



Amesbury

Mayor C. Kenneth Gray
City Hall, 62 Friend Street
Amesbury, MA 01913-2884

(978) 388-8121
Fax: (978) 388-6727
mayor@amesburyma.gov

November 20, 2014

Peter Milano
Senior Regional Director
Massachusetts Office of Business Development
360 Merrimack Street
Building 5
Lawrence, MA 01843

Dear Peter;

Please find the completed application with all submittals required for the EDIP process for consideration by the EACC. The attached materials represent the required filing for incentives to facilitate the construction of a ninety-two room, 54,000 square feet, Hotel at 284 Elm Street. The \$10.5 million project is proposed by a by Archgrove Hospitality which has a clear history of success. The site is ready for development with both Planning Board and Conservation approvals. Pending the completion of the TIF process in December the company will begin construction in March and finish one year later.

We understand that the guidelines have changed and some of the material we submitted may not be entirely necessary. However to err on the side of caution and not change the submittals in the middle of the local process we included the EOA application and TIF Plan and Zone. A memorandum from the Community Development Director provides a table of contents which is attached to this letter.

The Golden Triangle has been a promise of renewal and opportunity for over thirty years. With this TIF we are on the cusp of fulfilling that promise to the community. With no action we can continue to wait for the possibility of a development, or we can take action and partner with a developer who sees the same vision we hold for this area. The result is, more jobs, and clear economic ripple effect, and far more tax revenue than the amount we now receive.

This is our first TIF as a result we have been methodical and selective toward achieving positive outcomes for all parties; the City, the Commonwealth, and Archgrove Hospitality.

I want to express our sincere gratitude for your professional guidance and patience assisting the City to this point in the process.

Sincerely,


Ken Gray
Mayor

Enc: 284 Elm TIF Proposal



Amesbury

William Scott
Deputy Director Office of Community Development
City Hall, 62 Friend Street
Amesbury, MA 01913-2884

(978) 388-8110 - 313
scottw@amesburyma.gov

November 20, 2014

**Mayor Ken Gray
City Hall
City of Amesbury
62 Friend Street
Amesbury Massachusetts 01913**

Dear Mayor Gray,

The attached materials organized in the following manner represent the submittals for incentives under the EDIP process for consideration by the EACC. Some of the Appendix and attachment materials for each of the below documents are redundant. For example the EDIP Supplemental Application is referenced as an attachment in the agreement. For brevity of the packet we did not repeat the materials.

- 1. EDIP Supplemental Application**
- 2. Order City Council: Municipal Vote by Authoritative Body Approving Incentive, EOA TIF Plan and Zone and Application Submission to EACC**
- 3. Executed Local Incentive Agreement**
- 4. Local Incentive Valuation Spreadsheet**
- 5. Economic Opportunity Area (EOA) Application**
- 6. Local Incentive TIF Plan/ Zone**

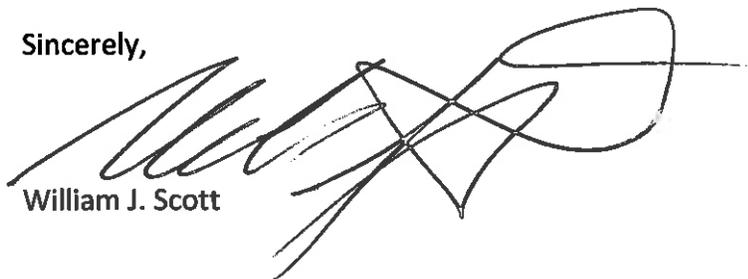
We understand that the process has changed and some of the above materials may not be necessary. When we began the process they were included and we did not want to alter the process, so they are included in both the Council action and attached. Disregard any materials that are not necessary.

We followed an extensive and efficient public process to as outlined in the below timeline.

1. October 25th Archgrove Hospitality files letter of intent to City and State.
2. October 20th to November 2nd Negotiations and TIF Agreement, EOA and other Documents created by OCED.
3. November 3rd Amesbury Economic Incentives Committee meets to recommend project to Mayor.
4. November 3rd, Mayor Recommends to Council.
5. November 4th Chamber of Commerce Economic Development Committee reviews and provides favorable recommendation.
6. November 5th Council meets for first Reading.
7. November 5th City Council Finance Committee meets directly afterward for hearing.
8. November 12th City Council Ordinance meeting review and recommendations.
9. November 18th City Council Meeting hearing and 2nd reading with a favorable vote.
10. November 20th Order completed and package sent to EACC for November 25th deadline.

Special thanks should be extended to Mr. Peter Milano for providing us with guidance. His understanding of the EDIP program and its value for job and investment growth sets the foundation for our participation, now and in the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Scott', with a large, stylized flourish extending to the right.

William J. Scott

Enc: 284 Elm TIF Proposal

EDIP Supplemental Application



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**Economic Development Incentive Program (EDIP)
SUPPLEMENTAL APPLICATION**

A complete application with all required attachments must be submitted in electronic form to your MOBD Regional Director by 5:00 P.M. on the [application deadline date](#). A hardcopy with original signatures and attachments must be postmarked no later than 1 day after the submission deadline and mailed to: EDIP Manager, MOBD, 10 Park Plaza, Suite 3730, Boston, MA 02116. **Applications that are incomplete or submitted after the deadline will not be considered at the scheduled Economic Assistance Coordinating Council (EACC) meeting, without exception.**

For assistance with this application please work with your MOBD Regional Director, local municipal officials and refer to the [EDIP Guidelines](#) and [402 CMR 2.00](#).

PART I. APPLICANT OVERVIEW					
1. COMPANY INFORMATION					
Company Name:	Archgrove Hospitality, Inc.				
Project Location Address:	Street Address:	284 Elm Street			
	City:	Amesbury	MA	Zip Code:	01913
Company Headquarters Location:	City:	Tilton	State:	NH	
FEIN # (Federal Employer Identification Number):	46-5411679				
DUA # (Dept. of Unemployment Assistance Number):	22016056				
Date of Issued Certificate of Good Standing:	11/7/2014				
Level of Interest:	<input checked="" type="checkbox"/> EDIP Investment Tax Credit <input checked="" type="checkbox"/> Local Tax Incentive <input type="checkbox"/> 10% Abandoned Building Tax Deduction				
2. COMPANY CONTACT					
Executive Officer/Company Designee:	Full Name:	Shailesh Patel	Title:	CEO	
Contact (if different from above):	Full Name:		Title:		
Contact Address:	Street Address:	75 Tilton Road			
	City:	Tilton	State:	NH	Zip Code: 03276
Telephone Number	603-289-1509				
Email Address:	s.patel@archgrovehospitality.com				

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PART II. ECONOMIC DEVELOPMENT PROJECT

1. PROJECT TIMELINE & KEY MILESTONES

Please provide a detailed plan for the proposed project outlining the estimated timeline and key milestones.

Archgrove Hospitality, Inc. is proposing to construct and operate a ninety-two room hotel with meeting space at 284 Elm Street in Amesbury, MA. The proposed development would be a trademarked hotel similar to those in our existing portfolio. The hotel, as proposed, would be approximately fifty-four thousand (54,000) square feet and include the ninety-two rooms, a meeting space, gym, breakfast room and indoor pool. The project has many extraordinary costs and is therefore prohibitive to development. Archgrove Hospitality, Inc. is seeking benefits associated with the Economic Development Incentive Program (EDIP) to help defray these costs and increase the project feasibility. Specific extraordinary costs are listed below.

The project is expected to take 12-13 months, from groundbreaking to opening the new hotel. The proposed site has considerable development constraints that add extraordinary costs to the development. Should the project move forward as planned, including the ability to secure local Tax Increment Financing (TIF) and the Economic Development Incentive Program Investment Tax Credit (EDIP-ITC) to assist in off-setting these extraordinary costs, the estimated timelines are as follows:

- EACC approval - Dec 2014
- Apply for building permits and secure financing - Dec 2014 to March 2015.
- Ground breaking - April 2015
- Construction - 13 months
- Hotel open May 2016

2. EMPLOYMENT, JOB CREATION & WORKFORCE ANALYSIS

Please complete the below sections providing current employment information, a job creation timeline and an analysis of the current workforce and jobs to be created. See: "[Definition of a Permanent Full-Time Employee](#)".

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.

(a) Archgrove Hospitality, Inc. MASSACHUSETTS & FACILITY EMPLOYMENT

(i) Company-wide Permanent Full-Time Employment in Massachusetts (Total of all MA Facilities) at Date of Supplemental Application:	(ii) Permanent Full-Time Employment at Project Location at Date of Supplemental 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 2. (a) ii & iii):
0	0	0	0

Notes on Current Employment: N/A

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(b) ARCHGROVE HOSPITALITY, INC. 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):	2016	2017	2018	<i>Select Year 4</i>	<i>Select Year 5</i>
15	5	5	5	0	0

Notes on Job Creation: Good faith efforts of employing qualified residents of Amesbury and the Northern Essex Economic Target Area will be made.

(c) WORKFORCE ANALYSIS

- i) Of the total full-time existing jobs to be retained at the project location, how many employees live within the Economic Target Area (ETA) of the Project? 0
- ii) Of the full-time permanent jobs to be created, please give a brief description of the type of positions (management, professional, skilled labor, unskilled labor, etc.) and the average projected salary ranges.

