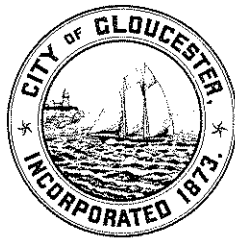


City Hall  
Nine Dale Avenue  
Gloucester, MA 01930



TEL 978-281-9700  
FAX 978-281-9738  
ckirk@ci.gloucester.ma.us

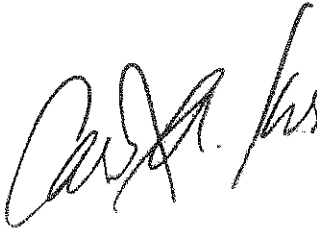
**CITY OF GLOUCESTER**  
OFFICE OF THE MAYOR

**TO:** City Council

**FROM:** Carolyn A. Kirk, Mayor

**DATE:** September 26, 2008

**RE:** Addendum to the Mayor's Report  
for the September 30, 2008 City Council Meeting



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**Enclosure 1** is a memorandum from Principal Assessor Nancy A. Papows regarding Tax Classification. *Please refer this matter to the Budget and Finance subcommittee for review and recommendation to the full City Council.* Nancy Papows will be available to answer questions and provide further information as required.

Included as **Enclosure 2** is a memorandum from James Duggan, Chief Administrative Officer, regarding the DeMoulas Supermarket Project. *Please refer this matter to the Budget and Finance subcommittee for review.* Jim Duggan will be available to answer questions and provide further information as required.

RECEIVED

SEP 25 2008

Mayor's Office

## Memorandum

To: Mayor Carolyn Kirk  
From: Nancy A. Papows, Principal Assessor *NAP*  
cc: file  
Date: Friday, September 26, 2008  
Subject: Tax Classification

The Fiscal Year 2009 assessed values and new growth were certified by the Department of Revenue on September 24, 2008. Please be advised that the addendum to the Mayor's Report should include a request that Tax Classification be included for consideration on the City Council Agenda of September 30, 2008. The City Council should refer this item to the B&F Committee Agenda of October 23, 2008 for a recommendation to the City Council. The Tax Classification public hearing would then be held at the City Council Meeting slated for October 28, 2008. Thank you.

City Hall  
Nine Dale Ave  
Gloucester, MA 01930



TEL 978-281-9700  
FAX 978-281-9738  
ckirk@ci.gloucester.ma.us

**CITY OF GLOUCESTER**  
OFFICE OF THE MAYOR

***Memorandum***

To: Council President Bruce Tobey and Members of the Gloucester City Council

From: James Duggan, Chief Administrative Officer *JAD*

Date: September 26, 2008

**Re: DeMoulas Supermarket Project**

As you know, the City of Gloucester has been designated as an Economic Target Area (ETA) as an incentive to stimulate economic growth by attracting and retaining businesses, which fosters job creation in Gloucester.

Within our ETA, the city, over the years, has designated specific Economic Opportunity Areas (EOA) that were deemed to have a priority for economic development, through companies that expanded or relocated their operations or built new facilities. This activity promoted a three-way partnership between the city, a growing company and the Commonwealth for the creation of new jobs and an increased tax base for Gloucester.

Attached for your review is a Certified Project Application, Economic Opportunity Area Application and memo from the City Solicitor Suzanne Egan regarding the adoption of a modified TIF review process.

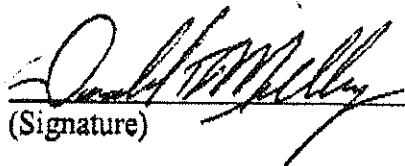
I respectfully request that this be referred to the Budget and Finance Subcommittee for review.

The Massachusetts Economic Development Incentive Program

CERTIFIED PROJECT APPLICATION

APPLICANT INFORMATION

1. Name and address of business(es) submitting this application (please list fiscal year end for each business):  
  
DeMoulas Supermarkets, Inc.,  
875 East Street, Tewksbury, MA 01876.
  
2. Name and address of project (if different from above):  
  
DeMoulas Market Basket at Gloucester Crossing  
Gloucester Assessors' Map 262, Lot 13
  
3. Location of ETA:  
  
Cape Ann ETA
  
4. Location of EOA:  
  
Site Specific Gloucester Crossing EOA
  
5. Authorization: I, Donald T. Mulligan, Vice President and Treasurer, of DeMoulas Supermarkets, Inc. hereby certify that the information within this application is true and accurate, and reflects the project's intentions for job creation and investment. I understand that the information provided within this application shall be binding for the duration of the project certification.

