

SPECIAL MEETING OF THE CITY COUNCIL, MARCH 12, 2013

Meeting was called to order at 6:30 P.M.

Attendance was taken by a roll call vote; all members were present except Councillors Cormier and Rowlands.

Present at the meeting were Mayor Mazzarella, Lisa Marrone, Rosemary Scrivens, Dennis Raimo and John Dedian.

A recess was called at 6:31 P.M. to discuss 9 Mohawk Drive as an Economic Opportunity Area and an eight year Tax Increment Financing Plan and Agreement. A New England Wire Products TIF Project presentation and a list of current TIF's were received at the meeting and are on file in the City Clerk's office.

Meeting reconvened at 7:30 P.M.

Upon request of the SMALL BUSINESS AND ECONOMICAL DEVELOPMENT COMMITTEE, the following COMMUNICATIONS were GRANTED. Vt. 7 "yeas"

C-98 Dean J. Mazzarella, Mayor: Approve 9 Mohawk Drive as an Economic Opportunity Area (EOA) as shown on Assessor's Map 466, Lot 4 pursuant to M.G.L. c23A Section 3R, and submit said application for approval to the Massachusetts Economic Assistance Coordinating Council (EACC).

C-99 Dean J. Mazzarella, Mayor: Approve an Eight year Tax Increment Financing Plan and Agreement, pursuant to M.G.L. c23A, Section 3A-F inclusive between New England Wire Products and the City of Leominster for property located at 9 Mohawk Drive, Leominster, MA and authorize the submission of same for approval to the Massachusetts economic Assistance Coordinating Council (EACC).

Upon recommendation of the SMALL BUSINESS AND ECONOMICAL DEVELOPMENT COMMITTEE, the following RESOLUTIONS were ADOPTED. Vt. 7 "yeas"

**RESOLUTION
DESIGNATION OF
9 MOHAWK DRIVE
ECONOMIC OPPORTUNITY AREA**

WHEREAS, Chapter 23A, Sections 3A through F as amended by Chapter 19 of the Acts of 1993, establishes the Economic Development Incentive Program (EDIP);

WHEREAS, the EDIP is designed to promote increased business development and expansion in Economic Target Area (ETAs) and Economic Opportunity Areas (EOAs) of the Commonwealth of Massachusetts;

WHEREAS, the City of Leominster is part of the North Worcester Country Economic Target Area (ETA);

WHEREAS, the City Council of the City of Leominster strongly supports increased economic development to provide additional jobs for City residents, and industrial activity within the City to promote and develop a healthy economy and stronger tax base;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Leominster that;

1. The City Council hereby votes in support of the submission of the City of Leominster Economic Opportunity Area application to the Massachusetts Economic Assistance Coordinating Council;
2. The City votes in support of the designation of the following Economic Opportunity Area through the approval from the Commonwealth of Massachusetts:

9 Mohawk Drive EOA as defined by the City of Leominster's Assessor's Map 466, Lot 4. The parcel of land located at 9 Mohawk Drive, Leominster, Massachusetts, containing 9.66 acres of industrial land that extends from Nashua Street alongside Mohawk Drive, and also bordered by Scott Drive.
3. The City Council hereby votes in support to offer a tax increment financing for a Certified Project located in the Economic Opportunity Area of 9 Mohawk Drive.

Adopted by the Leominster City Council

Date: March 12, 2013

/s/ Brenda L. Parisi, Assistant City Clerk

/s/ Dean J. Mazzarella, Mayor

**RESOLUTION
DESIGNATION OF
9 MOHAWK DRIVE – NEW ENGLAND WIRE PRODUCTS
TAX INCENTIVE FINANCING (TIF) PROGRAM**

WHEREAS, the proposed Certified Project is located 9 Mohawk Drive, Leominster MA which is within the boundaries of the designated 9 Mohawk Drive Economic Opportunity Area.

WHEREAS, the City of Leominster has agreed to offer New England Wire Products, a Tax Increment Financing (TIF) Agreement. Said Agreement is hereby approved by the City Council and the Tax Incrementing Financing Plan is incorporated by reference herein;

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WHEREAS, New England Wire Products will invest \$3,500,000 over a twenty-four (24) month period, and create one hundred (100) permanent full-time jobs potentially for residents of the City and of the North Worcester County Economic Target Area (ETA) over a period of twenty-four (24) months.

