

THE TOWN OF WEST BOYLSTON
TAX INCREMENT FINANCING AGREEMENT
FOR
CURTIS INDUSTRIES, LLC

70 HARTWELL STREET, WEST BOYLSTON MA 01583

This Agreement is made as of the _____ of August, 2016 by and between the Town of West Boylston, Massachusetts (the “Town”), Curtis Industries, LLC (“Curtis”) and D & S Realty, LLP (“D&S”).

RECITALS

WHEREAS, the Town is a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal office at 140 Worcester Street, West Boylston, MA 01583, and acting by and through its Board of Selectmen (the “Town”).

WHEREAS, Curtis is a Delaware limited liability company authorized to do business in Massachusetts, with its current principal place of business at 141 Higgins Street, Worcester, MA 01601 (“Curtis”).

WHEREAS, Curtis engages in manufacturing, principally the manufacture of cabs for off-road vehicles, at 141 Higgins Street, Worcester MA which has 160,000 square feet of space.

WHEREAS, D&S is a Massachusetts limited liability partnership with its principal place of business at 127 Hartwell Street, Suite 900, West Boylston MA 01583.

WHEREAS, D&S owns the property located at 70 Hartwell Street, West Boylston MA, identified as West Boylston Assessors’ Parcel ID 172/6/1 (the “Property”).

WHEREAS, the Property was previously used as a manufacturing facility but has been vacant since February, 2016.

WHEREAS, Curtis is a Massachusetts certified manufacturing facility.

WHEREAS, Curtis desires to transfer its operations from Worcester MA to the Property, and shall construct an addition to the existing facility located on the Property (the “Facility”) for the purpose of relocating all of its business operations to the Facility.

WHEREAS, on August 4, 2016, Curtis signed a triple net lease with D&S for use of the Facility, along with responsibility of all operating costs, maintenance and payment of real estate taxes. Curtis anticipates its lease to begin on or about August 8, 2016.

WHEREAS, the Facility requires a substantial addition and renovation before it can be used to fully relocate all of Curtis’ operations to the Facility (the “Project”). Curtis’ construction

costs are anticipated to be approximately \$8,000,000.00, and are expected to be completed by August 1, 2017. Curtis will use the majority of the enlarged Facility for manufacturing, and the remaining space will be used for the general business operations. A description of the Project, including a time schedule for the construction of all improvements and renovations, is attached hereto as Exhibit A.

WHEREAS, Curtis' relocation to the Facility will allow Curtis to retain 125 full time permanent employees, with 80 percent of these jobs being skilled manufacturing position, and the remaining 20 percent being general business operations (administrative, finance, purchasing, engineering, sales and marketing positions).

WHEREAS, the Facility is located in the North Worcester Economic Target Area (the "ETA").

WHEREAS, the Town is willing to grant a Tax Increment Financing Exemption from local property tax (hereinafter referred to as the "TIF"), to Curtis in accordance with Massachusetts General Laws Chapter 23A, Chapter 40, Section 59, and Chapter 59, Section 5, Clause 51, and regulations issued pursuant thereto in return for the guarantee of the enlargement, improvement and occupancy of the Facility and the maintaining and creation of employment opportunities for local workers by Curtis, particularly in the field of manufacturing.

WHEREAS, no public improvement or associated betterments are required by the Town for Curtis' proposed relocation to, and expansion of the Facility.

WHEREAS, the Town strongly supports increased economic development to provide additional jobs, expand business with the community and to develop a healthy economy and stronger tax base.

WHEREAS, on July 27, 2016, the Board of Selectmen approved this TIF Agreement, and Town Meeting approved this Agreement on August 8, 2016.

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

The Parties agree that the above Recitals are true and accurate and that they are incorporated herein and made a part hereof.

A. CURTIS' OBLIGATIONS

This authorization for the TIF Agreement is made in consideration of Curtis' agreement to the following:

1. Curtis shall transfer all current full-time permanent jobs from Curtis' current location at 141 Higgins Street, Worcester MA to the Facility. As of the date of this Agreement, the number of full-time permanent jobs is 125.
2. On behalf of Curtis, D&S shall construct an addition and renovations to the Facility at a cost of approximately \$8,000,000.00 to relocate Curtis' current operations to the Facility as described in Exhibit A.

