

*Town of Weymouth  
Massachusetts*

Robert L. Hedlund  
Mayor

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**MEMORANDUM**

16 149

TO: TOWN COUNCIL  
FROM: ROBERT L. HEDLUND, MAYOR  
RE: Prodrive TIF Agreement  
DATE: NOVEMBER 17, 2016

2016 NOV 17 AM 10:02

RECEIVED  
TOWN OF WEYMOUTH  
TOWN CLERK'S OFFICE

I hereby submit the following measure to Town Council for its consideration and action:

"That the Town Council approve the Tax Increment Financing (TIF) Agreement between the Town of Weymouth and Prodrive Technologies, Inc."

A draft version of the TIF agreement is attached. A final version shall be circulated at the conclusion of negotiations between the Town and Prodrive.

Also attached is a spreadsheet summarizing the estimated tax implications of the proposed TIF.

This TIF agreement is proposed in conjunction with Prodrive's Economic Development Incentive Program (EDIP) application through the Massachusetts Office of Business Development.

Referral Dte. \_\_\_\_\_ PH Dte. \_\_\_\_\_

Comm. Referral \_\_\_\_\_ TC Vote \_\_\_\_\_

Comm. Vote \_\_\_\_\_ TC Vote Dte. \_\_\_\_\_

Comm. Vote Dte. \_\_\_\_\_

Weymouth  
Town Council

2016 NOV 17 AM 10:50

RECEIVED

# Prodrive in Weymouth

Reference: Prodrive Technologies at Union Point  
Date: 2016-06-16  
Author(s): Eric Zulkiewicz, Project Manager, U.S. Expansion  
Distribution: Weymouth Town Council  
Attendees marked with \*



# Prodrive Technologies at a glance

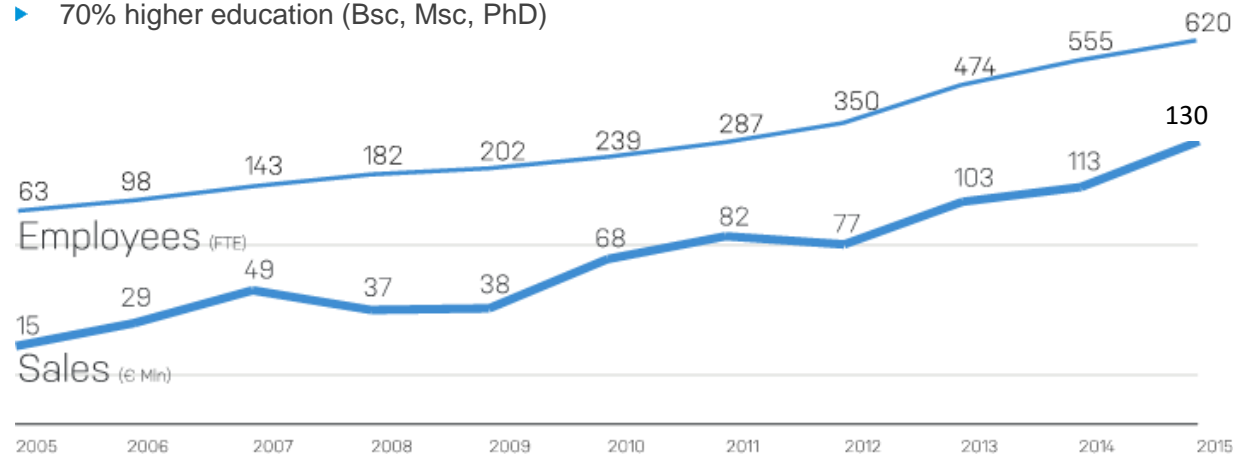


## One of the fastest growing privately owned technology companies in Europe

We focus on autonomous growth and a solid preservation of our company culture

### Current state

- ▶ 610 FTE of which 300 in development
- ▶ 70% higher education (Bsc, Msc, PhD)



