



TAX INCREMENT FINANCING AGREEMENT

**(Alternatively, the “Agreement”)
BETWEEN**

**THE TOWN OF MILFORD
(Alternatively, the “Town”)**

AND

**RENTSCHLER BIOPHARMA INC.
(Alternatively, the “Company”)**

This Agreement is made as of this 14th day of January 2020 by and between the Town and the Company.

WHEREAS the Company is a corporation having its principal office at 27 Maple Street, Milford, MA 01757 and is authorized to do business in Massachusetts; and

WHEREAS the Town is a Massachusetts municipal corporation acting through its Board of Selectmen, having its principal office at 52 Main Street, Milford, MA 01757; and

WHEREAS the Company owns property at 27 Maple Street which contains an estimated 108,340 square foot building which is shown on the Milford Town Assessors as Map 45, Lots 15 and 16, (hereinafter the “Property”) and which parcel is shown on the map attached to this Agreement as Exhibit A;

WHEREAS the Company plans to invest no less than an estimated \$55 million including no less than an estimated \$46 million in hard and soft construction costs and no less than an estimated \$9 million for personal property and construct an estimated 24,000 square foot on-site expansion intended for its biomanufacturing operations (the “Project”) at the Property; and

WHEREAS the Company plans to retain no fewer than 85 full-time jobs in Milford and create and retain no fewer than 75 new, permanent, full-time jobs at the Property; and

WHEREAS the Company intends to apply for status as a Local Incentive-Only Project under the Massachusetts Economic Development Incentive Program (“EDIP”); and

WHEREAS the Town strongly supports increased economic development to provide additional jobs, expand business within the Town, and to develop a healthy economy and stronger tax base;

WHEREAS, on December 2, 2019 the Milford Board of Selectmen recommended approval of this Agreement to Milford Special Town Meeting;

WHEREAS, on January 13, 2020, Milford Special Town Meeting voted to approve this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

A. THE TOWN'S OBLIGATIONS

1. A Tax Increment Financing (“TIF”) exemption (the “Exemption”) is hereby granted to the Company by the Town in accordance with Massachusetts General Laws Chapter 23A, Sections 3A to 3F; Chapter 40, Section 59, and Chapter 59, Section 5, Clause Fifty-first and the applicable regulations thereunder. The Exemption for real estate taxes shall be for a period of twelve (12) years (the “Exemption Term”), commencing in the fiscal year for which the Town has increased the assessed value at the Property, as determined by the Milford Board of Assessors, to the full assessed value of the Project at the Property (the first day of such fiscal year in which said full assessed valuation occurs is hereinafter referred to as the “Start Date”, which date shall be no earlier than the first day of the fiscal year following the date a certificate of occupancy has been issued to allow the Company to use and occupy the Project); and shall provide an exemption from taxation of the new incremental value of the Property resulting from the Project, as determined by the Town of Milford Assessor, as follows:

Year (July 1, through June 30)	Increment Percentage Exemption
Year 1	90%
Year 2	85%
Year 3	80%
Year 4	75%
Year 5	70%
Year 6	65%
Year 7	60%
Year 8	55%
Year 9	50%
Year 10	35%
Year 11	15%
Year 12	15%

2. The base assessed valuation of the Property, without the Project, pursuant to this Agreement shall be \$7,786,400.

3. The base valuation shall be adjusted annually by an adjustment factor, which reflects increased commercial and industrial property values within the community, as provided in Massachusetts General Laws Chapter 59, Section 21C (f) and Chapter 40, Section 59.
4. The increased value or "increment" created by improvements to the Property will be the amount eligible for exemption from taxation applicable to each year, in accordance with the Increment Percentage Exemption schedule in Section A1, hereof.
5. The Company intends to become a registered manufacturer by the Massachusetts Department of Revenue and exempt from paying municipal personal property taxes.

B. THE COMPANY'S OBLIGATIONS

The Town grants the TIF exemption in consideration of the following commitments from the Company:

1. The Company shall construct an estimated 24,000 square foot on-site expansion intended for its biomanufacturing operations.
2. The Company shall invest no less than an estimated \$55 million including no less than an estimated \$46 million in hard and soft construction costs and no less than an estimated \$9 million for personal property. Subject to the contingencies of financing and permitting approvals, the Company's improvements will begin forthwith as early as Q2 of calendar year 2020 and be completed as early as Q3 of calendar year 2021.
3. The Company shall retain no fewer than 85 full-time jobs in Milford and create and retain no fewer than 75 new, permanent, full-time jobs at the Property over a 5-year period.
4. The Company's job retention and creation plans are outlined in the Employment & Job Creation section of the EDIP Local Incentive-Only Application to be submitted to the State in connection with the Company's request for the TIF exemption.
5. The Company shall submit an annual report pursuant to General Laws Chapter 23A, Section 3F to the Massachusetts Economic Assistance Coordinating Council ("EACC") through the Commonwealth's on-line portal for each year of the Application designation. The annual report shall include the number of jobs retained and created, and value of the Property capital investments and other related items with respect to the Property annually and on a cumulative basis. The Company shall also submit a report as required by General Laws Chapter 40, Section 59(viii) to the Town Clerk and EACC.
6. The Company plans to use commercially reasonable and viable efforts, to the extent permitted by law and assuming equal qualifications, to give priority to qualified Milford residents in its hiring of new employees for the Project. The Company will also consider whether general advertising of any employment opportunity is appropriate, and if it determines to use newspaper advertising, the Company will advertise the employment opportunity in the Milford Town Crier and the Milford Daily News in order to encourage Milford residents to apply. In addition, the Company will work with any placement firm that it engages to facilitate the hiring of Milford residents as provided herein.