3. D&S shall make every attempt to complete all renovation and expansion of the Facility no later than August 1, 2017, and Curtis shall make every reasonable effort to occupy the Facility no later than November 1, 2017.
4. Subject to applicable law, Curtis shall use its best efforts to ensure that any job expansion or hiring of new permanent full-time employees shall be first advertised to West Boylston residents a minimum of two (2) weeks before advertising through all typical regional employment advertising outlets.
5. As set forth in G.L. c.40, §59, Curtis shall file its Economic Development Incentive Program (“EDIP”) annual report with the Massachusetts Economic Assistance Coordinating Council (EACC”) in a timely manner, together with a statement as to how many new positions have been filled with West Boylston residents pursuant to paragraph A.4. The annual report shall include the status of construction of the Facility and of the Project, number of permanent full-time positions retained and the value of the Project capital investments with respect to the Property annually and on a cumulative basis. Curtis shall also file a report every two years during the term of the tax exemption provided hereunder, and in the last year of that exemption as set forth in G.L. c.40, §59(viii).
6. If Curtis intends to move any business operations from the Property, the Town shall be given sixty (60) days advance written notice.
7. Curtis will assist and cooperate with the Town in supplying all information, data, forms proposals and/or certifications executed by authorized individuals, as necessary for the Town’s application to EACC, and shall further provide all assistance required by the Town and EACC to implement this Agreement.

B. THE TOWN’S OBLIGATIONS

1. The Town’s real property tax assessment on the facility for fiscal year 2017 shall be determined as of January 1, 2016, based on the Facility’s current valuation of \$2,936,200. The Town shall not revalue the facility with respect to FY17, and under no event shall the FY17 valuation of the Facility take into account any construction in progress during FY17.
2. The Town shall grant a TIF exemption for the Facility pursuant to Massachusetts General Laws Chapter 23A, Chapter 40, Section 59, and Chapter 59, Section 5, Clause 51.
3. The TIF discount for the Facility shall be calculated as prescribed by the Massachusetts General Laws Chapter 59, Section 5, Clause 51, and shall apply to the incremental increase “The Increment” in real estate tax valuations and taxes related to building improvements described in Section A of this Agreement. The Increment shall be subject to discounts as defined in paragraph B.4 below for the fiscal years 2018 through 2030 (i.e. July 1, 2017 through June 30, 2030). Both the base and the increment valuations shall be calculated using a market adjustment factor for each of the fiscal years of the specified term as required by Massachusetts General Laws Chapter 40, Section 59, as currently in effect. The base valuation shall be the assessed value of the Property in FY17 as set forth in paragraph B.1 above.
4. The Town hereby authorizes a TIF exemption percentage with respect to the Facility described in Section A above as follows:

Fiscal Year	TIF Year	% Exemption
2018	1	100%
2019	2	100%
2020	3	90%
2021	4	90%
2022	5	70%
2023	6	60%
2024	7	50%
2025	8	50%
2026	9	40%
2027	10	40%
2028	11	30%
2029	12	20%
2030	13	10%
2031	14	0%

5. The Town agrees that all personal property will be exempt from taxation during the entire term of the TIF pursuant to Massachusetts General Laws Chapter 59, Section 5, Clause 51.
6. This Agreement by and between the Parties will take effect only upon EACC's approval under G.L. c.40, §59(vii). The Town shall submit the Agreement and all documents necessary for EACC consideration and approval on or before August 24, 2016.