Employment opportunities to support the ongoing operations of the proposed hotel include a General Manager, a Front Desk and Sales Manager, full-time front desk and housekeeping staff and other full-time positions in charge of laundry, daily breakfast and general maintenance. The projected salary ranges would be as follows;

- General Manager - \$45,000 to \$50,000 pa
- Sales Manager - \$25,000 to \$30,000 pa
- Front Desk Manager - \$22,000 to \$28,000 pa
- Front Desk - \$10 -13 /hr
- Housekeeping Supervisors - \$10 - 12/hr
- Housekeeping - \$8.50 - 11/hr
- Laundry - \$8.50 - 10/hr
- Breakfast Attendants - \$9 -11/hr
- Maintenance staff - \$11 - 13/hr

3. PERMANENT FULL-TIME EMPLOYMENT 5-YEAR HISTORY

Please complete the Permanent Full-Time Employee 5-Year History below.

Calendar Year End	Permanent Full-Time Employee Headcount in Massachusetts	Permanent Full-Time Headcount at Facility
<i>Select Year 1</i>	0	0
<i>Select Year 2</i>	0	0
<i>Select Year 3</i>	0	0
<i>Select Year 4</i>	0	0
<i>Select Year 5</i>	0	0

Please explain any fluctuation in employment:

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4. PROJECT TIMELINE & INVESTMENT ANALYSIS	
<p>(a) Exhibit 1: Investment Analysis Please complete the EDIP Investment Analysis.</p>	<p>Complete <input checked="" type="checkbox"/></p>
<p>(i) FOR REGISTERED MANUFACTURERS ONLY: Exhibit 1A: Machinery & Equipment Investment Breakdown If a registered manufacturer with the Massachusetts Department of Revenue (DOR), please complete the Machinery & Equipment Investment Breakdown.</p> <p>Resource: Unsure if you are a MA DOR registered manufacturer? Search the DOR Corporations Book, registered manufacturers are identified by an "M" in the left column.</p>	<p>Complete <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>
5. FINANCING	
<p>(a) Attachment A: Funding Sources Please provide information on all sources of funding that have been or will be sought to contribute towards the financing of the proposed expansion/relocation. Provide Evidence (i.e. letters from banks/investors) that if the "Certified Project" status is approved, the economic development project will have adequate funding.</p>	<p>Attached <input checked="" type="checkbox"/></p>
<p>(i) Indicate and describe any local banking relationship, including those with banks that participate in the Massachusetts Capital Access Program (MCAP) designed to commit a portion of the bank's deposits to fund loans to local businesses.</p> <p>Archgrove Hospitality, Inc. has working relationships with many local banks in the communities where we build hotels. Some of these banks include Kennenbunk Savings Bank (Maine), Bath Savings Bank (Maine) and Northway Bank (New Hampshire). Archgrove Hospitality, Inc. expects to use Kennenbunk Savings Bank for conventional financing and supplement this with SBA 504 and private investmnets from the partners.</p>	

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6. TWO YEAR SALES REVENUE PROJECTION

Please complete the below sections providing the company's and facility's most recent and projected total annual sales revenue for the next two years, separately distinguishing the sales revenue generated from outside the Commonwealth.

(a) COMPANY TWO YEAR SALE REVENUE PROJECTION

As of Company Year End in December	Total Revenue	Approximate Revenue Generated from <u>Outside</u> the Commonwealth	Approximate Revenue Generated from <u>Within</u> the Commonwealth
<i>Select Previous Year</i>	\$ 0	\$ 0	\$ 0
2016	\$ 2,000,000	\$ 1,200,000	\$ 800,000
2017	\$ 2,400,000	\$ 1,440,000	\$ 960,000

(b) FACILITY TWO YEAR SALE REVENUE PROJECTION N/A as this is a new facility

As of Company Year End in <i>Select Month of Company Year End</i>	Total Revenue	Approximate Revenue Generated from <u>Outside</u> the Commonwealth	Approximate Revenue Generated from <u>Within</u> the Commonwealth
<i>Select Previous Year</i>	\$ 0	\$ 0	\$ 0
<i>Select Year 1</i>	\$ 0	\$ 0	\$ 0
<i>Select Year 2</i>	\$ 0	\$ 0	\$ 0

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III. ECONOMIC DEVELOPMENT INCENTIVE PROGRAM INVESTMENT TAX CREDITS

1. INVESTMENT TAX CREDIT ALLOCATION

Please indicate the company's projected 50% total state excise tax liability within the selected taxable year. These figures reflect the years in which an Investment Tax Credit (ITC) can be utilized and the amount.

Please consider and consult with the necessary tax professionals on the following:

- (a) Maximum credits allowed are 50% of the total liability due to the state in a taxable year.
- (b) EDIP ITC Awards are made for specific years and **MUST** be used for those specific tax years only and **capped at the amount awarded**; they **CANNOT be carried forward and any utilized credits in a given calendar year are foregone**.
- (c) To utilize the credit, enough assets must be placed in service to offset the credit.
- (d) When making an EDIP ITC Award, the Economic Assistance Coordinating Council (EACC) makes every effort to consider a company's ability to utilize the tax credits.
- (e) For more information on EDIP tax credit limitations, refer to [Department of Revenue TIR 10-1](#).

2016	2017	2018	2019	2020
\$ 13,931	\$ 16,283	\$ 17,243	\$ 17,546	\$ 18,082

Additional Information:

2. BUSINESS(ES) INTENDING TO TAKE ADVANTAGE OF TAX INCENTIVES

Please complete the below sections for each business intending to take advantage of the tax incentives associated with this project. If this applies to more than 2 businesses, please attach information as an addendum.

(a) BUSINESS ONE

Business Name:	Amesbury Hospitality LLC
FEIN #:	47-2271630
Address:	41 Bridle Ridge Drive, N Grafton MA 01536
Contact Person:	Shailesh Patel
Phone #:	603-289-1509
Email:	s.patel@archgrovehospitality.com
Type of Organization:	LLC: Partnership

(b) BUSINESS TWO

Business Name:	
FEIN #:	
Address:	
Contact Person:	
Phone #:	XXX-XXX-XXXX
Email:	
Type of Organization:	Select Organization Type

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(c) BUSINESS STAKEHOLDERS		
If Organization Type is a:		
(i) Corporation: Please list names and addresses of the officers and directors of said corporation and any person and/or corporation with a financial interest of five percent or greater in said corporation. (ii) Partnership: Please list the names and addresses of all partners and include the proportionate share of each partner. (iii) S-Corporation: Please list the names and addresses of all shareholders of said corporation. (iv) LLC: Please list the names of all the members of said LLC. (v) Business Trust: Please List the Names of all members and beneficiaries of said trust.		
A. STAKEHOLDERS OF BUSINESS ONE		
Name(s)	Title(s)	Address(es)
Shailesh Patel Uday Patel Dhurmesh Patel Mahendrakumar Patel Alpesh Patel Dipakaben Patel Vimal Patel	Manager Member Member Member Member Member Member	11 Rocks Rd Seabrook NH 9 Cardigan Crt Tilton NH 63 Rabbit Run Wells ME 56AuburnWay TorringtonCT 10 Bee St, Meriden CT 11 Rocks Rd Seabrook NH
B. STAKEHOLDERS OF BUSINESS TWO		
Name(s)	Title(s)	Address(es)

PART IV. LOCAL INCENTIVE AGREEMENT INFORMATION					
Please work with the local municipality and your MOBD Regional Director in completing the below section.					
1. MUNICIPAL CONTACT					
Municipal Contact:	Full Name:	William Scott	Title:	Community Development Dir	
Contact Address:	Street Address:	62 Friend Street			
	City:	Amesbury	MA	Zip Code:	01913
Telephone Number:	978-992-1782				
Email Address:	scottw@amesburyma.gov				
2. LOCAL INCENTIVE AGREEMENT <input type="checkbox"/> N/A No Local Incentive Received					
(a) Name of Economic Target Area (ETA) Project is Located in:	Northern Essex ETA				
(b) Economic Opportunity Area (EOA):	Name of EOA: 284 Elm Street Hotel				
	Is this a newly designated EOA? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
	(i) If yes, what is the duration of the designation? 15 Years	N/A <input type="checkbox"/>			

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	(ii) If no, how many years are remaining on the designation? Years	N/A <input type="checkbox"/>
(c) Type of Local Incentive:	<input checked="" type="checkbox"/> Tax Increment Financing (TIF) Agreement <input type="checkbox"/> Special Tax Assessment (STA)	
i) Duration of Local Incentive:	10 Year Local Incentive	
ii) Exemption Schedule of Local Incentive:	FY 2016 to 2020 @ 75% and 2021 to 2025 @ 35%	
iii) Start & Expiration Date of Local Incentive: If Agreement commences upon certificate of occupancy please check box:	Start Date: 7/1/2015 Expiration Date: 7/1/2025 <input checked="" type="checkbox"/> Local Incentive Agreement commences upon certificate of occupancy and the dates represent best projections of the start & expiration of the local incentive based on the project timeline.	
iv) Date Municipality Approved Local Tax Incentive or Date of Scheduled Vote:	11/18/2014	
(d) Attachment B: Economic Opportunity Area (EOA) Designation Application (for newly designated EOA's only) Please attached a signed copy of the EOA Designation Application.	Attached <input type="checkbox"/>	
	N/A <input checked="" type="checkbox"/>	
(e) Attachment C: Local Incentive Agreement Please attach a signed copy of the TIF or STA Agreement.	Attached <input checked="" type="checkbox"/>	
	N/A <input type="checkbox"/>	
(f) Attachment D: Local Incentive Zone & Plan Please attach the municipal TIF/STA Zone & Plan.	Attached <input type="checkbox"/>	
	N/A <input checked="" type="checkbox"/>	
(g) Attachment E: Municipal Vote by Authoritative Body Approving Incentive Please attach a copy of the vote approving the local incentive.	Attached <input checked="" type="checkbox"/>	
	N/A <input type="checkbox"/>	
(h) Attachment F: Municipal Vote by Authoritative Body Approving submission of application of the Economic Assistance Coordinating Council (EACC)	Attached <input checked="" type="checkbox"/>	
	N/A <input type="checkbox"/>	
(i) Exhibit 2: Local Incentive Valuation Please complete the attached exhibit detailing the estimated property tax exemption over the life of the agreement.	Complete <input checked="" type="checkbox"/>	
	N/A <input type="checkbox"/>	

