



# City of Quincy, Massachusetts

OFFICE OF THE COUNCIL

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To: All Members of the Finance Committee of the Quincy City Council

From: Councillor Brad L. Croall, Finance Committee Chairman

The Finance Committee of the Quincy City Council will meet on Monday, December 5<sup>th</sup> at 6:30 pm in the Great Hall at City Hall 1305 Hancock Street relative any and all matters pending in this committee including, but not limited to:

2016 – 266 – Order – Tax Incremental Financing Agreement, Granite Telecommunications Corp./Foxrock Heritage One Realty, LLC, 61 Heritage Drive

Copy to- All Councillors  
Mayor Thomas P. Koch  
Mark Cavanagh – Director Municipal Finance  
Deborah Coughlin – Treasurer  
Nicole L. Crispo – City Clerk  
James Fatseas – Planning Director  
Maureen Geary – Planning Department  
Joseph P. Newton – Assistant City Clerk  
Susan O'Connor - Auditor  
Christopher Walker – Director of Policy and Information

Print Media  
Quincy Access Television

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CITY CLERKS OFFICE  
QUINCY, MASS. 02169

INTRODUCED BY: **MAYOR THOMAS P. KOCH**

**CITY OF QUINCY**  
IN COUNCIL

ORDER NO. 2016-266

ORDERED:

November 21, 2016

**TAX INCREMENT FINANCING AGREEMENT  
BY AND BETWEEN  
THE CITY OF QUINCY  
AND  
FOXROCK HERITAGE ONE REALTY, LLC**

This AGREEMENT is made this      day of November, 2016 by and between the City of Quincy, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at City Hall, 1305 Hancock Street, Quincy, Massachusetts 02169 (hereinafter referred to as the "CITY"), and FoxRock Heritage One Realty, LLC, a limited liability company having a current place of business at 100 Newport Avenue Extension, Quincy, Massachusetts 02169 (hereinafter referred to, together with any successors in interest, as the "LESSOR").

WITNESSETH

**WHEREAS**, the CITY has been designated as an Economic Target Area ("ETA") by the Massachusetts Economic Coordinating Council (the "EACC");

**WHEREAS**, the LESSOR is the owner of the property located at 61 Enterprise Drive consisting of the parcels of land shown on Quincy Assessors' Map 6161/36/17, together with the buildings and improvements thereon, as further described on the map in Exhibit A attached hereto, (the "FACILITY");

**WHEREAS**, the LESSOR has committed to constructing, remodeling, equipping and improving the FACILITY at an estimated cost of \$4,300,000 (including leasehold improvements made from time to time by any tenants at the FACILITY) (the "CERTIFIED PROJECT"). The FACILITY will be leased to one or more tenants (collectively, the "LESSEES");

**WHEREAS**, the CERTIFIED PROJECT, when completed and fully operational, will create at least two hundred and fifty (250) additional, full-time jobs at the FACILITY;

**WHEREAS**, the LESSOR is seeking a Tax Increment Financing Exemption from the CITY (the “EXEMPTION”) in order to benefit the LESSOR, and any LESSEES that have executed a participating user joinder agreement (the “PARTICIPATING USER JOINDER AGREEMENT”) substantially in the form attached hereto as Exhibit C and hereby approved by the CITY (the “PARTICIPATING USERS”), in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws:

**WHEREAS**, the aggregate assessed valuation of the FACILITY for fiscal year 2017 is \$20,662,800;

**WHEREAS**, the CITY strongly supports increased economic development to provide additional jobs for residents of the CITY, to expand commercial and industrial activity within the CITY and to develop a healthy economy and stronger tax base;

**WHEREAS**, the CERTIFIED PROJECT will assist in the retention and expansion of a Quincy based company that has shown a long term commitment to growing and creating jobs in the CITY and will further the economic development goals and the criteria established for the ETA;

**NOW, THEREFORE**, in consideration of the mutual covenants of the parties’ contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, that the parties hereby agree as follows:

**A. TAX INCREMENT FINANCING EXEMPTION**

1. The CITY, as authorized by vote of its City Council adopted on November , 2013, hereby enters into this Tax Increment Financing Agreement (the “AGREEMENT”) with the LESSOR for the CERTIFIED PROJECT and any PARTICPATING USERS that are the subject of an approved PARTICIAPTING USER JOINDER AGREEMENT.
2. The EXEMPTION is hereby granted by the CITY to the LESSOR in accordance with Chapter 23A, Section 3E; Chapter 40, Section 59; and Chapter 59, Section 5 of the Massachusetts General Laws. The EXEMPTION shall be for a period of twenty (20) years (the “EXEMPTION PERIOD”), commencing with fiscal year 2018 (which begins July 1<sup>st</sup> , 2017) and ending with fiscal year 2037 (which ends June 30<sup>th</sup> , 2037), and shall provide a percentage exemption from taxation, as described in the table below, on the increased value of the FACILITY. The EXMPTION shall be calculated and remain unchallenged for each fiscal year as follows:

3. YEAR	FISCAL YEAR	TAX EXEMPTION
1	2018 (7/1/2017 – 6/30/18)	100% of the increase in valuation
2	2019 (7/1/2018 – 6/30/19)	100% of the increase in valuation
3	2020 (7/1/2019 – 6/30/20)	100% of the increase in valuation
4	2021 (7/1/2020 – 6/30/21)	100% of the increase in valuation
5	2022 (7/1/2021 – 6/30/22)	100% of the increase in valuation
6	2023 (7/1/2022 – 6/30/23)	100% of the increase in valuation

7	2024 (7/1/2023 – 6/30/24)	100% of the increase in valuation
8	2025 (7/1/2024 – 6/30/25)	100% of the increase in valuation
9	2026 (7/1/2025 – 6/30/26)	100% of the increase in valuation
10	2027 (7/1/2026 – 6/30/27)	100% of the increase in valuation
11	2028 (7/1/2027 – 6/30/28)	90% of the increase in valuation
12	2029 (7/1/2028 – 6/30/29)	80% of the increase in valuation
13	2030 (7/1/2029 – 6/30/30)	70% of the increase in valuation
14	2031 (7/1/2030 – 6/30/31)	60% of the increase in valuation
15	2032 (7/1/2031 – 6/30/32)	50% of the increase in valuation
16	2033 (7/1/2032 – 6/30/33)	40% of the increase in valuation
17	2034 (7/1/2033 – 6/30/34)	30% of the increase in valuation
18	2035 (7/1/2034 – 6/30/35)	20% of the increase in valuation
19	2036 (7/1/2035 – 6/30/36)	10% of the increase in valuation
20	2037 (7/1/2036 – 6/30/37)	0% of the increase in valuation

4. The EXEMPTION formula for the CERTIFIED PROJECT will be calculated as prescribed by the Massachusetts General Laws Chapter 40, Section 59 and in 760 CMR 22.00. The EXEMPTION formula shall apply to the incremental difference in the assessed valuation of the FACILITY benefited by the EXEMPTION between the base valuation in the base year, which shall be fiscal year 2017, and the increase in assessed valuation of the FACILITY for the next twenty (20) years.
5. The base valuation for FY 2017 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.
6. The LESSOR hereby agrees to reduce the LESSEES' real estate taxes they will pay for occupancy of the FACILITY on a pro rata basis allocated on the square footage of the facility occupied by each of the LESSEES according to Paragraph A, Section 3 above.

## B. Conditions

The EXEMPTION granted to the LESSOR by the CITY hereby is in consideration of the LESSOR'S commitments stated hereafter as follows:

1. To create by the end of FY 2017 new, permanent, full-time job by the LESSOR, or its affiliates, and fifty (50) such jobs by the LESSEES as outlined in the CERTIFIED PROJECT APPLICATION, dated November 9, 2016, submitted to the CITY by the LESSOR in connection with the LESSOR'S request for the EXEMPTION, and any additional CERTIFIED PROJECT APPLICATIONS submitted, from time to time, by any LESSEES; and hire residents of the CITY and the ETA as outlined in the WORK FORCE ANALYSIS AND JOB CREATION PLANS section of the CERTIFIED PROJECT APPLICATIONS;