C. OTHER CONSIDERATIONS

1. The Town acknowledges that it has sought and obtained authorization from the registered voters of the Town at a duly posted Special Town Meeting held on August 8, 2016, and that it shall exercise reasonable efforts to perform all statutorily required steps to effectuate a TIF under the relevant Massachusetts General Laws.
2. Curtis acknowledges that the Town has the right, at its option, and in addition to the other rights of the Town set forth herein, to petition the Massachusetts EACC to decertify the Project and revoke this TIF if the Town determines that Curtis has failed to satisfy its obligations under this Agreement or as otherwise may be authorized under state or local law. However, prior to filing any such petition for decertification, the Town shall give Curtis written notice of Curtis' alleged default(s) and shall provide an opportunity to cure such alleged default(s), including an opportunity to be heard at a public hearing of the Town's Board of Selectmen on the matter. If the Town is satisfied that Curtis has made a good faith effort to meet its obligations under this TIF, and is unable to cure the alleged default(s), then the Parties will attempt to negotiate a mutually acceptable and reasonable resolution that may result in amendments to the terms of this TIF.
3. If, after the procedures set forth in paragraph C.2 above, the Town proceeds with a petition to the EACC, then upon decertification by the EACC, the Town shall have the right to discontinue the TIF described above, commencing with the fiscal year immediately following the year for which Curtis failed to meet its obligations, and shall have the right to

recoup the value of any economic benefit received by Curtis prior or subsequent to such revocation to the extent applicable under Massachusetts General Laws Chapter 23A, Section 3F and 402 CMR 2.16.

4. The matters described above as obligations of Curtis are conditions to the eligibility for tax exemptions under this Agreement and obligations and covenants of Curtis and D&S. The Town's sole remedy for failure by Curtis to satisfy any of its obligations and conditions are the procedures set forth in paragraphs C.2 through C.3 above.
5. D&S hereby assents to this Agreement by and between Curtis and the Town by executing the assent attached hereto and agrees that all of the benefits of this Agreement shall inure to Curtis.
6. During the term of this Agreement, Curtis and D&S shall provide the Town and its representatives with reasonable access to the Property and Facility upon advance request for the purpose of reviewing the status of the Project and verifying compliance with this Agreement.
7. The TIF shall be binding on all parties hereto, but Curtis shall not be able to be assign or convey or otherwise transfer this TIF, or its rights hereunder to another party. Any transaction, or series of transactions, which result in a change of control of Curtis, whether by merger or acquisition shall not be deemed to be a transfer within the meaning of the first sentence of this paragraph.
8. This agreement is subject to Massachusetts General Laws Chapter 23A, Chapter 40, Section 59, and Chapter 59, Section 5, Clause 51, as well as all applicable regulations.
9. If any provision of this Agreement shall be declared or determined by a 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 part of the Agreement, unless such illegality or invalidity materially and adversely affects an essential purpose of this Agreement, in which event, the Agreement shall, upon such declaration or determination, be deemed invalid.
10. The time within which Curtis shall be required to perform any of its obligations under this Agreement shall be extended to the event the performance of such obligations is delayed by a force majeure event such as an act of God, earthquake, fire, act of terrorism, war, delay or restriction of a government body, or any other cause beyond the reasonable control of Curtis.

Executed, as a sealed instrument on the day and year first above written.

Accepted by the Board of Selectmen:

Christopher A. Rucho, Chair

Date

Approved as to form:

Date

Accepted by Curtis:

Date

Assented to by D&S:

Date

Exhibit A – Project Narrative

Subject Property: 70 Hartwell Street, West Boylston MA

Assessor's Parcel Number: 172/6/1

Property Owner: D&S Realty, LLP

Current Facility Square Feet: 41,600 SF

Proposed Facility Square Feet: 110,400 SF addition for a total of 152,000 SF

Detailed Description of Proposed Property Improvements: As currently planned, the property owner, D&S Realty, LLP, on behalf of Curtis Industries , will be doing a large scale building renovation and expansion project that has an estimated project cost of \$8,000,000+.

The existing building renovations will involve general finish upgrades such as new carpeting, flooring tiles and painting. Also along the rear of the existing building there will be some non-bearing and bearing walls that will be demoed as needed to connect the existing building to the new addition.

The building expansion will include the construction of 77,280 additional square feet of manufacturing space, 5,520 square feet of office space, and 27,600 square feet of storage space; with the total additional square footage to be added to equal 110,400 square feet.

The project will include the following external improvements to the property. There will be an employee outdoor break area with picnic tables and basketball hoop. The parking area will be expanded to a total of 150 parking spaces and the building will have eight new loading docks located at the back of the buildings addition. A new storm water management area is to be located in the rear of the property. All building utilities will be expanded as needed for the new addition.

The construction is expected to commence on or about November 1st, 2016 and to be completed on or about July 31, 2017.