

Eric D. Batista
City Manager



City of Worcester

October 21, 2025

Attachment for Item #10.4 B

TO THE WORCESTER CITY COUNCIL

COUNCILORS:

I respectfully request City Council's review, deliberation, and adoption of the attached resolution to file an application to designate 37 - 63 Great Brook Valley Ave. and 67 and 69 Tacoma St. (the Properties) as an Urban Center Housing Tax Increment Financing (UCH-TIF) Plan and approve a UCH-TIF Agreement for the Properties, as received from Peter Dunn, Chief Development Officer, and forwarded for the consideration of your Honorable Body.

Trinity Curtis Phase Two Limited Partnership (TCPTLP), an affiliate of Trinity Financial, Inc. and the Worcester Housing Authority (WHA), recently broke ground on the Curtis Apartments Phase Two Redevelopment Project at the Properties, the second phase of new construction in the overall redevelopment of the Curtis Apartments. The \$146 million Phase Two project will consist of the demolition of 114 existing public housing units as well as associated office and maintenance facilities along with the subsequent construction of three new buildings containing 150 new apartments: 116 of which will be replacement public housing units, and the remaining 34 apartments will be affordable for households earning up to 60% and 80% of Area Median Income.

The new apartments will dramatically improve the quality of life for Curtis residents by providing housing with top rate appliances, larger rooms, better accessibility, and modern heating and cooling systems to promote resident comfort and well-being. The Phase Two project will also include the creation of the WHA's Economic Opportunity Center (EOC). The new EOC will be a mixed-use building comprised of residential apartments and 20,000 square feet of commercial space consisting of a community facility for resident service programs, WHA offices, and a new Great Brook Valley Branch of the Worcester Public Library. The resident service programming will include job training, tutoring, financial coaching, and other enrichment programs to ensure that Curtis residents have the best opportunity for success. The commercial space at the EOC will be leased to the WHA for \$1 per year, and a portion of the space will then be sub-

leased to the Worcester Public Library for a nominal amount. The Phase Two project is expected to be completed in September of 2027.

In order to unlock eligibility for certain tax credit programs, such as Low-Income Housing Tax Credits, the WHA will transfer the ownership of the Properties to the TCPTLP, a for-profit entity. Where the WHA is otherwise tax-exempt, the designation of this project as a UCH-TIF Plan will provide necessary real estate tax relief for the project. The proposed UCH-TIF Plan is comprised of a term of twenty (20) years with an average annual exemption percentage of 90% on the incremental value for the residential component of the project and an average annual exemption percentage of 100% on the incremental value for the EOC's commercial component of the project. Where the Properties would otherwise be tax-exempt, the municipality will receive a net fiscal benefit of approximately \$1,280,000 in tax revenue during the 20-year term of the UCH-TIF Plan. The Developer has agreed to comply with the municipality's Wage Theft Prevention Ordinance and Responsible Development Ordinance, including the local and diversity hiring goals for the project. Both ordinances will be contractually included in the UCH-TIF Agreement.

The Curtis Apartments Phase Two Redevelopment Project will advance the goals of the municipality's Housing Production Plan, create much-needed affordable housing, and provide economic empowerment opportunities for residents.

I respectfully request that this item be sent to the Economic Development Committee for further review and deliberation as well as the required public hearing.

Respectfully submitted,



Eric D. Batista
City Manager



The City of Worcester

Executive Office of Economic Development
Peter Dunn, Chief Development Officer
City Hall, 455 Main Street, Worcester, MA 01608
P| 508-799-1400 F| 508-799-1406
development@worcesterma.gov

TO: Eric D. Batista, City Manager
FROM: Peter Dunn, Chief Development Officer
DATE: October 21, 2025
RE: Designation of an Urban Center Housing Tax Increment Financing (UCH-TIF)
Plan and Approval of a UCH-TIF Agreement for 37 – 63 Great Brook Valley
Avenue and 67 and 69 Tacoma Street

Please find attached a resolution for City Council approval of the proposed Urban Center Housing Tax Increment Financing (UCH-TIF) Plan and UCH-TIF Agreement under the UCH-TIF Program with the Commonwealth of Massachusetts Executive Office of Housing and Livable Communities (EOHLC) for the properties located at 37 – 63 Great Brook Valley Ave. and 67 and 69 Tacoma St. (the Properties) to support the proposed Curtis Apartments Phase Two Redevelopment Project. Also attached, please find the draft UCH-TIF Agreement for Trinity Curtis Phase Two Limited Partnership. I respectfully recommend the City Council's approval of this project and adoption of the accompanying resolution.

In accordance with Massachusetts General Laws, Chapter 40, Section 60, as amended by St. 2010, Chapter 240, Section 77, and further amended by St. 2016, Chapter 219, Sections 24-28, the EOHLC established the UCH-TIF Program to encourage residential development as a catalyst for commercial center revitalization. The UCH-TIF Program authorizes municipalities to provide a real estate tax exemption on all or part of the increased value of improved real property. The area that benefits from the UCH-TIF Program shall be primarily a commercial district, new development shall be primarily residential, and the housing shall be appropriate to a commercial center. Multi-family housing is encouraged and single-family housing is prohibited under the UCH-TIF Program guidelines. Development may consist of new construction, reconstruction, rehabilitation, or renovation.

In order to participate in the UCH-TIF Program, the municipality must submit an application designating a UCH-TIF Zone, as well as a UCH-TIF Plan and UCH-TIF Agreement for any projects within the Zone to the EOHLC for approval. The Worcester City Council approved the designation and creation of the 335-acre City of Worcester East Side Tax Increment Financing Zone (East Side TIF Zone), as well as the UCH-TIF Plan and UCH-TIF Agreement for the Curtis Apartments Phase One Redevelopment Project on March 12, 2024, which were later approved by the EOHLC on April 24, 2024.

The Curtis Apartments Phase One Redevelopment Project is the first phase in the overall redevelopment of the Curtis Apartments - a 372-unit, 70-year-old, state-supported public housing community. Trinity Curtis Phase One Limited Partnership, an affiliate of Trinity Financial, Inc. and the Worcester Housing Authority (WHA) are in the process of replacing three buildings and 90 existing units at 16 and 52 Great Brook Valley Avenue with two 4-story midrise buildings containing 129 mixed-income, affordable residential units and ground floor community amenity space. This first phase of the overall redevelopment of the Curtis Apartments will include 39 additional residential units for families with household incomes up to 60% and 80% of Area Median Income (AMI), and the remaining 90 units will be subsidized through the Section 8 Program. Plans also include the creation of approximately 156 parking spaces, a new park and playground area, and pedestrian paths. The estimated \$91,500,000 project is expected to be completed in March of 2026.

