



Edward M. Augustus Jr.
City Manager

CITY OF WORCESTER

cm2019nov05091144

Attachment for Item #

9.4 B

November 12, 2019

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

Attached please find the semi-annual Tax Increment Financing / Tax Increment Exemption Report for the Fiscal Year ending June 30, 2019, as received from Michael E. Traynor, Esq., Chief Development Officer, and transmitted for the information of your Honorable Body.

The term Tax Increment Financing (TIF) is used for commercial projects under the state's Economic Development Incentive Program. The term Tax Increment Exemption (TIE) is used for residential projects under the state's Housing Development Incentive Program. Both programs provide two primary benefits to eligible projects: 1) local relief on a portion of the new real estate taxes generated as a result of the investment, and 2) state investment tax credit. It's important to note that the local approval is a prerequisite for the applicant to seek the state benefit. The TIF/TIE mechanism is a popular tool nationwide for local communities to stimulate and support economic development.

As of June 30, 2019, there were 17 active TIF Plans and 1 active TIE Plan in the city, in addition to 3 approved TIF projects and 5 approved TIE projects that are planned or underway. The 17 active TIF Plans have achieved the following outcomes:

- **Created 1,777 full-time, permanent jobs**
- **Retained 979 full-time, permanent jobs**
- **Retained and expanded 8 businesses in the city**
- **Attracted 3 new businesses to the city**
- **Catalyzed 17 real estate development projects**
- **Induced more than \$306 million in total private investment**
- **Generated approximately \$16,500,000 in total real estate taxes**



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- **Generated more than \$200 million in new taxable value**

Two active TIF projects – Imperial Distributors at 150 Blackstone River Road and Table Talk Pies at 25 Southgate Street were recognized with Economic Impact Awards in 2018 from MassEcon.

In addition, the 6 approved TIE Projects, between completed and five underway, will represent new housing production of **246 market-rate units with a total investment of over \$80 million.**

I am pleased to share that significant improvements have been implemented with regard to compliance and monitoring of TIF/TIE projects since the last report. This commitment is most evident in the newly established Program & Compliance Manager position in the Executive Office of Economic Development. The TIF/TIE Policy has also been updated to reflect the new workforce diversity goals as a result of 2019 Worcester Construction Workforce Disparity Study. During construction activity of TIF/TIE projects, developers and contractors must strive to achieve participation of **38% people of color and 10% women on the project.** The administration will also be establishing a provision whereby companies failing to meet a certain level of job creation commitments will be required to contribute to the Worcester Jobs Fund, thus ensuring support for skill development of Worcester residents. The initial TIF policy was established in 2015 and three (3) of the seventeen (17) projects are subject to its guidelines.

The program continues to be a critical tool in the toolbox to stimulate economic development, catalyze private investment, expand the local tax base, create and retain jobs for Worcester residents, support new housing production, and benefit the long-term economic goals of Worcester.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Edward M. Augustus Jr.", written in a cursive style.

Edward M. Augustus Jr.
City Manager



CITY OF WORCESTER, MASSACHUSETTS

Executive Office of Economic Development
Business & Community Development Division

Michael E. Traynor, Esq.
Chief Development Officer

Peter Dunn
Assistant Chief Development Officer
Business & Community Development Division

To: Edward M. Augustus, Jr., City Manager
From: Michael E. Traynor, Esq., Chief Development Officer
Date: November 12, 2019
Re: FY 19 Tax Increment Financing / Tax Increment Exemption Report

I have attached a summary of information gathered through the semi-annual reporting for the active Tax Increment Financing (TIF) and Tax Increment Exemption (TIE) projects for FY19. In conjunction with the 2019 Worcester Construction Workforce Disparity Study, the following informational communication regarding the City of Worcester's efforts to measure and implement updated policies and best practices to best serve our business community and diverse workforce is presented in this TIF/TIE Program report.

The Commonwealth of Massachusetts' Economic Development Incentive Program (EDIP) continues to be a successful tool to attract new businesses to Massachusetts and to encourage existing companies to expand in the state. The Program is a three-way partnership between the state, a municipality, and the participating job-creating business. Through the EDIP, the City of Worcester, in partnership with the Commonwealth, can provide 1) tax increment financing, 2) personal property tax exemptions, and 3) investment tax credits to businesses locating to or expanding in the city. The Program provides the financial tools and incentives necessary to stimulate development in tandem with other local support programs, which strengthen the City's ability to expand its industry base, generate new tax revenue, retain existing businesses, and create permanent, full-time jobs for Worcester residents.

As outlined in the September 3rd Council communication, the workforce diversity goals for tax-incentivized economic development projects are taken directly from the 2019 Worcester Construction Workforce Disparity Study. The Study, commissioned by the City in partnership with the Worcester Community Labor Coalition, was conducted by Dr. Sofya Aptekar and her team of researchers from the University of Massachusetts-Boston. The subsequent report identifies disparities by examining the availability of qualified and interested women and people of color with skills applicable or transferable to the construction industry in Worcester, MA as well as Worcester County. The study found that a significant disparity exists between the City's workforce demographics and the representation of women and people of color that are employed by construction companies in the area. Conversely, the study found that opportunities exist for women



and people of color within construction as an aging workforce retires and a limited number of qualified individuals are available to fill those vacant positions.

According to the report, the best estimate for the availability of qualified and interested women in the City of Worcester is 10% and the best estimate for the availability of qualified and interested people of color in the City of Worcester is 38%. **Based on the findings of the study, the new workforce goals of 10% women and 38% people of color will be implemented in the following policies and procedures:**

- City of Worcester funded construction projects including those bid under M.G.L. Chapters 149, 149A, 30B and Chapter 39, section 39M
- Worcester Redevelopment Authority construction projects
- Tax Increment Financing projects under the Economic Development Incentive Program (EDIP)
- Tax Increment Exemption projects under the Housing Development Incentive Program (HDIP)

The updated goals for each of the activities listed above will also help improve consistency across City departments and projects.

The Economic Assistance Coordinating Council (EACC) is the governing body of the EDIP. The EACC is responsible for certifying and contracting EDIP projects, assigning State Investment Tax Credits, and decertifying projects that do not comply with the program regulations. Companies participating in the EDIP must either create new jobs or retain existing jobs and make private investment commitments to receive State Investment Tax Credits through the EACC on behalf of the Commonwealth.

