

**Town of Westford  
314 Littleton Road Exceptional Opportunity Area  
Tax Increment Financing Plan and  
Tax Increment Financing Zone**

**(Red Hat, Inc. and Two Littleton Road Realty Trust – collectively the Applicant)**

I. Location:

A). Pursuant to M.G.L. c. 40, § 59 and 760 CMR 22.04, the Director of the Department of Business Development and the Massachusetts Economic Assistance Coordinating Council (“EACC”) has designated the Red Hat, Inc. (the “Applicant”) expansion project located at 314 Littleton Road, Westford, MA an area of the Commonwealth as presenting exceptional opportunities for increased economic development (“Exceptional Opportunity Area”), thereby permitting the designation of a Tax Increment Financing (“TIF”) Zone within such area.

B). The Town of Westford (the “Town”) is located in Middlesex County and has a population of approximately 21,951. The town is bordered by Chelmsford to the east, Tyngsboro to the north, Groton to the west, Littleton to the southwest, Acton to the south, and Carlisle to the southeast. The Town is 31.3 square miles and is served by Routes 3 and I-495. Westford's agricultural past has given way to rapidly expanding high technology industries, suburban retail, and upper-middle class residential areas. Although the Town has a substantial business base, it is able to offer its residents and business community many conveniences with all of the tranquility and charm of a pleasant, suburban community.

C). TIF Zone:

1. Map

- a. The TIF Zone map including delineation based on Assessors’ Map parcel boundaries is included as Exhibit A
- b. Not applicable
- c. Not applicable
- d. Zoning permits office use as a matter of right
- e. Not applicable.

2. The TIF Zone is located on Assessors’ Map as shown on Exhibit A and is properly zoned and allows the Applicant’s business as a matter of right.

3. The TIF Zone is created to respond to an expression of intent by the Applicant to expand its existing 72,168 square foot facility situated on the property by approximately 100,000 square feet adding a newly constructed commercial research and development building. The completed buildings

totaling approximately 172,168 square feet and land, of approximately 7.753 acres constitutes the entire TIF Zone and Exceptional Opportunity Area.

The new construction, improvements and equipment are estimated to represent an investment of approximately Thirty Million Dollars (\$30,000,000.00). The creation of the TIF Zone will benefit business in the Town by increasing the workforce and adding to the property tax valuation of the Town. The expanded facility will allow the Applicant to achieve its growth plans by adding at least 181 new high paying jobs within five years from the date of occupancy of the new facility. The proposed capital investment and job creation create an exceptional opportunity for economic development for the Town and the Commonwealth of Massachusetts.

4. The Applicant will be the tenant of the property currently owned by Two Littleton Road Realty Trust within the TIF Zone.

II. Time:

The duration of the TIF Plan and the TIF Zone is 13 years, commencing Fiscal Year 2013.

III. TIF Zone and Economic Development:

- A. The TIF Zone will create new economic development opportunities within the Town. This project is a significant economic development project both in terms of retained, direct and indirect jobs and tax base creation. The Town sees this action as a most positive step towards encouraging more business development to occur in the Town, particularly in the Technology Park where the property is located. The EDIP benefits offered to the Applicant have induced the Applicant to move forward with the leasing, construction and improvements to the facility.
- B. The immediate net economic benefit the Town will receive from the project is the retention of the existing 233 high paying research and development and administrative jobs and the creation of 181 new full time positions. Other local businesses should benefit from the business generated by the Applicant as it grows its existing business. New property tax revenues in the Town will be generated and the State will see increased sales and employment taxes.
- C. The land and existing building currently has the ability for future expansion and expanding the existing facility will have a very positive impact to the Town. The uses for this parcel of land are consistent with the allowed uses within the zoning designation.

D. The zoning designation within the TIF Zone is commercial. The project location is already permitted by the Town.

E. The parcel of land included in the TIF Zone is not confirmed as a hazardous waste site, as per the provisions of Massachusetts General Laws, Chapter 21E.

IV. TIF Zone Projects:

For a complete description, please refer to the EDIP Pre-Application and Supplement Project Applications of the Applicant and the Owner.

V. Financing for the TIF Zone Projects:

No public expenditures are necessary. Most infrastructure to support the project is in place and the need for an expanded primary sewage treatment facility is being evaluated as part of this project. The Applicant is working with the property owner to extend its current lease and enter into a long-term lease on the newly constructed facility and make the necessary tenant improvements to meet its research and development requirements. The new construction will be financed by the Owner and the improvements, furniture, fixtures and equipment will be financed through the existing financial resources of the Applicant. The TIF is necessary in order to reduce operational costs and increase the project's viability and, most importantly, allow the Applicant to reinvest in its business to expand and grow employment.

VI. Tax Increment Financing:

The Town has granted a tax increment financing exemption to the Applicant in accordance with Massachusetts General Laws, Chapter 23A, Section 3; Chapter 40, Section 59; and Chapter 59, Section 5. The exemption shall be granted and only apply to the increased value on the facility with the improvements in place. The local property tax benefits are required to be passed on to the Applicant. The exemption shall be valid for a period of 12 years beginning with the fiscal year 2013 and ending with the fiscal year 2025. The exemption shall be calculated and remain unchallenged for each fiscal year as follows:

<b>YEAR</b>	<b>FISCAL YEAR</b>	<b>REAL PROPERTY TAX EXEMPTION</b>
1	2013 (7/1/2012-6/30/2013)	0% of the increase in valuation
2	2014 (7/1/2013-6/30/2014)	50% of the increase in valuation
3	2015 (7/1/2014-6/30/2015)	50% of the increase in valuation
4	2016 (7/1/2015-6/30/2016)	50% of the increase in valuation
5	2017 (7/1/2016-6/30/2017)	50% of the increase in valuation
6	2018 (7/1/2017-6/30/2018)	50% of the increase in valuation
7	2019 (7/1/2018-6/30/2019)	50% of the increase in valuation
8	2020 (7/1/2019-6/30/2020)	50% of the increase in valuation