  
(Signature)

9-10-08  
(Date)

6. Nature and Purpose of Project: Describe briefly the nature and history of the business as well as the specific expansion/growth/relocation plans: the level of new investment (with a breakdown of type of expense: construction, renovation, acquisition of equipment, etc.) and employment levels -- both current and projected. Provide time frames for both the projected total investment and job creation. As part of this narrative, please explain why the business is seeking Certified Project designation.

DeMoulas Supermarkets, Inc., ("DeMoulas") more commonly known as Market Basket, is a chain of 60 supermarkets in eastern New England. It has stores from central New Hampshire to Bristol County, Massachusetts with corporate offices, and a warehousing and distribution center located in Tewksbury, MA. From humble beginnings, when Greek-American Athansios "Arthur" Demoulas and his wife Efrosini left their factory jobs in 1917 and opened a "mom and pop" grocery store in Lowell, DeMoulas Supermarkets today ranks No. 45 in Supermarket News' 2008 "Top 75 North American Food Retailers" based on 2007 fiscal year estimated sales of \$2.5 billion.

Today, DeMoulas continues to explore expanding our Northeastern United States operations. As a result, DeMoulas hopes to build a new 57,000 square foot supermarket at the future site of the Gloucester Crossing development. DeMoulas expects store construction costs and related personal property and equipment investment to exceed \$10,500,000.

To accommodate these expansion plans, DeMoulas plans to hire 45 new full-time employees - including 15 new management positions and 30 skilled positions - for store operations over the first years of the related TIF Agreement. Additionally, DeMoulas expects significant part-time employment opportunities associated with our Gloucester Crossing retail grocery operations.

DeMoulas is seeking Certified Project designation because of the tax benefits associated with the Commonwealth's Economic Development Incentive Program (EDIP). Infrastructure costs associated with the Gloucester Crossing development are considerable and the benefits provided by this program will especially assist DeMoulas lower our initial development cost. These benefits will allow us to reduce our direct operating costs for the project, making the investment for and operation of the supermarket more feasible. The location of the site within an Economic Target Area (ETA) had a material impact on our site selection decision. The fact that Gloucester is an ETA and overlaps with a favorable marketing area was a determining factor in exploring development of this particular site.

7. Is this business new to Massachusetts?  Yes  No

If no:

- Where are the existing Massachusetts facilities?

DeMoulas operates multiple facilities throughout Massachusetts, including retail, office and warehousing distribution facilities. DeMoulas currently has stores in Andover, North Andover, Ashland, Bellingham, Billerica, Burlington, Chelsea, Chelmsford, Danvers, Fitchburg, Haverhill, Lawrence, Leominster, Lowell, Methuen, Middleton, Newburyport, Raynham, Reading, Rowley, Salem, Somerville, Tewksbury, Westford, Wilmington and Woburn.

- Will this project require/trigger the closing or consolidation of any Massachusetts facilities? If yes, please explain.

No

8. Is this project an expansion of an existing business?  Yes  No

If yes, check the appropriate box:

- at existing location
- at new location in same municipality
- at new location in different municipality

9. Job Creation

In order to qualify for Certified Project Status, the governing statute and regulations require the creation of new, new, permanent full-time employees in Massachusetts. On the chart provided, please fill in the blanks provided.

See attached.



10. Certification for Abandoned Buildings -- Does the proposed project involve the renovation and reuse of an abandoned building?  
 Yes       No       Unsure

If yes or unused, please answer the following questions:

- (a) How long has the building been vacant? (If know, state date)
- (b) During this period of time, what percentage of the building was vacant and unused? If the percentage varied during this time period, provide information for each change in the percent of vacant space and the applicable time period.

11. Local Employment -- What actions will you take to recruit employees from among residents of the ETA?

In order to increase the percentage of employees who reside in the Cape Ann ETA – and particularly in the City of Gloucester - DeMoulas plans to advertise job openings locally in the Gloucester Daily Times and The Beacon. In addition, DeMoulas will explore recruiting applicants using the resources of the North Shore Workforce Investment Board and the North Shore Career Center of Gloucester.

Provide any information, documentation, or studies which demonstrate that:

- (a) the business has the intention and capacity to achieve the anticipated level of new permanent full-time jobs for residents of the municipality/Economic Target Area; and

At the present time, DeMoulas operates thirty-five (35) stores throughout the Commonwealth of Massachusetts with almost 9000 employees. The proposed Gloucester expansion will have similar employee levels to other DeMoulas stores throughout the state.