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PART V. DISCLOSURES, AUTHORIZATIONS & CERTIFICATIONS	
I. LITIGATION DISCLOSURE, EMPLOYMENT EQUALITY & SIGNATORY AUTHORIZATION	
<p>(a) Kindly disclose any pending litigation before the Commonwealth of Massachusetts, its agencies and its municipalities.</p> <p>None</p>	
<p>(b) Attachment G: Adherence to Immigration and Nationality Act Please attach documentation of adherence to the Immigration and Nationality Act (i.e. policy or letter from Human Resources outlining the verification and audit process).</p>	Attached <input checked="" type="checkbox"/>
<p>(c) Attachment H: Equal Opportunity Employment/Affirmative Action Statement or Plan Please attach the company's Equal Opportunity Employment/Affirmative Action Statement or Plan. If the applicant does not have such statement or plan, please attach a statement describing the business' hiring policies and practices.</p>	Attached <input checked="" type="checkbox"/>
<p>(d) Attachment I: Documentation of Signatory Authorization to Complete Application on Behalf of the Company Officers and/or Directors are responsible for the application and consequent obligations if certification is approved. Please attach documentation (i.e. a letter from the company's legal counsel or a resolution from the Board of Directors) specifically authorizing the signatories to complete this application on behalf of the company and to authorize the signatories to make the investment and job creation commitments on behalf of the company. Please include the signatories reporting structure within the organization.</p>	Attached <input checked="" type="checkbox"/>

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2. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT

I/We Shailesh Patel (fill in name and title) 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 herein is true and complete and that it reflects the applicant's intentions for investment, job creation and sales to the best of my/our knowledge after having conducted reasonable inquiry. I/We understand that the information provided with this application will be relied upon by the Commonwealth in deciding whether to approve "Certified Project" status and that the Commonwealth reserves the right to take action against the applicant or any other beneficiary of the Certified 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.

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:

	MEMBER	November 20, 2014
Name <u>SHAILESH PATEL</u>	Title	Date
_____	_____	November 20, 2014
Name	Title	Date

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

**Consent for the Disclosure of Wage Reporting Information for Federal Employment
Identification Number (FEIN): # 46-5411679**

Division of Unemployment Assistance (DUA) Number: # TBD

*I/We, Shailesh Patel, a duly authorized representative of Archgrove Hospitality Inc and of all the other businesses listed in PART III of this SUPPLEMENTAL APPLICATION (hereinafter "Employer"), hereby releases and gives authority to the Massachusetts Department of Unemployment Assistance, pursuant to G.L. c. 151A, §46(1), to provide the Economic Assistance Coordinating Council, upon its request, with the Employer's information, including but not limited to, wage reporting information, that is (a) necessary to verify the amount and tax year in which the Employer claims any of the Tax Incentives awarded in the Economic Development Incentive Program or Employer's fulfillment of job creation and job retention commitments as indicated in the supplemental application and job chart, or (b) otherwise necessary to ensure the proper operation or enforcement of this Agreement or the Program.
This authorization is effective upon date of signature and will be valid until superseded by a subsequent application or revoked in writing.*

Signed:

		November 20, 2014
Name	SHAILESH PATEL Title MEMBER	Date
		November 20, 2014
Name	Title	Date

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4. DEPARTMENT OF REVENUE CONSENT FOR DISCLOSURE OF TAX RETURN AND WAGE REPORTING INFORMATION

Consent for Disclosure of Tax Return and Wage Reporting Information for Federal Employment Identification Number (FEIN): # 46-5411679

I/We, Shailesh Patel, a duly authorized representative of Archgrove Hospitality Inc and of all the other businesses listed in PART III of this SUPPLEMENTAL APPLICATION, hereby authorizes and consents to the Massachusetts Department of Revenue providing the Economic Assistance Coordinating Council with information, including but not limited to tax return and wage reporting information, that is (a) necessary to verify the amount and tax year in which Recipient claims any of the Tax Incentives awarded in the Economic Development Incentive Program or Recipient's fulfillment of job creation and job retention commitments as indicated in the supplemental application and job chart, or (b) otherwise necessary to ensure the proper operation or enforcement of this Agreement or the Program.

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

Signed:

	<u>MANAGER</u>	November 20, 2014
Name <u>SHAILESH PATEL</u>	Title	Date
_____	_____	November 20, 2014
Name	Title	Date

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EDIP Supplemental Application Exhibit 1: EDIP Investment Analysis

Investment	Calendar Year 1: 2016	Calendar Year 2: 2017	Calendar Year 3: 2018	Calendar Year 4: 2019	Calendar Year 5: 2020	Year that Asset will be Placed in Service*	Total
DEPRECIABLE ASSETS:							
Building Purchase:							\$ -
New Building Construction:	\$ 7,896,784	\$ 7,694,303	\$ 7,491,822	\$ 7,289,341	\$ 7,086,860	2016	\$ 37,459,110
Building Renovation:							\$ -
Machinery and Equipment:							\$ -
Furniture and Fixtures:	\$ 1,242,000	\$ 1,064,571	\$ 887,142	\$ 709,713	\$ 532,284	2016	\$ 4,435,710
Other (Please list): Construction Interest	\$ 175,000	\$ 170,515	\$ 166,030	\$ 161,545	\$ 157,060	2016	\$ 830,150
Other (Please list): Soft Costs, legal, Engineering	\$ 255,000	\$ 248,460	\$ 241,920	\$ 235,380	\$ 228,840	2016	\$ 1,209,600
DEPRECIABLE ASSETS TOTAL	\$ 9,568,784	\$ 9,177,849	\$ 8,786,914	\$ 8,395,979	\$ 8,005,044	N/A	\$ 43,934,570
NON-DEPRECIABLE ASSETS:							
Land	\$ 1,112,500	\$ 1,112,500	\$ 1,112,500	\$ 1,112,500	\$ 1,112,500		\$ 5,562,500
Other (Please list)							
NON-DEPRECIABLE ASSETS TOTAL	\$ 1,112,500	\$ 1,112,500	\$ 1,112,500	\$ 1,112,500	\$ 1,112,500		\$ 5,562,500
TOTAL INVESTMENT	\$ 10,681,284	\$ 10,290,349	\$ 9,899,414	\$ 9,508,479	\$ 9,117,544	N/A	\$ 49,497,070

*Year Asset is Placed in Service: The year in which an asset can first be depreciated according to Generally Accepted Accounting Principles. For guidance, please see the Internal Revenue Service's resources on depreciation at <http://www.irs.gov/taxtopics/tc704.html>.

Amesbury Hotel

USES OF CASH

REAL ESTATE - LAND	1,112,500.00
SITWORK	
REAL ESTATE - BUILDING COST	7,896,784.00
F F & E	1,242,000.00
CONSTRUCTION INTEREST	175,000.00
FRANCISE FEES	75,000.00
FEASIBILITY STUDY	10,000.00
APPRAISAL & CONSTRUCTION SUPERVI:	15,000.00
ENGINEERING FEES	5,000.00
BANK FEES	50,000.00
CLOSING COSTS	50,000.00
CONTINGENCY	<u>50,000.00</u>
TOTAL	\$10,681,284.00

Sources of Funds

Loan Amount (at less than 85% LTV)	8,925,000.00
Down payment	<u>1,756,284.00</u>
TOTAL	\$10,681,284.00

POLICY: THE IMMIGRATION AND NATIONALITY ACT

Policy Statement: The Company is committed to complying with the Immigration and Nationality Act, and assuring that any work-authorized individual is not discriminated against on the basis of their citizenship status, immigration status or national origin. The Company is also committed to hiring only those individuals who are authorized to work in the United States.

Compliance with The Immigration and Nationality Act: The Company has adopted the following procedures to comply with the Immigration and Nationality Act with regard to all persons employed by or seeking employment with the Company. This procedure guarantees that the Company will meet its responsibilities with respect to the identification of employees and verification of documentation and work eligibility and other pertinent information in process of hiring employees.

Procedure for Verification-

1. Within three (3) days of an employee's date of hire, the Company shall examine acceptable forms of documentation supplied by the employee to confirm the employee's citizenship or eligibility to work in the United States.
2. Within three (3) days of an employee's date of hire, the Company shall complete U.S. Citizenship and Immigration Services (USCIS) Form I-9 to prove that it has (a) verified the identity of each new employee, and (2) verified that the employee is authorized to work in the United States.
3. The Company shall retain each completed USCIS Form I-9 for a period of at least (a) three years from the employee's date of hire, or (b) one year from the employee's date of termination, whichever date is later.

Procedure for Audit-

1. Compare the Company's payroll records with the USCIS Form I-9s that the Company has on file, to ensure that there is a USCIS Form I-9 for each active employee.
2. If a completed USCIS Form I-9 is missing for any of the Company's employees, those employees shall meet with Company personnel to prepare a USCIS Form I-9 within three (3) business days of the completion of the audit.
3. If a USCIS Form I-9 is found to be incomplete or contain errors, the Company (and the employee if applicable) shall revise the form, making necessary corrections and inserting missing information as needed. Any corrections shall be done in colored ink, and white out shall not be used.

Corrections or additions to Section 1 of the USCIS Form I-9 shall be made by the employee personally, with the exception of a missing social security number, status number or expiration date, which may be filled in by the Company if there are copies of the work authorization documents available. The Company may NOT check a status box for the employee. The employee shall initial and date any corrections or additions.