2. To invest a total of \$31,700,000 for the purchase of the FACILITY and at least \$4,300,000 in new construction, improvements, renovations, equipment, and leasehold improvements at the FACILITY as described in the CERTIFIED PROJECT APPLICATIONS which new construction, improvements, renovations, and leasehold improvements, equipment purchases and leasehold improvements in excess of an aggregate of \$4,300,000 may be made and qualified as part of the CERTIFIED PROJECT as long as this Agreement is outstanding;
3. To cooperate with the South Coastal Area Workforce Investment Board, the local Office of the Massachusetts Department of Employment and Training and other agencies, as appropriate, in seeking to fill job vacancies with the PARTICIPATING USERS as they develop, and operate a job outreach program whereby Quincy residents are made aware of job opportunities with the PARTICIPATING USERS, including advertising in the local newspapers encouraging such residents to apply for employment with the PARTICIPATING USERS anytime advertisements are otherwise placed by the PARTICIPATING USERS for employment at the FACILITY and hire properly qualified Quincy residents on a priority basis consistent with any applicable laws or regulations;
4. To use best efforts to afford priority to local contractors, vendors and suppliers, in connection with the construction of the CERTIFIED PROJECT and the operation of the FACILITY, subject to any applicable laws or regulations, and assuming equal qualification;
5. To have all PARTICIPATING USERS' vehicles (except employees' personal vehicles or vehicles under lease) used in connection with the FACILITY, garaged so that any local motor vehicle excise tax owed with respect to such vehicles will be paid to the CITY;
6. To submit the annual EACC reports on job creation, job retention and new investments at the FACILITY to the CITY by **September 30** of each year during the EXEMPTION PERIOD;
7. To pay all taxes owed the CITY relation to the FACILITY premises in a timely fashion;
8. To contribute \$15,000 per year to the Quincy School Community Partnership for the Life of the TIF.
9. All Personal Property Tax on property used in connection with business conducted at the FACILITY is 100% exempt for the life of the TIF.
10. To permit the CITY, through its Mayor, to manage, administer, monitor and enforce this AGREEMENT, and approve on behalf of the CITY, any PARTICIPATING USERS consistent with this AGREEMENT; and

**C. Additional Provisions**

1. The PARTICIPATING USERS and the LESSOR agree that the CITY has the right to petition to the EACC to decertify the project and revoke this AGREEMENT if the CITY, acting through its Mayor and City Council, determine that the LESSOR or the PARTICIPATING USERS have failed in any material way to meet any of their obligations as set forth in this AGREEMENT. Upon decertification by the EACC, the CITY shall discontinue the EXEMPTION benefits described above, commencing with the fiscal year immediately following the year for which the LESSOR or the PARTICIPATING USERS so failed to meet their obligations. Prior to filing any such petition for decertification, however, the CITY shall give the PARTICIPATING USERS and the LESSOR written notice of the alleged defaults and an opportunity to cure, or in the alternative, to be heard at a public hearing on the matter. If the CITY is satisfied that the PARTICIPATING USERS and the LESSOR have made a good faith effort to meet their obligations under this AGREEMENT, the parties will attempt to negotiate a mutually acceptable and reasonable resolution, which may result in amendments to the terms of this AGREEMENT, prior to the CITY filing a decertification petition.
2. The PARTICIPATING USERS and the LESSOR shall give to the city two (2) months written notice prior to any proposed change in the use of, or proposed disposition of the FACILITY by the PARTICIPATING USERS and the LESSOR. Said notice shall be given to the Mayor, City Hall, 1305 Hancock Street, Quincy, MA 02169. The CITY shall not, except as required by law, disclose any information provided by the LESSOR regarding the proposed change in the use of, or proposed disposition of, the FACILITY by the LESSOR or the PARTICIPATING USERS.
3. Pursuant to 760 CMR 22.05 (8) (d), this AGREEMENT shall be binding upon all parties to it, and be binding upon the PARTICIPATING USERS and the LESSOR and their successors and assigns and shall inure to the benefit of affiliates of the PARTICIPATING USERS and the LESSOR so long as the Project has not been decertified by the EACC.
4. The Project becomes eligible for the EXEMPTION on the July 1<sup>st</sup> 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).
5. If any provision of this AGREEMENT shall be found invalid for any reason, such invalidity shall be construed as narrowly as possible and the balance of this AGREEMENT shall be deemed to be amended to the minimum extent necessary to provide to the CITY, the LESSOR and to the PARTICIPATING USERS substantially the benefits set forth in this AGREEMENT.

