

# The Massachusetts Economic Development Incentive Program

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

### PART A: Applicant Information

1. Please check one:

This is an application for designation of a new EOA within a previously approved ETA.

2. Community submitting this application:

Town of Needham

Name of proposed EOA(s): Center 128

### PART B: MANDATORY REQUIREMENTS FOR THE PROPOSED EOA

1. Location of Proposed EOA(s):

Provide a detailed map of each proposed EOA, indicating the existing streets, highways, waterways, natural boundaries, and other physical features, along with a legally binding written description of the EOA boundaries (with parcel numbers if appropriate).

**A copy of the Plan entitled "Exclusive Use Plan – Building #3," dated September 21, 2012 and prepared by Tetra Tech is attached. The Center 128 EOA is the area delineated as 'Site Area'. It comprises a portion of the lots shown on Needham Town Assessor's Plan No. 300 as parcels 15 and 16 with the street addresses 410 First Avenue and 66 B Street, respectively, comprising approximately 3.5 acres.**

2. Description of EOA(s):

Describe why each proposed EOA was chosen for designation. Include a brief, descriptive narrative of each area, which helps to explain the particular situations, issues, or reasons why EOA designation is requested.

**The EOA is an underutilized property proposed to be used by TripAdvisor LLC (alternatively, "TripAdvisor" or the "Company") for a project as described below. The proposed project consists of the Company leasing an estimated 230,000 square feet of space that is intended for new construction within the new EOA. The project investment is estimated at \$101 million including \$73.6 million for construction costs, \$12.4 million for land and related costs and \$7.5 million for leasehold improvements and \$7.5 million for personal property.**

**TripAdvisor expects to retain and relocate 450 permanent full-time jobs to Needham from its Newton offices and create 250 new net permanent full-time jobs. The proposed EOA has been targeted because it meets the definition of a "blighted open" area whereby the property is costly to redevelop by the ordinary operations of private enterprise. Factors that make the site eligible for EOA designation include expensive excavation, drainage, flood prevention measures, faulty platting, deterioration of site improvements, and inadequate transportation facilities.**

3. **Basis for EOA Designation:** Check the applicable category or categories (see definitions in attachment at back of application) for each proposed EOA:

The area proposed for designation as an EOA is a "blighted open area."

The area proposed for designation as an EOA is a "decadent area."

The area proposed for designation as an EOA is a "substandard area."

The area proposed for designation as an EOA has experienced a plant closing or permanent layoffs resulting in a cumulative job loss of 2,000 or more full-time employees within the four years prior to the date of filing this application.

4. **Effective Time Period for EOA Designation:** How long do you propose to maintain the EOA designation? The EOA designation may remain in effect for a minimum of five (5) years and a maximum of twenty (20) years.

**The Economic Opportunity Area designation will be effective for a period of thirteen (13) years commencing when the Project is placed in service.**

5. **Local Criteria for Designation of EOAs:** Describe how each proposed EOA meets your criteria for designation of EOAs, as specified in your application for designation of the ETA.

**The Town of Needham has identified the Center 128 EOA as an area that is vacant and underutilized. The area meets the requirements for designation of an EOA as described in the application for Economic Target Area designation. Needham's application for ETA designation states that the Town intends to designate an EOA within the New England Business Center 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-related businesses – therefore best suiting it to accept similar businesses.**

**Other criteria met by the proposed EOA include:**

- **Encourage the expansion of existing or attraction of new high-technology firms.**
- **Facilitate reduction of commercial or industrial vacancies.**
- **Encourage the development/expansion of businesses which will improve the economic viability of other businesses within the proposed EOA.**
- **Encourage the use of public transportation.**
- **Promote the utilization and expansion of regional workforce skills.**

6. **Economic Development Goals:** Describe the economic development goals for each proposed EOA during the first five years of EOA designation.

