

## TAX INCREMENT FINANCING AGREEMENT

This Tax Increment Financing Agreement (the “Agreement”) is made as of the Fifth day of November 2014, by and between the **City of Lawrence**, a public body politic and corporate (the “City”), having an office at 200 Common Street, Lawrence, Massachusetts 01840, and both **One Marston LLC, and ALX Enterprises LLC**, Massachusetts Corporations, having their corporate offices at 2 Marble Ridge Road, North Andover, MA 01845 and 9 West Broadway, Boston, MA 02127 respectively.

### WITNESSETH

**WHEREAS**, One Marston LLC and ALX Enterprises LLC, both Massachusetts Corporations, purchased a 1.57 acre parcel and building located at One Marston Street to be used for commercial use; and

*WHEREAS, One Marston LLC and ALX Enterprises LLC, and its affiliates, will maintain the building at One Marston Street at total cost of more than \$1,260,000 while construction and improvements will be approximately \$21,100,000 and equipment purchases will total approximately \$5,000,000; and*

**WHEREAS**, One Marston LLC and ALX Enterprises LLC is seeking a Tax Increment Financing Exemption (the “TIF Exemption”) from the City, in accordance with M.G.L. c. 40, §59, and M.G.L. c.59, §5, cl. 51; and

**WHEREAS**, the City and One Marston LLC and ALX Enterprises LLC, and its affiliates, expect that the Project will be certified by the EACC for a period beginning on 1 July 2015 and ending on 30 June 30 2025; and

**WHEREAS**, the City strongly supports increased economic development as a means to expand the commercial and industrial tax base, provide additional employment opportunities for residents of the ETA, and develop a healthy, balanced economy and stronger tax base; and

**WHEREAS**, the Project furthers the economic development goals established for the ETA; and

**NOW, THEREFORE**, it is hereby agreed that:

1. The City, as authorized by the City Council on 3 February 2015 2015, hereby enters into this Agreement with respect to the project, encompassing the property located at One Marston Street and property subject to the TIF Exemption, is hereby attached as Exhibit A. The TIF Exemption shall apply to all improvements made by One Marston LLC and ALX Enterprises LLC at the Site as of 1 July 2015.
2. The term of this Agreement is TEN (10) years, commencing on 1 July 2016 and terminating on 30 June 2026.
3. The TIF Exemption formula for the Site will be calculated as proscribed by the Massachusetts General Laws, Acts of 1993 and in 751 CMR 11.00 and 402 CMR 2.00 (the "TIF Regulations") and regulated by the Department of Revenue. The TIF Exemption formula will apply to: (i) the incremental difference between the Base Valuation (as hereinafter defined) and the assessed valuation of the Site in each of the years during the term of this Agreement; and (ii) any special assessment or other betterments applicable to the Site during the term of this Agreement.
  - (a) The "Base Valuation" is the assessed value of the Site in the fiscal year immediately prior to the fiscal year in which the Site becomes eligible for the TIF Exemption. The parties agree that the Base Valuation of the Site is **\$1,201,800.00**.
  - (b) The Base Valuation will be adjusted annually by an adjustment factor that reflects increased commercial and industrial properties within the community as such term is used in the TIF Regulations.
  - (c) The positive difference between the Base Valuation and the assessed valuation created by the Project at the Site and its construction (the "Increment") is the amount eligible for exemption from taxation.
  - (d) For solely planning purposes, the estimated assessed valuation, as determined by the Lawrence Board of Assessors, has been established as **\$1,201,800.00** for the purposes of this TIF Agreement. The actual assessed valuation will be completed on an annual basis and the exemption shall apply to the Increment.

4. The exemption from *Real Estate* taxation shall be as follows:

Year 1	July 1, 2016 -- June 30, 2017	95% of the increment
Year 2	July 1, 2017 -- June 30, 2018	95% of the increment
Year 3	July 1, 2018 -- June 30, 2019	95% of the increment
Year 4	July 1, 2019 -- June 30, 2020	80% of the increment
Year 5	July 1, 2020 -- June 30, 2021	75% of the increment
Year 6	July 1, 2021 -- June 30, 2022	65% of the increment
Year 7	July 1, 2022 -- June 30, 2023	55% of the increment
Year 8	July 1, 2023 -- June 30, 2024	40% of the increment
Year 9	July 1, 2024 -- June 30, 2025	30% of the increment
Year 10	July 1, 2025 -- June 30, 2026	30% of the increment

5. The Exemption formula for the *Personal Property* will be calculated as proscribed by the Massachusetts General Laws, Acts of 1993 and in 751 CMR 11.00 and 402 CMR 2.00 (the "TIF Regulations") and regulated by the Department of Revenue. The TIF Exemption formula will apply to: (i) the incremental difference between the Base Valuation (as hereinafter defined) and the assessed valuation of the *Personal Property* in each of the years during the term of this Agreement; and (ii) any special assessment or other betterments applicable to the Site during the term of this Agreement.

