



CITY OF AMESBURY
IN THE YEAR TWO THOUSAND TWENTY-TWO

SPONSORED BY: *Kassandra Gove* **BILL No. 2022-162**
Kassandra Gove, Mayor

Anthony S. Rinaldi
Anthony S. Rinaldi, Councilor, District 2

An Order to decertify the Tax Increment Financing Incentive Agreement entered into by the City with Global Property Developers Inc. as described herein and incorporated herein by reference.

Summary: This Order will serve to rescind authorization for and terminate the Tax Increment Financing Agreement entered into between the City and Global Property Developers Corporation.

Whereas, GLOBAL PROPERTY DEVELOPERS CORPORATION, a corporation organized, existing, and authorized to do business in the Commonwealth of Massachusetts, with a principal place of business at 80 First Street, Bridgewater, MA 02324 (the "PROPERTY OWNER") and the City of Amesbury entered into a 15-year Tax Increment Financing Agreement (the "TIF AGREEMENT") on November 6, 2018, as authorized by the City Council on May 8, 2018 through Order number 2018-030, and amended in October 9, 2018 by Order number 2018-063, with respect to the development of the land located at 24 South Hunt Road, Amesbury, MA (the "PROPERTY"), the term of which TIF AGREEMENT is scheduled to end in December 2035; and

Whereas, the PROPERTY OWNER intends to lease the PROPERTY to MUNTERS CORPORATION, a corporation organized under the laws of the State of New York, and existing, and authorized to do business in the Commonwealth of Massachusetts, with a principal place of business at 79 Monroe Street, Amesbury, MA 01913 (the "COMPANY"); and

Whereas the COMPANY seeks to enter into a new 15-year TIF AGREEMENT with the City with respect to its intent to build a 400,000 square foot manufacturing facility on the PROPERTY; and

Whereas, there can only be one (1) active TIF AGREEMENT on the PROPERTY; and

Whereas, the PROPERTY OWNER and CITY wish to terminate the existing TIF AGREEMENT.

NOW, THEREFORE, be it Ordered by the City Council of the City of Amesbury assembled, and by the authority of the same as follows:

Effective as of _____, 2022 the authorization for the TIF AGREEMENT between the PROPERTY OWNER and the CITY shall be rescinded and the TIF Agreement shall be terminated and of no further force and effect.

First Read: _____, 2022

Approved: _____

Council Clerk

Council Chairman

Date: _____

Approved: _____
Kassandra Gove
Mayor



**AMENDED TAX INCREMENT FINANCING AGREEMENT
CITY OF AMESBURY, MASSACHUSETTS
and
GLOBAL PROPERTY DEVELOPERS**

This document, and all attachments hereto, and incorporated herein, hereinafter referred to as the "AGREEMENT" is made this 30th day of October 2018, by and between the CITY OF AMESBURY, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at City Hall, 62 Friend Street, Amesbury, Massachusetts, 01913, acting through the Mayor, Ken Gray (hereinafter referred to as "CITY"), and Global Property Developers Corporation, a Massachusetts corporation with a principal place of business at, 80 First Street, Bridgewater Massachusetts 02324, represented by Steven Callahan, CEO (hereinafter referred to as "COMPANY"). The exemptions associated with this AGREEMENT will take effect as per the schedule herein, and shall act as an amendment to the prior agreement.

WHEREAS, to accommodate the legal process for a TIF approval the prior approved TIF Plan and Agreement began the process in April of 2018, over the course of the past four months circumstances have changed to warrant an amendment to the prior TIF. These circumstances are outlined in the document titled, The Atlantic Center Tax Increment Financing Amendment 24 South Hunt Road Amesbury, Mass. Global Property Developers; and,

WHEREAS, the COMPANY wishes to improve, and, thereby, increase the value of the property located at 24 South Hunt Road, Amesbury, hereafter known as the PROPERTY as shown in Attachment, "EXHIBIT A"; and,

WHEREAS, pursuant to the City of Amesbury "Guidelines for Incentives", the CITY is willing to grant a tax concession to off-set the project's site-specific development constraints, in return for guarantees by the COMPANY as cited herein; and,