Trinity Curtis Phase Two Limited Partnership, an affiliate of Trinity Financial, Inc. and the WHA, recently broke ground on the Curtis Apartments Phase Two Redevelopment Project at the Properties, the second phase of new construction in the overall redevelopment of the Curtis Apartments. The \$146 million Phase Two project will see the demolition of 114 existing public housing units and associated office and maintenance facilities and the subsequent construction of three new buildings containing 150 new apartments: 116 of which will be replacement public housing units, and the remaining 34 apartments will be affordable for households earning up to 60% and 80% of AMI. The new apartments will dramatically improve the quality of life for Curtis residents by providing housing with top rate appliances, larger rooms, better accessibility, and modern heating and cooling systems to promote resident comfort and well-being. The Phase Two project will also include the creation of the WHA's Economic Opportunity Center (EOC). The new EOC will be a mixed-use building comprised of residential apartments and 20,000 square feet of commercial space consisting of a community facility for resident service programs, WHA offices, and a new Great Brook Valley Branch of the Worcester Public Library. The resident service programming will include job training, tutoring, financial coaching, and other enrichment programs to ensure that Curtis residents have the best opportunity for success. The commercial space at the EOC will be leased to the WHA for \$1 per year, and a portion of the space will then be sub-leased to the Worcester Public Library for a nominal amount. The Phase Two project is expected to be completed in September of 2027. The project is being financed through the developer's equity, various debt sources, State and Federal tax credits, and municipal and State grants.

The WHA has offered housing to individuals and families seeking affordable housing options in Central Massachusetts since 1946. The organization is the second largest public housing authority in New England, working with over 16,000 residents in 24 state and federal housing developments throughout the city of Worcester. WHA selected Trinity Financial, Inc. through a competitive RFP process in January 2022 as its development partner to undertake the Curtis redevelopment project. Trinity Financial, Inc. is an experienced development firm having completed more than \$3 billion in real estate projects representing more than 9,000

residential units and 800,000 square feet of commercial space throughout the Northeast. Previously, Trinity Financial, Inc. completed six public housing redevelopments in the Commonwealth of Massachusetts and successfully transformed them into mixed-income, healthy communities. Additionally, Trinity Financial, Inc. completed the highly successful Courthouse Lofts project in Worcester in 2021.

In order to unlock eligibility for certain tax credit programs, such as Low-Income Housing Tax Credits, the WHA will transfer the ownership of the Properties to Trinity Curtis Phase Two Limited Partnership, a for-profit entity. Where the WHA would otherwise be tax-exempt, the designation of this project as a UCH-TIF Plan will provide necessary real estate tax relief on the Properties. The proposed 20-year UCH-TIF Plan includes an average annual exemption percentage of 90% on the incremental value for the residential component of the project. In accordance with the UCH-TIF Program mechanics, Trinity Curtis Phase Two Limited Partnership will pay taxes on the base value of the Properties in addition to the 10% incremental value. The proposed residential component of the project is expected to increase the total assessed value of the Properties from \$1,901,978 to \$20,921,761 – an incremental value of \$19,019,783. The proposed UCH-TIF Plan also includes an average annual exemption of 100% on the EOC's 20,000 square foot commercial component of the project which will create \$2,086,364 in new property value. The total estimated tax savings over the 20-year UCH-TIF Plan are approximately \$7,300,000. Where the Properties would otherwise be tax-exempt, the municipality will receive a net fiscal benefit of approximately \$1,280,000 in tax revenue on the Properties during the 20-year term of the UCH-TIF Plan.

Trinity Curtis Phase Two Limited Partnership has agreed to comply with the municipality's Wage Theft Prevention Ordinance and the Responsible Development Ordinance, including the local and diversity hiring goals for the construction. Both ordinances are contractually part of the proposed UCH-TIF Agreement.

This proposed project is the second phase of a larger redevelopment strategy for the Curtis Apartments community. Over the entirety of the four phases, the current 1950s-era brick buildings located at 3, 6, 16, 37 - 63, and 52 Great Brook Valley Avenue will be demolished and replaced with 527 units in new, modern, energy efficient buildings that better meet the current needs and living standards of families today. Of the 527 new units, 372 will be one-for-one replacement of existing units and current residents will have the option to return to the new apartments. The additional 155 net new units will be for families with household incomes up to 60% and 80% of AMI, helping to meet the affordable housing need that exists in the city and the region.

This proposed project meets the objectives of the UCH-TIF Program and is aligned with the municipality's economic development agenda. The project will revitalize the Curtis Apartments and Great Brook Valley neighborhood, create much needed affordable housing units, and generate new tax revenue to the municipality.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Peter Dunn', with a stylized, cursive script.

Peter Dunn
Chief Development Officer

Suggested Council Action: Recommend Adoption

RESOLUTION
APPROVING AN URBAN CENTER HOUSING TAX INCREMENT FINANCING PLAN
AND AGREEMENT FOR TRINITY CURTIS PHASE TWO LIMITED PARTNERSHIP

WHEREAS: Trinity Curtis Phase Two Limited Partnership (the DEVELOPER) has applied for an Urban Center Housing Tax Increment Financing Plan (UCH-TIF Plan) under the Urban Center Housing Tax Increment Financing Program (UCH-TIF Program) created by Chapter 40, Section 60 of Massachusetts General Laws; and

WHEREAS: The DEVELOPER's project meets the minimum standards of the UCH-TIF Program and the local economic development goals of the City of Worcester; and

WHEREAS: The proposed project is located at 37 - 63 Great Brook Valley Avenue, Worcester, MA 01605, City Assessor's Map 52, Block INX, Lot 0001A; 67 Tacoma Street, Worcester, MA 01605, City Assessor's Map 52, Block 004, Lot 00001; and 69 Tacoma Street, Worcester, MA 01605, City Assessor's Map 52, Block INX, Lot 0003H and has a total base value of \$1,901,978; and

WHEREAS: The DEVELOPER will be investing approximately \$146,000,000 in the properties, and the project involves the new construction of 150 mixed-income, affordable residential units and 20,000 square feet of commercial space consisting of a community facility for resident service programs, Worcester Housing Authority offices, and a new Great Brook Valley Branch of the Worcester Public Library; and

WHEREAS: The City of Worcester has agreed to offer a UCH-TIF Plan to the DEVELOPER (the property owner and taxpayer of record), and the following is a summarization of the amount of commercial and residential taxes to be paid to the CITY for the twenty-year term of the UCH-TIF Plan, which will commence on July 1, 2026:

Commercial Taxes - Years 1 – 20: Base assessed value plus 0% of the increase in the new value;

Residential Taxes - Years 1 – 20: Base assessed value plus 10% of the increase in the new value; and

WHEREAS: The UCH-TIF Plan will be valid for a period of twenty years beginning July 1, 2026, and in anticipation of an increase in value to the aforementioned parcels as determined by the City of Worcester Assessor's Office. While billing will continue to occur on a quarterly basis, the exemption for each UCH-TIF Year will be calculated annually and will be reflected in the third quarter actual tax bill issued in December upon the realization of an increase in property value.

Commercial Taxes Exemption Schedule: Average of 100% Over Twenty Years

Residential Taxes Exemption Schedule: Average of 90% Over Twenty Years

The UCH-TIF Plan will end on June 30, 2046.

NOW, THEREFORE, BE IT RESOLVED

1. That the Worcester City Council hereby approves the Urban Center Housing Tax Increment Financing Plan and Agreement for the DEVELOPER and forwards said Plan and Agreement to the Massachusetts Executive Office of Housing and Livable Communities for its approval and designation;
2. That the City Manager be and is hereby authorized to file the necessary information and application with the Massachusetts Executive Office of Housing and Livable Communities;
3. That the City Manager be and is hereby authorized to execute any actions necessary to carry out the Urban Center Housing Tax Increment Financing Plan designation.

