

# **The Massachusetts Economic Development Incentive Program**

## **APPLICATION FOR DESIGNATION OF ECONOMIC OPPORTUNITY AREA(S)**

### **PART I**

#### **SECTION I(2)(a)(i)**

A copy of the Plan entitled “NBCUniversal Media Economic Opportunity Area,” dated March 22, 2017, and prepared by the Town of Needham Engineering Department is attached. The proposed NBCUniversal Media Economic Opportunity Area (“EOA”) is located on a portion of Parcel 74 on the Town of Needham Assessor’s Map No. 300, as shown on the attached plan as “NBCUniversal Media Economic Opportunity Area,” with a street address of 189 B Street and which comprises approximately 7.81 acres.

The proposed NBCUniversal Media EOA is a “blighted open area” as that term is defined in *M.G.L. c.121A, §1*, because the Property is costly to redevelop by the ordinary operations of private enterprise. In particular, challenging conditions such as expensive excavation, drainage, and flood prevention measures, faulty platting, deterioration of site improvements and inadequate transportation facilities, require a high level of investment. In addition, The Town of Needham has identified the Property as an area that is vacant and underutilized. The area meets the requirement for designation of an EOA as described in the application for Economic Target Area designation.

#### **SECTION I(3)(a)**

The proposed EOA includes an abandoned building on property, the rights of which are to be acquired by NBCUniversal Media, LLC and its subsidiaries and affiliates (“the Company”) for a project as described below. The proposed project consists of the Company acquiring the rights to the existing building at 189 B Street and rehabilitating it within the new EOA for use as a state-of-the-art media center. The project will take a presently abandoned building of an estimated 171,000 gross square feet of area of little or no value, and redevelop it into a New England Regional Media Center facility of approximately 165,000 square feet, with approximately \$63,400,000.00 in acquisition and soft and hard construction and development costs, and \$61,600,000.00 in personal property investments. The Company’s total investment in the property will be approximately \$125,000,000.00.

The Company will retain and relocate 375 permanent full-time jobs to Needham from its offices in other municipalities and, in doing so, create a media cluster in Needham Crossing to enhance the attraction of other high-tech and technology support businesses.

A copy of the Company's letter of intent is attached.

**PART I(3)(b)**

Needham's Application for ETA designation states that the Town intends to designate an EOA within the New England Business Center ("NEBC") zoning district because it is close to regional transportation facilities and highway routes, has underutilized commercial land, and is home to many high-tech and life science businesses, thereby best suited to accepting similar or complimentary businesses.

Other criteria met by the proposed EOA include:

1. Seek commercial development that offers high-paying jobs for residents of both Needham and the region;
2. Create a cluster of innovative industry within the NEBC, in this case making the NEBC a major New England media cluster;
3. Reuse existing vacant commercial space to increase tax revenues;
4. Encourage the expansion of existing or attraction of new high-tech companies;
5. Promote the effective reuse of obsolete industrial buildings;
6. Facilitate reduction of commercial and industrial vacancies;
7. Encourage the development or expansion of businesses which will improve the economic viability of other businesses within the proposed EOA;
8. Encourage the use of public transportation; and
9. Promote the utilization and expansion of regional workforce skills.

The EOA also addresses the following economic goals of the ETA:

1. **Create substantial enclave of innovative industry and research within the NEBC by building upon the many technological enterprises already in the NEBC.**

The development planned by the Company will, together with the presence of WVCB and Gatehouse Media already in Needham Crossing, create a media cluster that will establish Needham Crossing as a major New England media cluster. Together with other high-tech companies and support businesses, this media cluster will lead, the Town believes, to further development as more technology and media-related businesses opt to expand or relocate to the NEBC.

2. **Promote commercial/industrial/technical development that offers high-paying jobs for residents available to residents of both Needham and the region.**

The Company's proposed plan to consolidate its Massachusetts operations into a regional center for its operations will result in the relocation of 375 jobs to the NEBC. Given the extra approximately 50,000 square feet of excess capacity that the Company is considering acquiring the rights to beyond this project, there is also the opportunity for long-term growth in terms of jobs and additional development.

**3. Reuse existing vacant and underutilized commercial/industrial space to increase tax revenues and produce environmental benefits.**

The Company will acquire the rights to a currently vacant building with minimal value and invest approximately \$63,400,000.00 in acquisition, development and construction costs, including improvements relating to drainage and other environmental benefits. The increased value of the property, together with the substantial increase in personal property proposed by the Company to be located at the property, will result in substantial tax revenues to the Town.

**4. Increase the use of public transit in connection with traveling to and from work working the local TMA, the 128 Business Council, which serves the local community.**

The Company will work with the Town, as well as other businesses and owners in Needham Crossing, to increase the availability of the 128 Business Council's shuttle service from Newton Highlands T-stop. It will also create, in conjunction with the aforementioned, a plan to expand shuttle services between Needham Crossing and the Needham Heights commuter rail train station.

**5. Identify high quality enterprises and actively encourage them to relocate to Needham.**

The Company is a national leader in the media business and its presence in the NEBC is likely to promote the area as a media cluster, bringing other related companies and supporting businesses into Needham Crossing.

**6. Have the ability to structure TIF incentives so that the infrastructure that makes development possible becomes financially feasible for the Company and the Town.**

The proposed tax incentives would help offset project investment costs. The Company's proposed project will increase total tax revenues to the Town and help the Town fund infrastructure improvements in Needham Crossing.

**7. Have the ability to offer both State and local tax incentives to make such development attractive to quality companies.**

The proposed tax incentives would help offset project investment costs. The Company's proposed project will increase total tax revenues to the Town and help the Town fund infrastructure improvements in Needham Crossing.

**8. Grow the tax base further in order to cushion it from economic downturns.**

The proposed project would generate significant new revenue to the Town.

**9. Support principles of smart growth, mixed use development and transit orient development where appropriate.**

See item 4 above. In addition, this project will be located within the redevelopment now known as Founders Park, which includes 395 units of multi-family housing.

**10. Market Needham's economic development opportunities by utilizing a local web site and by taking advantage of existing State marketing resources.**

Because the Company is in the media business and has agreed to promote Needham Crossing as part of its Host Community Agreement with the Town, the Town will benefit from the media exposure of Needham Crossing as a place to locate or expand businesses.

**PART II**

**SECTION II(1)(a)**

The Town Manager, with the assistance of Town staff, including the Economic Development Director, Planning Director, Assistant Town Manager for Finance, Personnel Director, Town Counsel, and Town Assessor, will review project proposals for and on behalf of the Town.

Businesses seeking EDIP incentives within the proposed EOA will be required to submit a proposal to the Town of Needham. Town staff will negotiate an agreement with the proponent of the proposal for property tax relief and present it to the Board of Selectmen for its recommendation to Town Meeting. Because Needham has a representative Town Meeting form of government, the Town Meeting will have final local approval of all projects. If the project is approved by Town Meeting, the application will be presented to the Economic Assistance Coordinating Council for final approval.

**SECTION II(2)(a)**

The level of public utility services within the EOA is adequate to meet the needs of development in the proposed EOA.

The Planning Board is the Special Permit Granting Authority for large scale commercial developments. Findings and recommendation of police, fire and public works that fall with the purview of the permit are coordinated through the Planning Board. The Design Review Board also recommends to the Planning Board through this process.