- (b) taking into consideration existing economic conditions, the proposed project is likely to succeed in creating and retaining the anticipated level of new permanent full-time jobs for residents of the municipality/Economic Target Area.

To support facility operations, DeMoulas expects to hire 45 new full-time employees and additional new part-time employees. This is consistent with DeMoulas' store



staffing throughout Massachusetts. DeMoulas continues to employ those individuals – the middle class, working family – most affected by downturns in the regional economy and the corresponding business cycle. The fact that DeMoulas is a large company means a more stable employment level during periods of economic slowdowns.

12. Affirmative Action -- Does the business have an Affirmative Action/Equal Employment Opportunity Plan or Statement?      X Yes       No

If yes, please attach a copy.

DeMoulas is an equal opportunity employer. All applicants will receive consideration on their qualifications, and without regard to age, race, color, national origin, religion, marital status, handicap or disability, sex, sexual orientation, or veterans' status. See attached.

13. Agreement Between the Business and Area Banks -- Describe briefly the business' local banking relationship(s), if any. Does the institution with which the business banks participate in the Massachusetts Capital Access Program, which is designed to commit a portion of the business' deposits to fund loans to local businesses?

DeMoulas Supermarkets, Inc. has a banking relationship with Bank of America. Bank of America is a participating bank in the Massachusetts Capital Access Program (CAP). As of June, 2008, Bank of America was the leading CAP lender, by far, providing Massachusetts small businesses with 906 loans totaling \$47,617,977 since the program's inception.

14. Economic Benefits of Project Certification -- Provide a description of the economic benefits that are anticipated for the business and the project, if the project is certified. For example, describe the anticipated state and local tax benefits, municipal road or infrastructure improvements, assistance for local job training programs, the impact of local permit streamlining and other benefits anticipated if the project is certified. Also, provide any information, documentation or studies demonstrating any additional benefits (i.e., reduction of blight, reuse of abandoned buildings, clean up of contaminated property, job training, provision of day care, any contributions to the community etc.) likely to accrue to the area as a result of Certified Project designation.

Project certification will allow the creation of 45 new full-time employees and additional new part-time employees. As an aggressive effort will be made to recruit residents of the Cape Ann ETA – and particularly the City of Gloucester – many of the new jobs created will be filled by local residents, increasing jobs and payroll within the region. These positions include fifteen (15) full-time management positions and thirty (30) full-time skilled positions.

DeMoulas' \$10.5 million investment in building development and equipment costs will bring added tax revenue to Gloucester, notwithstanding any portion that might be

subject to the TIF. An increase to Gloucester's commercial/industrial tax base will diversify their overall base and bring an element of relief to the residential base – currently in excess of 91%. In addition, the capital expenditures on materials for the construction and the acquisition of equipment for the project will bring added sales tax revenue to the state.

The TIF and 5% EOA ITC will help DeMoulas lower our initial development costs. The first few years of operations will determine our long-term viability. The benefits at both the local and state level will lower our business risk and help us maintain a course for long term sustainability.

#### SPECIAL REQUIREMENTS FOR REAL ESTATE PROJECTS

1. Will the business own or lease/rent the facility?     Own     Lease/Rent

If leasing/renting, please identify the developer/landlord, and state who will be the taxpayer of record for the purpose of paying local real estate taxes.

DeMoulas intends to enter into a land lease with Sam Park & Co. or an affiliate and will construct and own the 57,000 square foot facility.

If owning, will the business fully occupy the space?     Yes     No

If no, does the business intend to lease/rent the remaining space?

2. Describe how the various tax benefits and other economic incentives that will result from Certified Project designation will be allocated among the business(es) developing the project (i.e., a developer or landlord) and the business(es) intending to purchase, lease or rent space at the facility (i.e., tenant or tenants).

DeMoulas Supermarkets, Inc. will be making the investment in the facility and paying taxes on the property. Therefore DeMoulas will be the beneficiary of the 5% Economic Opportunity Area Investment Tax Credit (EOA ITC) and the local Tax Increment Financing (TIF) exemption.