**CURTIS APARTMENTS PHASE TWO REDEVELOPMENT PROJECT
20-YEAR UCH-TIF PLAN - RESIDENTIAL COMPONENT**

		Total Investment:	\$146,000,000
		Total Units:	150
TIF Term:	20 Years	Average TIF Exemption:	90%
Current Assessment :	\$ 1,901,978	Initial Tax Rate :	\$ 13.19 /\$1,000
Improved Value :	\$ 20,921,761		
Incremental Value:	\$ 19,019,783		

Fiscal Year	Exempt Percent	Total Taxes w/o TIF Plan	On Base	On Increment	Total Taxes to be paid with TIF Plan	Tax Savings from TIF Plan
2027	90%	\$ 275,958.03	\$ 25,087.09	\$ 250,870.94	\$ 50,174.18	\$ 225,783.84
2028	90%	\$ 282,856.98	\$ 25,714.27	\$ 257,142.71	\$ 51,428.54	\$ 231,428.44
2029	90%	\$ 289,928.40	\$ 26,357.12	\$ 263,571.28	\$ 52,714.25	\$ 237,214.15
2030	90%	\$ 297,176.61	\$ 27,016.05	\$ 270,160.56	\$ 54,032.11	\$ 243,144.50
2031	90%	\$ 304,606.03	\$ 27,691.45	\$ 276,914.57	\$ 55,382.91	\$ 249,223.12
2032	90%	\$ 312,221.18	\$ 28,383.74	\$ 283,837.44	\$ 56,767.48	\$ 255,453.70
2033	90%	\$ 320,026.71	\$ 29,093.33	\$ 290,933.38	\$ 58,186.67	\$ 261,840.04
2034	90%	\$ 328,027.38	\$ 29,820.67	\$ 298,206.71	\$ 59,641.34	\$ 268,386.04
2035	90%	\$ 336,228.06	\$ 30,566.18	\$ 305,661.88	\$ 61,132.37	\$ 275,095.69
2036	90%	\$ 344,633.76	\$ 31,330.34	\$ 313,303.42	\$ 62,660.68	\$ 281,973.08
2037	90%	\$ 353,249.61	\$ 32,113.60	\$ 321,136.01	\$ 64,227.20	\$ 289,022.41
2038	90%	\$ 362,080.85	\$ 32,916.44	\$ 329,164.41	\$ 65,832.88	\$ 296,247.97
2039	90%	\$ 371,132.87	\$ 33,739.35	\$ 337,393.52	\$ 67,478.70	\$ 303,654.17
2040	90%	\$ 380,411.19	\$ 34,582.83	\$ 345,828.36	\$ 69,165.67	\$ 311,245.52
2041	90%	\$ 389,921.47	\$ 35,447.40	\$ 354,474.07	\$ 70,894.81	\$ 319,026.66
2042	90%	\$ 399,669.51	\$ 36,333.59	\$ 363,335.92	\$ 72,667.18	\$ 327,002.33
2043	90%	\$ 409,661.24	\$ 37,241.93	\$ 372,419.32	\$ 74,483.86	\$ 335,177.39
2044	90%	\$ 419,902.77	\$ 38,172.97	\$ 381,729.80	\$ 76,345.95	\$ 343,556.82
2045	90%	\$ 430,400.34	\$ 39,127.30	\$ 391,273.05	\$ 78,254.60	\$ 352,145.74
2046	90%	\$ 441,160.35	\$ 40,105.48	\$ 401,054.87	\$ 80,210.97	\$ 360,949.38
Totals		\$ 7,049,253.33	\$ 640,841.12	\$ 6,408,412.21	\$ 1,281,682.34	\$ 5,767,570.99

*** NOTE:** ALL CALCULATIONS ARE BASED ON ESTIMATES
TAXES ARE ADJUSTED BASED UPON 2.5% INCREASE PER YEAR
CHANGES IN PLANS AND CONSTRUCTION MAY INCREASE/DECREASE ESTIMATES

**CURTIS APARTMENTS PHASE TWO REDEVELOPMENT PROJECT
20-YEAR UCH-TIF PLAN - COMMERCIAL COMPONENT**

		Total Investment:	\$146,000,000
		Total SF:	20,000
TIF Term:	20 Years	Average TIF Exemption:	100%
Current Assessment :	\$ -	Initial Tax Rate :	\$ 28.61 /\$1,000
Improved Value :	\$ 2,086,364		
Incremental Value:	\$ 2,086,364		

Fiscal Year	Exempt Percent	Total Taxes w/o TIF Plan	On Base	On Increment	Total Taxes to be paid with TIF Plan	Tax Savings from TIF Plan
2027	100%	\$ 59,690.87	\$ -	\$ 59,690.87	\$ -	\$ 59,690.87
2028	100%	\$ 61,183.15	\$ -	\$ 61,183.15	\$ -	\$ 61,183.15
2029	100%	\$ 62,712.72	\$ -	\$ 62,712.72	\$ -	\$ 62,712.72
2030	100%	\$ 64,280.54	\$ -	\$ 64,280.54	\$ -	\$ 64,280.54
2031	100%	\$ 65,887.56	\$ -	\$ 65,887.56	\$ -	\$ 65,887.56
2032	100%	\$ 67,534.75	\$ -	\$ 67,534.75	\$ -	\$ 67,534.75
2033	100%	\$ 69,223.11	\$ -	\$ 69,223.11	\$ -	\$ 69,223.11
2034	100%	\$ 70,953.69	\$ -	\$ 70,953.69	\$ -	\$ 70,953.69
2035	100%	\$ 72,727.53	\$ -	\$ 72,727.53	\$ -	\$ 72,727.53
2036	100%	\$ 74,545.72	\$ -	\$ 74,545.72	\$ -	\$ 74,545.72
2037	100%	\$ 76,409.37	\$ -	\$ 76,409.37	\$ -	\$ 76,409.37
2038	100%	\$ 78,319.60	\$ -	\$ 78,319.60	\$ -	\$ 78,319.60
2039	100%	\$ 80,277.59	\$ -	\$ 80,277.59	\$ -	\$ 80,277.59
2040	100%	\$ 82,284.53	\$ -	\$ 82,284.53	\$ -	\$ 82,284.53
2041	100%	\$ 84,341.64	\$ -	\$ 84,341.64	\$ -	\$ 84,341.64
2042	100%	\$ 86,450.18	\$ -	\$ 86,450.18	\$ -	\$ 86,450.18
2043	100%	\$ 88,611.44	\$ -	\$ 88,611.44	\$ -	\$ 88,611.44
2044	100%	\$ 90,826.72	\$ -	\$ 90,826.72	\$ -	\$ 90,826.72
2045	100%	\$ 93,097.39	\$ -	\$ 93,097.39	\$ -	\$ 93,097.39
2046	100%	\$ 95,424.83	\$ -	\$ 95,424.83	\$ -	\$ 95,424.83
Totals		\$ 1,524,782.94	\$ -	\$ 1,524,782.94	\$ -	\$ 1,524,782.94

*** NOTE:** ALL CALCULATIONS ARE BASED ON ESTIMATES
TAXES ARE ADJUSTED BASED UPON 2.5% INCREASE PER YEAR
CHANGES IN PLANS AND CONSTRUCTION MAY INCREASE/DECREASE ESTIMATES

TAX INCREMENT FINANCING AGREEMENT
between the
CITY OF WORCESTER
and
TRINITY CURTIS PHASE TWO LIMITED PARTNERSHIP

This Agreement is made this _____ day of _____, 2025, by and between the City of Worcester (hereinafter called “the CITY”), a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, with an address at City Hall, 455 Main Street, Worcester, MA 01608, and Trinity Curtis Phase Two Limited Partnership, (hereinafter called “the DEVELOPER”), a Massachusetts limited partnership having a principal place of business at c/o Trinity Financial, Inc., 75 Federal Street, 4th Floor, Boston, MA 02110. The Massachusetts Executive Office of Housing and Livable Communities’ approval of the Urban Center Housing Tax Increment Financing Plan (hereinafter called “the UCH-TIF Plan”) for this project occurred on _____.