The City Administration's use of the EDIP and HDIP is a key component of Worcester's overall economic development agenda and mission. It is the policy of the City of Worcester to consider the utilization of tax increment financing to provide local property tax exemptions to support existing businesses and pursue new private investment that will achieve components of the following criteria:

- Create permanent, full-time, livable-wage jobs for Worcester residents
- Promote economic and workforce diversity
- Increase the City of Worcester's commercial and industrial base
- Increase property values and tax revenue
- Eliminate blight and/or redevelop an underutilized property
- Directly or indirectly spur additional, unsubsidized private development in Worcester
- Benefit the long-term economic development goals of the City of Worcester

There are currently 17 active TIF Plans in Worcester supporting three health/medical related companies, four biotechnology organizations, three financial companies, six manufacturing companies, one distribution company, two social service support agencies, and one cancer center. In addition, these projects are responsible for the following outcomes:

- **Created 1,777 full-time, permanent jobs**
- **Retained 979 full-time, permanent jobs**
- **Provided more than 784 full-time, permanent jobs for Worcester residents**
- **Retained and expanded 8 businesses in the city**

- **Attracted 3 new businesses to the city**
- **Catalyzed 17 real estate development projects**
- **Induced more than \$306 million in total private investment**
- **Generated approximately \$16,500,000 in real estate taxes**
- **Generated more than \$200 million in new taxable value**

We would like to highlight some of the activity that supports the success and diversity of our active projects. See ***Attachment A: FY19 Combined TIF Project Report*** for additional information on individual projects. Table Talk Pies is a family-owned business established in 1924, a recipient of the TIF Program and has been a leader in Worcester with their community engagement. Each year Table Talk donates thousands of pies to Worcester Public Schools. In addition to the pies, Table Talk donated funding to support the development and maintenance of the Canterbury Street Magnet Computer-Based School's playground. The Table Talk project at the South Worcester Industrial Park (SWIP) has also been spotlighted as a national success story by the Environmental Protection Agency (EPA) through its Brownfields Program. The 150 Blackstone River Road project with Imperial Distributors received an Economic Impact Award from MassEcon. The EDIP has also supported the development of three new hotels - Hilton Garden Inn, Hampton Inn & Suites and AC Hotel by Marriott. The new hotels help support events and conferences at the City's DCU Center and generate revenue for the small business community as hotel guests shop and do business in the area. Looking ahead, there are two (2) approved SWIP projects – 65 Armory Street and 49 Canterbury that will be reflected in the FY20 report as neither project was operational as of June 30, 2019. One additional project has been approved by City Council in favor of Prematech Advanced Ceramics at the Airport Industrial Park and construction is expected to start in summer 2020.

As we look at the success of these projects we recognize the need to ensure the mechanisms we have in place for compliance and reporting are appropriate, effective, measurable and consistent with the local policy requirements over the life of the projects. To that end, the EOED as mentioned earlier has adopted new diversity goals from the disparity study and will use payroll records to track work hours. The records will be collected on a monthly basis and site visits by the Program and Compliance Manager will be conducted to ensure the data being provided is accurate. Also, the EDIP TIF checklist has been developed and provides program expectations, requirements and assurances broken down by individual phases with corresponding milestones. These phases include; Application Development, Project Requirements and Assurances, Workforce Development, Compliance and Reporting – both during and post construction – as well as the Timeline for program activity. Please see ***Attachment B: City of Worcester Economic Development Incentive Program (EDIP) Tax Increment Financing (TIF) Compliance and Reporting Checklist*** for more detail.

During the application process, the EOED will continue to require employers to provide a workforce projection plan that details the number of fulltime permanent jobs that will be retained, the number of full-time permanent jobs that will be created as a result of the project and the total number of current jobs filled by Worcester residents. The plan will be a part of the application, contract, reporting and will be used to track progress toward program goals. Should an organization fall short of their stated goals or its reports are not submitted in a timely manner or it fails to meet any of the program requirements, a comprehensive corrective action plan that includes site visits will be developed. The goal is to assist the employer partner in developing a plan that will bring the employer back in

line with program requirements through a step-by-step process that addresses those activities that caused the non-compliance, with a focus on process improvement as a way to ensure the success of the project.

The EOED is seeking to move beyond just being a compliance and regulatory entity for employers, but a local government partner that is invested in the success of these projects and one that is able to help address not only the economic, but also the workforce needs of employer partners. It is for this reason the EOED is requiring all recipients to work with the Worcester Jobs Fund (WJF), which is administered by the MassHire Central Region Workforce Board (MCRWB) and co-located with the MassHire Worcester Career Center (MWCC). The WJF was created to better connect Worcester residents with living wage jobs made available through development projects and business expansion activities. The effort prepares residents for employment in viable long-term career pathways where there is an immediate workforce need through activities such as job training, job recruitment and career-related services. The MWCC offers career development resources and services to job seekers equipping them with both the hard and soft skills needed to be successful in the workplace and help develop a pipeline of qualified workers to fill open positions. In addition, the career center provides workforce development resources to employers such as recruitment events, online job posting database, talent acquisition, assessments, and other services that help employers address their workforce needs. Both the MCRWB/WJF and the MWCC are a vital link between workers and employers to bring about economic opportunity to the residents of Worcester. Encouraging employers to develop relationships with the City through its workforce development partners will ensure meaningful efforts are being made to meet the diversity goals and will help achieve the desired outcomes.