\* Forecasted sales

### Core Business

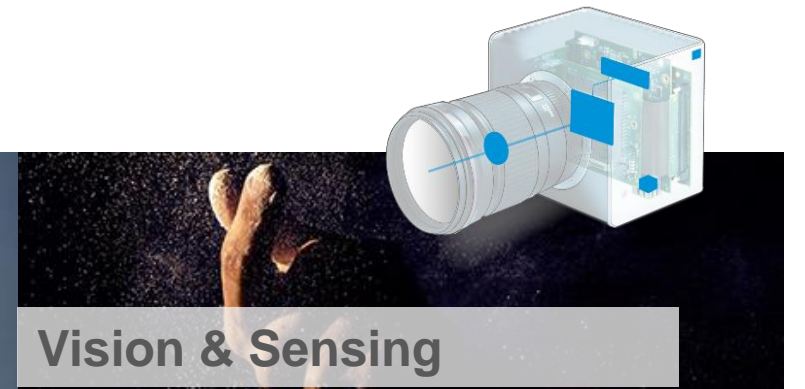
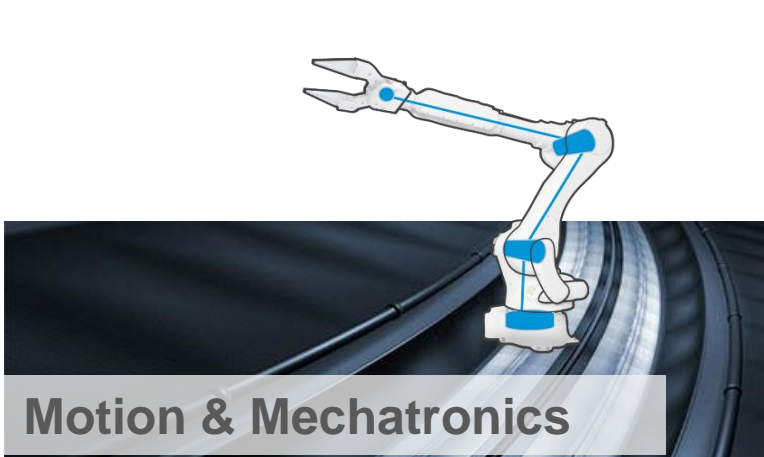
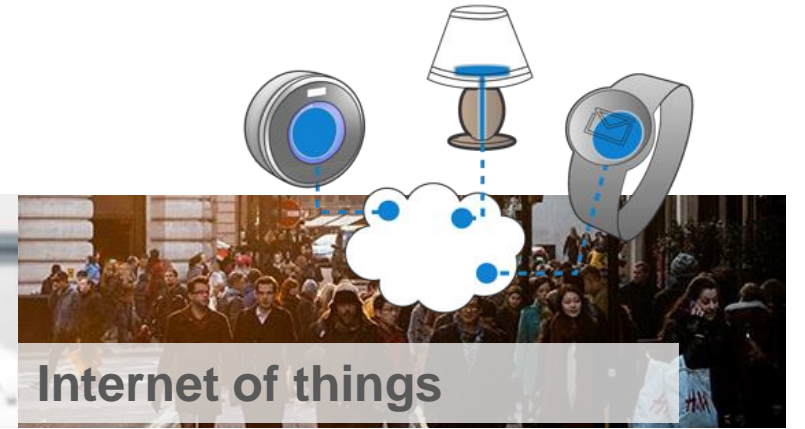
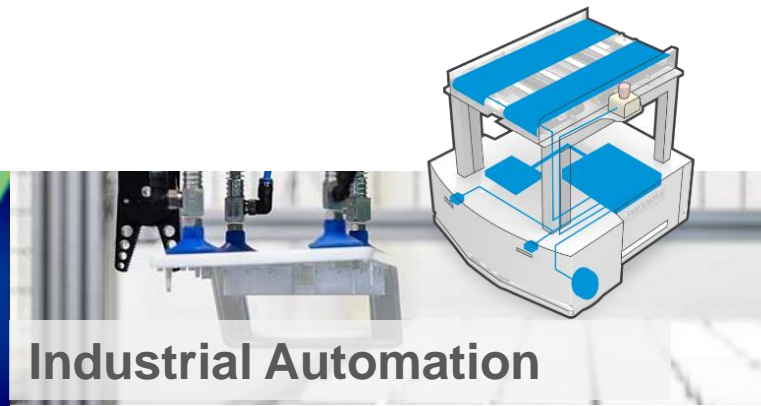
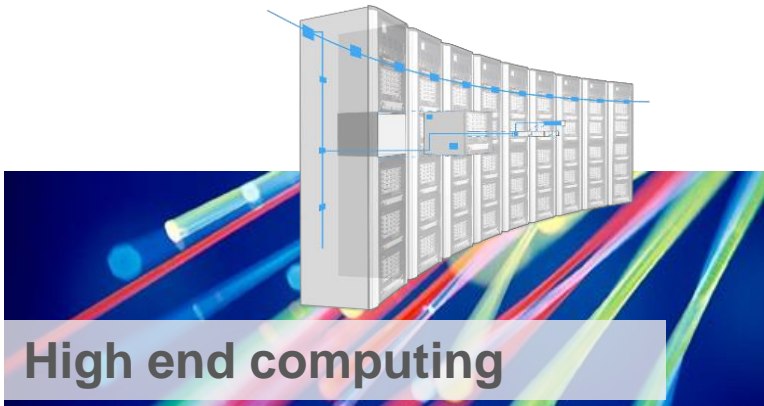
- ▶ Design of electronics, software and mechanics
- ▶ Manufacturing
- ▶ Added value services

