

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 Lexington

Name of proposed EOA(s): 95 Hayden Avenue

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 Assessor's Map 17, Parcel 22 illustrating the boundaries of the 95 Hayden Avenue EOA is 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 EOA is a property with an existing building currently utilized by Vistaprint USA, Incorporated (alternatively, "Vistaprint Inc." or the "Company"). The Company has proposed plans to expand at its Lexington location. The proposed project consists of the Property Owner constructing 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. The project investment is an estimated \$57 million including \$45 million for construction costs, \$7 million for leasehold improvements and \$5 million for personal property.

The Company shall retain 880 permanent full-time jobs and create 300 new net permanent full-time jobs in Lexington. 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 “blighted open” EOA designation include existence of ledge and rock and expensive excavation.

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 twenty (20) 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 Lexington has identified 95 Hayden Avenue EOA as an area that is underutilized. As documented in the Town of Lexington’s Regional Technology Center Economic Target Area (ETA) application, the area meets the requirements for designation of an EOA as follows:

- **Meets the economic goals of the ETA**
- **EOA should be appropriately zoned for economic development. 95 Hayden Avenue is within a Commercial Development zoning district.**
- **The Board of Selectmen must approve the EOA**
- **Efforts should reflect and take advantage of the profound interconnectedness of economic activities and initiatives, within Lexington, and those in the surrounding regions; and**
- **Encourage development of vacant or underutilized commercially zoned area**

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 specific economic goals of the ETA.

- **Increase the development potential in the ETA, use underutilized buildings or sites.**

The proposed project consists of constructing not less than 150,000 square foot on-site expansion to the existing 219,505 square foot facility. The Company plans to lease an estimated 100,000 square feet of that space. The proposed project would require a total capital investment of not less than \$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.

- **Provide nearby jobs easily accessible to Lexington residents, encourage economic development in ways that moderate auto usage and promote accessibility to jobs and services for Lexington residents.**

The Company expects to retain 880 permanent full-time jobs and create 300 new net permanent full-time jobs in Lexington. These jobs will be open to qualified residents of Lexington and other locations in the Commonwealth of Massachusetts. This new growth in jobs will have an immediate and long-term positive impact on Lexington's economy. The Company has an active transportation program to reduce auto usage.

- **Help businesses thrive which in turn helps the municipal economy, with or without physical expansion of land or building area devoted to business. Strive for better not bigger, make a better community for residents, workers and enterprises.**

The Company and its employees are expected to have a significant multiplier effect on the economy throughout the ETA. This impact would encourage the development or expansion of area businesses, which will improve the economic viability of other businesses within the ETA.

The proposal by the Company addresses these economic development goals in a significant way and ensures that the 95 Hayden Avenue EOA will be successful.

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 Town of Lexington has been responsive to the needs of businesses in the past and will attempt to improve its service delivery system in the future. In terms of the permit and approval processes, representatives from the Conservation Commission, Zoning Board of Appeals, Board of Health, Fire Department, Town Clerk and Building Department, as well as other town staff, serve on the Development Review Team (DRT). The purpose of the DRT is to provide early input and guidance to businesses seeking approvals from the town. This entity also provides an opportunity to hear what concerns the other boards and departments have at the outset of the application process. The Town has established an Economic Development Advisory Committee, which is designed to oversee the Economic Development Incentive Program (EDIP) process and to promote a stronger partnership between the Town and its business community.

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 of Lexington does not currently have a municipal plan which links the municipality's choice of banking institutions with the bank's compliance with the requirements of the Community Reinvestment Act. However, the Town of Lexington has established working relationships with the major regional and local financial institutions in the area including Bank of America, Century Bank, Citizens Bank, TD Banknorth, and Unibank. These institutions have generally complied with the requirements of 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 Town Manager, with the assistance of the Economic Development Director, Planning Director, Assistant Town Manager for Finance and Town Counsel, will review project proposals for and on behalf of the municipality. Other town representatives, such as those from the Building Department, Fire Department, Department of Public Works and Conservation Commission will participate as needed.

- (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 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.

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.

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 United States 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 plans to construct not less than 150,000 square foot on-site expansion and the Company plans to lease an estimated 100,000 square feet of that new 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 is estimated at not less than \$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 is committed to retain 880 permanent full-time jobs and create an estimated 300 new net permanent full-time jobs.

