

Town of Lexington Tax Increment Financing Plan

**VISTAPRINT USA, INCORPORATED
(Alternatively, “Vistaprint Inc.” or the “Company”)
AND**

**TWO LEDGEMONT LLC
(Alternatively, the “Property Owner”)**

I. Location

A. Economic Opportunity Area

The proposed 95 Hayden Avenue Economic Opportunity Area (EOA) is located within the Lexington Regional Technology Center Economic Target Area (ETA) Municipality.

B. Tax Increment Financing Zone (TIF) Zone

The Town of Lexington is located 15 miles northwest of Boston and is part of the Boston Metropolitan Area. Bordered by Routes 128 and 2, the Lexington Regional Technology Center is adjacent to the Bedford and Burlington ETAs. According to the 2010 U.S. Census, the Town of Lexington has a population of 31,394.

C. Tax Increment Financing Zone (TIF) Zone

1. Map

A map of the proposed TIF Zone, which indicates the general location, parcel, property line and building outline, public uses and easements, land use and zoning, and proximity to other projects, is attached to the EOA application.

2. Description (common and legal) as attached

The TIF Zone is commonly referred to on the Assessor’s Map 17, Parcel 22 and is located wholly within the EOA.

3. Narrative Description of TIF Zone, needs, problems, and opportunities

The TIF Zone would allow for the construction of not less than 150,000 square foot on-site expansion of net leasable floor area to an existing 219,505 square foot facility (the “Project”) described below, thereby resulting in significant and tangible benefits to the Town of Lexington.

4. Property Owners within the proposed zone

The owner of the property within the TIF Zone is Two Ledgemont LLC.

II. Time

The duration of this TIF Plan is thirteen (13) years commencing when the Project is placed in service (the "Start Date"). Should the Project proceed, it is expected to commence in the 2nd quarter of 2013 and occupancy is expected by the 3rd quarter of 2014.

III. TIF Zone and Economic Development

A. Discuss how the TIF Zone is poised to create new economic development opportunities.

The Project plan is to construct not less than 150,000 square foot on-site expansion of net leasable floor area to the existing 219,505 square foot facility. The Company plans to lease an estimated 100,000 square feet of that space and the Company has an option to lease the remainder of that space. The Project investment is estimated at \$57 million, including \$45 million for construction costs by the Property Owner, \$7 million for leasehold improvements and \$5 million for personal property by the Company. The Company shall retain 880 permanent full-time jobs and create 300 new net permanent full-time jobs, which will be open to qualified residents of Lexington and other locations in the Commonwealth of Massachusetts.

B. Discuss how the TIF Zone will result in a net economic benefit to the local municipality.

The Project would have a positive impact on the local economy. The facility has both direct and indirect impact on additional economic activity and jobs created as a result of its presence. The Project is expected to create new indirect jobs based on a conservative multiplier effect. The multiplier effect occurs because of spending generated by a company or by its employees spending their wages.

C. Analysis of proposed and potential land uses.

The Company intends to lease and occupy 100,000 square feet of the new net leasable floor area with an option to lease the remainder of the space to be constructed.

D. Zoning in TIF Zone

The property is zoned as a Planned Commercial Development zoning district within the TIF Zone.

- E. Identify any parcels, public or private, in zone which are confirmed hazardous waste disposal sites, in accordance with Chapter 21E.

There are no confirmed hazardous waste sites that the Town of Lexington is aware of within the zone.

- F. Analyses of how the land uses are appropriate for anticipated economic development.

The land is zoned for specified Commercial Development. The proposed project of a clean technology company is the type of land use envisioned for this property. The underutilized parcel would generate new tax revenues and jobs, and continue to enhance the local economy.

- G. Discuss proximity of TIF Zone to mass transit and to major rail, highway, or other modes of transportation for shipping & delivery.

Lexington is one of the fastest growing communities in northeastern Massachusetts. It has extensive highway access with direct or neighboring access to Interstate 95/Rt. 128 and Route 2. Lexington is approximately 17 miles from Logan International Airport in Boston and approximately 44 miles from Manchester-Boston Regional Airport in Manchester, NH. This project would be served by the 128 Business Council, a TMA that shuttles employees from train stations directly to their offices.

- H. Identify principal commercial and industrial tenants within TIF zone.

The TIF Zone has the capacity for expansion at the 95 Hayden Avenue location. The Company's expansion plans will continue to enhance the EOA by increasing job growth and generating new tax revenue for the municipality.

IV. TIF Zone Projects

- A. Private Projects

Vistaprint NV (the Company's parent company also referred to herein as "Vistaprint") is the global leader in providing marketing products and services to millions of small businesses and organizations. Vistaprint offers a wide range of small business solutions including printed products, apparel, signage, e-mail marketing, websites and internet marketing.

Vistaprint was founded in 1994 by Mr. Robert Keane. Mr. Keane sought to fill a gap in the marketplace by offering high-quality customizable products, at an affordable price, for small and micro businesses wanting to make a professional impression with their customers. Vistaprint began as a direct marketing catalogue

in Mr. Keane's apartment in France, but rapidly grew into an internet based e-commerce company by 1998. Vistaprint developed cutting edge technology which gave its customers the ability to design online, match their design to any product or service offered by the Company, and offered printing in low-volume quantities inexpensively. Today, Vistaprint has 14 million customers and the estimated average sale per customer is \$68.00.

Vistaprint's U.S. operations are located in Lexington, Massachusetts. Vistaprint is incorporated in the Netherlands and has 13 offices around the globe and four state-of-the-art manufacturing facilities located in Canada, Australia, Netherlands, and India.

The Company currently leases an estimated 219,505 square feet of space for marketing, technology development and other support functions in Lexington. Due to significant growth in Vistaprint's global business and increased demand for its products and services, the Company has realized a need for additional space. The Company has conducted a real estate site search throughout Massachusetts and globally. An on-site expansion at its current location at 95 Hayden Avenue in Lexington has been identified as a viable option.

The Property Owner shall construct not less than 150,000 square foot on-site expansion of net leasable floor area and the Company plans to lease an estimated 100,000 square feet of that space. The property is planned to be designed with a campus-style atmosphere and to incorporate state-of-the-art environmental systems to earn a LEED designation for energy efficiency. The project investment shall be not less than at \$57 million, including \$45 million of construction costs paid for by the Property Owner, \$7 million in leasehold improvements paid for by the Company, and \$5 million for new personal property paid for by the Company. The personal property investment is expected to include furniture, fixtures and computers.

The Company shall retain 880 permanent full-time jobs and create no less than 300 new net permanent full-time jobs.

B. Public Projects

The Town of Lexington is not proposing any public projects under this TIF.

V. Financing for TIF Zone Projects

Financing is in place for this project.

VI. Tax Increment Financing

TIF Authorization is expected to be obtained by vote of Town Meeting. Please refer to TIF Agreement for exemption schedule.

VII. Approval of TIF Projects

Businesses seeking EDIP incentives within the proposed EOA will meet initially with the Town Manager and Economic Development Director to discuss project for compliance with the Town's economic development goals and project criteria outlined in the ETA application. Businesses will be required to submit a proposal to the TIF Team. The TIF Team 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. Lexington has a Town Meeting form of government and has the final local approval. If the project is approved by Town Meeting, the application is presented to the state's Economic Assistance Coordinating Council for final approval.