Corrections or additions to Section 2 of the USCIS Form I-9 shall be made by the Company. Over-documentation shall be corrected by crossing out extra document information, and under-documentation shall be corrected by writing in the necessary information. Any correction shall

be initialed and dated by the Company. In the case of under-documentation, the employee shall provide missing documents or information, unless copies of documentation are attached to the USCIS Form I-9.

4. If the employee's previous grant of employment authorization has expired, the employee shall provide documentation to the Company that establishes that the employee is currently authorized to work in the United States.
5. Once the audit is completed, the Company shall prepare a memorandum to hold in its records containing the audit results/findings, the Company's efforts going forward to improve its verification procedure, and any updates to the Procedure for Verification that have been made.

Complaint Procedure: The Office of Special Counsel for Immigration-Related Unfair Employment Practices is in charge of enforcing the Immigration and Nationality Act. Discrimination charges should be sent to: Office of Special Counsel for Immigration-Related Unfair Employment Practices, PO Box 27728, Washington, DC 20038-7728.

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION POLICY

Policy Statement: The Company is committed to assuring equal opportunities to all persons. It is the Company's policy to assure equal opportunity and nondiscrimination in employment regardless of age, disability, national origin, ancestry, race, color, religion, creed, gender, sexual orientation, marital status, political affiliation, arrest or conviction record and membership in the national guard or any other reserve component of the military of the United States or the Commonwealth of Massachusetts.

Equal Opportunity in Employment: The Company is committed to ensuring equal employment opportunities (EEO) for all persons employed by or seeking employment with the Company. This support guarantees that we will create a work environment that ensures nondiscrimination for all persons as required by federal, state, and departmental laws, policies, rules, and regulations. In addition, it is our intent to take affirmative action (AA) efforts on behalf of women, racial/ethnic minorities, and persons with disabilities to ensure equal opportunities in order to overcome the present effects of past discrimination while utilizing their talents and abilities in our work force. Our commitment to equal employment opportunity/affirmative action will apply to all employment practices including, but not limited to: recruiting, interviewing, hiring, transfers, promotions, training, compensation, benefits, layoffs, terminations, retention, certification, and testing, assigning work, career advancement opportunities, work environment, and discipline.

Discrimination and Harassment- The Company is committed to providing and maintaining a work environment which is free from illegal discrimination and harassment of employees and applicants for employment. The Company is committed to treating each employee and applicant with respect and sensitivity. The Company seeks to eliminate and prevent discrimination and harassment by taking steps to ensure that the workplace is free of discriminating and harassing behavior and providing a work environment, which both supports and nurtures our employees and clients. Harassment is a form of discrimination which is personally offensive, impairs morale, and undermines the integrity of the employment relationship, causing serious harm to the productivity, efficiency, and stability of the office. In general, harassment means persistent, unwelcome, unwanted and deliberate conduct or actions, which are directed toward an individual because of the individual's age, ancestry, color, national origin, race, religion, creed, handicap, marital status, sex or sexual orientation, arrest or conviction record (which is not job-related), political affiliation, or membership in the military service. Harassment may include unwelcome verbal abuse or physical contact that interferes with an individual's work performance or which creates an intimidating, hostile, or offensive work environment. Harassment by supervisors or co-workers based on any protected status (race, sex, national origin, age, disability, or other protected status) is an unlawful employment practice prohibited by state and federal law and the Company. "Sexual harassment" is one type of harassment that may be directed at a person of the same or opposite gender, and includes unwelcome sexual advances, unwelcome physical contact of a sexual nature, or unwelcome verbal or physical conduct of a sexual nature whether repeated or not. Retaliation against employees for filing complaints about discrimination and/or harassment is prohibited. Violations of this policy will not be tolerated and may result in discipline. The Company's managers, supervisors and personnel staff have an obligation to take appropriate disciplinary action against those who engage in discriminatory or harassing behavior.

Accommodating Disabilities and Religious Practices- The Company is committed to providing reasonable accommodations for persons with disabilities whenever the person's disability presents a documented barrier to his/her employment opportunities or restricts his/her ability to perform a job. Accommodations will be provided to ensure equal access to employment and all benefits associated with employment. Reasonable accommodations may include, but are not limited to, making the work site physically accessible, adopting part-time or other appropriate alternative work patters, job restructuring,

and accessible job interviews. The Company provides reasonable accommodations on the basis of religious belief and practice. These accommodations may include voluntary employee schedule changes (with supervisory approval) or alternative work schedules. An employee should speak to his/her manager or supervisor for the documentation or procedure to request accommodations.

Affirmative Action: The purpose of Affirmative Action is to eliminate the present effects of past discrimination and overcome underutilization. The Company recognizes the need to take affirmative action in positions where underutilization exists for racial/ethnic groups, females or persons with disabilities. The Company's policy is to initiate active measures designed to employ and advance persons disadvantaged by reason of past discrimination so they are on a truly equal basis with others.

Accountability: The Company recognizes that providing equal employment opportunities is an ethical, legal, social, and economic necessity in order to maintain a work force of the highest quality and productivity. Therefore, all levels of management and all Company employees share equal responsibility for successful achievement of AA/EEO goals subscribing to the Company's policy of eliminating the present effects of past discrimination. All of the Company's employees are responsible for providing a harassment free work place and assisting management in the administration of the AA and EEO policies.

Complaint Procedure: An employee discrimination complaint procedure is available to all employees. An employee should talk to a manager or supervisor for addition information on the procedure.

**UNANIMOUS WRITTEN CONSENT
OF ALL OF THE MEMBERS OF
AMESBURY HOSPITALITY, LLC**

The undersigned, being all of the Members of Amesbury Hospitality, LLC (the "Company"), pursuant to the authority of Massachusetts law, do hereby agree and consent to the adoption of the following resolutions and do hereby deliver and file this Consent with the records of the Company:

RESOLVED: That the Company be, and hereby is, authorized to complete any application or supplemental application under the Massachusetts Economic Development Incentive Program; and

RESOLVED: To authorize Shailesh P. Patel, as Member of the Company to sign any application or supplemental application under the Massachusetts Economic Development Incentive Program; and

RESOLVED: To authorize any one or more of the Members of the Company to make the investment and job creation commitments outlined in any application or supplemental application under the Massachusetts Economic Development Incentive Program, on behalf of the Company; and

RESOLVED: That the Incumbency Certificate attached hereto as Exhibit A is a true and correct representation of the current membership of the Company; and

RESOLVED: To authorize any one or more of the members of the Company to sign any and all documents necessary for consequent obligations required by the Massachusetts Economic Development Incentive Program once the Company's application is approved; and

RESOLVED: This Resolution may be executed in several counterparts, all of which taken together will be deemed to be one original consent.

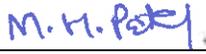
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AMESBURY HOSPITALITY, LLC

DATE: November 17, 2014

By: 
Dhurmesh Patel, Member

DATE: November 16, 2014

By: 
Mahendrakumar H. Patel, Member

DATE: November 15, 2014

By: 
Shailesh P. Patel, Member

DATE: November 17, 2014

By: 
Dhurmesh Patel, Member

DATE: November 15, 2014

By: 
Uday R. Patel, Member

DATE: November 15, 2014

By: 
Alpesh Patel, Member

DATE: November 15, 2014

By: 
Dipakaben Patel, Member

DATE: November 16, 2014

By: 
Vimal Patel, Member

EXHIBIT A

INCUMBENCY CERTIFICATE

AMESBURY HOSPITALITY, LLC

Mahendrakumar H Patel	20%
Shailesh P Patel	30%
Dhurmesh Patel	15%
Uday R Patel	20%
Alpesh Patel	5%
Dipakaben Patel	5%
Vimal Patel	5%

Dated: November 15, 2014

Order City Council:

Municipal Vote by Authoritative Body Approving; Incentive Agreement, EOA TIF Plan and Zone, and Application Submission to EACC



**CITY OF AMESBURY
IN THE YEAR TWO THOUSAND FOURTEEN**

SPONSORED BY: C. Kenneth Gray, Mayor BILL No. 2014-123

At the meeting of the Amesbury City Council held on November 18, 2014, 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 a Tax Increment Financing incentive for Archgrove Hospitality as described herein and further described in the attachments which are 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 take action on the following: Designation of the 284 Elm Street Economic Opportunity Area, located at 284 Elm Street in Amesbury, Amesbury Assessors Map 80 parcel 1, Essex County Registry of Deeds Book 09703 and Page 0107 comprised of 3.82 acres (hereafter referred to as the PROPERTY), 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 Archgrove Hospitality Inc, a New Hampshire corporation with a principal place of business at 75 Tilton Road, Tilton NH, 03276, represented by Director Shailesh Patel CEO (hereinafter referred to as" COMPANY").