#### SUPPLEMENTAL INFORMATION

1. Name(s) of the business(es) intending to take advantage of the state tax incentives:

Business Name:	DeMoulas Supermarkets, Inc
Federal Employer Identification #:	04-2323411
Address:	875 East St., Tewksbury, MA
Phone:	(978) 851-8000
E-mail:	dtmulligan@demoulasmarketbasket.com
Contact Person:	Don Mulligan

Type of Organization (check all which applies):

- Corporation       For-Profit     S-Corp       Non-profit  
 Business Trust  
 Partnership       General Partnership  Limited Partnership  
 Individual

Level of Interest:       5% Investment Tax Credit  
                                  10% Abandoned Building Tax Deduction (if applicable)  
                                  Local real estate tax incentive beneficiary

2.      A -- If a corporation, please list the names and addresses of the officers and directors of said corporation, and any person and/or corporation with a financial interest of five percent or greater in said corporation.  
            B -- If a partnership, please list the names and addresses of all partners, and include the proportionate share owned by each partner.  
            C -- If a business trust, please name all members and beneficiaries of said trust.

See attached.

3.      Please provide the name, address, phone number and contact person for any organizations which may own or control the applicant organization, or who are affiliated with the applicant business organization.
4.      Certificate of Good Standing -- Please provide proof of good tax standing in the Commonwealth of Massachusetts via a Certificate of Good Standing, which is a letter issued by the Massachusetts Department of Revenue.

See attached.



# Application For Employment

Date: \_\_\_\_\_

Demoulas Super Markets, Inc. is an equal opportunity employer. All applicants will receive consideration on their qualifications, and without regard to age, race, color, national origin, religion, marital status, handicap or disability, sex, sexual orientation, or veterans' status.

Applicant: Please Provide The Following Information

Social Security Number		Last Name:		First Name:		M.I.:	
Marital Status: Married <input type="checkbox"/> Not Married <input type="checkbox"/>		Address: (No. & Street)		(City or Town)	(State)	(Zip)	Gender: Female <input type="checkbox"/> Male <input type="checkbox"/>
Were you ever employed with us, or have you frequently applied to our company?		NO <input type="checkbox"/>	If yes, where and when:		If you are between the ages of 18 and 65, your age is not a factor in consideration for employment. If you are under 18 years of age, you must obtain a work permit in accordance with the state in which you work.		
Have you been convicted of a felony within the last 5 years?		NO <input type="checkbox"/>	If yes, state nature of offense, when, where, and disposition:		Are you under 18 years of age? NO <input type="checkbox"/> YES <input type="checkbox"/>		
In case of emergency notify: (Name)		Relationship:		Date Of Birth: M M D D Y Y Y Y			
Present or Last Employer: From: MO YR To: MO YR		Company Name:		Starting Wage:	Last Wage:	Your job title, and duties:	
		Address:		Name & Position of Supervisor:		Reason for Leaving:	
		City or Town/State/Zip:					
		Telephone No:					
Personal Reference: (Name)				Personal Reference Telephone No.			
Personal Reference: (Name)				Personal Reference Telephone No.			
Last School Attended: (Name & Location)			Last Grade or Level Completed:		Course of Study:		List Diploma or Degree:
<p><b>To The Applicant:</b> In the event that you are employed by Demoulas Super Markets, Inc., you agree to comply with all its rules, regulations, and directives. Nothing contained in this application is intended to create a contract, and any employment relationship that may be established shall be "at will", and may be terminated by the applicant/employee or by Demoulas Super Markets, Inc. at any time, with or without cause. Any misrepresentation or falsification of the information provided on this application, may effect consideration for employment, and/or be cause for job dismissal. Sign below to indicate that you understand these statements, and to verify that the information you have provided is truthful:</p>							
Signature: _____				Date: _____			

### This Section is To Be Completed By The Manager

To The Manager: Please note that this application cannot and will not be processed, nor will an employee's time badge be issued unless certain essential criteria has been provided. This includes signature of the Sexual Harassment Policy, completion of the U.S. Government I-9 Form (including signatures and documentation of proper identification), completion of the U.S. Government Form W-4, and calling the toll free number to address the Work Opportunity Tax Credit program as well as completion of its accompanying form. If the applicant is under the age of 18, a work permit relevant to the state in which you are conducting business must be on file prior to submitting this application for processing. All applicants hired are not to begin work until an employee time badge is issued. A time badge is issued the same day that a completed application is received at the corporate office.