### Business model

- ▶ Ready-to-use products
- ▶ Technology solutions
- ▶ Manufacturing services



# Our technologies



# How Prodrive will succeed when others flee



Information Systems

Test Automation

Logistic Automation

Manufacturing Automation

***Because we're building the factory of the future***

Y-o-Y investment of at least **12,5 mln. USD**









# What will Prodrive bring to Weymouth?

- High quality, permanent full time employment.
- Tax Revenue.
- Close collaboration with and support of Weymouth schools.
- A rapidly growing hi-tech corporation that will be active in the community.



# **TAX INCREMENT FINANCING AGREEMENT (TIF)**

between

## **Town of Weymouth**

and

## **Prodrive Technologies**

December 5, 2016

# **Prodrive Technologies - TIF**

**Started with Prodrive reaching out to State officials.**

- Prodrive, a rapidly growing hi-tech corporation based in the Netherlands, wanted to come to Massachusetts – they started discussing location and state and local incentives?

State Officials helped Prodrive search for a site – within the Route 495 corridor

**Searched narrowed down to a few sites, including Weymouth.**

Site Selection process was very competitive - Prodrive making a \$100 million investment and creating 300 - 500 jobs.

**Mayor Hedlund invited Prodrive Executives here to make the case for Weymouth.**

Prodrive chose Weymouth – a major victory for Weymouth and its economic growth.

Decision based on proximity to Boston; State, Local and LSTAR incentives; Future growth of Union Point.



# Prodrive Technologies - TIF

TIF is based on Phase I construction, which includes:

- Acquisition of **7.5 acres of land**
- Construction of **two buildings of approximately 226,000 s.f.**
  - 186,000 s.f. office and manufacturing building
  - 40,000 s.f. centralized logistics and operations center
- Creation of **at least 150 full-time jobs.**

Prodrive estimates the **Phase I investment** will be **\$38 million.**

Phase I construction is estimated to **take up to five years (end of 2022).**

# Prodrive Technologies - TIF

## Phase II – Not included under TIF (fully taxable)

- A new 186,000 s.f. manufacturing building
- Another 7.5 acres of land
- An additional \$29 million investment (by Prodrive)
- A total of 330 full-time jobs

## Subsequent Phases – Not included under TIF (fully taxable)

- Two additional 186,000 s.f. manufacturing buildings
- Another 7.5 acres of land acquired
- A total approximate investment of \$97 million
- Potential for up to 500 full-time jobs



# **Prodrive Technologies - TIF**

**TIF based ONLY on Phase I**

**TIF is for 20 years...applied to “added value” of Phase I**

**Exemption Percentages for Phase I:**

**FY2019 – FY2023: 95% - plus start of full tax on next (3<sup>rd</sup>) building (FY22-23)**

**FY2024 – FY2026: 80%**

**FY2027 – FY2029: 60% - plus start of full tax on next (4<sup>th</sup>) building (FY22-23)**

**FY2030 – FY2032: 40%**

**FY2033 – FY2035: 20% - plus start of full tax on next (5<sup>th</sup>) building (FY22-23)**

**FY2036 – FY2038: 10%**

# **Prodrive Technologies - TIF**

**What the TIF and Prodrive mean to Weymouth...**

- ✓ **Catalyst for Unprecedented Economic Development**
- ✓ **Job Growth – 330 quality jobs with five years**
- ✓ **Growth of Weymouth's Commercial Tax Base**
- ✓ **Increased Local Receipts – permit revenue, excise tax, etc.**
- ✓ **Community Benefits Agreement - School Support (in the TIF)**
- ✓ **Commitment to hire Weymouth residents (in the TIF)**
- ✓ **Commitment to use Weymouth businesses (in the TIF)**