In addition to the EDIP/TIF, the Executive Office of Economic Development utilizes the Housing Development Incentive Development Program (HDIP) Tax Increment Exemption (TIE) as a way to attract private, market-rate housing development to the city and reduce the financial risk to ensure housing projects move forward and are successful. The program provides Gateway Cities in Massachusetts with a tool to develop market rate housing, expand the diversity of the housing stock, support economic development, and promote neighborhood stabilization in designated areas. The HDIP/TIE is a three-way public-private partnership between the state, the City, and the participating developer that can provide: 1) local real estate property tax exemptions; and 2) investment tax credits to developers based on qualified expenditures. On behalf of the Commonwealth of Massachusetts, the Department of Housing and Community Development (DHCD) reviews projects and awards investment tax credits. Eligible projects must be new construction or substantial rehabilitation of a property that will result in multi-unit residential housing developments, containing a minimum of 80% market rate units and local objectives include:

- Create market-rate residential housing units for Worcester residents
- Improve the condition and expand the diversity of the housing stock
- Increase property values and tax revenue
- Eliminate blight and/or redevelop and underutilized property
- Directly or indirectly spur additional, unsubsidized private development in Worcester
- Benefit the long-term economic development goals of the City of Worcester

Currently there is one completed HDIP/TIE project, The Edge at Union Station – 8 Grafton Street. This project involved the redevelopment of a 190,000 square-foot underutilized industrial building into a transit-oriented 82 unit, 250 bedroom market-rate housing building. Currently there are five (5) projects under development: 154-156 Main Street (Elwood Adams), 6 Chatham Street, 220 Harding Street/152 Green St. (Harding/Green), 100 Wall Street and 205 Summer Street (Mission Chapel). **At completion, the combined HDIP projects will have created 246 market-rate housing units with a total investment of over \$80 million.** Similar to the EDIP projects, the EOED will implement the same construction monitoring practices to ensure compliance with the local policy.

The Executive Office of Economic Development will continue to utilize the EDIP/TIF and HDIP/TIE as appropriate to stimulate economic development, catalyze private investment, expand the local tax base, create and retain jobs for Worcester residents, support new housing production, and benefit the long-term economic goals of Worcester.

Please advise if there are any questions or additional information needed.

Sincerely,

A handwritten signature in black ink that reads "Michael E. Traynor". The signature is written in a cursive, flowing style.

Michael E. Traynor, Esq.
Chief Development Officer

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

50 PRESCOTT STREET, LLC 50 PRESCOTT STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2011	
TIF Plan Expiration Date:	June 30, 2027	
Length Of TIF Plan:	16 Years	
Base Value:	\$293,000	
Estimated Incremental Value At Time Of Application:	\$17,750,000	
Average Annual TIF Plan Exemption:	47%	
TIF Plan Years Remaining As Of 6/30/19:	8 Years	
Average Annual Exemption For Remainder Of TIF Plan:	44.5%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs Retained:	50	50
Full-Time Jobs Created:	20	113
Total Project Investment:	\$22,000,000	\$26,933,725
New Property Value:	\$18,043,000	\$10,565,900*
Taxes Generated To Date During TIF Plan:	\$1,682,986	\$2,127,336
Jobs Taken By Worcester Residents:	N/A	32
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The 92,000 square foot, office and laboratory building at 50 Prescott Street continues to be an anchor at Gateway Park and a huge success. Tenants include Massachusetts Biomedical Initiatives, WPI’s Fire Protection and Engineering Departments and Blue Sky Bioservices, now a LakePharma Company. The project has exceeded its job creation and total project investment goals and spurred additional private development and interest in Worcester. Note in June 2018, a major tenant Primetals, vacated the building at the end of its lease, and was replaced by WPI. WPI continues its improvements with occupancy expected during the second half of 2019.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

150 BLACKSTONE RIVER ROAD, LLC 150 BLACKSTONE RIVER ROAD		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2017	
TIF Plan Expiration Date:	June 30, 2032	
Length Of TIF Plan:	15 Years	
Base Value:	\$10,240,400	
Estimated Incremental Value At Time Of Application:	\$21,210,00	
Average Annual TIF Plan Exemption:	44%	
TIF Plan Years Remaining As Of 6/30/19:	15 Years	
Average Annual Exemption For Remainder Of TIF Plan:	47%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs Retained:	30	30
Full-Time Jobs Created:	300	365
Total Project Investment:	\$26,000,000	\$26,309,416
New Property Value:	\$31,450,400	\$23,020,200*
Taxes Generated To Date During TIF Plan:	\$1,682,986	\$1,586,782
Jobs Taken By Worcester Residents:	N/A	220
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>In addition to the creation of direct jobs at the facility, we believe countless indirect jobs and benefits are being created throughout the local community as the employees of Imperial and G3 live, dine and entertain within the city limits. We also feel that the increased activity on the rail has helped limit truck traffic reducing stress on the city’s roads and infrastructure.</p>		

*Reflects the taxable value after the TIF Plan exemption is applied.

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

180 MAIN STREET ASSOCIATES, LLC 180 MAIN STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2011	
TIF Plan Expiration Date:	June 30, 2021	
Length Of TIF Plan:	10 Years	
Base Value:	\$681,900	
Estimated Incremental Value At Time Of Application:	\$3,318,100	
Average Annual TIF Plan Exemption:	50%	
TIF Plan Years Remaining As Of 6/30/19:	2 Years	
Average Annual Exemption For Remainder Of TIF Plan:	25%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs Retained:	N/A	N/A
Full-Time Jobs Created:	1	1
Total Project Investment:	\$3,500,000	\$4,000,000
New Property Value:	\$4,000,000	\$1,649,500*
Taxes Generated To Date During TIF Plan:	\$357,014	\$309,573.89
Jobs Taken By Worcester Residents:	N/A	1
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	No	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The historic renovation of the 22,500 square foot, five-story commercial building at 180 Main Street that formerly housed Kangaroo Crossing is complete, and the District Attorney’s Office of Worcester County now occupies the space. 180 Main Street Associates, LLC has invested approximately \$4,000,000 in the project.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

184 MAIN STREET ASSOCIATES, LLC 184 MAIN STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2009	
TIF Plan Expiration Date:	June 30, 2019	
Length Of TIF Plan:	10 Years	
Base Value:	\$642,800	
Estimated Incremental Value At Time Of Application:	\$994,200	
Average Annual TIF Plan Exemption:	50%	
TIF Plan Years Remaining As Of 6/30/19:	0 Years	
Average Annual Exemption For Remainder Of TIF Plan:	N/A	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs Retained:	N/A	N/A
Full-Time Jobs Created:	1	18
Total Project Investment:	\$3,633,382	\$4,060,000
New Property Value:	\$1,637,000	\$1,649,500*
Taxes Generated To Date During TIF Plan:	\$225,899	\$449,124.48
Jobs Taken By Worcester Residents:	N/A	4
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The Building is completely occupied with a mix of retail, manufacturing, government and finance organizations. A training center for state trial court employees was added and then modernized in 2018 with a new sound system and monitors to support training. The center provides training to upwards of 75 individuals per day related to software, customer service and state regulations. This project could not have been completed as is without the City’s economic investment and is one of the first building improvements in the revitalization of the City’s North Main area.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