WHEREAS, the COMPANY wishes to improve and thereby increase the value of the property located at 284 Elm Street, Amesbury, hereafter known as 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 in the Tax Increment Financing Agreement Exhibit B; and,

WHEREAS, the COMPANY is seeking a Tax Increment Financing Exemption from the CITY through the execution of the agreement as provided in Exhibit B, 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 and Chapter 19 of the Acts of 1993 and 402 CMR 2.00;

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

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

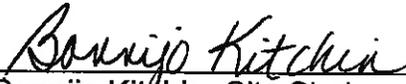
WHEREAS, the Amesbury City Council voted to adopt the Amesbury Incentive Guidelines, contained in the report titled "The City of Amesbury Economic Incentives Strategy An Approach to Leverage Positive Economic Growth March 2014", as a means to support the use of Tax Increment Financing as a tool to encourage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

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

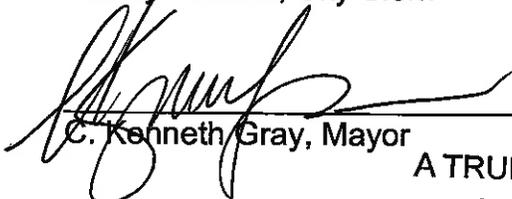
1. The City Council hereby authorizes the Mayor of the City of Amesbury to file an application and seek approval with the state Economic Assistance Coordinating Council (EACC) to establish an Economic Opportunity Area (EOA) for the PROPERTY, to be known as the 284 Elm Street Economic Opportunity Area;
2. The City Council hereby approves the TAX INCREMENT FINANCING ZONE AND PLAN CITY OF AMESBURY, MASSACHUSETTS and ARCHGROVE HOSPITALITY November 2014 which is attached hereto and incorporated herein by reference.
3. The City Council hereby authorizes and requests the Mayor to execute on behalf of the City a TIF Agreement, attached hereto and incorporated herein by reference, and submit the TIF Agreement, Zone and Plan to the EACC for its approval and certification pursuant to 402 CMR 2.18 and 751 CMR 11.06.
4. The City Council hereby designates the area known the PROPERTY as a TIF Zone 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 take such other action and execute any such documents on behalf of the City as may be necessary to carry out this order, the TIF Plan and the TIF Agreement.

Councilor Sickorez moved to accept 2014-123. Councilor Kelcourse seconded. Roll Call Vote - 9 - Yes

Witness my hand and seal for the City of Amesbury this 19th day of November 2014



Bonniyo Kitchin, City Clerk



C. Kenneth Gray, Mayor

11/19/2014

Date

A TRUE COPY ATTEST



Bonniyo Kitchin
City CLERK

Executed Local Incentive Agreement



**TAX INCREMENT FINANCING AGREEMENT
CITY OF AMESBURY, MASSACHUSETTS
and
ARCHGROVE HOSPITALITY**

This document and all attachments hereto and incorporated herein, hereinafter referred to as "AGREEMENT" is made this 20th day of November 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 Archgrove Hospitality Inc, a New Hampshire corporation with a principal place of business at 75 Tilton Road, Tilton NH, 03276, represented by Director Shailesh Patel CEO (hereinafter referred to as "COMPANY"). The exemptions associated with this AGREEMENT will take effect beginning in the year the COMPANY receives the certificate of occupancy for the COMPANY's proposed expansion.

WHEREAS, the COMPANY wishes to improve and thereby increase the value of the property located at 284 Elm Street, Amesbury, hereafter known as 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;

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

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 has filed a final EDIP application as provided in "EXHIBIT B"

WHEREAS, the Amesbury City Council resolved on November 18th, 2014 to endorse this AGREEMENT, the Economic Opportunity Area Designation, and the Tax Increment Financing Plan, 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 construct on the PROPERTY a Hotel exceeding ninety rooms of approximately 54,000 sq. ft. with a proposed estimated property investment value of \$10,593,800 million as further described in EXHIBIT C approved Planning Board plans (hereafter the "FACILITY"). The FACILITY shall be located on Assessor's Parcel ID Map 80 Lot 1. For an exact location of the FACILITY, refer to Attachment, "EXHIBIT A."
 2. The COMPANY shall create 15 permanent full time employees 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.
 4. In the form and manner as mutually agreed to by the COMPANY and CITY, the COMPANY shall advertise locally for employment to 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 the Commonwealth of Massachusetts and 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 Commonwealth of Massachusetts and forwarded two week prior to such submittal to the CITY. The annual report shall include:
 - a. the number of permanent full time jobs created and the number of people hired from with the ETA for the annual time period and on a cumulative basis;
 - b. the value of the improvements invested by the COMPANY in the FACILITY annually 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 and licenses as required to obtain an eventual occupancy permit. To further continue such compliance as required to sustain occupancy and operations of the FACILITY.
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 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. The CITY reserves the right to act as outlined in item C.1 below if such change in ownership substantially alters the employment and investment commitments.
9. Additionally the COMPANY shall use its best efforts to give the CITY ninety (90) days prior notice of any corporate decision to (i) change the nature and/or character of their business operations at the FACILITY to one other than the originally proposed herein, or (ii) cease their business operations at the FACILITY. The CITY reserves the right to act as outlined in item C.1 below if such change in operations substantially alters the employment and investment commitments.

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 -3 F inclusive, Chapter 40, Section 59, and Chapter 59, Section 5. The exemption shall be for the period of ten (10) years (the "EXEMPTION PERIOD"), commencing with Fiscal Year 2016 (which begins July 1, 2015) and ending with Fiscal Year 2025 (which ends June 30, 2024) and shall provide a percentage EXEMPTION from taxation, as described in the table below, on the increased value of the PROPERTY resulting from the construction of the FACILITY.
2. The agreed base valuation of \$542,000 for FY 2015 is the assessed value of the FACILITY in the fiscal year immediately prior to the fiscal year in which the property becomes eligible for the EXEMPTION. 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 ten (10) 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 EXEMPTION becomes effective on the July 1st following the both of the following; the date on which the EACC approves the TIF Plan pursuant to which this AGREEMENT is executed, as provided in 760 CMR 22.05 (4)(d), and the issuance of the occupancy permit for the FACILITY use as outlined herein.

5. The CITY finds that the development costs of the site requires a term in excess of five years and hereby affords a term of ten years. The exemption schedule on the value of the FACILITY is as follows: for each of the ten 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. In Fiscal Year 2026, the COMPANY will pay taxes on the full value of the FACILITY. The EXEMPTION shall not include Personal Property taxes. The EXEMPTION shall be calculated and remain unchallenged for each fiscal year as follows:

Fiscal / Month Year	Percent	Fiscal / Month Year	Percent
2016 / July 2015	75%	2021 / July 2020	35%
2017 / July 2016	75%	2022 / July 2021	35%
2018 / July 2017	75%	2023 / July 2022	35%
2019 / July 2018	75%	2024 / July 2023	35%
2020 / July 2019	75%	2025 / July 2024	35%

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 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.
4. The COMPANY acknowledges that estimates of future assessed value used during negotiations between the CITY and the COMPANY are only estimates of value and do not constitute a representation by the CITY of actual assessed value. Assessed value will be established annually by the CITY in accordance with Massachusetts General Laws.
5. Should any provision of the Agreement be declared or to be 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.

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

CITY OF AMESBURY



Ken Gray, Mayor
Date: 11/20/2014

COMPANY, INC.