**The EOA addresses the following economic goals of the ETA.**

- **Create a substantial enclave of innovative industry and research within the New England Business Center by building upon the many technological enterprises already in the Center.**
  - The development planned for the Center 128 EOA will, together with the other development planned for the New England Business Center, create a “campus-like” character for the immediate vicinity. In addition, the Center 128 EOA will create a “sense of address” for the surrounding properties, leading to increased visibility into the project and surrounding buildings. The Town believes that this will lead to further development as more technology firms opt to expand or relocate to the New England Business Center.
- **Identify high quality enterprises and actively encourage them to relocate to Needham.**
  - TripAdvisor is a world leader in travel planning, and the Company’s website attracts over 60 million monthly visitors.
- **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 includes the construction of a 240,000 square foot facility planned for office and research and development space. The Company is proposing a state of the art facility which would be LEED-certified building. The Company expects to retain 450 permanent full-time positions and to create 250 new net permanent full-time positions, which would first be open to qualified residents of Needham, followed by residents in other locations of the Commonwealth.
- **Increase the use of public transit in connection with traveling to and from work by working with the local TMA, the Route 128 Business Council, which serves the local communities.**
  - Trip Advisor has an active transportation program to reduce traffic, as well as safety measures to reduce risk to commuters and visitors. The Company intends to participate in the Route 128 Business Council shuttle service to allow employees to commute more easily using the Needham Heights commuter rail station, supplementing the shuttle service as necessary to account for increased usage.
- **Grow the tax base further in order to cushion it from economic downturns.**
  - The proposed TripAdvisor project would generate significant new revenue to the town.
- **Have the ability to offer both state and local tax incentives to make such development attractive to quality companies.**

- TripAdvisor is seeking state and local tax incentives. The proposed tax incentives would help offset project investment costs.
- **Support principles of smart growth, mixed use development and transit oriented development where appropriate.**

7. **Local Services:** Describe the manner and extent to which the municipality intends to provide for an increase in the efficiency of the delivery of local services within the proposed EOA(s) (i.e. streamlining permit application and approval procedures, increasing the level of services to meet new demand, changing management structure for service delivery).

**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 within the purview of the permit are coordinated through the Planning Board. The Design Review Board also recommends to the Planning Board through this process.**

**The Town of Needham is analyzing various funding options through the Massachusetts Department of Transportation and the MassWorks Infrastructure Grant Program for traffic and roadway improvements.**

8. **Compliance with Community Reinvestment Act:** Include a copy of a municipal plan or policy, if any exists, which links the municipality's choice of banking institutions to the bank's compliance with the requirements of the Community Reinvestment Act.

**The Town does not currently have a policy.**

9. **Project Approval:**

- (a) Identify the municipal official or group/board, which shall be authorized to review project proposals for and on behalf of the municipality.

**The Town Manager, with the assistance but not limited to the Economic Development Director, Planning Director, Assistant Town Manager for Finance, Personnel Director and Town Counsel, will review project proposals for and on behalf of the municipality.**

- (b) Indicate the standards and procedures for review of project proposals, including the application procedures, the timeframe for review and determination, and the criteria and process for approval of project proposals. If you intend to use supplemental application material (i.e. municipal cover letter with instructions, job commitment signoff sheet, supplemental questions to be required by the municipality, etc.), it must be mentioned here and must be approved by the Economic Assistance Coordinating Council (EACC). Please attach (if appropriate).

**Businesses seeking EDIP incentives within the proposed EOA will be required to submit a proposal to the Town of Needham. Town staff shall negotiate an agreement with the proponent of the proposal for property tax relief and present to the Board of Selectmen for its recommendation to Town Meeting. 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 state's Economic Assistance Coordinating Council for final approval.**

**10. Intent of Businesses to Locate in EOA:**

Identify the names and the nature of businesses, if any, that have indicated an intention to locate or expand in the proposed EOA(s). If possible, include letters of intent from the businesses, outlining the number of jobs that would likely be created and providing a timetable for development of the projects.

**TripAdvisor, headquartered in Newton, Massachusetts, was founded in 2000. While planning a trip to the Caribbean with his wife, founder Stephen Kaufer recognized an unmet need for real-life reviews and candid photos from travelers instead of the generic and overused company descriptions. TripAdvisor was launched as an online forum for travelers and diners to search for and read the reviews of other users who had already visited prospective destinations. A year later, the company recognized the opportunity to offer online advertising for online travel agencies alongside its users' reviews.**

**TripAdvisor has since grown to become the world leader in travel planning. The Company offers the world's largest online travel site, providing its customers with a wide variety of planning features and booking tools to create the perfect trip, including hotel accommodations pricing and availability, vacation rentals, restaurants, and other vacation activities. TripAdvisor also offers users a tool to present various trip ideas based on their personal preferences. The Company offers mobile applications for smartphones and tablets, and the Company's travel website now attracts over 60 million monthly visitors.**

**TripAdvisor currently leases and occupies an estimated 116,000 square feet in Newton, Massachusetts. Due to an increased customer demand, TripAdvisor has realized a need for additional space. TripAdvisor has conducted a real estate site search in Massachusetts and has evaluated out-of-state and global options. The Company has identified a vacant property located at the New England Business Center in Needham, Massachusetts as a viable option. The Company plans to consolidate and relocate its operation to this proposed location.**