ABSOLUTE MACHINERY CORPORATION 33 SOUTHGATE STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2017	
TIF Plan Expiration Date:	June 30, 2027	
Length Of TIF Plan:	10 years	
Base Value:	\$1,016,500	
Estimated Incremental Value At Time Of Application:	\$358,500	
Average Annual TIF Plan Exemption:	50%	
TIF Plan Years Remaining As Of 6/30/19:	8 Years	
Average Annual Exemption For Remainder Of TIF Plan:	50%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	14	14
Full-Time Jobs To Be Created:	6	16
Total Project Investment:	\$750,00	\$2,893,985
New Property Value:	\$1,375,000	\$1,901,800*
Taxes Generated To Date During TIF Plan:	\$76,830	\$95,149
Jobs Taken By Worcester Residents:	N/A	5
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>This building serves as the world headquarters for the Absolute Group which is comprised of 11 different companies. Together these companies employ 30 employees at this facility of which 9 employees reside in Worcester. Since June 2019, Absolute Machinery has hire 3 additional employees. Absolute has also budgeted an additional \$100K in improvements in the existing building this fiscal year as well as additional equipment purchases.</p>		

***Reflects the taxable value after the application of the TIF Plan exemption.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

SEDLER CORPORATION AND BEECHWOOD INN, INC. 363 PLANTATION STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2010	
TIF Plan Expiration Date:	June 30, 2020	
Length Of TIF Plan:	10 Years	
Base Value:	\$5,279,300	
Estimated Incremental Value At Time Of Application:	\$2,211,600	
Average Annual TIF Plan Exemption:	45%	
TIF Plan Years Remaining As Of 6/30/19:	1 Years	
Average Annual Exemption For Remainder Of TIF Plan:	45%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs Retained:	49	49
Full-Time Jobs Created:	16 – (Phase I)	45
Total Project Investment:	\$7,025,000	\$12,525,000
New Property Value:	\$7,490,900	\$8,787,995*
Taxes Generated To Date During TIF Plan:	\$1,305,885	\$2,274,565
Jobs Taken By Worcester Residents:	N/A	40
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	No	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	No	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>Please note Actual Full-time Jobs created as of 6/30/19 is 45 or a decrease of 21 jobs (2018 = 66). This decrease in workforce numbers is the result of efficiency changes within the hotel and low restaurant revenue that does not support the need for additional staff at this time. We expect that to change as Phase II work is completed to include an increase in the number of rooms, additional function space, more parking spaces and a spa.</p>		

***Reflects the taxable value after the TIF Plan Exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

OILZUM, LLC AND DENNISON LUBRICANTS, INC. 692 MILLBURY STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2014	
TIF Plan Expiration Date:	June 30, 2021	
Length Of TIF Plan:	7 Years	
Base Value:	\$1,419,300	
Estimated Incremental Value At Time Of Application:	\$2,000,000	
Average Annual TIF Plan Exemption:	40%	
TIF Plan Years Remaining As Of 6/30/19:	2 Years	
Average Annual Exemption For Remainder Of TIF Plan:	0%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs Retained:	38	38
Full-Time Jobs Created:	20	71
Total Project Investment:	\$4,500,000	\$4,469,408
New Property Value:	\$3,419,300	\$1,427,825*
Taxes Generated To Date During TIF Plan:	\$193,282	\$250,425.88
Jobs Taken By Worcester Residents:	N/A	22
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	No	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	No	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>Oilzum, LLC and Dennison Lubricants, Inc., a manufacturer and distributor of over 8 million gallons of high quality lubricants annually, invested approximately \$4,500,000 in the construction of a 20,000 square foot addition, installation of a bulk tank farm, upgrades to the rail siding, and the purchase of equipment. The companies have met their job retention and creation goals, increased Worcester’s industrial base, and generated new tax revenue.</p>		

*Reflects the taxable value after the TIF Plan exemption is applied.

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

FARGO MANAGEMENT, LLC AND COLUMBUS HOTEL II, LLC HILTON GARDEN INN – 35 MAJOR TAYLOR BOULEVARD		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2004	
TIF Plan Expiration Date:	June 30, 2024	
Length Of TIF Plan:	20 Years	
Base Value:	\$1,000,000	
Estimated Incremental Value At Time Of Application:	\$9,000,000	
Average Annual TIF Plan Exemption:	50%	
TIF Plan Years Remaining As Of 6/30/19:	5 Years	
Average Annual Exemption For Remainder Of TIF Plan:	38.8%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	N/A	N/A
Full-Time Jobs To Be Created:	100	71
Total Project Investment:	\$20,000,000	\$24,731,310
New Property Value:	\$10,000,000	\$14,741,250*
Taxes Generated To Date During TIF Plan:	\$1,713,480	\$3,398,786
Jobs Taken By Worcester Residents:	N/A	52
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The addition of the 200-room Hilton Garden Inn and Uno Chicago Grill in the downtown has been instrumental to the success of the DCU Center and other cultural venues in the area. The \$24,700,000 project created 71 full-time jobs, promoted economic diversity, and generated new tax revenue by developing the site of the former Central Fire Station.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

NEW GARDEN PARK, INC. 18 FRANKLIN STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2014	
TIF Plan Expiration Date:	June 30, 2034	
Length Of TIF Plan:	20 Years	
Base Value:	\$2,500,000	
Estimated Incremental Value At Time Of Application:	\$4,755,000	
Average Annual TIF Plan Exemption:	50%	
TIF Plan Years Remaining As Of 6/30/19:	15 Years	
Average Annual Exemption For Remainder Of TIF Plan:	44%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	N/A	N/A
Full-Time Jobs To Be Created:	46	101
Total Project Investment:	\$32,000,000	\$40,648,000
New Property Value:	\$7,255,000	\$2,750,000*
Taxes Generated During TIF Plan:	\$237,207	\$444,475
Jobs Taken By Worcester Residents:	N/A	80
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The Black Box Theater is currently under construction. The theater will accommodate up to 300 seats and is expected to open in March 2020. Upon completion of this phase. There will be another great cultural destination in Downtown Worcester providing residents, businesses and visitors to the area with new exciting cultural amenities. The WBDC is in discussions with a potential tenant for ~ 1,100 SF of storefront space on Federal St. Finally, Allen Court is continuing to be cleaned up and enhanced by the property owners who currently own the space. Improvements will include a trash shed, a wheelchair ramp for the Black Box Theater, final pavement and aesthetic improvements.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

