.Y. '200 (date of Agreement) Assessed Value: \$ \_\_\_\_\_  
 F. Y. '000\_ (date of agreement) Annual Taxes: \$ \_\_\_\_\_  
 Tax Rate: \$ \_\_\_\_\_ (200\_ )  
 Increment: \$ \_\_\_\_\_ (estimated)  
 New Value at completion: \$ \_\_\_\_\_ (estimated)

The exemption shall be valid for a period of \_\_\_\_\_ years, beginning on \_\_\_\_\_ and in anticipation of an increase in value to the property as determined by the City of \_\_\_\_\_ Assessor's Office. The following exemption percentage and exemption schedule will apply toward the increase in assessed value from the base value (Base = \$ \_\_\_\_\_; Increase in Assessed Value = \$ \_\_\_\_\_ [est.]) resulting from the completion of construction and equipment purchases by the COMPANY, as determined by the City of \_\_\_\_\_ Assessor's Office, and reviewed each subsequent year until the renovation is completed. All exemptions will be enacted upon realization of an increase in the assessed value of the noted property that results from new investment specific to this project. This Agreement will end on \_\_\_\_\_.

Exemption ( Sample- percentages can vary)

Year	1	2	3	4	5	6	7	8	9	10
<b>Exemption 2.5%</b>	2.5%		2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Year	11
<b>Exemption 0 %</b>	0%

2. The City Council/Town Meeting/Mayor approved the provisions of this TIF Agreement on \_\_\_\_\_ (See attached resolution/Bylaw).

**C. ADDITIONAL PROVISIONS**

1. Pursuant to 760 Code of Massachusetts Regulations (CMR) 22.05, this Agreement shall be binding upon subsequent owners of the property.
2. Upon failure of the COMPANY to fulfill all material obligations of Sections A1 and A2 under this Agreement, the CITY reserves the right to apply to the Economic Assistance Coordinating Council for decertification of the project.
3. This Agreement is subject to MGL c 23A, section 3A - 3F inclusive, MGL c. 40, section 59; MGL c. 6A; and St. 1993 c. 19.

Executed as to form, on the day and year first written above.

**CITY OF** \_\_\_\_\_

**COMPANY NAME**

\_\_\_\_\_  
**CITY MANAGER/ BOARD OF  
 SELECTMEN**

\_\_\_\_\_  
**CEO/CFO**