**The Company's proposed expansion plan consists of leasing an estimated 230,000 square feet of space that is intended for new construction. The expansion is expected to be used for office and research and development space. The property is planned to be designed with an upscale campus-style atmosphere and many on-site amenities for employees. The TripAdvisor buildings will be attractive and include an employee café and a fitness and wellness center. Under a lease arrangement, the land and construction costs would be paid for by the Property Owner. Leasehold improvements and personal property costs would be paid for by the Company, including furniture, fixtures, computers, and servers.**

**The project investment is estimated at \$101 million including \$73.6 million for construction costs, \$12.4 million for land and related costs and \$7.5 million for leasehold improvements and \$7.5 million for personal property.**

**The Company expects to retain and relocate 450 permanent full-time jobs to Needham from its Newton offices. The Company shall create 250 permanent full-time positions.**

**These jobs are a blend of talent and skills, including Administration, Sales & Marketing, Customer Service, IT, and Engineering.**

**Should the project proceed, construction is expected to commence in the 2<sup>nd</sup> quarter of 2013 with occupancy expected to be completed by early 2015.**

#### **PART C: SPECIAL REQUIREMENTS FOR LARGE MUNICIPALITIES**

This section must be completed by any municipality or member of a regional ETA with a population that exceeds fifty thousand (50,000) people. The population threshold should be calculated based on the most recent statistics available from the U.S. Bureau of the Census.

N/A

#### **PART D: COMMITMENT TO PROVIDE LOCAL PROPERTY TAX RELIEF**

The municipality completing this application must provide a **binding written offer** to provide either tax increment financing or a special tax assessment to each certified project located within the proposed EOA(s).

Please attach a copy of the municipality's binding written offer.

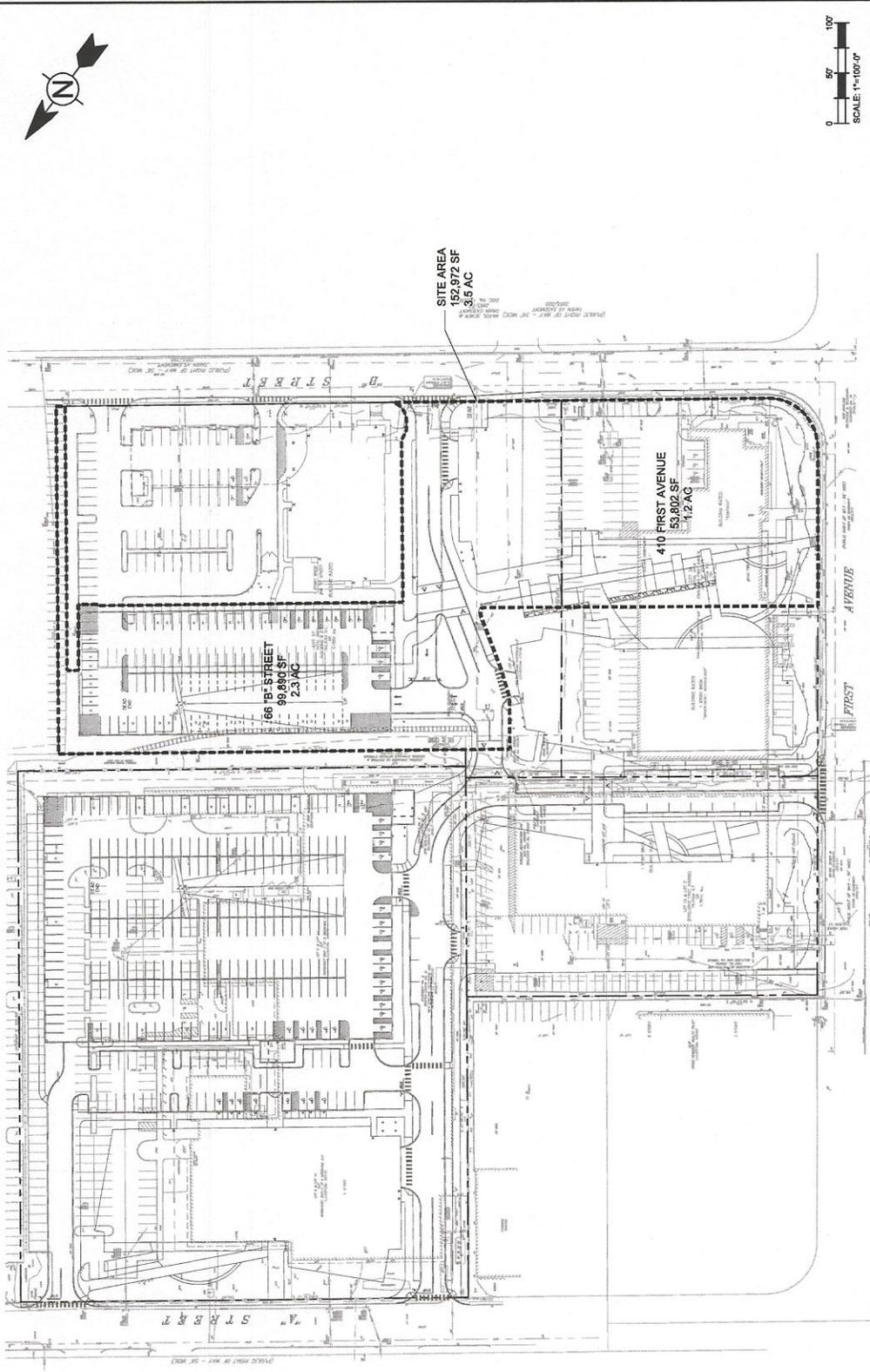
- In cities, this shall be in the form of a City Council Order or Resolution, along with a Certified Vote by the City Clerk.
- In towns with Town Meeting form of government, this shall be in the form of a Town Meeting Motion, along with a Certified Vote by the Town Clerk.
- In towns with Town Council form of government, this shall be in the form of a Town Council Order or Resolution, along with a Certified Vote by the Town Clerk.