KMRN INVESTMENT, LLC AND THE OASIS AT DODGE PARK, LLC 102 RANDOLPH ROAD – PHASE I		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2016	
TIF Plan Expiration Date:	June 30, 2028	
Length Of TIF Plan:	12 Years	
Base Value:	\$1,034,100	
Estimated Incremental Value At Time Of Application:	\$5,500,000	
Average Annual TIF Plan Exemption:	40%	
TIF Plan Years Remaining As Of 6/30/19:	9 Years	
Average Annual Exemption For Remainder Of TIF Plan:	40%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	N/A	N/A
Full-Time Jobs To Be Created:	78 (Phase I)	69 (Phase I)
Total Project Investment:	\$9,021,485 (Phase I)	\$9,350,000 (Phase I)
New Property Value:	\$6,534,100	\$1,723,740*
Taxes Generated To Date During TIF Plan:	\$274,003	\$175,580
Jobs Taken By Worcester Residents:	N/A	63
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	No	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>Despite construction delays due to the discovery of underground storage tanks and soil contamination, as well as the default of the general contractor, the companies were able to complete Phase I of the project this past winter. The new \$9.3 million, state-of-the-art rest home will house 41 residents and also serve those diagnosed with memory impairment, dementia, and Alzheimer’s disease. More jobs will be created as the facility reaches capacity.</p>		

*Reflects the taxable value after the TIF Plan exemption is applied.

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

POOR FARM BROOK DEVELOPMENT, LLC AND IBS COMMODITIES, INC. 722 PLANTATION STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2006	
TIF Plan Expiration Date:	June 30, 2026	
Length Of TIF Plan:	20 Years	
Base Value:	\$210,900	
Estimated Incremental Value At Time Of Application:	\$535,400	
Average Annual TIF Plan Exemption:	40%	
TIF Plan Years Remaining As Of 6/30/19:	7 Years	
Average Annual Exemption For Remainder Of TIF Plan:	40%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	3	3
Full-Time Jobs To Be Created:	5	50
Total Project Investment:	\$795,000	\$1,204,408
New Property Value:	\$746,300	\$666,600*
Taxes Generated To Date During TIF Plan:	\$147,590	\$205,934.33
Jobs Taken By Worcester Residents:	N/A	30
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The companies invested approximately \$1.2 million in the purchase, remediation, and renovation of a 16,218 square foot, contaminated, tax title property. IBS Commodities, Inc., a food distribution company that specializes in Latin American food, occupies a portion of the building. The remainder of the building is leased to Schoelly Imaging, a service and sales organization for medical and engineering applications, which has over 35 employees.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

SAINT-GOBAIN PERFORMANCE PLASTICS CORPORATION 717 PLANTATION STREET – PHASE I		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2009	
TIF Plan Expiration Date:	June 30, 2024	
Length Of TIF Plan:	15 Years	
Base Value:	\$3,135,100	
Estimated Incremental Value At Time Of Application:	\$1,138,900	
Average Annual TIF Plan Exemption:	61%	
TIF Plan Years Remaining As Of 6/30/19:	5 Years	
Average Annual Exemption For Remainder Of TIF Plan:	37.5%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	57	57
Full-Time Jobs To Be Created:	41	73
Total Project Investment:	\$17,800,000	\$14,000,000
New Property Value:	\$4,274,000	\$4,117,500*
Taxes Generated To Date During TIF Plan:	\$761,206	\$1,360,710.24
Jobs Taken By Worcester Residents:	N/A	33
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	No	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	No	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>Saint-Gobain constructed a 40' x 40' addition and a 20' x 20' addition to support manufacturing. Also, 66% of an existing large warehouse was converted to manufacturing space. The plant enjoyed two years of enormous growth in the solar industry and electronics, but lost a substantial amount of business in 2011 due to competition in China. Although the company has not reached its job creation goals, it has retained its workforce, increased the property value, and generated new tax revenue. Currently, there are no plans to complete the original Phase II, but another capital project was completed in 2018 to retrofit an existing line of equipment for an alternate product. Additional headcount has been added and additions 5 are planned in 2019 with additional increases planned for 2020. The investment for this project is \$680,000.</p>		

*Reflects the taxable value after the TIF Plan exemption is applied.

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

VHS ACQUISITION SUBSIDIARY NUMBER 7, INC/ST. VINCENT HOSPITAL 1 EATON PLACE		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2013	
TIF Plan Expiration Date:	June 30, 2028	
Length Of TIF Plan:	15 Years	
Base Value:	\$750,000	
Estimated Incremental Value At Time Of Application:	\$13,000,000	
Average Annual TIF Plan Exemption:	Tax Target Payment	
TIF Plan Years Remaining As Of 6/30/19:	9 Years	
Average Annual Exemption For Remainder Of TIF Plan:	Tax Target Payment	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	26	26
Full-Time Jobs To Be Created:	22	92
Total Project Investment:	\$22,000,000	\$29,642,563
New Property Value:	\$13,750,000	\$ 7,882,900*
Taxes Generated To Date During TIF Plan:	\$743,621	\$ 1,235,000
Jobs Taken By Worcester Residents:	N/A	27
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	No	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>Saint Vincent Hospital/Vanguard Health Systems completed the \$29.6 million development of a 66,000 square foot, state-of-the-art cancer center at One Eaton Place at CitySquare. The cancer center, which was one of the first projects at the CitySquare development and approximately 26,000 square feet bigger than originally proposed in Phase I, contains comprehensive cancer services, including radiation oncology, medical oncology, oncology medical offices, and other oncology supportive programs.</p>		

*Reflects the taxable value after the application of the TIF Plan exemption.