WITNESSETH

WHEREAS, the DEVELOPER intends to invest approximately \$146,000,000 to demolish 114 existing state-aided public housing units and associated office and maintenance facilities at the Curtis Apartments and construct three new buildings containing 150 modern, affordable housing units and 20,000 square feet of commercial space consisting of a community facility for resident service programs, Worcester Housing Authority offices, and a new Great Brook Valley Branch of the Worcester Public Library (hereinafter called “the DEVELOPMENT”) at the following properties located in the city of Worcester: 37 - 63 Great Brook Valley Avenue, Worcester, MA 01605, City Assessor’s Map 52, Block INX, Lot 0001A; 67 Tacoma Street, Worcester, MA 01605, City Assessor’s Map 52, Block 004, Lot 00001; and 69 Tacoma Street, Worcester, MA 01605, City Assessor’s Map 52, Block INX, Lot 0003H (hereinafter called “the PROPERTIES”) beginning in the fall of 2025 and ending in the fall of 2027, and obtain certain tax incentives from the CITY for its investment and public benefit to the community; and

WHEREAS, prior to commencing the redevelopment of the PROPERTIES, the Developer will enter into a long-term ground lease for the PROPERTIES with the Worcester Housing Authority, the fee owner of the PROPERTIES; and

WHEREAS, the DEVELOPER, in collaboration with the CITY, intends to invest approximately \$4,500,000 in public way improvements, including Brookview Drive, Great Brook Valley Avenue, and all utilities, sidewalks, stormwater and drainage infrastructure serving the Curtis Apartments area beginning in the spring of 2026 and ending in the fall of 2027; and

WHEREAS, the DEVELOPER has secured the necessary funding to complete the estimated \$146,000,000 project and the sources and uses are depicted in Exhibit A; and

WHEREAS, the CITY is willing to grant said tax incentives through the UCH-TIF Plan in return for the DEVELOPER's undertaking (1) to make the estimated \$146,000,000 capital investment at said PROPERTIES and (2) to ensure that 150 new housing units are affordable to occupants or families with incomes at or below 60% or 80% of the area median income and made available to qualified residents of the city of Worcester (See Exhibit B for unit income limits); and

WHEREAS, the CITY, by a duly authorized vote of the Worcester City Council on March 12, 2024, taken in accordance with the provisions of M.G.L. c. 40, § 60 (the "Act") and 760 CMR 58.05-58.06, approved the designation and creation of the City of Worcester East Side Urban Center Housing – Tax Increment Financing Zone ("UCH-TIF Zone") and the adoption of an Urban Center Housing Tax Increment Financing Plan (the "UCH-TIF Plan"); and

WHEREAS, the CITY, by a duly authorized vote of the Worcester City Council on _____, 2025, taken in accordance with the provisions of M.G.L. c. 40, § 60 (the "Act") and 760 CMR 58.05-58.06, approved this Agreement and the execution of this Agreement by the city manager of the CITY; and

WHEREAS, the PROPERTIES and the DEVELOPMENT are located within the UCH-TIF Zone, which is characterized by a preponderance of commercial, industrial, and residential land uses and an average household income below 115% of AMI, as described in M.G.L. c. 40 § 60(a)(i); and

WHEREAS, the DEVELOPMENT furthers the housing objectives of the CITY as outlined in the UCH-TIF Plan by significantly broadening and enhancing the affordable residential opportunities within the city, complementing the surrounding commercial growth, and generating additional real estate revenues from the PROPERTIES; and

WHEREAS, the Massachusetts Executive Office of Housing and Livable Communities has approved the UCH-TIF Zone and UCH-TIF Plan, including this Agreement and the Affordable Housing Restriction, in accordance with M.G.L. c. 40 § 60 and 760 CMR 58.12; and

WHEREAS, the CITY has agreed to grant the DEVELOPER an Urban Center Housing Tax Increment Financing exemption to benefit the DEVELOPMENT (hereinafter called "the EXEMPTION"); and

WHEREAS, unless otherwise stated, terms capitalized but not defined within this Agreement shall have the meanings as set forth in M.G.L. c. 40, § 60 and c. 59, § 5, cl. 51 (collectively and hereinafter called the "ACT"), and the regulations found at 760 CMR 58.00 et seq. (hereinafter called the "REGULATIONS"), as of the effective date;

NOW THEREFORE, in consideration of the mutual promises contained herein, the parties do mutually agree as follows:

A. THE DEVELOPER'S OBLIGATIONS

1. The DEVELOPER shall invest approximately \$146,000,000 to demolish 114 existing state-aided public housing units and associated office and maintenance facilities at the Curtis Apartments and construct three new buildings containing 150 modern, affordable public housing units and 20,000 square feet of commercial space consisting of a community facility for resident service programs, Worcester Housing Authority offices, and a new Great Brook Valley Branch of the Worcester Public Library at the Properties.
2. The DEVELOPER shall comply with the CITY's Responsible Development Ordinance, a copy of which is attached at Exhibit C, as well as the CITY's Wage Theft Prevention Ordinance, a copy of which is attached as Exhibit D, and are incorporated herein.
3. The DEVELOPER shall ensure that 34 new housing units are affordable to occupants or families with incomes at or below 60% or 80% of the area median income and made available to qualified residents of the city of Worcester.
4. The DEVELOPER agrees to operate the DEVELOPMENT in accordance with the Affordable Housing Restriction to be executed by the CITY and the DEVELOPER.
5. The DEVELOPER shall keep the DEVELOPMENT in good order and repair and maintain the DEVELOPMENT in a decent, safe, and sanitary condition, all in accordance with applicable laws and ordinances and all rules, regulations and requirements of governmental authorities having jurisdiction over the DEVELOPMENT.
6. If the DEVELOPER decides to sell all or any portion of its ground lease interest in the Properties or to otherwise transfer control of all or any portion of its interest in the Properties and/or its operation, the DEVELOPER shall give the CITY as much notice as is practicable. Said notice shall be given to: City Manager, City Hall, 455 Main Street, 3rd Floor, Worcester, MA 01608.
7. The DEVELOPER shall ensure that regardless of future ownership, including, without limitation, a mortgagee taking title to the Properties via foreclosure, deed, or assignment in lieu of foreclosure or other remedy, and any successor thereto, so long as this Agreement is in place, the Properties shall remain taxable or pay a tax equivalent payment pursuant to the terms of this Agreement for a twenty (20) year period from the start of the UCH-TIF Plan.
8. It shall be a material obligation of the DEVELOPER to provide to the Office of Economic Development and the City Assessor a listing of all income and expenses pertaining to the operation of the Properties (Massachusetts Assessing Form 38D). The Developer shall deliver such completed Income and Expense Form each year in which the UCH-TIF exemption is in effect to the City Assessor within sixty (60) days of receiving such form.