In addition to the foregoing and if appropriate for the employment opportunity in question, the Company will work closely with Workforce Central Career Center's Milford Branch to ensure the facilitation of priority hiring of Milford residents as new employees for the Project facility.

7. The Company plans to use reasonable efforts, to the extent permitted by law to use qualified Milford vendors for the Project. The Company will also consider whether general advertising of any contract opportunity is appropriate, and if it determines to use newspaper advertising, the Company will advertise the contract opportunity in the Milford Town Crier and the Milford Daily News in order to encourage Milford companies and tradespeople to apply. In addition, the Company will work with any general contractor, to the extent legally possible and commercially viable, to hire Milford contractors and tradespeople who apply, as provided herein.
8. If the Company fails to meet the obligations specified in this Section B, the Town, acting by and through its Board of Selectmen, may take action to notify the EACC and/or request decertification of the Project by the EACC. Upon decertification, the Town shall discontinue the Tax Increment Financing (TIF) benefits provided to the Company, commencing with the first fiscal year in which the Project is decertified, or if such benefits have already been received by the Company for the fiscal year in which the Project has been decertified, commencing as of the fiscal year immediately following that fiscal year.
9. Prior to taking any action to request decertification of the Project by the EACC pursuant to Section B8, the Town shall give written notice of the alleged material default to the Company and provide the Company an opportunity to meet with Town officials having the relevant authority under this Agreement to discuss a remedy for the alleged default. The Company shall have sixty (60) days from the receipt of such written notice to respond to the Town regarding any alleged default and one hundred twenty (120) days from the receipt of such written notice to remedy such alleged default, or, with respect to alleged defaults which cannot be remedied within such one-hundred-twenty (120) day period, within such additional period of time as is required to reasonably remedy such alleged default, provided the Company exercises due diligence in the remedying of such alleged default.
10. In addition to discontinuance of benefits as set forth in Paragraph B.8 above, if the Agreement is decertified because the Company has failed to satisfy the requirements of Section B.1, B.2, B.3, or B5 hereof, then pursuant to Massachusetts General Laws Chapter 23A, Section 3F(e), the Town may recapture the value of the real estate taxes not paid due to the Exemptions provided herein. Said recapture shall be made through a special assessment on the Company in the municipal fiscal year that follows the EACC's decision to revoke project certification. The assessment, payment, and collection of said special assessment shall be governed by procedures provided for the taxation of omitted property pursuant to Massachusetts General Laws Chapter 59, Section 75, notwithstanding the time period set forth in said Chapter 59 for which omitted property assessments may be imposed for each of the fiscal years included in the special assessment.

C. OTHER CONSIDERATIONS

1. Pursuant to Massachusetts General Laws Chapter 40, Section 59, this Agreement shall be binding upon the Company, its successors and assigns, and subsequent owners of the Property. If the Company decides to move, sell the facility or the business or to otherwise transfer control of the facility or business and/or its operations other than to a related entity or to a purchaser which continues the business of the Company at the Facility, the Company shall give the Town and the EACC at least sixty (60) days' notice of said sale or transfer. Said notice shall be given to Board of Selectmen, Town Hall, 52 Main Street, Milford, MA 01757. Thereafter the Town may request decertification of the Project.
2. The matters described above as obligations of the Company are only conditions to the eligibility for tax exemptions under this Agreement and do not create any other enforceable obligation or covenants of the Company. The Town's sole remedy for failure by the Company to satisfy any of its respective obligations and conditions are set forth in Section B8 of this Agreement.
3. This Agreement is subject to Massachusetts General Laws Chapter 23A, Section 3A to 3F, Chapter 40, Section 59, and Chapter 59, Section 5, Clause Fifty-First, and the applicable regulations thereunder.
4. Should any provision of the Agreement be declared or determined by a court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms, and provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of the Agreement.
5. The time within which the Company shall be required to perform any of the respective acts or obligations under this Agreement shall be extended to the extent that the performance of such acts or obligations shall be delayed by a Force Majeure Event and only for so long as said Force Majeure Event has continued. A Force Majeure Event means any supervening events or occurrences, such as acts of God, earthquakes, fire, acts of terrorism, war, labor disputes, delays or restrictions by government bodies, or other causes that are beyond the reasonable control of the Company.
6. All of the agreements hereunder are subject to action at Milford Town Meeting scheduled for January 13, 2020.

Signatures Follow On Next Page

WITNESSETH the execution and delivery of this Agreement by the Town and the Company as an instrument under seal as of the date first above written.

AGREED TO:

Rentschler Biopharma Inc.

Town of Milford

By: _____

Printed Name: William D. Buckley
Title: Chair, Board of Selectmen

Name: _____

Printed Name: William E. Kingkade Jr.
Title: Member, Board of Selectmen

Title: _____

Date of Signature

Printed Name: Michael K. Walsh
Title: Member, Board of Selectmen

Date of Signature

**EXHIBIT A
MILFORD ASSESSOR'S MAP**