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

SXC PRESCOTT STREET HOTEL, LLC 65 PRESCOTT STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2015	
TIF Plan Expiration Date:	June 30, 2022	
Length Of TIF Plan:	7 Years	
Base Value:	\$550,000	
Estimated Incremental Value At Time Of Application:	\$10,000,000	
Average Annual TIF Plan Exemption:	35%	
TIF Plan Years Remaining As Of 6/30/19:	3 Years	
Average Annual Exemption For Remainder Of TIF Plan:	30%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	N/A	N/A
Full-Time Jobs To Be Created:	30	22
Total Project Investment:	\$10,175,000	\$12,740,101
New Property Value:	\$10,550,000	\$8,958,600*
Taxes Generated To Date During TIF Plan:	\$280,280	\$717,505.53
Jobs Taken By Worcester Residents:	N/A	21
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The hotel’s reputation with the business and leisure guests remains strong. Guest satisfaction response is excellent. Adjacent businesses continue to receive spill over revenue generated by hotel guests at local restaurants, supportive services and tourism venues. Hiring challenges continue because of the hotel’s extensive hiring and training process. To help address this issue, the developer worked with the City’s Workforce Development Division to host a job fair to identify and hire Worcester residents for the new positions.</p>		

*Reflects the taxable value after the TIF Plan exemption is applied.

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

TABLE TALK PIES, INC. / PIECO HOLDINGS 25 SOUTHGATE STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2017	
TIF Plan Expiration Date:	June 30, 2037	
Length Of TIF Plan:	20 Years	
Base Value:	\$210,800	
Estimated Incremental Value At Time Of Application:	\$3,218,200	
Average Annual TIF Plan Exemption:	80%	
TIF Plan Years Remaining As Of 6/30/19:	18 Years	
Average Annual Exemption For Remainder Of TIF Plan:	80%	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	30	30
Full-Time Jobs To Be Created:	50	68
Total Project Investment:	\$4,600,000	\$15,800,000
New Property Value:	\$3,429,000	\$854,440*
Taxes Generated To Date During TIF Plan:	\$58,794	\$58,897
Jobs Taken By Worcester Residents:	N/A	59
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	No	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>Our plan is to continue to meet and exceed the goals outlined in the original program application and our SWIP agreement. We are adding a third production line. It is anticipated this new line will add an additional 30 full-time permanent jobs at 25 Southgate Street. In addition, we have opened Armory St. Cold Storage –a new 30,000 square foot cold storage warehouse and expect to add 8 – 10 full-time permanent jobs at this location. We are also looking into moving A&V to this location which currently employees 14 drivers.</p>		

***Reflects the taxable value after the application of the TIF Plan exemption.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

ONEMERC LLC / UNUM ONE MERCANTILE STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2013	
TIF Plan Expiration Date:	June 30, 2028	
Length Of TIF Plan:	15-Year Tax Target Payment Plan	
Base Value:	\$500,000	
Estimated Incremental Value At Time Of Application:	\$29,500,000	
Average Annual TIF Plan Exemption:	Tax Target Payments	
TIF Plan Years Remaining As Of 6/30/19:	9 Years	
Average Annual Exemption For Remainder Of TIF Plan:	Tax Target Payments	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	682	682
Full-Time Jobs To Be Created:	50	523
Total Project Investment:	\$25,000,000	\$32,563,937
New Property Value:	\$30,000,000	\$3,718,500*
Taxes Generated To Date During TIF Plan:	\$624,581	\$1,141,832
Jobs Taken By Worcester Residents:	N/A	N/A
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	Yes (Unum/Tenants)	
Created Full-time Jobs:	Yes (Tenants)	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The Paul Revere Life Insurance Company was founded in Worcester in 1895 and became part of the Unum family a century later. Unum’s decision to relocate its operations to CitySquare triggered the demolition and enabling work at the CitySquare development and was a catalyst for the CitySquare and Mercantile Center projects. The company has invested \$32,563,937 in leasehold improvements and FFE in the seven-story, 198,974 square foot building, resulting in an overall total project cost of at least \$90,000,000. While the company was not able to retain its full workforce and directly create new jobs due to unexpected downsizing due to the recession, Unum has subleased more than 52,000 square feet to 11 companies at One Mercantile Street that employ 178 full-time employees.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

TAX INCREMENT FINANCING PLAN SEMI-ANNUAL REPORT: JUNE 30, 2019

WORCESTER TRUMBULL STREET HOTEL, LLC 125 FRONT STREET		
Tax Increment Financing (TIF) Plan Overview		
TIF Plan Start Date:	July 1, 2017	
TIF Plan Expiration Date:	June 30, 2027	
Length Of TIF Plan:	10 Years	
Base Value:	\$1,000,000	
Estimated Incremental Value At Time Of Application:	\$19,000,000	
Average Annual TIF Plan Exemption:	Tax Target Payment	
TIF Plan Years Remaining As Of 6/30/19:	8 Years	
Average Annual Exemption For Remainder Of TIF Plan:	Tax Target Payment	
Status Report As Of June 30, 2019		
Category	Estimated – Start Of TIF Plan	Actual – TIF Plan To Date
Full-Time Jobs To Be Retained:	N/A	N/A
Full-Time Jobs To Be Created:	90	79
Total Project Investment:	\$36,000,000	\$44,367,305
New Property Value:	\$20,000,000	\$10,000,000
Taxes Generated To Date During TIF Plan:	\$650,000	\$665,300
Jobs Taken By Worcester Residents:	N/A	76
Compliance Status As Of June 30, 2019		
Category	Compliance	
Retained Full-time Jobs:	N/A	
Created Full-time Jobs:	Yes	
Promoted Economic Diversity:	Yes	
Increased Worcester’s Commercial And / Or Industrial Base:	Yes	
Increased Property Values And Tax Revenue:	Yes	
Eliminated Blight And / Or Redeveloped An Underutilized Property:	Yes	
Spurred Additional, Unsubsidized Private Development In Worcester:	Yes	
Benefited The Long-Term Economic Goals Of Worcester:	Yes	
TIF Plan Economic Impact Summary		
<p>The hotel is well received by business and leisure travelers. Guests travel for work with the area’s colleges and universities as well as the corporate and venue communities. Competition is keen among the existing hotels. The function space is great boom to the area for weddings, functions, conferences and conventions. Guests use neighboring restaurants and services generating revenue for those businesses.</p>		