9. Approval of this Agreement is contingent upon the DEVELOPER's ability to meet all applicable local regulations and ordinances pertaining to the DEVELOPMENT.
10. The DEVELOPER shall adhere to an Affordable Housing Restriction for the rental units that complies with the provisions of M.G.L. Chapter 40, Section 60 and 760 CMR 58.08. In addition, the Affordable Housing restrictions shall contain the following provisions:
 - I. The housing assisted by the exemption meets one of the affordability thresholds set out in 760 CMR 58.08.
 - II. Marketing and resident selection for the affordable housing shall comply with the Executive Office of Housing and Livable Communities' Affirmative Fair Housing and Civil Rights Policy.
 - III. There shall be enforcement of the restrictions in the event of any material noncompliance.
11. The DEVELOPER shall carry out a Relocation Plan for displaced tenants in the existing public housing units in accordance with the standards of the Bureau of Relocation and Executive Office of Housing and Livable Communities.

B. THE CITY'S OBLIGATIONS

1. The CITY shall grant a UCH-TIF Plan exemption to the DEVELOPER in accordance with M.G.L. Chapter 60, as amended by St. 2010, Chapter 240, Section 77, and further amended by St. 2016, Chapter 219, Sections 24-28, for the PROPERTIES, as described herein. The exemption shall be granted and shall apply only to the new value of the PROPERTIES as described below.

TRINITY CURTIS PHASE TWO LIMITED PARTNERSHIP
Proposed UCH-TIF Plan

Base Value:	\$ 1,901,978
Fiscal Year 2025 Annual Taxes:	\$ 0 (tax-exempt)
Fiscal Year 2025 Commercial Tax Rate:	\$ 28.61 per \$1,000 assessed value
Fiscal Year 2025 Residential Tax Rate:	\$ 13.19 per \$1,000 assessed value
Increment – Commercial Component:	\$ 2,086,364 (estimated)
Increment – Residential Component:	\$ 19,019,783
New Value:	\$ 23,008,125 (estimated)
TIF Plan Duration:	Twenty Years
Average Commercial Tax Exemption:	100% Over Twenty Years
Average Residential Tax Exemption:	90% Over Twenty Years

The local real estate tax exemption shall be valid for a period of twenty (20) years, beginning on July 1, 2026 and in anticipation of an increase in value to the PROPERTIES as determined by the City Assessor. The local real estate tax exemption percentage and

exemption schedule on the commercial component of the PROPERTIES will apply toward the increase in assessed value from the base value (Base = \$0; Increase in Assessed Value = \$2,086,364 [est.]), while the local real estate tax exemption percentage and exemption schedule on the residential component of the PROPERTIES will apply toward the increase in assessed value from the base value (Base = \$1,901,978; Increase in Assessed Value = \$19,019,783 [est.]), resulting from the completion of construction by the DEVELOPER, as determined by the City Assessor and reviewed each subsequent year until the tax exemption is completed. All local real estate exemptions will be enacted upon realization of an increase in the assessed value of the noted PROPERTIES that results from new investment specific to this project. This UCH-TIF Plan will end on June 30, 2046.

2. The Worcester City Council approved the provisions of this UCH-TIF Plan on _____, 2025 (Exhibit E).
3. The following exemption percentage and exemption schedule will apply towards the commercial assessed value of the PROPERTIES for each of the years listed below during the term of this Agreement:

Year	Fiscal Year	Exemption Percentage	Percentage of Real Estate Tax Payable on the Increment
1	2027	100%	0%
2	2028	100%	0%
3	2029	100%	0%
4	2030	100%	0%
5	2031	100%	0%
6	2032	100%	0%
7	2033	100%	0%
8	2034	100%	0%
9	2035	100%	0%
10	2036	100%	0%
11	2037	100%	0%
12	2038	100%	0%
13	2039	100%	0%
14	2040	100%	0%
15	2041	100%	0%
16	2042	100%	0%
17	2043	100%	0%
18	2044	100%	0%
19	2045	100%	0%
20	2046	100%	0%

4. The following exemption percentage and exemption schedule will apply towards the residential assessed value of the PROPERTIES for each of the years listed below during the term of this Agreement:

Year	Fiscal Year	Exemption Percentage	Percentage of Real Estate Tax Payable on the Increment
1	2027	90%	10%
2	2028	90%	10%
3	2029	90%	10%
4	2030	90%	10%
5	2031	90%	10%
6	2032	90%	10%
7	2033	90%	10%
8	2034	90%	10%
9	2035	90%	10%
10	2036	90%	10%
11	2037	90%	10%
12	2038	90%	10%
13	2039	90%	10%
14	2040	90%	10%
15	2041	90%	10%
16	2042	90%	10%
17	2043	90%	10%
18	2044	90%	10%
19	2045	90%	10%
20	2046	90%	10%

5. For each of the twenty (20) fiscal years listed in Section 3 and Section 4, a portion of the assessed value of the PROPERTIES equal to the increment (as defined in 760 CMR 58.03), times the exemption percentage shall be exempt from taxation.
6. The Base Value of \$1,901,978 is the assessed value of the PROPERTIES in the fiscal year in which this Agreement is entered into.
7. The exemption provided by this Agreement shall automatically terminate after the twentieth (20th) full fiscal year following the term commencement date except for claims related to defaults or alleged defaults under this Agreement occurring prior to the expiration of the exemption period. From and after the expiration date, the owner of the PROPERTIES shall pay the full amount of taxes assessed on the PROPERTIES comprising the DEVELOPMENT or any portion thereof.
8. The DEVELOPER hereby agrees that the allocation of real estate taxes it pays or causes to be paid to the CITY shall be in a manner and an amount consistent with this Agreement, pursuant to tax bills rendered by the CITY in its usual and customary manner. Notwithstanding any other provisions of this Agreement to the contrary, the parties agree that the payment obligation under this Agreement shall be the legal responsibility of the DEVELOPER.