Shailesh Patel, CEO
Date: 11/20/2014

Exhibit A: Location

City of Amesbury—284 Elm Street—Hotel Project - Property Location with Site Plan

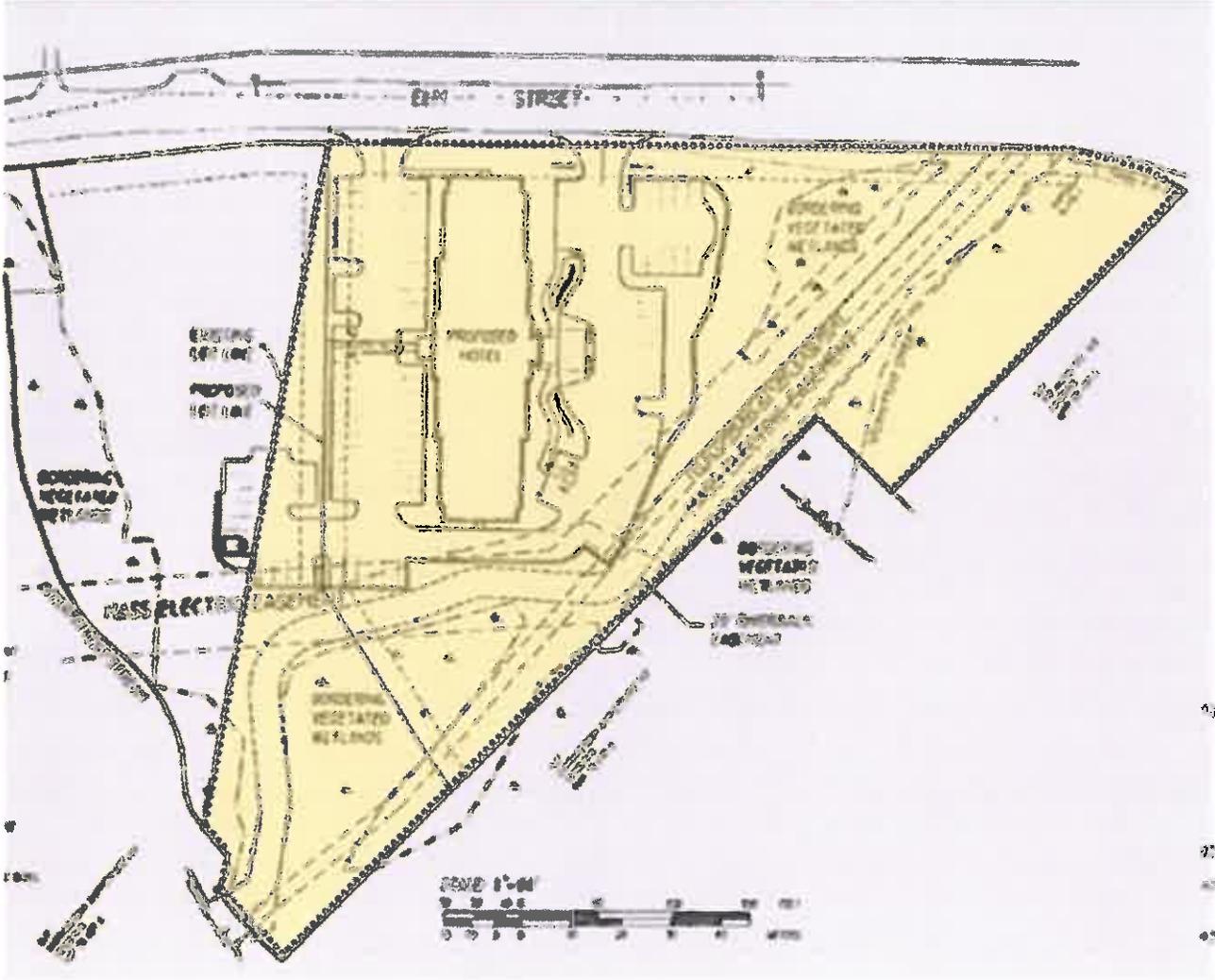
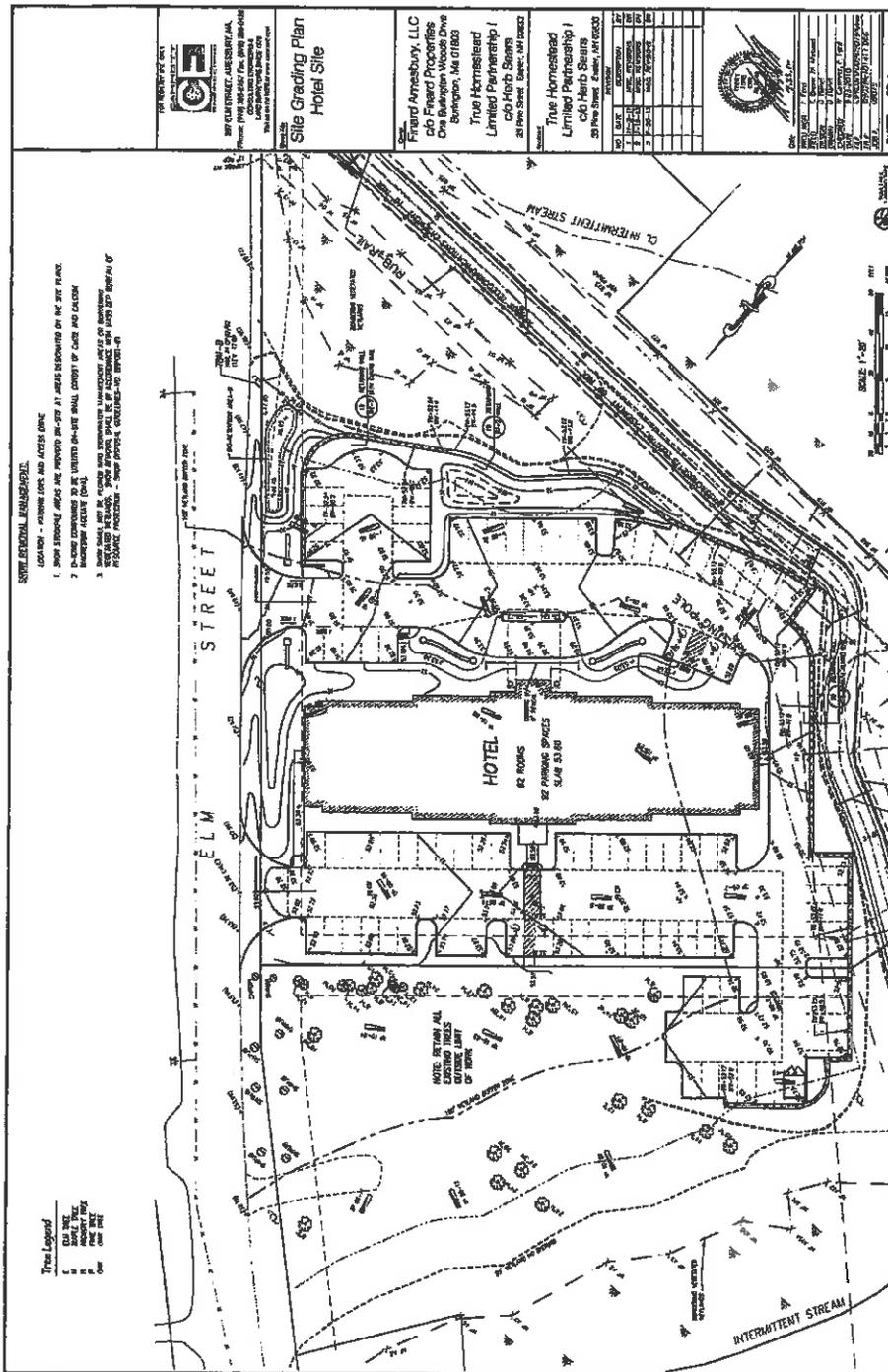
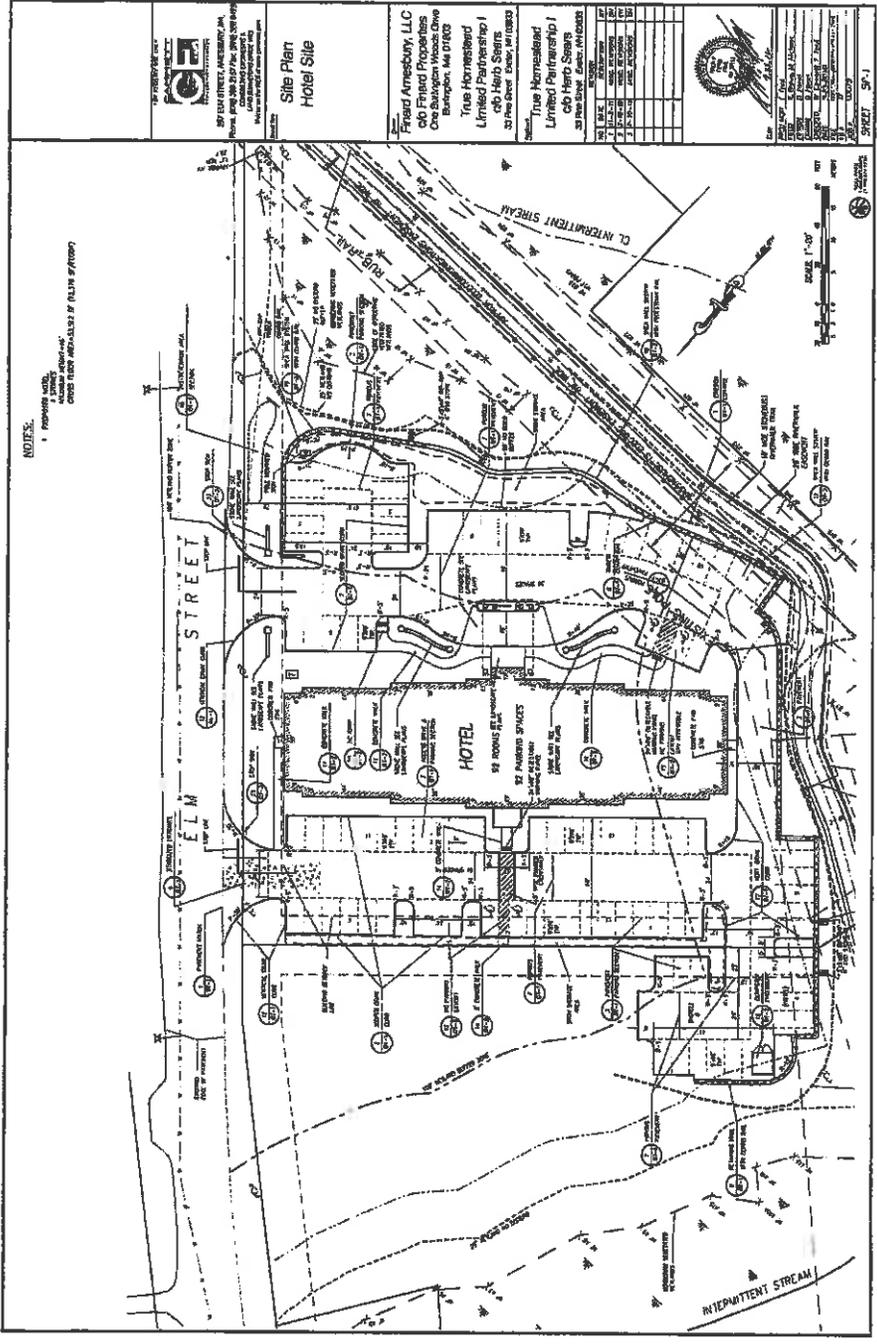


Exhibit B : EDIP Supplemental Application

Exhibit C : Planning Board Site Plans





Local Incentive Valuation Spreadsheet

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

EDIP Supplemental Application Exhibit 2: Local Incentive Valuation for Archgrove Hospitality, Inc. (Amesbury)

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
2016	\$20.97	\$6,958,000.00	\$145,909.26	75%	\$109,431.95	\$0.00	\$109,431.95
2017	\$20.97	\$6,958,000.00	\$145,909.26	75%	\$109,431.95	\$0.00	\$109,431.95
2018	\$20.97	\$6,958,000.00	\$145,909.26	75%	\$109,431.95	\$0.00	\$109,431.95
2019	\$20.97	\$6,958,000.00	\$145,909.26	75%	\$109,431.95	\$0.00	\$109,431.95
2020	\$20.97	\$6,958,000.00	\$145,909.26	75%	\$109,431.95	\$0.00	\$109,431.95
2021	\$20.97	\$6,958,000.00	\$145,909.26	35%	\$51,068.24	\$0.00	\$51,068.24
2022	\$20.97	\$6,958,000.00	\$145,909.26	35%	\$51,068.24	\$0.00	\$51,068.24
2023	\$20.97	\$6,958,000.00	\$145,909.26	35%	\$51,068.24	\$0.00	\$51,068.24
2024	\$20.97	\$6,958,000.00	\$145,909.26	35%	\$51,068.24	\$0.00	\$51,068.24
2025	\$20.97	\$6,958,000.00	\$145,909.26	35%	\$51,068.24	\$0.00	\$51,068.24
Enter Year	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00
Enter Year	\$0.00	\$0.00	\$0.00	0%	\$0.00	\$0.00	\$0.00
				TOTALS	\$802,500.93	\$0.00	\$802,500.93