Interview Notes: _____		Manager: Please initial to verify that these documents have been completed.				
		Work Permit		Y	N	N/A
		Sexual Harassment				
		U.S. Govt. I-9 Form				
		Called in for WOTC				
Date of Hire:	Department:	Position:	Work Location:	Rate:		
Date of Work Permit Certification: (If Required)	Department Number:	Classification:	CLOCK #	BADGE #		



MASSACHUSETTS DEPT. OF REVENUE  
PO BOX 7088  
BOSTON, MA 02204



NAVJEET K. BAL, COMMISSIONER  
ROBERT P. O'NEILL, BUREAU CHIEF



DEMOULAS SUPERMARKETS INC  
875 EAST ST  
TEWKSBURY MA 01876-1495

243C

Notice 80619  
T/P ID 042 323 411  
Date 08/26/08  
Bureau CERTIFICATE

OP

### CERTIFICATE OF GOOD STANDING AND/OR TAX COMPLIANCE

The Commissioner of Revenue certifies as of the above date, that the above named individual or entity is in compliance with its tax obligations payable under M.G.L. c. 62C, including corporation excise, sales and use taxes, sales tax on meals, sales and use tax on Boats/RV, withholding taxes, room occupancy excise and personal income taxes, with the following exceptions.

This Certificate certifies that individual taxpayers are in compliance with income tax obligations and any sales and use taxes, sales tax on meals, withholding taxes, and/or room occupancy taxes related to a sole proprietorship. Persons deemed responsible for the payment of these taxes on behalf of a corporation, partnership or other business entity may not use our automated process to obtain a Certificate.

This Certificate does not certify that the entity's standing as to taxes such as unemployment insurance administered by agencies other than the Department of Revenue, or taxes under any other provisions of law. Taxpayers required to collect or remit the following taxes must submit a separate request to certify compliance: Alcoholic Beverage Excise, Cigarette Excise, International Fuels Tax Agreement, Smokeless Tobacco or Ferry Embarkation.

THIS IS NOT A WAIVER OF LIEN ISSUED UNDER GENERAL LAWS, CHAPTER 62C, SECTION 52.

Very truly yours,

Robert O'Neill, Bureau Chief

## Listing of Officers and Directors

President	Arthur T. Demoulas	29 Maquilla Street Lowell, MA 01852
Treasurer	Donald T. Mulligan	290 Mitchell G Drive Tewksbury, MA 01876
Secretary	Sumner Darman	Towers at Chesnut Hill 250 Hammond Pond Parkway, Apt 803N Newton, MA 02467
Vice President	James D. Miamis	52 Totman Road Dracut, MA 01826
Vice President	Donald T. Mulligan	290 Mitchell G Drive Tewksbury, MA 01876
Vice President	Joseph L. Rockwell	185 William G Drive Tewksbury, MA 01876
Director	William J. Shea	159 Bear Hill Road North Andover, MA 01845
Director	Charles Roazen	44 Falmouth Road Weston, MA 02493
Director	J. Terence Carleton	288 Fox Hill Road Needham, MA 02492
Director	Sumner Darman	Towers at Chesnut Hill 250 Hammond Pond Parkway, Apt 803N Newton, MA 02467
Director	Edward H. Pendergast	21 Kenmore Road Belmont, MA 02478
Director	Gerard J. Levins	Law Offices of Gerard J. Levins, PC 38 Newbury Street, 6 <sup>th</sup> Floor Boston, MA 02116
Director	Arthur S. Demoulas	38 Newbury Street, 6 <sup>th</sup> Floor Boston, MA 02116

The Massachusetts Economic Development  
Incentive Program

Application for Designation of  
Site Specific  
Gloucester Crossing  
Economic Opportunity Area

City of Gloucester, MA  
City Council  
September, 2008

# 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.

This is a request to amend an EOA previously approved by the EACC.

2. Community submitting this application: City of Gloucester, MA

Name of proposed EOA(s): Site Specific Gloucester Crossing EOA

### 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). If the written description is longer than one paragraph, please submit on 3 1/2" computer disk.

The proposed, site-specific, Gloucester Crossing EOA is approximately 32 acres of vacant land on as described on Gloucester Assessors' Map 262, Lot 13. Specifically, the parcel is located at 42X39'22N Latitude, 70X39'31W Longitude. See attached.

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 proposed site-specific Gloucester Crossing EOA is a 32 acre parcel of vacant land located behind the Fuller Elementary School in Gloucester, Massachusetts – just off of the north bound lane of Route 128 extension between Blackburn Circle and the Eastern Avenue lights. The land is bounded by commercial, residential and highway use. The Gloucester Crossing EOA is being proposed for designation in response to the local demand for a hotel, assisted living facility and expanded general retail options.

With the closing of the Ames Department Store several years ago, Gloucester was left without a major dry goods retailer in the local area and residents must now make a 34 mile round trip to Danvers and Peabody to do much of their basic needs shopping.