6. All notices permitted or required under the provisions of this AGREEMENT shall be in writing, and shall be sent by registered or certified mail, postage prepaid, or shall be delivered by private express carrier to the addresses listed above or at such other address as may be specified by a party in writing and served upon the other in accordance with this section.
7. If and to the extent that either party is prevented from performing its obligations hereunder by and event of force majeure, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties instead shall negotiate in good faith with respect to appropriate modifications to the terms hereof. For purposes of this AGREEMENT, the term force majeure shall mean any supervening cause beyond the reasonable control of the affected party, including without limitation requirement of statute or regulation; action of any court, regulatory authority, or public authority having jurisdiction; acts of God, fire, earthquake, floods, explosion, actions of the elements, war, terrorism, riots, mob violence, inability to procure or a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnations, laws or orders of governmental or military authorities, denial of, refusal to grant or appeals of any permit, approval or action of any public or quasi public authority, official, agency or subdivision and any litigations relating thereto, or any other cause similar to the foregoing, not within the control of such party obligated to perform such obligations.
8. Failure by the Lessor to perform any term or provision of this AGREEMENT shall not constitute a default under this AGREEMENT unless the PARTICIPATING USERS and the LESSOR fail to commence to cure, correct or remedy such failure within thirty (30) days of the receipt of written notice of such failure from the CITY to PARTICIPATING USERS and the LESSOR and thereafter fails to complete such cure, correction or remedy within ninety (90) days of the receipt of such written notice, or, with respect to defaults which cannot be remedied within such ninety (90) day period, within such additional period of time as is required to reasonably remedy such default, provided the PARTICIPATING USERS and the LESSOR exercise due diligence in the remedying of such default. Notwithstanding the foregoing, any late payments of property taxes due under this AGREEMENT shall be subject to the same interest and penalty charges that would otherwise be levied in case of a failure to timely pay property taxes.

9. After receiving written notice from any person, firm or other entity, that such party holds a mortgage which includes as part of all of the mortgaged premises, any part of the FACILITY, the CITY shall, so long as such mortgage is outstanding, be required to give to such holder the same notice as is required to be given to the PARTICIPATING USERS and the LESSOR under the terms of this AGREEMENT, but such notice May be given by the CITY to the PARTICIPATING USERS and the LESSOR and such holder concurrently. It is further agreed that such holder shall have the same opportunity to cure any default as is available to the LESSOR and that such holder shall have forty-five (45) days more to cure any such default than would be available to the PARTICIPATING USERS and the LESSOR under the provisions of this AGREEMENT. In addition, so long as any such holder, within seventy-five (75) days of receiving any such notice from the CITY, shall commence proceedings for foreclosure of any such mortgage and shall, in the meantime, keep and perform or cause to be kept and performed all the obligations of the PARTICIPATING USERS and the LESSOR, or shall undertake to cure any default under or failure of PARTICIPATING USERS and the LESSOR to satisfy any condition of this AGREEMENT, to the extent that any such actions can be performed or undertaken by a party proceeding under foreclosure under applicable law, no default or failure of any condition shall exist under this AGREEMENT. Notwithstanding the foregoing, any late payments of property taxes due under this AGREEMENT shall be subject to the same interest and penalty charges that would otherwise be levied in case of a failure to timely pay property taxes.

WITNESSETH the execution and delivery of this AGREEMENT by the CITY OF QUINCY, and Foxrock Heritage One Realty LLC, as an instrument under seal as of the date first above written.