WHEREAS, the COMPANY is seeking a Tax Increment Financing Exemption from the CITY (the "EXEMPTION") in order to enhance the financial viability of the proposed project to be established at the PROPERTY, in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws; and,

WHEREAS, the COMPANY by construction, occupancy, and operations of the proposed project will create employment opportunities; and,

WHEREAS, the proposal by the COMPANY will create additional taxation above the current values of the PROPERTY; and,

WHEREAS, the Amesbury City Council voted to adopt the "Amesbury Incentive Guidelines", contained in the report titled "The City of Amesbury Economic Incentives Strategy, An Approach to Leverage Positive Amended TIF Agreement – Global Property Developers Corporation

Economic Growth, March 2014”, as a means to support the use of Tax Increment Financing as a tool to encourage economic development, within the Northern Essex Regional Economic Target Area; and

WHEREAS, The COMPANY has taken the initial steps and filed both a letter of interest and an EDIP Preliminary Application as provided in Attachment, “EXHIBIT B”; and,

WHEREAS, the Amesbury City Council resolved on October 10, 2018 to endorse this AGREEMENT, the Economic Opportunity Area Designation, and the Tax Increment Financing Plan, and the authorization to submit to the EACC, as negotiated by the CITY and the COMPANY.

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

- A. **THE COMPANY’S OBLIGATIONS:** The EXEMPTION granted to the COMPANY by the CITY is in consideration the COMPANY’S commitments, stated hereafter as follows:
1. The COMPANY shall purchase the property, within eighteen-months of the approval by the EACC, and construct on the PROPERTY the Atlantic Center with approximately 410,000 sq. ft., with a proposed estimated property investment value of \$40,000,000 million, as further described by the decision of the Planning Board on June 25, 2018, for the applicant: “Global Property Developers Corporation, Atlantic Sports Center, including all referenced conditions, documents, reviews, and plans. (hereafter the “FACILITY”). The FACILITY shall be located on Assessor’s Parcel ID 95/5/B. For an exact location of the FACILITY, refer to Attachment, “EXHIBIT A.” This agreement and the resulting benefits only apply to the Atlantic Center as described above and does not include any future development of the site. Future proposals will require a new and separate agreement.
 2. The COMPANY shall create 50 permanent, full time jobs within five (5) years from the state incentive award, under the Massachusetts Economic Development Incentive Program.
 3. Subject to any applicable laws or regulations, and assuming equal qualification, the COMPANY shall use best efforts to afford priority to local contractors, vendors and suppliers, in connection with the construction of the FACILITY. The COMPANY shall hold a vendor fair, three months prior to issuance of the occupancy permit, to invite local businesses to provide opportunities to conduct business with the COMPANY at the FACILITY.
 4. In the form and manner as mutually agreed to by the COMPANY and CITY, the COMPANY shall advertise locally for employment of Amesbury residents and hold a local job fair for the initial project applicants. The COMPANY must illustrate that at least 51% of the jobs must be afforded the opportunity to be filled by City of Amesbury residents, with the employer working through established public and quasi-public employment service entities, within the City of Amesbury.
 5. The COMPANY shall submit annual reports of job creation, retention and new investment at the FACILITY, to both the State of Massachusetts and to the Community Development Office, of the City of Amesbury, for which the tax benefits granted herein are enjoyed. Reports shall be submitted in the time frame and with the information as required by the State of Massachusetts, and forwarded to the CITY fourteen-days prior to such submittal. The annual report shall include:

- a. the number of permanent, full-time jobs created, and the number of people hired, from the ETA for both the annual time period, and on a cumulative basis; and,
 - b. the value of the improvements invested by the COMPANY in the FACILITY both annually, and on a cumulative basis; and,
 - c. the number of construction jobs created, and the number of residents hired from the ETA during the construction period, as applicable.
 - d. Other information as maybe required by the Commonwealth of Massachusetts.
6. To pay all real estate taxes and utility fees owed the CITY relating to the FACILITY in a timely fashion.
 7. To comply with any and all local and State permits, as required to obtain an eventual occupancy permit. To further continue such compliance as required to sustain occupancy and operations.
 8. During the life of the Agreement, if the COMPANY decides to sell the FACILITY, or the business, or to otherwise transfer control of the FACILITY or business and/or operations thereof, the COMPANY shall give the CITY at least ninety-(90)-days written notice of said sale or transfer. Said notice shall be given by certified mail, return receipt requested, to the Office of the Mayor, City Hall, 62 Friend Street, Amesbury, Massachusetts, 01913.
 9. The COMPANY shall also give the CITY ninety-(90)-days prior notice of any corporate decision to either: (i) change the nature, character, or scale of their business operations at the FACILITY to one other than originally proposed herein, or, (ii) cease their business operations at the FACILITY. The CITY shall have the option to continue or to cease this AGREEMENT, based on the nature of these changes.

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 3E, Chapter 40, Section 59, and Chapter 59, Section 5. The exemption shall be for the period of fifteen (15) years (the "EXEMPTION PERIOD"), commencing with Fiscal Year 2020 (which begins July 1, 2019) and ending with the last year Fiscal Year 2035 (which ends June 30, 2035) and shall provide a percentage EXEMPTION from taxation, as described in the table below, on the increased value of the FACILITY, resulting from the FACILITY improvements.
2. The agreed base valuation of \$444,838 for FY 2018 is established as the assessed value of the FACILITY. As this document represents an amendment the above referenced value will stand as the base value. The Tax Increment Financing Exemption formula for the FACILITY will be calculated as prescribed by Massachusetts General Laws and regulated by the Department of Revenue, and shall apply to the incremental difference in the above assessed real property tax valuation of the PROPERTY, and its assessed valuation for each of the next sixteen (16) fiscal years.
3. The Base Valuation is adjusted annually by an adjustment factor which reflects increased commercial and industrial property values within the community, as defined in Massachusetts General Laws. Any increase in the assessed value of the PROPERTY over the Base Valuation, or "increment", attributable to the renovations and/or improvements made in connection with the

FACILITY is that amount eligible for exemption from taxation (the "Tax Increment Financing Exemption").

4. The calculations employed during the TIF negotiations are only to provide estimates and are therefore understood to be based on a moment in time with inflation, property values, and other factors set in the applicable spreadsheets, and, further that such calculations are not an accurate prediction of the actual market factors that may occur to derive the eventual bottom line sought by the developer. The outcome of this process is the percentage incentive cited in item seven below, and not the anticipated bottom line savings which is only meant as an estimated target for the COMPANY. Notwithstanding the above, in the event the accrued benefits to the COMPANY achieve \$4.5 million in total benefits the TIF shall cease the following tax pay period.
5. The EXEMPTION becomes effective as established herein, or on the July 1st subsequent to these circumstances having occurred; the date on which the EACC approves the Amendment to the TIF Plan pursuant to which this AGREEMENT is executed, as provided in 760 CMR 22.05 (4)(d).
6. The issuance of an occupancy permit for the FACILITY, as outlined herein, shall be required within one-year of the start of the TIF term, as outlined below.
7. The CITY finds that the development costs of the site requires a term in excess of five-years and hereby affords a term of sixteen-years. The exemption schedule on the value of the FACILITY is as follows: for each of the fifteen-years of this AGREEMENT, the COMPANY will be granted a Real Estate exemption of the approved percentage of the full value of the FACILITY, and pay taxes on the non-exempt value of the FACILITY. Commencing in Fiscal Year 2036, and for each year thereafter, the COMPANY will pay taxes on the full value of the FACILITY. The EXEMPTION shall not include Personal Property taxes. It is understood that the first year of the AGREEMENT may represent a partial construction completion and resulting occupancy permit and that the property value MAY change in the second year of the AGREEMENT when it is anticipated that additional constitution will occur and the full buildout and occupancy permit is planned. The EXEMPTION shall be calculated and remain unchallenged for each fiscal year as follows:

Fiscal / Month Year	Exemption Percent	Fiscal / Month Year	Exemption Percent	Fiscal / Month Year	Exemption Percent
<u>2020/July 2019</u>	<u>48</u>	2026/July 2025	32	2031/July 2030	<u>28</u>
2021/July 2020	48	2027/July 2026	32	2032/July 2031	<u>28</u>
2022/July 2021	48	2028/July 2027	32	2033/July 2032	<u>28</u>
2023/July 2022	48	2029/July 2028	32	2034/July 2033	<u>28</u>
2024/July 2023	48	2030/July 2029	32	2035/July 2034	<u>28</u>
2025/July 2024	48				

8. Offsite Improvements and Adjustment to Agreement: To facilitate the construction of the FACILITY, the CITY will use the District Improvement Financing (DIF) program and apply for the MassWorks grant program, through the Commonwealth of Massachusetts, to fund the offsite Infrastructure Improvements, (hereafter referred to as IMPROVEMENTS). If the CITY is not successful acquiring MassWorks funds for the IMPROVEMENTS, thereby requiring the entire infrastructure obligation to result from the DIF, or the MassWorks award is not sufficient and will require more DIF funds than anticipated, or the cost of the IMPROVEMENTS have increased beyond the anticipated budget, then, the CITY shall lower the percentage cited above, to allow for an increase in the DIF percentage, to

generate sufficient revenue to fund the IMPROVEMENTS. The adjustment to this agreement will be negotiated between the CITY and the COMPANY in a manner that provides sufficient funds for the IMPROVEMENTS.

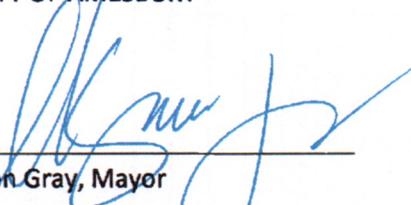
C. OTHER CONSIDERATIONS:

1. If after 30-days written notice to the COMPANY by the CITY, the COMPANY fails to meet the job creation and investment commitments, specified herein, or fails to comply with all reporting requirements specified in this agreement, the CITY, acting through its Mayor, may, at its sole discretion, take action to request decertification of the project by the Economic Assistance Coordinating Council (EACC). Upon decertification, the CITY shall discontinue the Tax Increment Financing Exemption benefits described herein, commencing with the fiscal year for which the COMPANY did not meet its commitments. The above decertification is notwithstanding any independent actions by the Commonwealth of Massachusetts, as allowed by law.
2. This Tax Increment Financing Agreement shall be binding on all subsequent owners of the property. The CITY reserves the right to review and negotiate the Tax Increment Financing Agreement if the business activity ceases to be fully operational during the life of the Tax Increment Financing Agreement.
3. If the COMPANY decides to expand the FACILITY at any time during the life of the Tax Increment Financing Agreement, the CITY and the COMPANY may renegotiate the Tax Increment Financing Agreement to exempt all or part of the expansion from property taxes. The exact amount of that exemption will be determined at the time of the expansion.

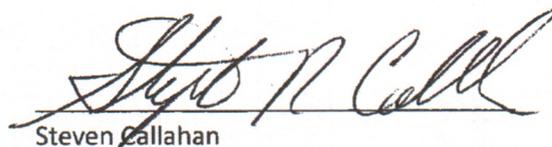
Executed as a sealed instrument, on the day, month and year first above written.

CITY OF AMESBURY

COMPANY, INC.