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 munic

Total Yearly Value of Local Tax Incentives minus PILOT =

Economic Opportunity Area (EOA) Application



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

**Economic Development Incentive Program (EDIP)
ECONOMIC OPPORTUNITY AREA (EOA) DESIGNATION APPLICATION**

A complete application with all required attachments must be submitted in electronic form to your MOBD Regional Director by 5:00 P.M. on the [application deadline date](#). A hardcopy with original signatures and attachments must be postmarked no later than 1 day after the submission deadline and mailed to: EDIP Manager, MOBD, 10 Park Plaza, Suite 3730, Boston, MA 02116. **Applications that are incomplete or submitted after the deadline will not be considered at the scheduled Economic Assistance Coordinating Council (EACC) meeting, without exception.**

PART I. PROPOSED EOA	
1. DESIGNATION OVERVIEW	
Name of Proposed EOA:	284 Elm Street Hotel
Municipality:	City of Amesbury
EOA Designation is for:	<input checked="" type="checkbox"/> New EOA within a previously approved Economic Target Area <input type="checkbox"/> Amendment to a previously approved EOA
The area is being proposed for designation as the applicable parcels meet the eligibility criteria (see definitions as defined in M.G.L. Chapter 121A, §1 and M.G.L. Chapter 23A §3E):	<input checked="" type="checkbox"/> Blighted Open Area <input type="checkbox"/> Decadent Area <input type="checkbox"/> Substandard Area <input type="checkbox"/> Cumulative Job Loss
Effective Time Period for EOA Designation (Designation must remain in effect for a minimum of 5 Years and Maximum of 20 Years)	15 Years
2. EOA BOUNDARIES	
(a) Attachment A: Map of Proposed EOA Please attach a detailed map of the proposed EOA, indicating the existing streets, highways, waterways, natural boundaries and other physical features.	<input checked="" type="checkbox"/> Attached
(i) Please provide a detailed description of the EOA boundaries including parcel numbers and how said area conforms to the definition of either “Blighted Open Area”, “Decadent Area”, “Substandard Area and/or “Cumulative Job Loss” as marked in section 1.	
The proposed EOA is located at 284 Elm Street in Amesbury, Amesbury Assessros Map 80 parcel 1, Essex County Registry of Deeds Book 09703 and Page 0107. The site is shown as 3.82 Acres +/- off Elm Street, Parcel, Site Plan, Locus Plan attached.	

COMMONWEALTH OF MASSACHUSETTS
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MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

3. REASON FOR DESIGNATION

(a) Please describe the reason for the proposed EOA Designation. Please include:

- (i) A brief narrative of why the EOA designation is important to the community.
- (ii) If a business has indicated an intention to locate or expand within the proposed EOA, please provide the name and brief description of the company. If applicable, attach the letter of intent.

(i) The designation will facilitate the development as outlined below and in the City of Amesbury TIF Plan, and TIF Agreement,

(ii) Archgrove Hospitality, Inc. is proposing to construct and operate a ninety-two room hotel with meeting space at 282 Elm Street in Amesbury, MA. The proposed development would be a trademarked hotel similar to those in our existing portfolio. The hotel, as proposed, would be approximately fifty-four thousand (54,000) square feet and include the ninety-two rooms, a meeting space, gym, breakfast room and indoor pool. The project has many extraordinary costs and is therefore prohibitive to development. Archgrove Hospitality, Inc. is seeking benefits associated with the Economic Development Incentive Program (EDIP) to help defray these costs and increase the project feasibility. Specific extraordinary costs are listed below.

(b) Please describe the economic development goals for the proposed EOA during the first five years of EOA designation.

- Provide a means to stimulate private capital investment in commercial and industrial properties resulting in a substantive increase in net taxable property value.
- Encourage qualifying existing businesses to expand within the City of Amesbury.
- Attract new businesses that are compatible with the City of Amesbury.
- Foster reconstruction and renovation of vacant or underutilized commercial properties.
- Provide private funds to leverage public improvements that are mutually beneficial and necessary for the City and business community.
- Diversify the tax base and reduce the burden on residential properties.
- Stimulate the creation of jobs paying above the area median income for Amesbury.
- Increase the expediency at which redevelopment occurs by changing the financial options to development in a manner that favorably alters the financial feasibility.

PART II. MUNICIPAL DESIGNATION PROCESS

I. MUNICIPAL AUTHORITATIVE REVIEW

EOA Authoritative Review Municipal Official or Board/Council/Etc.	City Council City of Amesbury				
Municipal Contact:	Full Name:	William Scott	Title:	Community Development Director	
Contact Address:	Street Address:	62 Friend Street			
	City:	Amesbury	MA	Zip Code:	01913
Telephone Number:	978-388-8110				
Email Address:	scottw@amesburyma.gov				

COMMONWEALTH OF MASSACHUSETTS
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(a) Indicate the local standards and procedures for review of project proposals including:

- (i) the application procedures,
- (ii) the timeframe for review and determination
- (iii) and the criteria and process for approval of project proposals
- (iv) Attachments of any additional documentation required (if applicable)

The Hotel project is approved by the Planning Board and Conservation Commission. The project only requires a building permit and compliance with the previously approved permits.

2. LOCAL APPROVAL STREAMLINING

(a) Provide a proposal and plan (or attach existing plan) to increase the ease of doing business by streamlining delivery of local services within the EOA such as the municipality's permit, approval and license procedures. See: "[Best Practice Model for Streamlined Local Permitting](#)"

The EOA is comprised of the site which is fully permitted from Planning Board, Conservation Commission and DEP for the Hotel Use. The City has begun the predevelopment process by coordinating departments toward facilitating an expeditious Building process.

(b) Compliance with Community Reinvestment Act: Include a copy of a municipal plan or policy, if any exists, which links the municipality's choice of banking institutions to the bank's compliance with the requirements of the Community Reinvestment Act.

- Attached
- N/A

PART III. SPECIAL REQUIREMENTS FOR LARGE MUNICIPALITIES

This section must be completed by any municipality or member of a regional ETA with a population that exceeds fifty thousand (50,000) people. The population threshold should be calculated based on the most recent statistics available from the U.S. Bureau of the Census.

Please check appropriate selection:

- Municipality or regional ETA population exceeds 50,000 people (if checked, please complete the below Part III).
- Municipality or regional ETA population is less than 50,000 people (if checked, Part III. is not required, please skip to Part IV.)

1. MUNICIPAL INFRASTRUCTURE SUPPORT

Provide an analysis of the existing infrastructure support and municipal services, including transportation access, water and sewer hook-ups, lighting, and fire and police protection to and for certified projects within the proposed EOA(s). Indicate if the existing level of services and infrastructure is adequate to support the anticipated development in the proposed EOA(s).

Provide a proposal for meeting additional demand for municipal services and infrastructure improvement, including costs and funding sources available for these improvements.

The project is served by municipal sewer, water, and NGRID Gas and Electric. During the Site Plan review process of the Planning Board the project was fully reviewed for issue associated with infrastructure and traffic impacts. The Planning Board approved the plans indicating that the project addresses infrasture impacts.

2. JOB TRAINING PROGRAMS

Describe the municipality's plans to secure access to publicly or privately sponsored training programs for employees of certified projects and for residents of the municipality/ETA.

Archgrove Hospitality, Inc. with the City of Amesbury is committed to a good faith effort of employing qualified residents of Amesbury and the Northern Essex Economic Target Area. To ensure that qualified residents of Amesbury and the Northern Essex ETA are made aware of job openings, Archgrove Hospitality, Inc. plans to work with the One-Stop Career Center, Valley Works, located at Northern Essex Community College, 100 El liott Street, Haverhill , MA . In addition, Archgrove Hospitality , Inc. plans to advertise job openings in the Haverhill Gazette and the Amesbury weekly area news. The City of Amesbury has created conditions within the TIF Agreement to coordinated and facilitate the above.

3. LOCAL COMMUNITY INVOLVEMENT

Describe the municipality's plans to increase the level of private sector involvement and the level of involvement by community development organizations in the economic revitalization of the area proposed for designation. For example, local involvement could include commitments from private persons to provide jobs and job training to residents or to employees who for certified projects in the proposed EOA(s).

The City of Amesbury has established a planning and implementation relationship with the Amesbury Chamber of Commerce through the Chamber Economic Development Committee. The City worked directly with the committee and property owners to establish the Amesbury Economic Incentive Guidelines. The guidelines have framed the opportunity for this proposal. The Chamber of Commerce has provided a letter of support for this EOA application. The EOA requested is the lot on which the Hotel development will occur. The work by the City to obtain approval for the project at the Planning board and Conservation Commission and the coordination for this application are evidence of private public partnerships.

Local Incentive TIF Plan/ Zone



TAX INCREMENT FINANCING ZONE AND PLAN
EDIP Submittal 284 Elm Street
CITY OF AMESBURY, MASSACHUSETTS
and
ARCHGROVE HOSPITALITY
November 2014

I. TIF Plan and Zone

A. Site

The site is located within the Northern Essex Regional ETA. The location is within the area known as the Golden Triangle which is formed by interstates I-95, I-495 and State Route 110. The 284 Elm Street EOA is being submitted to the EACC for their December 17th 2014 meeting. The project is served by municipal sewer, water, and NGRID Gas and Electric. During the Site Plan review process of the Planning Board the project was fully reviewed for issue associated with infrastructure and traffic impacts.