In the City of Gloucester's 2001 Community Development Plan, it was noted that "Gloucester's land is predominantly devoted to residential uses and open space...current zoning sets aside a relatively small amount of land for commercial uses. Of the land available for new development or reuse, relatively little area remains for commercial uses, with significant implications in terms of the tax and employment base for the City." (A Comprehensive Plan, The Community Development Plan for the City of Gloucester, 2001; p. 10).

With little existing land for commercial use, it is essential to maximize potential commercial development opportunities - thereby diversifying an existing tax base that generates 91% of local real estate taxes from residential development. See chart below.

Tax Base	2008 Value	Percentage
Residential	\$5,242,429,165	91%
Commercial/Industrial	\$524,315,125	9%
Total	\$5,766,744,290	100%

The previous owner of the 32 acre property proposed a large residential development which was to derive access from narrow neighboring streets as well as a right of way that would pass in front of the Fuller Elementary School. It is intended that designating this 32 acre parcel an EOA lead to the development of 195,000 square feet of retail and consumer services space, an 80-100 room hotel conference center and an 80-100 unit assisted living facility. Total project investment is expected to approach \$60,000,000 and is expected to create more than 200 new full-time jobs.

Yet the proposed project requires significant infrastructure investment, including a new public road, utility extensions and betterments, stormwater retention and water quality improvements. Currently, these infrastructure costs are prohibitive to the project's full build-out.

The designation of a site specific Gloucester Crossing EOA is necessary to allow qualified project tenants to take advantage of both local and state financial incentives associated with the Massachusetts Economic Development Incentive Program (EDIP). Tenant participation in the EDIP program will assist in defraying associated infrastructure costs and expedite full build-out of proposed project.

**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 proposed EOA will remain in effect for twenty (20) years consistent with the terms in the associated Tax Increment Financing (TIF) Agreement.

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

The proposed site-specific Gloucester Crossing EOA meets the local criteria for designation of an EOA, as stated in the 1994 Cape Ann Economic Target Area (ETA) Application. Criteria includes:

- EOA must be located within an ETA;
- Project has a time frame of five to twenty years;
- Meets one of the EOA threshold criteria:
  - Blighted Open Area;
  - Decadent;
  - Substandard;
  - Or 2000 jobs lost; and
- Local commitment to a municipal real estate tax abatement of tax increment financing.

The proposed EOA is also compatible with the overall development goals in the Cape Ann ETA application because it EOA designation will improve the tax base and create jobs – thus improving the quality of life for residents and visitors to the ETA and EOA.

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

EOA designation will accommodate the City's desire for new jobs, commercial tax revenue and more convenient retail services. Specifically, EOA designation will encourage the construction of approximately 195,000 square feet of retail and consumer services space, a 80-100 room hotel and conference center and a 80-100 unit assisted living facility. Total project investment is expected to approach \$60 million. It is estimated that 200 new jobs will be created and approximately 240 temporary positions will be created during the construction phase of the project.

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 city has instituted the following to improve local project review:

- Technical Advisory Meetings with project applicants to provide preliminary review of proposed projects to improve application completeness and problem solving;
- Proposed updating of the city's Community Plan; and
- Appointed the Mayor's Chief Administrative Officer to offer direction and services to EOA project participants associated with Tax Increment Financing (TIF) Agreement, TIF Plan and the Massachusetts Economic Development Incentive Program (EDIP).

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 City of Gloucester does not have a policy or plan regarding the Community Reinvestment Act.

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 Mayor and City Council and TIF Committee shall review and approve individual project applications and designations. The Gloucester TIF Committee is comprised the Mayor's Chief Administrative Officer, of a member of the City Council designated by the City Council President, the Director of the Community Development Department (or his/her representative), the City Assessor (or his/her representative), the City's Chief Financial Officer, the City Auditor and City's General Counsel.

(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).**

The TIF Committee has drafted a modified approval process to be introduced to Gloucester City Council for consideration on October 14, 2008. The modified approval process is as follows:

- STEP 1: Applicant makes formal inquiry via written correspondence to the City.
- STEP 2: Inquiry is reviewed by TIF Committee.
- STEP 3: TIF Committee makes recommendation to consider application for EOA and certified project to City Council via Mayor.
- STEP 4: City Council referral to Budget and Finance.
- STEP 5: Presentation to Budget and Finance by TIF Committee and applicant. Budget and Finance vote for tentative approval. Vote for authorization to negotiate TIF terms.
- STEP 6: TIF Committee negotiates TIF terms with the applicant.
- STEP 7: TIF Committee recommends TIF Agreement to Budget and Finance.
- STEP 8: Consideration by Budget and Finance. Vote to recommend approval to City Council and to hold a public hearing.
- STEP 9: City Council accepts recommendation from Budget and Finance and sets date for public hearing.
- STEP 10: City Council holds public hearing on EOA, certified project and TIF terms. City Council voted on project 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.