Ken Gray, Mayor



Steven Callahan

Date: 11/6, 2018

Date: 11/6, 2018

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

EDIP Local Incentive Only Application Exhibit 1: Local Incentive Valuation

FY	Municipal Tax Rate Per Thousand	Incremental Assessed Value	Projected Annual RE Property Tax Bill for Incremental Assessed Value	TIF/STA Yearly Exemption %	Exempted Annual RE Property Taxes	Exempted Annual Personal Property Taxes	Total Yearly Value of Local Tax Incentives
2020	\$18.99	\$19,555,162.00	\$371,352.53	48%	\$178,249.21	\$0.00	\$178,249.21
2021	\$18.99	\$39,555,162.00	\$751,152.53	48%	\$360,553.21	\$0.00	\$360,553.21
2022	\$18.99	\$39,555,162.00	\$751,152.53	48%	\$360,553.21	\$0.00	\$360,553.21
2023	\$18.99	\$39,555,162.00	\$751,152.53	48%	\$360,553.21	\$0.00	\$360,553.21
2024	\$18.99	\$39,555,162.00	\$751,152.53	48%	\$360,553.21	\$0.00	\$360,553.21
2025	\$18.99	\$39,555,162.00	\$751,152.53	48%	\$360,553.21	\$0.00	\$360,553.21
2026	\$18.99	\$39,555,162.00	\$751,152.53	32%	\$240,368.81	\$0.00	\$240,368.81
2027	\$18.99	\$39,555,162.00	\$751,152.53	32%	\$240,368.81	\$0.00	\$240,368.81
2028	\$18.99	\$39,555,162.00	\$751,152.53	32%	\$240,368.81	\$0.00	\$240,368.81
2029	\$18.99	\$39,555,162.00	\$751,152.53	32%	\$240,368.81	\$0.00	\$240,368.81
2030	\$18.99	\$39,555,162.00	\$751,152.53	32%	\$240,368.81	\$0.00	\$240,368.81
2031	\$18.99	\$39,555,162.00	\$751,152.53	28%	\$210,322.71	\$0.00	\$210,322.71
2032	\$18.99	\$39,555,162.00	\$751,152.53	28%	\$210,322.71	\$0.00	\$210,322.71
2033	\$18.99	\$39,555,162.00	\$751,152.53	28%	\$210,322.71	\$0.00	\$210,322.71
2034	\$18.99	\$39,555,162.00	\$751,152.53	28%	\$210,322.71	\$0.00	\$210,322.71
2035	\$18.99	\$39,555,162.00	\$751,152.53	28%	\$210,322.71	\$0.00	\$210,322.71
				TOTALS	\$4,234,472.86	\$0.00	\$4,234,472.86

Note: In Massachusetts, Proposition 2½ operates at the level of a municipality's total tax levy. Due to Proposition 2½, it is impossible to make reliable projections for individual parcels, whose taxes may increase much more or much less than the municipal



CITY OF AMESBURY
IN THE YEAR TWO THOUSAND EIGHTEEN

SPONSORED BY: C. Kenneth Gray, Mayor **BILL No. 2018-063**

At the meeting of the Amesbury City Council held on October 9, 2018 in the City Hall Auditorium the following action was taken:

An **Order** that the Amesbury City Council hereby takes the following actions, as individually cited below, for the purpose of collectively approving an amendment to a Tax Increment Financing incentive for Global Property Developers, as described herein, and further described in the attachments, principally the document titled The Atlantic Center Tax Increment Financing Amendment 24 South Hunt Road Amesbury, Mass. Global Property Developers, September 2018, which is incorporated herein, by reference.

Be it Ordained by the City Council of the City of Amesbury, assembled, and by the authority of the same, as follows: that the Amesbury City Council hereby votes to approve and authorize the Mayor to amend prior agreements and plans resulting from a previously authorized Order number 2018-030: for property located at 24 South Hunt Road in Amesbury, referenced by Amesbury Assessors Map 95 parcel 5/B, Essex County Registry of Deeds Book 458 and Page 29, comprised of 50.74 acres (hereafter referred to as the PROPERTY), the amendment to a Tax Increment Financing Zone Application and Tax Increment Financing ("TIF") Plan, a Tax Increment Financing Agreement, by and between the City of Amesbury and Global Property Developers, a Massachusetts corporation with a principal place of business at 80 First Street, Bridgewater, Massachusetts, represented by Steven Callahan (hereinafter referred to as "COMPANY").