B. City

Amesbury is a city in Essex County, Massachusetts, located on the left bank of the Merrimack River near its mouth, upstream from Salisbury and across the river from Newburyport and West Newbury. The population was 16,283 at the 2010 census.^[1] A former farming and mill town, Amesbury is today largely residential. It is one of the two northernmost towns in Massachusetts (the other being neighboring Salisbury). Amesbury is located at 42°51'29"N 70°55'50"W. According to the United States Census Bureau, the city has a total area of 13.7 square miles (35.5 km²), of which 12.3 square miles (31.8 km²) is land and 1.5 square miles (3.8 km²), or 10.65%, is water.

C. TIF Zone and Map

1. Please refer to the map and plans in Appendix.
2. Description. Specifically the proposed 284 Elm Street EOA is located at 284 Elm Street in Amesbury, Amesbury Assessors Map 80 parcel 1, Essex County Registry of Deeds Book 09703 and Page 0107. The site is shown as 3.82 Acres +/- off Elm Street, Parcel, Site Plan, Locust Plan as provided in Appendix.

3. Narrative of TIF Zone, Needs Problems and Opportunities.

The applicant has clearly indicated that in the absence of the incentive proposal that they will not proceed with the project. The site has been vacant for over a decade and has not seen a viable proposal other than this developer. As cited from the Preliminary Application: *"The project has many extraordinary costs and is therefore prohibitive to development."* This incentive package is meant to target the capital needs of the proposed project to tie the incentive to attract uses that the community needs and prefers. The site contains multiple constraints which requires an additional investment of over \$890,000 in site improvements. With the TIF Archgrove will move ahead with the

proposal. Without the incentive over the ten year term of the TIF, assuming the current undeveloped site value, the City would receive \$113,657.40, with less than \$12,000 per year in revenue. During the same ten year period, with the Hotel investment the City could realize over \$656,000 in revenue not including the current taxes for the base. Including current base taxes the City would realize over \$770,000. These numbers are dependent on several factors such as existing estimated values. Archgrove Hospitality, Inc.'s internal marketing analysis anticipates that approximately 70% of the proposed facility's annual revenues will be derived from out-of-state travelers visiting Amesbury and Greater Essex County on leisure, tourism and business travel. Given the proposed site does not contain a full service restaurant local businesses will benefit from visitors. The City will also collect revenues through lodging taxes. In FY 2014 the revenues to the City from Hotel/Motel taxes for existing facilities was \$125,138.00. This will increase given the doubling of rooms within the City. Direct impact also includes total payroll paid out to employees hired at the hotel as well as all payroll paid out to temporary construction workers who construct the hotel.

4. Property Owners.

The current property owner is True Homestead Limited. Archgrove Hospitality will purchase the property subject to the approval of this incentive.

II Time Duration

The duration of the TIF plan and TIF Zone is 10 years. Beginning in Fiscal Year 2016 and ending with the last year Fiscal year 2025.

III TIF Zone and Economic Development

- A. **Discuss how the TIF Zone is poised to provide Economic Development Opportunities.** The TIF Zone is created to facilitate the development of a Hotel which is fully permitted by the Planning Board and Conservation Commission. Archgrove Hospitality, Inc. is one of the region's leading hospitality companies, owning and operating eight trademarked hotels and inns catering to business and leisure travelers in Connecticut, Maine and New Hampshire. The companies sites include: Hampton Inn and Suites in Tilton, NH, Hampton Inn in Wallingford CT, Holiday Inn Express and Suites in Winsor Locks, CT, Holiday Inn Express and Suites in Smithfield, RI, Holiday Inn Express and Suites in Seabrook, NH, Holiday Inn Express and Suites in Tilton, NH , Holiday Inn Holiday Inn Express and Suites in Freeport, ME and a Holiday Inn Express in Biddeford , ME. . Construction is expected to take one full year, from ground breaking to opening the new hotel. The proposed site has considerable development constraints that add extraordinary costs to the development. Should the project move forward as planned , including the ability to secure local Tax Increment Financing (TIP) and the Economic Development Incentive Program Investment Tax Cred it (EDIP-ITC) to assist in off-setting these extraordinary costs, construction could begin as early as late Q1 -2015 or Q2-2015
- B. **Discuss how the TIF Zone will benefit the Municipality:**
As per the EDIP Letter of Intent and Preliminary Application Archgrove Hospitality, Inc. is proposing to construct and operate a ninety-two room hotel with meeting space at 284 Elm Street in Amesbury, MA and create 15 jobs. The proposed development would be a trademarked hotel similar to those in their existing portfolio. The hotel, as proposed, would require an investment of in excess of \$10.5 million and be approximately fifty-

four thousand (54,000) square feet and include the ninety-two rooms, a meeting space, gym, breakfast room and indoor pool. The project site at 284 Elm Street has many extraordinary costs and is therefore prohibitive to development. Archgrove Hospitality, Inc. is seeking benefits associated with the Economic Development Incentive Program (EDIP) to help defray these costs and increase the project feasibility.

Archgrove Hospitality, Inc. with the City of Amesbury is committed to a good faith effort of employing qualified residents of Amesbury and the Northern Essex Economic Target Area. To ensure that qualified residents of Amesbury and the Northern Essex ETA are made aware of job openings, Archgrove Hospitality, Inc. plans to work with the One-Stop Career Center, Valley Works, located at Northern Essex Community College, 100 Elliott Street, Haverhill, MA . In addition, Archgrove Hospitality, Inc. plans to advertise job openings in the Haverhill Gazette and the Amesbury weekly area news. The City of Amesbury has created conditions within the TIF Agreement to coordinated and facilitate the above.

- C. **Analysis of proposed and Potential Land Uses:** The Planning Board and Conservation Commission approved the plan in 2012. The site is an allowed use for the zoning district RCZD. As a negotiated condition of the decision the City will obtain an easement for the regional rail trail thus meeting a valuable objective of the City’s overall plan to diversify transportation routes. The project will make full use of the applicable site. The City is in the process of coordinating traffic improvements with this development to facilitate additional development within the Elm Street Corridor near route 110.
- D. **Zoning in TIF Zone:** The zoning in the TIF zone is RCZD. As indicted above the projects is already approved for both Planning Board and Conservation permits and it is an allowed use in the zone.
- E. **Hazardous Waste Sites:** Not applicable to this site. Open and natural condition with no prior uses or structures.

IV TIF Zone Projects

The only project within this zone will be the hotel as described herein. The EDIP Preliminary and Supplemental Applications and the information herein provide the necessary information for the Hotel Development by Archgrove Hospitality.

V. Financing for TIF Zone projects

No public expenditures are necessary; instead the applicant is making the private investments as outlined below. Archgrove Hospitality, subject to the TIF approval, will enter into an agreement to purchase the property. Archgrove Hospitality, Inc. has working relationships with many local banks in the communities where we build hotels. Some of these banks include

Kennebunk Savings Bank (Maine), Bath Savings Bank (Maine) and Northway Bank (New

Archgrove Project Budget	
Land	\$ 1,100,000.00
Construction	\$ 7,645,000.00
Machinery and Equipment	\$ 1,395,000.00
Other	\$ 453,800.00
Total Projected Investment:	\$ 10,593,800.00
Total Extraordinary Site Costs*	\$ 891,856.00

*See letter from Opechee Contractors

Hampshire) Archgrove Hospitality, Inc. expects to use Kennebunk Savings Bank for conventional financing and supplement this with SBA 504 and private investments from the partners. The TIF amounts is determined by the additional site costs above a typical project. The City is estimating that the TIF will generate approximately \$ 802,000 in savings to address the \$891,856 additional costs.

VI Tax Increment Financing

- A. Authorization to use TIF:** The City shall grant a tax increment financing exemption to the Applicant in Accordance with Massachusetts General Laws, Chapter 40, section 59; and Chapter 59, section 5. Approval of the TIF Agreement was provided at a public hearing by the City Council on November 18th 2014, and then signed by the Mayor on November 20th, 2014.
- B. Amount of proposed tax exemption and applicable criteria.**
 The exemption shall be granted and only apply to the increased value on the real property with the improvements in place as cited in the TAX INCREMENT FINANCING AGREEMENT CITY OF AMESBURY, MASSACHUSETTS and ARCHGROVE HOSPITALITY dated November 20th 2014. The local tax benefits will be afforded to the property owner Archgrove Hospitality who has an agreement to purchase subject to this TIF award. The exemption shall be valid for ten years as outlined below. The exemption shall be calculated and remain unchallenged for each fiscal year as follows:

Fiscal / Month Year	Percent	Fiscal / Month Year	Percent
2016 / July 2015	75%	2022 / July 2020	35%
2017 / July 2016	75%	2023 / July 2021	35%
2018 / July 2017	75%	2024 / July 2022	35%
2019 / July 2018	75%	2025 / July 2023	35%
2020 / July 2019	75%	2026 / July 2024	35%

- C. Maximum Percentage of public project costs that can be recovered.**
 Not applicable
- D. TIF exemption from property taxes.**
 - 1. Term of exemption 10 years
 - 2. Calculation
 - a. Exemption percentage as shown in above table.
 - b. Base valuation \$542,000 in FY 2015

VII. Approval of Project

On November 3, 2014 the City of Amesbury Economic Incentive Committee recommended to the Mayor to proceed with the TIF as described herein. On November 3rd, 2014 the Mayor forwarded the recommendation to the City Council for a meeting on November 5, 2014 for a first reading. Subsequent to meetings of the City Council Ordinance Committee and Finance Committee the City Council held a hearing on November 18th 2014 to consider the TIF as amended. On November 18th 2014 the City Council voted the order as attached hereto and forwarded to the Mayor for consideration by the State EACC and eventual execution with the applicant.