***Reflects the taxable value after the TIF Plan exemption is applied.**

City of Worcester Economic Development Incentive Program (EDIP)/Tax Increment Financing (TIF) Program Compliance and Reporting Checklist

Background and Concept

The Economic Development Incentive Program (EDIP) is a successful tool to increase the City's tax base and produce new tax revenue by attracting new businesses to Worcester and encouraging existing companies to expand in the city. The Program is a three-way partnership between the State, the City, and the participating job-creating business that can provide 1) real estate property tax exemptions, 2) personal property tax exemptions, and 3) investment tax credits to businesses locating to or expanding in the city. The Program provides the financial tools and incentives necessary to stimulate development in tandem with other local support programs, which strengthen the City's ability to expand its industry base and create permanent, full-time jobs for Worcester residents.

The City Administration's use of the EDIP is a key component of Worcester's overall economic development agenda and mission. The Program is utilized to increase commercial property values, retain existing Worcester businesses interested in expanding its operations; attract new business and private development to the City, and reduce the financial risk to ensure projects move forward and are successful.

Application Development

- The applicant must submit a letter of intent to the Program and Compliance Manager within the City's Business Assistance and Community Development Division, expressing interest in the program.
- Following a brief meeting with the applicant and after the applicant's eligibility assessment the applicant must submit a complete application to the City of Worcester prior to the commencement of the project.
- The applicant must demonstrate that the Tax Increment Financing Plan is necessary to either offset the cost of the project, retain and expand its operations in Worcester, or locate its operations to Worcester.
- The applicant must demonstrate evidence of the required financing to complete the proposed project. Please provide a copy of the Sources and Uses spreadsheet.
- Upon the request of the City Administration, the applicant must provide a project pro forma which demonstrates the financial need for tax increment financing and/or a written statement from the lender or principal funding provider noting the importance and basis therein of tax increment financing to the overall financial package assembled to finance the project.
- The applicant should demonstrate additional economic benefits to the Worcester community, such as the employment of youth interns or support for local initiatives.
- The applicant must provide documentation of adherence to the Immigration and Nationality Act.
- The applicant must provide documentation demonstrating it has a Criminal Record Offender Record Information (CORI) Policy that matches the City of Worcester's CORI Policy.
- If the property for which certification is sought is leased, copies of leases with all tenants seeking certification must be submitted to demonstrate that the tax benefits will be passed through to the tenant in the form of a favorable lease.
- The applicant must affirm that it will not unlawfully misclassify workers as self-employed or as independent contractors and certify compliance with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.
- The applicant agrees that 100% of the newly created positions will be made available to residents of Worcester. The City of Worcester reserves the right to also require that certain applicants ensure a percentage of the permanent full-time jobs to be created are filled by Worcester residents.

**City of Worcester Economic Development Incentive Program (EDIP)/Tax
Increment Financing (TIF) Program Compliance and Reporting Checklist**

Project Requirements and Assurances

- The project will generate an increase in property tax revenue.
- The project will be beneficial to a "Blighted Open Area", "Decadent Area", or a "Substandard Area" as defined in 402 CMR 2.03.
- The project must meet all local and State permitting, licensing and regulatory requirements.
- The project will create permanent, full-time livable wage jobs (a starting wage of at least 125% of the state minimum wage*) for Worcester residents.
 - *Calculated as the minimum wage as of January 1st in the year of the approved TIF Plan multiplied by 1.25.
- The applicant must use its best efforts to purchase supplies, materials, and services from suppliers and vendors located in Worcester. These best efforts will include requesting proposals from Worcester suppliers and vendors, giving preference to Worcester suppliers and vendors that are both qualified and competitive; and allowing Worcester suppliers and vendors the opportunity to match or better lower prices provided by qualified non-Worcester suppliers and vendors. The Worcester Regional Chamber of Commerce will provide the applicant with a list of Worcester suppliers and vendors from which to request proposals.
- The applicant, its contractors, subcontractors and lessees, if applicable, will insure non-discrimination in all their respective employment decisions. The applicant, its contractors, subcontractors and lessees, if applicable, will insure without regard to race, color, religious creed, national origin, age, sex, gender identity & expression, sexual orientation, genetic information, ancestry, military service, source of information, or disability in the areas of hiring, promotion, demotion, transfer, recruitment, layoff, termination, rate of compensation, in-service or apprenticeship training programs, and all other terms and conditions of employment as it pertains to the applicant, its contractors, subcontractors and lessees, if applicable.
- The applicant must affirm that it will not knowingly employ developers, subcontractors, or other third parties that unlawfully misclassify workers as self-employed or as independent contractors, or that fail to comply with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.
- The applicant and all contractors and sub-contractors will comply with the Wage Theft Prevention ordinance as described in Section 39 of the Revised Ordinances of the City of Worcester. A copy of the ordinance will be provided to the applicant prior to project approval.
- The applicant must ensure that all contractors and sub-contractors comply with the health care laws of Massachusetts, and the applicant must not hire any contractors or sub-contractors that are on the Commonwealth of Massachusetts debarment lists.
- The applicant must ensure that all contractors and sub-contractors have not within the past three years been found in violation of any law applicable to its contracting business, including, but not limited to, licensing laws, tax laws, prompt payment laws, wage and hour laws, prevailing wage laws, environmental laws, or others.
- The applicant must ensure that all contractors and sub-contractors maintain appropriate industrial accident insurance sufficient to provide coverage for all the employees on the project in accordance with G.L. c.152 and provide documentary proof of such coverage to the Commissioner of Inspectional Services to be maintained in Inspectional Services as a public record.

**City of Worcester Economic Development Incentive Program (EDIP)/Tax
Increment Financing (TIF) Program Compliance and Reporting Checklist**

- The applicant must provide the City of Worcester with a list of contractors and sub-contractors that will be given the opportunity to bid on the project construction. Said list must be provided to the City of Worcester as part of the applicant's application for tax relief.
- Special consideration will be given to those applicants who identify and contract with vendors with a proven track record of ensuring diversity and transparency across their organization and as a part of their hiring practices.
- Applicant will provide the site access for periodic monitoring/compliance visits throughout the duration of the project.