WHEREAS, the COMPANY wishes to improve and thereby increase the value of the property located at 24 South Hunt, Amesbury, hereafter known as PROPERTY, as shown in "EXHIBIT A"; and,

WHEREAS, pursuant to the City of Amesbury Guidelines for Incentives, the CITY is willing to update and amend the previously granted tax concession, to off-set the project's site-specific development constraints, in return for guarantees by the COMPANY, as cited herein; and,

WHEREAS, to accommodate the Commonwealth EACC review timeline, the prior approved TIF Plan and Agreement (Bill No. 2018-030) was filed in April of 2018. Since that time circumstances have changed to warrant an amendment to the prior TIF. These circumstances are outlined in the above referenced document which demonstrates the amendment is mutually beneficial to both parties; and,

WHEREAS, the COMPANY has received a Tax Increment Financing Exemption from the CITY through Bill Number 2018-030. The amended agreement "EXHIBIT B", will take into account the current circumstances and further enhance the financial viability of the proposed project planned for the PROPERTY, in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A and Chapter 19 of the Acts of 1993 and 402 CMR 2.00; and,

WHEREAS, the COMPANY, by construction, occupancy, and operations of the proposed project will create employment opportunities; and,

WHEREAS, the proposal by the COMPANY will create additional taxation, above the current values of the PROPERTY; and,

WHEREAS, the Amesbury City Council voted to adopt the Amesbury Incentive Guidelines, contained in the report titled "The City of Amesbury Economic Incentives Strategy, An Approach to Leverage Positive Economic Growth March 2014", as a means to support the use of Tax Increment Financing as a tool to encourage economic development within the Northern Essex Regional Economic Target Area; and,

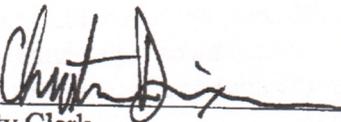
WHEREAS, the COMPANY for the initial approval has already filed both a letter of interest and an EDIP Preliminary Application, as provided in "EXHIBIT C";

NOW, THEREFORE, BE IT Ordered by the City Council and the City of Amesbury that:

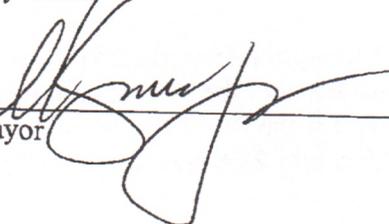
1. The City Council previously authorized through Bill Number 2018-030 that the Mayor of the City of Amesbury may file an application and seek approval with the state Economic Assistance Coordinating Council (EACC) to establish an Economic Opportunity Area (EOA) for the PROPERTY, to be known as the 24 South Hunt Economic Opportunity Area. This task has been approved by the City Council and Commonwealth's EACC and will remain as approved not subject to this amendment.
2. The City Council hereby approves: The Atlantic Center Tax Increment Financing Amendment 24 South Hunt Road Amesbury, Mass. Global Property Developers, September 2018, which is attached hereto, and incorporated herein, by reference. Details as to the reasons for the amendment are contained therein.
3. The City Council hereby authorizes and requests the Mayor to execute, on behalf of the City, an amendment to the TIF Agreement; and, submit the TIF Zone and Plan to the EACC for its approval and certification, pursuant to 402 CMR 2.18 and 751 CMR 11.06.
4. The area known as the PROPERTY shall remain as a TIF Zone pursuant to the prior approval by the City Council and the EACC, pursuant to M.G.L. c.40 Sec. 59 and 751 CMR 11.04.
5. The Mayor shall be authorized to submit any and all required materials to the Commonwealth of Massachusetts' Economic Assistance Coordinating Council, and to take such other actions and execute any such documents on behalf of the City, as may be necessary to carry out this order for an amendment to the TIF Plan and the TIF Agreement.

Councilor Richard Marggraf motioned to approve 2018-063 as presented. Councilor Joseph McMilleon seconded. A roll call vote was taken, and it was unanimous.

Witness my hand and seal for the City of Amesbury this 10th day of October, 2018



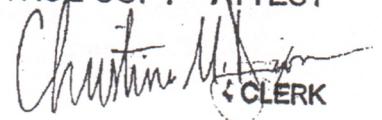
City Clerk



Mayor

10/10/2018
Date

A TRUE COPY ATTEST


CLERK