**CITY OF QUINCY**

**FOXROCK HERITAGE ONE REALTY, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Attachments:

Exhibit A: Site Plan

Exhibit B: Participating User Joinder Agreement

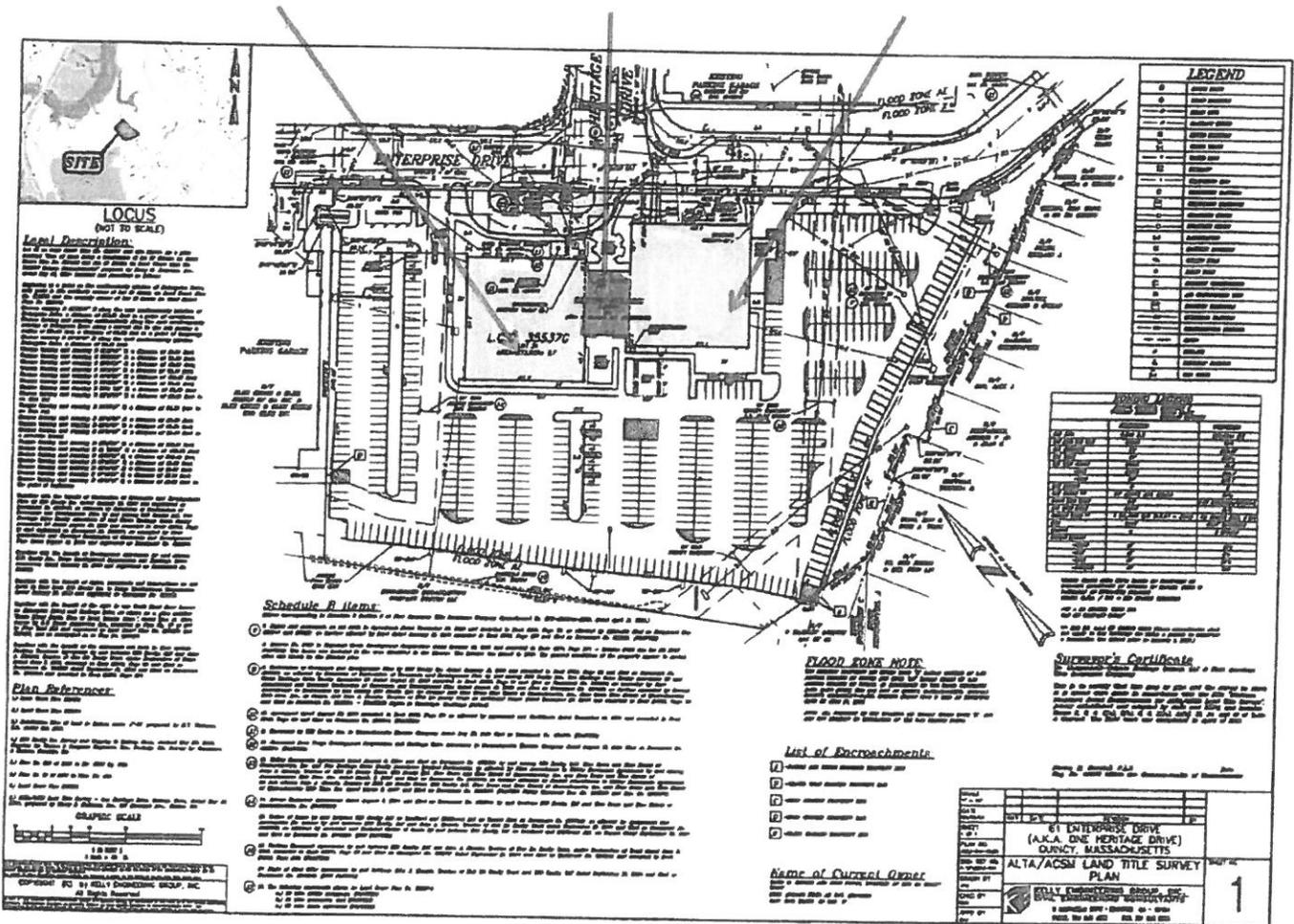
# 1 HERITAGE DRIVE - QUINCY, MASSACHUSETTS

SEPTEMBER 7, 2016

WEST TOWER

CORE AREA

EAST TOWER



**LEGEND**

1	EXISTING DRIVE
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**LOCUS**  
(NOT TO SCALE)

**Legal Description:**

Reference to the lot description of the subject property is made in the following manner: The subject property is a portion of the lot described in the following manner: [Detailed legal description text]

- Schedule B Items:**
1. [Detailed description of Schedule B Item 1]
  2. [Detailed description of Schedule B Item 2]
  3. [Detailed description of Schedule B Item 3]
  4. [Detailed description of Schedule B Item 4]
  5. [Detailed description of Schedule B Item 5]
  6. [Detailed description of Schedule B Item 6]
  7. [Detailed description of Schedule B Item 7]
  8. [Detailed description of Schedule B Item 8]
  9. [Detailed description of Schedule B Item 9]
  10. [Detailed description of Schedule B Item 10]

**FLOOD ZONE NOTE:**

The subject property is located in a flood zone. The flood zone is shown on the attached flood zone map. The flood zone is shown in the following manner: [Detailed flood zone note text]

**Surveyor's Certificate:**

I, the undersigned, being a duly licensed and sworn Surveyor of the Commonwealth of Massachusetts, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by the owner of the subject property, and that the same is a true and correct copy of the original as shown to me by the owner of the subject property.

- List of Encroachments:**
1. [Detailed description of Encroachment 1]
  2. [Detailed description of Encroachment 2]
  3. [Detailed description of Encroachment 3]
  4. [Detailed description of Encroachment 4]
  5. [Detailed description of Encroachment 5]

**Name of Current Owner:**

[Name of Current Owner]

DATE	SEP 07 2016
PROJECT	61 ENTERPRISE DRIVE (A.K.A. ONE HERITAGE DRIVE) QUINCY, MASSACHUSETTS
PLAN NO.	ALTA/ACSM LAND TITLE SURVEY PLAN
SCALE	AS SHOWN
BY	EDLY ENGINEERING GROUP, INC.
CHECKED BY	EDLY ENGINEERING GROUP, INC.
DATE	SEP 07 2016

SITE PLAN