C. AFFORDABLE HOUSING REQUIREMENTS AND RESTRICTIONS

1. The parties hereto have agreed upon the form of Affordable Housing Restriction attached to this Agreement as Exhibit F.
2. Contemporaneously with the execution of this Agreement, the DEVELOPER shall record or cause to be recorded, the Affordable Housing Restriction with the Worcester District Registry of Deeds and provide a recorded copy thereof to the CITY.
3. The Act, in Section 60(b), requires as a condition of the granting of the exemption, that one of the affordability thresholds described in such Section 60(b) be satisfied at the PROPERTIES. Section 60(b)(i) of the Act provides that one such threshold is the assurance that at least 15% of the housing units assisted by the exemption shall be affordable to occupants or families with incomes at or below 80% of AMI. Twenty-three (23) of the residential units shall be maintained as affordable units for the duration of the term of the exemption as described in the Affordable Housing Restriction.
4. In the event of any conflict between the provisions of this Agreement and the Affordable Housing Restriction, the Affordable Housing Restriction shall be dispositive.
5. In the event the CITY terminates this Agreement for any reason, or revokes the Exemption, the DEVELOPER shall have no further obligations under this Agreement; however, such termination shall have no impact on DEVELOPER's obligation pursuant to any other agreements between the DEVELOPER and the CITY, or EOHLC, unless explicitly stated otherwise.

D. ADDITIONAL REQUIREMENTS AND AGREEMENTS

1. This Agreement does not provide any exemption from personal property taxes with respect to the PROPERTIES or the DEVELOPMENT.
2. This Agreement does not serve to waive the DEVELOPER's obligations under any special assessment or betterment levied by the CITY or any constituent entity thereof against the PROPERTIES.
3. The CITY, the DEVELOPER, EOHLC, and other parties shall enter into the Affordable Housing Restriction.
4. Any failure of the DEVELOPER to (i) construct, operate and maintain the DEVELOPMENT as required herein, (ii) comply with the terms of this Agreement, or (iii) timely make any payments owed to the CITY hereunder, shall constitute a default under this Agreement. If any such default shall occur, the CITY may, in addition to such other remedies it may have at law or in equity, terminate this Agreement and discontinue the exemption, commencing with the first day of the CITY fiscal year immediately following the CITY fiscal year in which default has occurred. Prior to any discontinuance of the exemption, however, the CITY shall provide to the DEVELOPER written notice of the alleged default and an opportunity to cure the default within a period

of thirty (30) days from the date of any such notice. The CITY agrees to provide contemporaneous written notice of any such alleged default to (a) the DEVELOPER at the notice address set forth in Section E(5).

E. ADDITIONAL PROVISIONS

1. This Agreement shall inure to the benefit of and be binding upon subsequent owners of the PROPERTIES, whether individually or in the aggregate, including, without limitation, a mortgage lender taking title to the Properties via foreclosure, deed, or assignment in lieu of foreclosure or other remedy, and any successor thereto.
2. Upon failure of the DEVELOPER to fulfill all material obligations of Sections A.1. through A.11. under this Agreement, the CITY reserves the right to apply to the EOHLIC for decertification of the project and recapture the benefits provided by the CITY to the DEVELOPER through the UCH-TIF Plan.
3. This Agreement is subject to M.G.L. c. 23A, §§ 3A through 3F inclusive, M.G.L. c. 40, § 59, MGL c. 6A, and Chapter 19 of the 1993 Acts and Resolves of Massachusetts.
4. The DEVELOPER is solely responsible for all covenants, responsibilities and information in Section A, above and for the recapture of benefits set forth in Section E(2) above.
5. All notices, requests, and demands which any party is required or may desire to give to the other party pursuant to this Agreement must be in writing delivered to each party at the addresses set forth below:

If to the CITY: City Manager
 City Hall, Room 306
 455 Main Street
 Worcester, MA 01608

If to the DEVELOPER: Trinity Curtis Phase Two Limited Partnership
 c/o Trinity Financial, Inc.
 75 Federal Street, 4th Floor
 Boston, MA 02110

Any notice party may designate a different address by notice given to the other parties as provided herein. Each notice, request and demand hereunder shall be deemed given or made as follows: (i) if sent by hand delivery, upon delivery; or (ii) if sent by certified mail, return receipt requested, or by nationally recognized overnight delivery service, upon receipt or refusal.

6. Further Assurances. At the request of either party hereto, the other party shall execute, acknowledge and deliver such other documents and/or instruments as may be reasonably required by the requesting party in order to carry out the purposes of this Agreement,

provided that no such document or instrument shall modify the rights and obligations nor increase the liability of the parties set forth herein.

7. Successors and Assigns. The provisions of this Agreement shall benefit the PROPERTIES and no other real property. This Agreement shall be binding upon and enure to the benefit of the successors and assigns of the CITY, and of the DEVELOPER as owner of the PROPERTIES. The DEVELOPER may not assign its rights and obligations under this Agreement without the approval of the CITY in its sole discretion; provided, however, that the DEVELOPER may assign its rights and obligations hereunder to an assignee which acquires the PROPERTIES through foreclosure or deed in lieu thereof and thereby assumes all of the DEVELOPER's rights hereunder (so long as notice of any such foreclosure or deed in lieu of foreclosure is promptly provided to the CITY in accordance with Section E(5) hereof). In addition, and notwithstanding the foregoing, the CITY acknowledges that the DEVELOPER may subject the PROPERTIES to a condominium regimes pursuant to the provisions of M.G.L. c. 183A, as amended.

[remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Agreement to be executed as a sealed instrument by their duly authorized representatives the day and year first above written.

**TRINITY CURTIS PHASE TWO
LIMITED PARTNERSHIP**

**By: its General Partner, Trinity Curtis Phase
Two GP, LLC**

Recommended:

**Rebecca Hemenway
Authorized Signatory**

**Peter Dunn
Chief Development Officer**

Approved as to form:

City of Worcester Assessing Division

**Alexandra H. Kalkounis
City Solicitor**

**Samuel E. Konieczny
City Assessor**

CITY OF WORCESTER

**Eric D. Batista
City Manager**

EXHIBIT A SOURCES AND USES SOURCES AND USES OF FUNDS

Sources of Funds																																											
Private Equity:				Optional user calculations																																							
81 .	MA State LIHTC Loan		\$	13,825,000	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">MA SLJHTC</td> <td style="width: 30%;">Credit Applied: \$3,500,000</td> <td style="width: 40%;"></td> </tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>			MA SLJHTC	Credit Applied: \$3,500,000																																		
MA SLJHTC	Credit Applied: \$3,500,000																																										
82 .	Tax Credit Equity (net amount) (See line 160, Section 3, page 18.)		\$	56,654,478																																							
83 .	Developer's Fee/Overhead, Contributed or Loaned		\$	5,419,797																																							
84 .	Other Source:																																										
Public Equity:																																											
85 .	HOME Funds, as Grant																																										
86 .	Grant:	Public Housing Innovation III Funds [MA EOHLIC - Public] & Gateway Cities Funds [MA EOHLIC - Public]	\$	29,496,553																																							
87 .	Grant:	HousingWorks Infrastructure Grant [MA EOED]	\$	3,500,000																																							
88 .	Total Public Equity		\$	32,996,553																																							
Subordinate Debt (see definition):				Amount	Rate	Amortiz.	Term																																				
89 .	Home Funds-DHCD, as Subordinate Debt		\$	1,500,000	0.00%	40	40																																				
	Source:	HUD Capital Funds [Worcester Housing Authority]																																									
90 .	Home Funds-Local, as Subordinate Debt		\$	4,000,000	0.00%	40	40																																				
	Source:	Workforce/Capital Magnet Funds [Massachusetts Housing Finance Agency]																																									
91 .	Subordinate Debt		\$	10,500,000	0.00%	40	40																																				
	Source:	Subsidy [MA EOHLIC - Private]																																									
92 .	Subordinate Debt		\$	1,000,000	0.00%	40	40																																				
	Source:	ARPA SLFRF & AHTF-CPA [City of Worcester]																																									
93 .	Subordinate Debt		\$	750,000	0.00%	yrs.	yrs.																																				
	Source:	Passive House Incentives [Mass Save]																																									
94 .	Total Subordinate Debt		\$	17,750,000																																							
Permanent Debt (Senior):				Amount	Rate	Override	Amortiz.																																				
95 .	MHFA	Permanent Loan [Massachusetts Housing Finance Agency]	\$	20,095,000	7.04%	%	40.00																																				
96 .	MHFA		\$		%	%	yrs.																																				
97 .	MHP Fund Permanent Loan		\$		%		yrs.																																				
98 .	Other Permanent Senior Mortgage		\$		%		yrs.																																				
	Source:																																										
99 .	Other Permanent Senior Mortgage		\$		%		yrs.																																				
	Source:																																										
100 .	Total Permanent Senior Debt		\$	20,095,000																																							
101 .	Total Permanent Sources:		\$	146,740,828																																							
Construction Period Financing:				Amount	Rate	Term																																					
102 .	Construction Loan		\$	51,750,000	0.00%	300																																					
	Source:	Tax-Exempt Construction Loan [Massachusetts Housing Finance Agency]																																									
	Repaid at:	Construction Completion	(event)																																								
103 .	Other Interim Loan		\$	-	%	mos.																																					
	Source:																																										
	Repaid at:		(event)																																								
104 .	Syndication Bridge Loan		\$	-	%	mos.																																					
	Source:																																										
	Repaid at:		(event)																																								

Uses of Funds

The Contractor certifies that, to the best of their knowledge, the construction estimates, and trade-item breakdown on this page are complete and accurate.

Direct Construction:

105 . Who prepared the estimates?

Dimco Construction Company

Name

Signature

106 . Basis for estimates?

	DV	Trade Item	Total	Description
107 .	3	Concrete	\$ 2,917,350	
108 .	4	Masonry	\$ 897,700	
109 .	5	Metals	\$ 1,434,875	
110 .	6	Rough Carpentry	\$ 12,964,376	Wood & Plastics
111 .	6	Finish Carpentry	\$ 8,534,418	
112 .	7	Waterproofing	\$ 2,762,701	Thermal & Moisture Protection
113 .	7	Insulation	\$ -	
114 .	7	Roofing	\$ -	
115 .	7	Sheet Metal and Flashing	\$ -	
116 .	7	Exterior Siding	\$ -	
117 .	8	Doors	\$ 3,556,394	Doors & Windows
118 .	8	Windows	\$ -	
119 .	8	Glass	\$ -	
120 .	9	Lath & Plaster	\$ -	
121 .	9	Drywall	\$ -	
122 .	9	Tile Work	\$ -	
123 .	9	Acoustical	\$ -	
124 .	9	Wood Flooring	\$ -	
125 .	9	Resilient Flooring	\$ -	
126 .	9	Carpet	\$ -	
127 .	9	Paint & Decorating	\$ -	
128 .	10	Specialties	\$ 333,870	
129 .	11	Special Equipment	\$ 769,259	
130 .	11	Cabinets	\$ -	
131 .	11	Appliances	\$ -	
132 .	12	Blinds & Shades	\$ -	
133 .	13	Modular/Manufactured	\$ -	
134 .	13	Special Construction	\$ -	
135 .	14	Elevators or Conveying Syst.	\$ 1,572,400	
136 .	15	Plumbing & Hot Water	\$ 25,273,214	Mech/Elec/PLUMB
137 .	15	Heat & Ventilation	\$ -	
138 .	15	Air Conditioning	\$ -	
139 .	15	Fire Protection	\$ -	
140 .	16	Electrical	\$ 10,852,400	
141 .		Accessory Buildings	\$ 1,390,274	Solar
142 .		Other/misc	\$ 922,494	Furnishings
143 .		Subtotal Structural	\$ 74,121,725	
144 .	2	Earth Work	\$ 5,827,665	
145 .	2	Site Utilities	\$ 262,500	Utility Backcharge
146 .	2	Roads & Walks	\$ 4,074,228	Infrastructure
147 .	2	Site Improvement	\$ 7,595,565	Building Site Work
148 .	2	Lawns & Planting	\$ 1,467,900	Exterior Improvements
149 .	2	Geotechnical Conditions	\$ -	
150 .	2	Environmental Remediation	\$ -	
151 .	2	Demolition	\$ 3,085,000	Demolition & Abatement
152 .	2	Unusual Site Cond	\$ -	
153 .		Subtotal Site Work	\$ 22,312,858	
154 .		Total Improvements	\$ 96,434,583	
155 .	1	General Conditions	\$ 6,573,105	Incl. P&P Bonds
156 .		Subtotal	\$ 103,007,688	
157 .	1	Builders Overhead	\$ 1,022,411	
158 .	1	Builders Profit	\$ 1,967,897	
159 .		TOTAL	\$ 105,997,996	

160 Total Cost/square foot: \$ 539

Residential Cost's.f.: \$ 402

Development Budget:

	<i>Total</i>	<i>Comments</i>
161 . Acquisition: Land	\$ -	
162 . Acquisition: Building	\$ 12,353	
163 . Acquisition Subtotal	\$ 12,353	
164 . Direct Construction Budget	\$ 105,997,996	(from line 159)
165 . Construction Contingency	\$ 5,549,900	5.2% of construction
166 . Subtotal: Construction	\$ 111,547,896	

General Development Costs:

	<i>Total</i>	
167 . Architecture & Engineering	\$ 6,164,153	
168 . Survey and Permits	\$ 75,000	
169 . Clerk of the Works	\$ 360,000	
170 . Environmental Engineer	\$ 570,865	Geotechnical and Geoenvironmental, Hazmat
171 . Bond Premium	\$ -	
172 . Legal	\$ 655,263	
173 . Title and Recording	\$ 141,260	
174 . Accounting & Cost Cert.	\$ 170,000	
175 . Marketing and Rent Up	\$ 277,453	
176 . Real Estate Taxes	\$ 35,000	
177 . Insurance	\$ 861,009	
178 . Relocation	\$ 1,252,639	
179 . Appraisal	\$ 30,000	Market Study and Appraisal
180 . Security	\$ -	
181 . Construction Loan Interest	\$ 4,496,851	
182 . Inspecting Engineer	\$ 75,000	
183 . Fees to: LIHTC	\$ 573,124	
184 . Fees to: MassHousing	\$ 1,034,460	MH Bond Issuance Fee
185 . MIP	\$ 150,713	
186 . Credit Enhancement Fees	\$ -	
187 . Letter of Credit Fees	\$ -	
188 . Other Financing Fees	\$ 150,000	RBC Costs
189 . Development Consultant	\$ 300,000	WHA Costs
190 . Other: FFE	\$ 643,885	
191 . Other: Misc. Testing	\$ 100,000	
192 . Soft Cost Contingency	\$ 755,481	4.1% of soft costs
193 . Subtotal: Gen. Dev.	\$ 18,852,156	
194 . Subtotal: Acquis., Const., and Gen. Dev.	\$ 130,412,405	
195 . Capitalized Reserves	\$ 2,820,044	Incl. Operating Reserve, Resident Services Reserve, RAD Subsidy Reserve
196 . Developer Overhead	\$ 4,044,291	
197 . Developer Fee	\$ 9,464,088	Incl. Deferred Developer Fee
198 . Total Development Cost	\$ 146,740,828	TDC per unit \$ 978,272
199 . TDC, Net	\$ 138,500,987	TDC, Net per unit \$ 923,340