<b>YEAR</b>	<b>FISCAL YEAR</b>	<b>REAL PROPERTY TAX EXEMPTION</b>
9	2021 (7/1/2020-6/30/2021)	50% of the increase in valuation
10	2022 (7/1/2021-6/30/2022)	50% of the increase in valuation
11	2023 (7/1/2022-6/30/2023)	50% of the increase in valuation
12	2024 (7/1/2023-6/30/2024)	50% of the increase in valuation
13	2025 (7/1/2024-6/30/2025)	50% of the increase in valuation

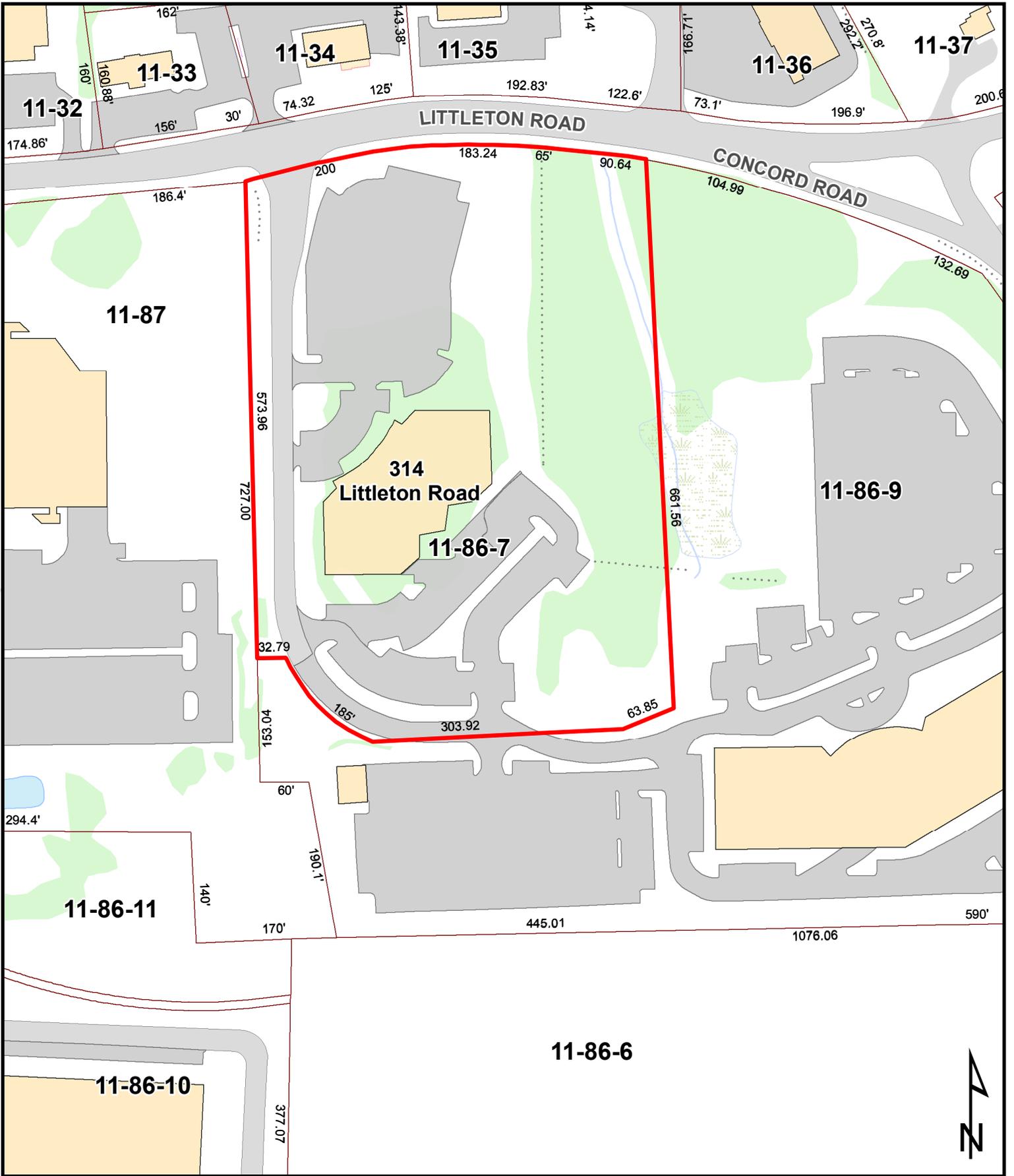
<b>YEAR</b>	<b>FISCAL YEAR</b>	<b>PERSONAL PROPERTY TAX EXEMPTION</b>
1	2013 (7/1/2012-6/30/2013)	100% of the increase in valuation
2	2014 (7/1/2013-6/30/2014)	100% of the increase in valuation
3	2015 (7/1/2014-6/30/2015)	100% of the increase in valuation
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**VII. Approval of Project:**

The Board of Selectman approved the TIF Agreement and recommended it to the Westford Town Meeting. The October 17, 2011 Special Town Meeting gave its approval. The Town and the Applicant have executed the TIF Agreement.

Copies of the approvals are attached as Exhibit B. A copy of the TIF Agreement is attached as Exhibit C.

**Exhibit A - Map of FACILITY and TIF ZONE**



- TIF Zone
- Parcels
- Main Buildings
- Parking Area
- Ponds
- Marsh
- Forrested Area

**Red Hat, Inc, 314 Littleton Road, Westford MA**  
**Exceptional Opportunity Area and TIF Zone**  
**Parcel 11-86-7**