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.

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).

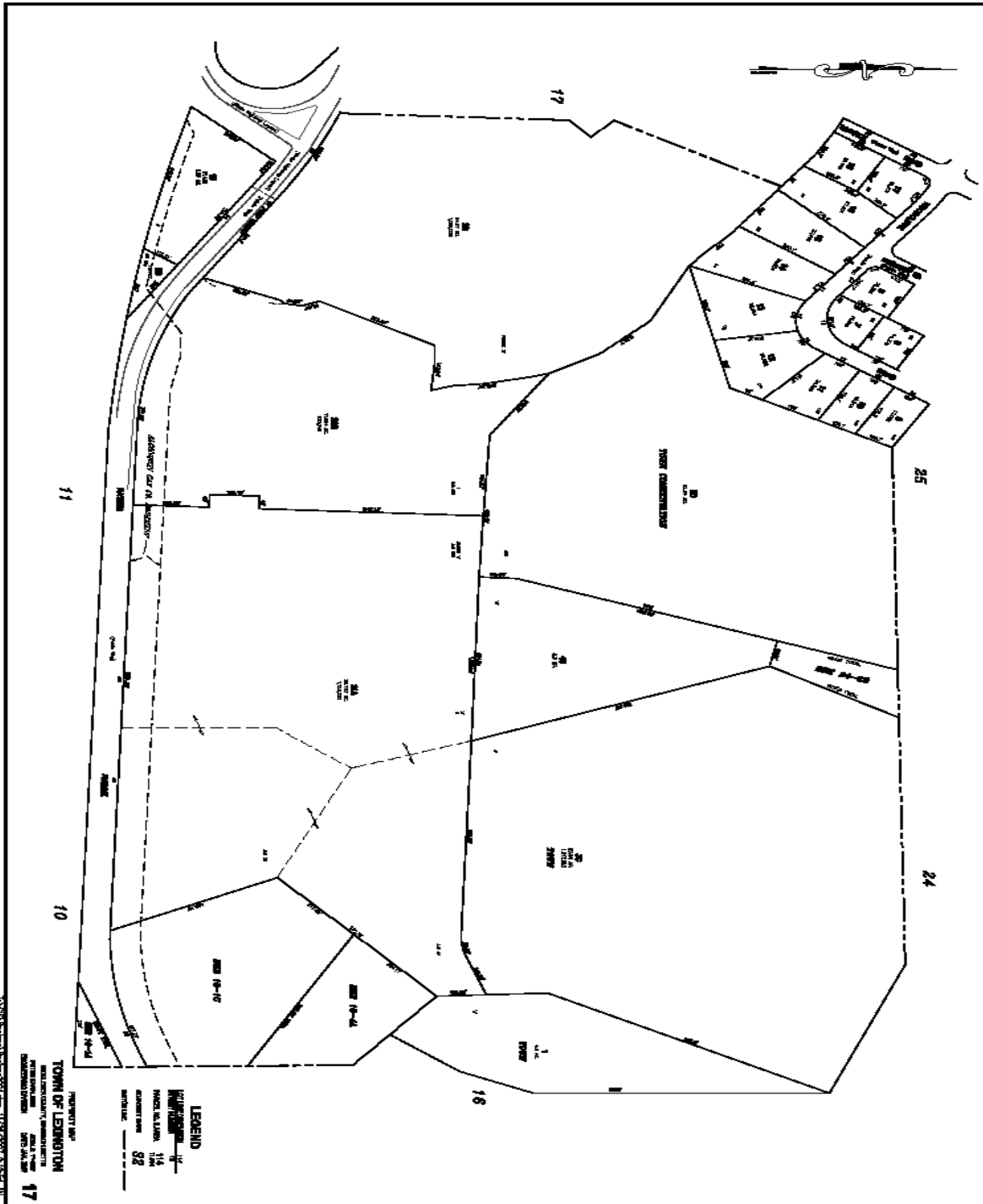
Please attach a copy of the municipality's binding written offer.

- 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 Lexington has offered a binding TIF to the Company. A copy of the TIF Plan and Agreement are attached hereto.

ATTACHMENT

Lexington Assessor's Map



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.