A letter of intent outlining the proposed components of the project was submitted by Sam Park & Company on November 28, 2007, (see attached). The project is estimated to generate 195,000 square feet of retail and consumer services space as well as an 80-100 room hotel and conference center and a 80-100 unit assisted living facility. The entire project is expected to generate as many as 200 new full-time jobs. A certified project application has been submitted by DeMoulas Supermarkets Inc. expressing an interest in constructing a 57,000 square foot retail grocery store, creating 45 new full-time positions and investing \$10.5MM on the site.

#### **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.

See attached.

## ATTACHMENT

### 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.



SP-4.1

Modified Site Plan  
Gloucester Crossing  
Gloucester, Massachusetts

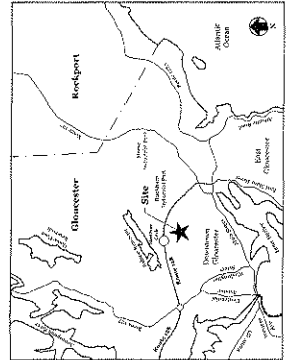
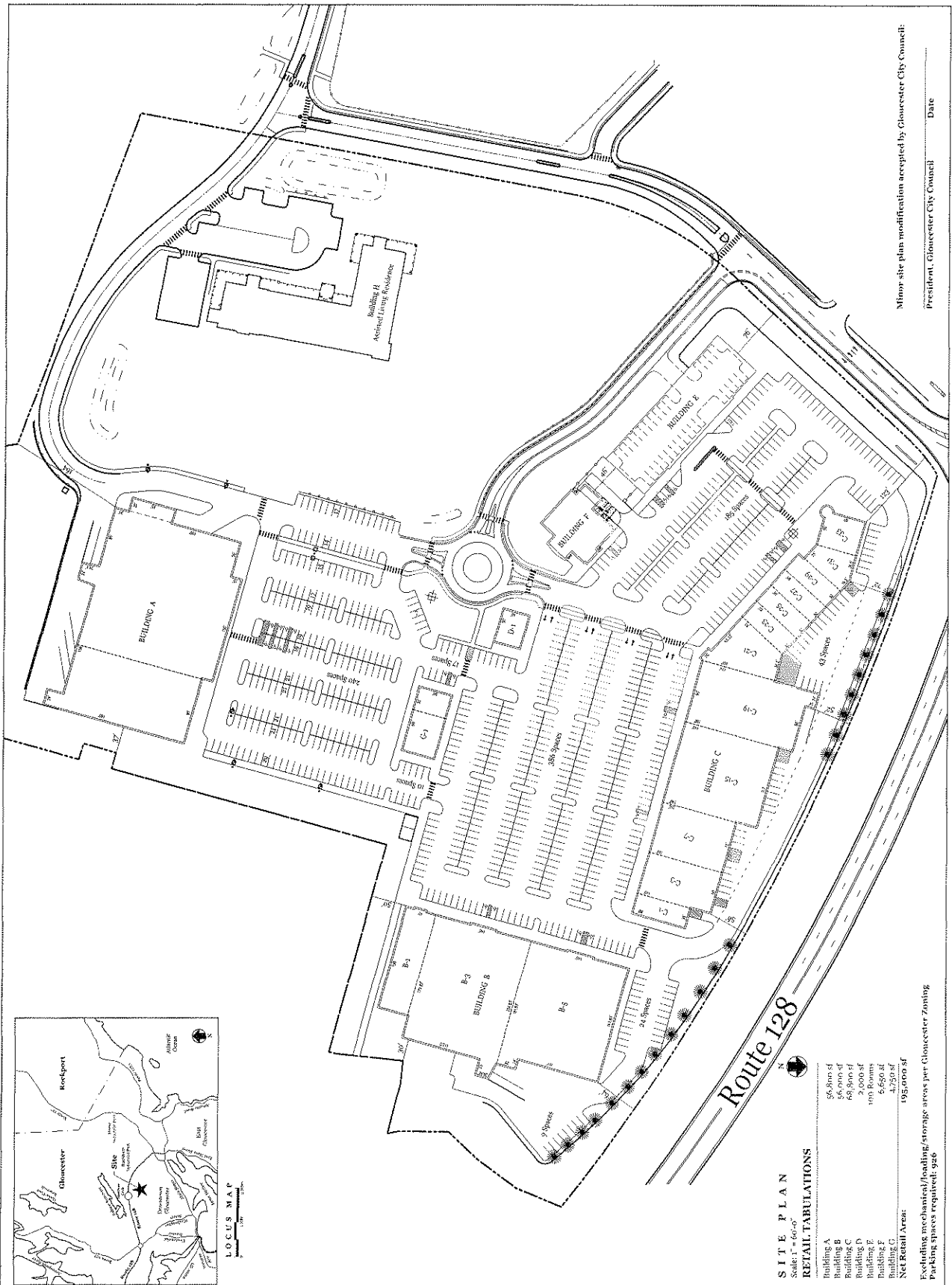
Developer/Engineer:  
**Wildcat**  
100 Waterfront Plaza, 100  
Gloucester, Massachusetts 01930  
Phone: 978-283-1111  
Fax: 978-283-1112  
www.wildcat.com