(a) The "Base Valuation" is the assessed value of the *Personal Property* in the fiscal year immediately prior to the fiscal year in which the *Personal Property* becomes eligible for the TIF Exemption. The parties agree that the Base Valuation of the *Personal Property* is **\$391,800.00**.

(b) The Base Valuation of the *Personal Property* will be adjusted annually by an adjustment factor that reflects increased commercial and industrial personal properties within the community as such term is used in the TIF Regulations.

(c) The positive difference between the Base Valuation and the assessed valuation created by the Project of the *Personal Property* is the amount eligible for exemption from taxation.

(d) For solely planning purposes, the estimated assessed valuation of the *Personal Property*, as determined by the Lawrence Board of Assessors, has been established as **\$391,800.00** for the purposes of this TIF Agreement. The actual assessed valuation of the *Personal Property* will be completed on an annual basis and the exemption shall apply to the Increment.

6. The exemption from taxation for *Personal Property* shall be as follows:

Year 1	July 1, 2016 – June 30, 2017	95% of the increment
Year 2	July 1, 2017 – June 30, 2018	95% of the increment
Year 3	July 1, 2018 – June 30, 2019	95% of the increment
Year 4	July 1, 2019 – June 30, 2020	80% of the increment
Year 5	July 1, 2020 – June 30, 2021	75% of the increment
Year 6	July 1, 2021 – June 30, 2022	65% of the increment
Year 7	July 1, 2022 – June 30, 2023	55% of the increment
Year 8	July 1, 2023 – June 30, 2024	40% of the increment
Year 9	July 1, 2024 – June 30, 2025	30% of the increment
Year 10	July 1, 2025 – June 30, 2026	30% of the increment

7. The City is granting the TIF Exemption in consideration of the One Marston LLC and ALX Enterprises LLC, commitment to:

- (a) Create four (4) new permanent full-time jobs during the period of the Agreement at One Marston Street.
- (b) Invest approximately **\$26,100,000**, in the form of new construction, improvements and equipment at the Site, to be completed by the end of the term of this Agreement.

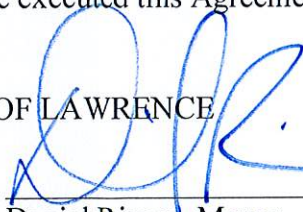
8. One Marston LLC and ALX Enterprises LLC agree to submit annual reports on job creation, retention and new investment to the Commonwealth of Massachusetts and City of Lawrence, Community Development Department by January 31<sup>st</sup> of each year, beginning in 2016 and for each year during the term of this Agreement. The Annual Report shall include;

- (c) The number of new permanent full-time jobs created and the number of residents hired from the ETA for the annual reporting period and on a cumulative basis; and
- (d) The number of jobs created and the number of residents hired from the ETA for the annual reporting period and on a cumulative basis; and
- (e) The value of capital improvements invested in the Program by One Marston LLC and ALX Enterprises LLC, and for the annual reporting period and on a cumulative basis.


9. If One Marston LLC and ALX Enterprises LLC fail to meet the job creation and investment commitments specified in Paragraph 7 herein, the City, acting through its Mayor and City Council, may take action to request decertification of the Project by the EACC. Upon decertification, the City shall discontinue the TIF Exemption benefits described in Paragraphs 3 and 4 herein, commencing with the fiscal year following such year in which One Marston LLC and ALX Enterprises LLC, did not meet the commitments.
10. If One Marston LLC and ALX Enterprises LLC cease to be operating entities during the term of this Agreement, the City may request decertification of the Project.
11. *If One Marston LLC and ALX Enterprises LLC were to have this project decertified by the Commonwealth of Massachusetts for failure to comply with any part of the agreement, One Marston LLC and ALX Enterprises LLC will pay 100% of the exempt annual property taxes of the TIF Agreement to the City of Lawrence within 90 days of decertification.*
12. If One Marston LLC, ALX Enterprises LLC, subsequent owners or successors in interest and their agents and employees, of the real property identified as *One Marston Street* were to alter their property interest by the creation of condominiums pursuant to M.G.L. Chapter 183A, the owner(s) of each and all subsequent condominium at the site shall, in compliance with Massachusetts State Law, seek subsequent approval from the City of Lawrence and Commonwealth of Massachusetts and certification by modification of this agreement. The failure of any and all parties to recertify by use, application or administration may result in de-certification for all or some of the parties in interest.
13. This Agreement shall be binding on subsequent owners of the Site.

**IN WITNESS WHEREOF**, the parties have executed this Agreement under seal as of the day and year first above written.

CITY OF LAWRENCE

By:  2/26/15  
 Daniel Rivera, Mayor Date

One Marston LLC

By:  2/25/15  
 Mr. Ernesto Lopez, Manager Date

ALX Enterprises LLC

By:  2/25/2015  
 Mr. Isaac A. Lopez, Manager Date