WHEREAS, the City Council of the City of Leominster strongly supports increased economic development to provide additional jobs for City residents, and industrial activity within the City to promote and develop a healthy economy and stronger tax base;

NOW, THEREFORE, BE IT RESOLVED that the City Council of Leominster approves the Certified Project application for New England Wire Products, and forwards said application for certification to the Massachusetts Economic Assistance Coordinating Council for its approval and endorsement.

FURTHER, the City Council of the City of Leominster authorizes the Mayor to enter into a Tax Increment Financing Agreement between the City of Leominster and New England Wire Products. Said agreement will provide for an exemption on property taxes based on the growth portion in assess valuation of the property as follows:

PERSONAL PROPERTY

With respect to personal property, the Tax Increment Financing exemption formula will NOT apply to all of the personal property owned and operated by New England Wire Products located at 9 Mohawk Drive / Assessor's Map 466, Parcel 4, as the company is designated as a Massachusetts manufacturer.

The City of Leominster has confirmed with the Department of Revenue that New England Wire Products is a designated manufacturer in the State of Massachusetts. Therefore, personal property tax is 100% exempt by having manufacturing status, also referred to as "M" designation. There is no additional or further exemption offered for personal property tax by the City of Leominster. This includes the exemption of their planned expenditure by New England Wire Products of \$1,000,000 of machinery.

REAL ESTATE

The Agreement calls for an exemption from taxation specifically on the increased value of real estate property as a result of the redevelopment as follows in the table shown below. Based upon current year (FY13) tax rate with an estimated additional increased assessed value of \$320,000, the savings in Year 1 of the Tax Increment Finance (TIF) program would be is \$5,747.20 per year given the varying tax rate each year for an eight year (8) duration on a sliding downward scale (as detailed below). The real estate tax savings for the incremental increase in value of investment totals a tax savings of \$25,862.40 for the entire duration of the TIF agreement.

The offer is from 100% abatement in Year 1 on a sliding downward scale of -12.5% per year until year eight (8) on the incremental increase in property value assessment only. The table of tax abatement is as follows for the real estate tax exemption on the incremental increase of investment for \$320,000.

Year 1: July 1, 2013-June 30, 2014	100.00% of the increment	\$5,747.20 Savings
Year 2: July 1, 2014-June 30, 2015	87.50% of the increment	\$5,028.80 Savings
Year 3: July 1, 2015-June 30, 2016	75.00% of the increment	\$4,310.40 Savings
Year 4: July 1, 2016-June 30, 2017	62.50% of the increment	\$3,592.00 Savings
Year 5: July 1, 2017-June 30, 2018	50.00% of the increment	\$2,973.60 Savings
Year 6: July 1, 2018-June 30, 2019	37.50% of the increment	\$2,155.20 Savings
Year 7: July 1, 2019-June 30, 2020	25.00% of the increment	\$1,436.80 Savings
Year 8: July 1, 2020-June 30, 2021	12.50% of the increment	\$ 718.40 Savings

Pursuant to 402 CMR Economic Assistance Coordinating Council, this Agreement shall be binding upon subsequent owners of the property located at 9 Mohawk Drive, Leominster, MA 01453. Upon failure of New England Wire Products' fulfillment of all material obligations specified in Section 3 under this Agreement, the City of Leominster reserves the right to apply to the Economic Assistance Coordinating Council for decertification of the project.

This Agreement is subject to MGL c 23A, §§ 3A through 3F inclusive, MGL c. 40, § 59; MGL c. 6A.

In accordance with the requirements and regulations established which govern the implementation of such Tax Increment Financing Agreements. The agreement will be in effect as of Fiscal Year 2014 (July 1, 2013) and will extend for eight (8) years through Fiscal Year 2021 (June 30, 2021).

Adopted by the Leominster City Council
Communication C-99

Date: March 12, 2013

/s/ Brenda L. Parisi, Assistant City Clerk

/s/ Dean J. Mazzarella, Mayor

Under Old Business, Councillor Marchand requested an opinion from Kopelman & Paige regarding taxi and limousine companies that come into the City and have vehicles parked at their place of business in Leominster. Can the Council make it a condition to have the vehicles registered to pay excise tax in the City of Leominster.

MEETING ADJOURNED AT 7:45 P.M.

Lynn A. Bouchard, City Clerk and
Clerk of the City Council