Developer:  
**SAM PARK**  
A COMPANY LLC  
100 Waterfront Plaza, 100  
Gloucester, Massachusetts 01930  
Phone: 978-283-1111  
Fax: 978-283-1112  
www.wildcat.com

Traffic Engineering:  
**TRAFFIC SOLUTIONS, LLC**  
100 Waterfront Plaza, 100  
Gloucester, Massachusetts 01930  
Phone: 978-283-1111  
Fax: 978-283-1112  
www.wildcat.com

Architect:  
**LANDSCAPE ARCHITECTURE**  
100 Waterfront Plaza, 100  
Gloucester, Massachusetts 01930  
Phone: 978-283-1111  
Fax: 978-283-1112  
www.wildcat.com

Minor site plan modification accepted by Gloucester City Council:  
President, Gloucester City Council \_\_\_\_\_ Date \_\_\_\_\_



**SITE PLAN**  
Scale: 1" = 60'-0"

RETAIL TABULATIONS	
Building A	55,000 sq ft
Building B	66,000 sq ft
Building C	68,000 sq ft
Building D	2,000 sq ft
Building E	100 Rooms
Building F	6,650 sq ft
Building G	4,750 sq ft
<b>Net Retail Area:</b>	<b>195,000 sq ft</b>

Excluding mechanical/loading/storage areas per Gloucester Zoning  
Parking spaces required: 936

## LAW DEPARTMENT MEMORANDUM

TO: Mayor Carolyn Kirk

CC: Jim Duggan, Chief Administrative Officer

FROM: Suzanne P. Egan, <sup>31e</sup> General Counsel

RE: TIF Process Change

DATE: September 26, 2008

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On September 18, 2008, the TIF Committee reviewed the processes through which an application is considered. In 1996, the City Council approved the process through which TIF applications are reviewed. In 2002 and 2003, proposed amendments to the rules were discussed but not acted upon or submitted to the City Council. The changes streamline the process and eliminate duplicative reviews. The TIF Committee proposes that the 2003 modified process be adopted and asked that this department review the same and present them to you for submittal to the City Council for approval.

As adopted and approved in 1996, the current process, in essence, is as follows:

1. Applicant inquiry.
2. Project review committee recommends to Mayor.
3. Mayor recommends that City Council consider the application.
4. City Council refers matter to Budget & Finance Committee (B&F).
5. B&F reviews and accepts and recommends to City Council.
6. City Council votes to accept and schedules public hearing.
7. Departments review and recommend to City Council through the Mayor for public hearing.
8. City Council holds a public hearing, accepts application and then refers to B&F to negotiate terms of TIF.
9. TIF Committee negotiates terms and recommends to B&F.
10. B&F votes and recommends to City Council.
11. City Council approves TIF.

The modified process is as follows:

1. The TIF Committee reviews the application and recommends to the City Council through the Mayor's office that the application be considered.
2. The City Council refers to the B & F Committee.
3. The TIF Committee and the applicant present the application to B&F.
4. B&F votes to authorize TIF Committee to negotiate the terms of the TIF.
5. TIF Committee negotiates.
6. TIF recommends terms to B&F.
7. B&F votes to recommend to City Council.
8. City Council accepts recommendations and sets public hearing.
9. City Council holds public hearing and votes.