Workforce Development

- The applicant and its tenants, must work with the Program and Compliance Manager regarding workforce development resources and when applicable work with the City's Workforce Development Division ("Workforce Development Division"), the Program Director of the Worcester Jobs Fund Committee, other local employment agencies, and community/neighborhood organizations as identified to outline the job profiles of those positions to be created in order to secure positions at the project address for Worcester residents. The applicant and its tenants, if applicable, must also agree to make all commercially reasonable efforts to maintain and add to the level of jobs at the project address as long as the TIF Plan is effective.
- During the duration of the Tax Increment Financing Plan, the applicant and its tenants, where applicable, must work with the Program and Compliance Manager, Workforce Development Division, the Program Director of the Worcester Jobs Fund Committee, other local employment agencies, and community/neighborhood organizations as identified to further this local hiring objective and meet its workforce development goals.
- The applicant must make every effort to ensure the goals of the program are being met. The applicant should notify the Program and Compliance Manager if they are not on track to reach their program goals. The applicant will work with the Program and Compliance Manager to include meeting monthly/periodically or as needed throughout the project construction to evaluate and reassess performance toward diversity goals and develop a strategic plan to address any shortfalls.

Compliance/Reporting

- During Construction:
 - The applicant must submit to the City monthly certified payroll documentation for all contractors and sub-contractors. Your schedule for submitting documents is _____ and _____. The documentation must include each employee's name, address, and identifying number.
 - In addition to the Economic Assistance Coordinating Council (EACC)'s reporting requirements, the applicant must provide semi-annual reports to the City of Worcester during each year of the Tax Increment Financing Plan. Said reports, which will be forwarded to the applicant by the City of Worcester for its completion prior to each noted due date.
 - The applicant must use its best efforts to hire a minimum of 50% of its contractors and sub-contractors from qualified local (within thirty miles of the project address) companies. These best efforts will include advertising the work locally; giving preference to local contractors and sub-contractors that are both qualified and competitive; and allowing qualified local contractors and sub-contractors the opportunity to match or better lower prices provided by qualified, non-local contractors and sub-contractors to use

City of Worcester Economic Development Incentive Program (EDIP)/Tax Increment Financing (TIF) Program Compliance and Reporting Checklist

best effort to achieve a workforce in each trade that is 50% Worcester residents, 38% minority, and 10% women.

- The applicant must make the Program and Compliance Manager aware of any shortfalls regarding goals and meet with the Program and Compliance Manager monthly/periodically or as needed throughout the project construction to evaluate and reassess performance toward diversity goals and develop a strategic plan to address any shortfalls.

Post Construction:

- Per M.G.L. Chapter 23A and 402 CMR 2.00, active EDIP projects are required to submit an annual report to the commonwealth's Economic Assistance Coordinating Council (EACC) and to the municipality in which the project located. The EACC reviews each project for compliance with job creation and retention, private investment goals and if applicable, investment tax credit utilization. The failure to submit the annual report to the EACC is grounds for project decertification which may result in the revocation and potential recapture of state tax benefits. The schedule for your annual report is:
 - Full-time employment levels at the facility at the beginning and end of the reporting period
 - The specific number of Worcester residents employed full-time at the facility at the beginning and end of the reporting period
 - The total project investment made as of the date of the report
 - The applicant's financial contribution to the City of Worcester (i.e. property taxes, motor vehicle excise taxes, and water and sewer fees), for the fiscal year
 - A description of any private investment made for the benefit of the community during the reporting period.
 - The applicant must meet the basic workforce development goals outlined in the TIF program policy. These goals include, (1) the applicant must use its best efforts to hire a minimum of 50% of its contractors and sub-contractors from qualified local (within thirty miles of the project address) companies, (2) non-local contractors and sub-contractors should use best efforts to achieve a workforce in each trade that is 50% Worcester residents, 38% minority, and 10% women.
- If the applicant decides to sell the property or business during the Tax Increment Financing Plan or to otherwise transfer control of the property or business and/or its operation, the applicant must give the City of Worcester as much notice as is practicable.
- The applicant must ensure that regardless of future ownership the property will remain taxable or pay a tax equivalent payment for the life of the Tax Increment Financing Plan, unless the property is repossessed or foreclosed upon by a mortgagee.

Please be aware: the failure to submit a semi-annual report to the City of Worcester, as well as a company's failure to retain its permanent, full-time job base as stated in the application, complete the project as proposed, or reach at least 50% of its job creation goal as stated in the application, may result in the revocation and/or potential recapture of local tax benefits. The City of Worcester reserves the right to consider the revocation of a Tax Increment Financing Plan and/or potential recapture/reduction of local tax benefits on a case-by-case basis. If the City of Worcester chooses to reduce the percentage of a company's local tax benefits due to non-compliance with its job retention or creation goals, the percentage reduction amount will be proportionate to the company's current permanent, full-time employment levels.

**City of Worcester Economic Development Incentive Program (EDIP)/Tax
Increment Financing (TIF) Program Compliance and Reporting Checklist**

ACTIVITY	PROJECTED TIMELINE
<ul style="list-style-type: none"> • Applicant submits a letter of intent 	Approximately 7 days
<ul style="list-style-type: none"> • Applicant, City, and MOBD regional director meet to discuss the proposed project 	
<ul style="list-style-type: none"> • City and MOBD determine project eligibility 	
<ul style="list-style-type: none"> • Applicant submits a Certified Project application and other required documentation 	Applicant Driven
<ul style="list-style-type: none"> • The Certified Project application and accompanying EDIP documents are submitted to the City Council 	Approximately 21 days
<ul style="list-style-type: none"> • Application is referred to the City Council's Standing Committee on Economic Development Committee for review and recommendation 	Approximately 60 days
<ul style="list-style-type: none"> • Applicant meets with the Worcester Jobs Fund Committee 	
<ul style="list-style-type: none"> • Applicant meets with the Economic Development Committee 	
<ul style="list-style-type: none"> • City Council receives Economic Development Committee's recommendation and takes final vote to approve or deny application 	
<ul style="list-style-type: none"> • Final State approval 	Next Quarterly EACC Meeting