**The Town of Needham has offered a binding TIF to the Company. A copy of the TIF Plan and Agreement are attached hereto.**

**The Town of Needham Town Meeting voted on December 3, 2012 to approve the TIF Plan and Agreement. Copies of the motion and a certified vote are attached hereto.**

**ATTACHMENT**

**Plan Showing Location of EOA**



0 50' 100'  
SCALE: 1"=100'-0"

Project No.: 127-2127-12001  
Date: 09/21/12  
Designed By: SCV  
FIGURE 1

Bar Measures 1 Inch



Center 108  
Needham, MA  
Exclusive Use Plan  
Building #3

www.tetratech.com  
One Grant Street  
Framingham, Mass  
Phone: 508.503.2000 Fax: 508.503.2001

SC07

**ATTACHMENT**

**TIF AGREEMENT**

**TIF PLAN**

**TOWN MEETING MOTION & CERTIFIED VOTE**

**DEFINITIONS, as specified in 402 CMR 2.03:**

**Blighted Open Area** - a predominantly open area which is detrimental to the safety, health, welfare or sound growth of a community and which is predominantly open because it is unduly costly to develop it soundly through the ordinary operations of private enterprise. Factors which might make an area unduly expensive to develop include, but are not limited to, existence of hazardous materials or other contaminants; existence of ledge, rock, unsuitable soil, or other physical conditions; need for unduly expensive excavation, fill or grading; need for unduly expensive foundations or retaining walls, need for unduly expensive waterproofing, drainage or flood prevention measures; need for unduly expensive measures to protect adjacent areas and the water tables therein; need for unduly expensive measures incident to building around or over rights-of-way through the area; existence of obsolete, inappropriate or otherwise faulty platting or subdividing; deterioration of site improvements or facilities; division of the area rights-of-way; diversity of ownership; inadequate transportation facilities; inadequate utility systems; tax and special assessment delinquencies; a substantial change in business or economic conditions or practices; an abandonment or cessation of work begun on improvements; any combination of the above; or any other condition or conditions which are detrimental to the safety, health, or sound growth of a community.

**Decadent Area** - an area which is detrimental to safety, health, welfare or sound growth of a community because of the existence of buildings which are out of repair, physically deteriorated, unfit for human habitation, obsolete, or in need of major maintenance or repair; or because much of the real estate in recent years has been sold or taken for non-payment of taxes or upon foreclosure of mortgages; or because buildings have been torn down and not replaced and in which under existing conditions it is improbable that the buildings will be replaced; or because of a substantial change in business or economic conditions; or because of inadequate light, air, or open space; or because of excessive land coverage; or because diversity of ownership, irregular lot sizes, or obsolete street patterns make it improbable that the area will be redeveloped by the ordinary operations of private enterprise; or by reason of any combination of the foregoing conditions.

**Substandard Area** - an area wherein dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any combination of these factors, are detrimental to safety, health, welfare or sound growth of a community.