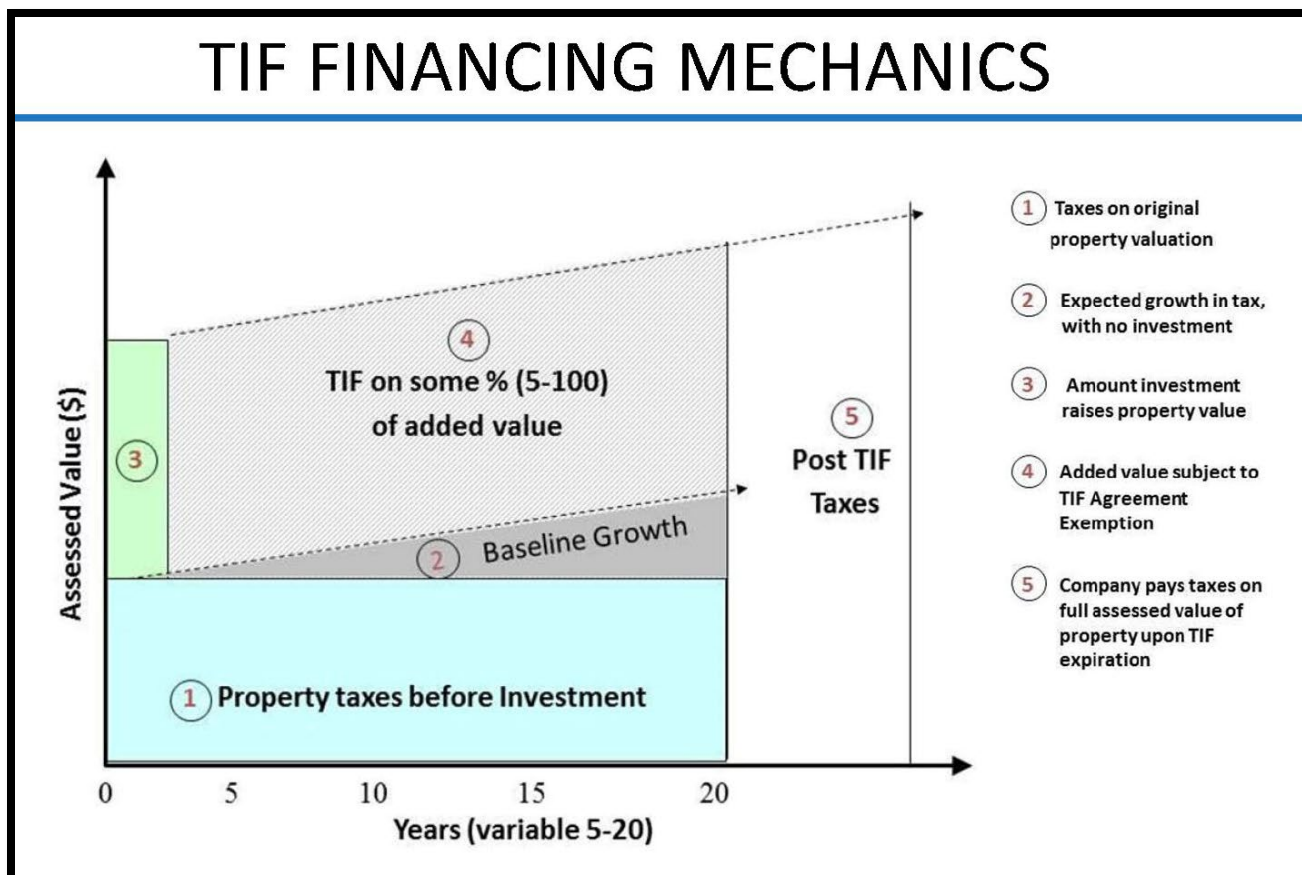


WHAT IS A TAX INCREMENT FINANCING (TIF) AGREEMENT?

- **Definition:** A Tax Increment Financing (TIF) agreement is a property tax incentive to encourage business investment and development.
- **Scope:** TIFs apply only to the *incremental increase in property value* due to new construction or improvements, not the original property value.
- **Tax Exemption:** Offers a *phased tax exemption on the added value*, typically with a sliding scale that decreases over time (e.g., 100% in Year 1, 75% in Year 2).
- **Duration:** TIF agreements are generally set for a *specific period*, commonly between 5 to 20 years.
- **Approval:** Requires approval from Town Meeting and the Massachusetts Economic Assistance Coordinating Council (EACC).
- **Benefits:** Helps attract businesses, create jobs, and expand the local tax base in the long term.



UGPG LLC TIF Agreement

Capital Investment: \$27,614,000

Job Creation: Permanent Full-Time Jobs: 400 (Retained: 250)

New: 150 over five years

Tax Exemption Schedule:

Duration: Six years, starting the fiscal year after the certificate of occupancy

Projected Tax Exemptions (est.): (of the incremental increase in assessed value)

- Year 1: \$214,493 (100%)
- Year 2: \$214,493 (100%)
- Year 3: \$193,043 (90%)
- Year 4: \$182,319 (85%)
- Year 5: \$160,869 (75%)
- Year 6: \$150,145 (70%)
- **Total Exempted Taxes (over life of TIF): \$1,115,363**
- **Total Paid Taxes (over life of TIF): \$171,595**
- *Total Projected Annual Tax Bill: \$214,493*

Summary

- Six (6) year TIF
- Total Capital Investment: \$27,614,000
- Total New Jobs: 150
- Annual Payments: \$20,000 per year for five years (2027-2031) to the Westminster Capital Plan, totaling \$100,000
- Internship program with AWRSD and Monty Tech
- Commitment to prioritize local residents in hiring
- Submission of annual job and investment reports

Home Depot (Project Sandbox) TIF Agreement

Capital Investment: \$104,000,000

Job Creation: 150 New Permanent Full-Time Jobs, within three years of occupancy

Tax Exemption Schedule:

Duration: Five years, starting in fiscal year 2027

Projected Tax Exemptions (est.): (of the incremental increase in assessed value)

- Year 1: \$1,113,600 (100%)
- Year 2: \$845,000 (75%)
- Year 3: \$569,900 (50%)
- Year 4: \$288,300 (25%)
- Year 5: \$58,400 (5%)
- **Total Exempted Taxes (over life of TIF): \$2,875,200**
- **Total Paid Taxes (over life of TIF): \$2,907,700**
- *Total Projected Annual Tax Bill: \$1,162,000*

Summary

- Five (5) Year TIF
- Total Capital Investment: \$104,000,000
- Total New Full Time Jobs: 150
- Additional Contributions: Commitments to local hiring and workforce development
- Submission of annual job and investment reports