EXHIBIT B

RESIDENTIAL UNIT INCOME LIMITS

Curtis Revitalization - Phase 2 Residential Income						
	# OF UNITS	GROSS RENT	SUBSIDY	LESS UA	NET RENT	NET REVENUE
LIHTC @ 60% AMI						
	4	1,403	N/A	69	1,334	5,336
	4	1,684	N/A	90	1,594	6,376
	2	1,945	N/A	106	1,839	3,678
	-	-	N/A	-	-	-
	TOTAL: 10					15,390
LIHTC @ 80% AMI						
	6	1,684	N/A	69	1,615	9,689
	13	2,021	N/A	90	1,931	25,108
	5	2,335	N/A	106	2,229	11,143
	-	-	N/A	-	-	-
	TOTAL: 24					45,941
Restore-Rebuild						
	9	364	1030		1,394	12,546
	17	364	1509		1,873	31,841
	11	364	1873		2,237	24,607
	-	-	-	-	-	-
	TOTAL: 37					68,994
PBV (WHA)						
	5	1,759	N/A	69	1,690	8,450
	28	2,262	N/A	90	2,172	60,805
	42	2,803	N/A	106	2,697	113,266
	4	3,108	N/A	122	2,986	11,942
	TOTAL: 79					194,462

TOTAL UNITS:	150
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EXHIBIT C
CITY OF WORCESTER
RESPONSIBLE DEVELOPMENT ORDINANCE

§ 35A. Responsible Development Ordinance

(a) Statement of Purpose.

The City Council hereby supports the use of Tax Increment Financing (TIF) through the Commonwealth's Economic Development Incentive Program (EDIP) and Tax Increment Exemptions (TIE) through the Commonwealth's Housing Development Incentive Program (HDIP). The City of Worcester has an expectation that projects receiving TIF/TIE assistance will provide meaningful benefits to the Worcester community both during the development and after the project is completed. To ensure that expectation is met, this Responsible Development Ordinance has been created and is incorporated by exhibit into all TIF/TIE Agreements with developers/companies. Projects receiving TIF/TIE assistance are also subject to Chapter 2, Section 39A of the City's Revised Ordinances regarding Wage Theft Prevention, which will be further incorporated by exhibit into all TIF/TIE Agreements. The following goals and objectives are considered for any projects seeking TIF/TIE assistance:

- (1) Expansion of the City's tax base and revenues.
- (2) Eliminate blight and/or redevelop an underutilized property.
- (3) Create permanent, full-time, livable-wage jobs for Worcester residents (EDIP).
- (4) Create new housing opportunities for Worcester residents (HDIP).
- (5) Enhance the diversification of the City's housing stock and economic activities.
- (6) Improve livability and stabilization in the City's neighborhoods and commercial districts.
- (7) Encourage sustainable and resilient building design.
- (8) Directly or indirectly spur additional, unsubsidized private development in Worcester.
- (9) Benefit the long-term economic development goals of the City of Worcester.

(b) Application Process.

- (1) The applicant must submit a letter of intent to the City's Executive Office of Economic Development (EOED) expressing interest in the program. The EOED will review the project information for program eligibility and alignment with the program goals and objectives.
- (2) The applicant must demonstrate that the TIF/TIE assistance is necessary for the financial feasibility of the project or other financial considerations of sufficient merit. The applicant must provide a project pro forma which demonstrates the financial need and/or a written statement from the lender or principal funding

- provider noting the importance and basis therein of tax benefits to the overall financial package assembled to support the project.
- (3) The applicant must demonstrate evidence of the required financing to complete the proposed project. In addition to the pro forma, applicant must submit a project budget and sources and uses of funds statement.
 - (4) The applicant should demonstrate additional economic benefits to the Worcester community, such as the employment of youth interns or support for local initiatives.
 - (5) The EOED will submit projects recommended for approval through the City Manager and to the City Council. The City Council will refer the recommendation to its Economic Development committee. The applicant must also meet with the Worcester Jobs Fund committee to discuss any short-term construction jobs and/or long-term jobs associated with the project. The EOED will work with the applicant to coordinate the meeting with the Worcester Jobs Fund, with the goal of occurring prior to the Economic Development committee meeting.
 - (6) In its recommendation, the EOED will provide a copy of the completed program application, the terms of the TIF/TIE Plan, and a copy of the draft TIF/TIE Agreement.
 - (7) If the TIF/TIE Plan is approved by the City Council, the EOED will work with the applicant to submit the project application to the appropriate state agency for certification. For EDIP projects, the state agency is the Mass Office of Business Development and Economic Assistance Coordinating Council. For HDIP projects, the state agency is the Executive Office of Housing and Livable Communities.

(c) General Requirements and Assurances.

- (1) The project will generate an increase in property tax revenue.
- (2) The project will be beneficial to a "Blighted Open Area", "Decadent Area", or a "Substandard Area" as defined in 402 CMR 2.03.
- (3) The project must meet all local and State permitting, licensing and regulatory requirements.
- (4) The applicant must provide documentation of adherence to the Immigration and Nationality Act.

- (5) The applicant must provide documentation demonstrating it has a Criminal Record Offender Record Information (CORI) Policy that matches the City of Worcester's CORI Policy.
- (6) For EDIP projects, if the property is or will be leased to company, copies of leases with all tenants seeking certification must be submitted to demonstrate that the tax benefits will be passed through to the tenant in the form of a favorable lease.
- (7) For EDIP projects, permanent, full-time livable wage jobs* must be created for Worcester residents. *Livable wage jobs shall be 125% of minimum wage as of January 1st in the year of the approved TIF Plan.
- (8) For EDIP projects the applicant agrees that 100% of the newly created positions will be made available to residents of Worcester. The City of Worcester reserves the right to also require that certain applicants ensure a percentage of the permanent full-time jobs to be created are filled by Worcester residents, with a goal of at least 50% Worcester residents and 15% low- to moderate-income residents.
- (9) The applicant must use its best efforts to purchase supplies, materials, equipment, appliances, and services from suppliers and vendors located in Worcester. These best efforts will include requesting proposals from Worcester suppliers and vendors, giving preference to Worcester suppliers and vendors that are both qualified and competitive; and allowing Worcester suppliers and vendors the opportunity to match or better lower prices provided by qualified non-Worcester suppliers and vendors.
- (10) The applicant must commit to a goal of hiring at least 50% of its contractors and sub-contractors from qualified local (within thirty miles of the project address) companies. These best efforts will include advertising the work locally; giving preference to local contractors and sub-contractors that are both qualified and competitive; and allowing qualified local contractors and sub-contractors the opportunity to match or better lower prices provided by qualified, non-local contractors and sub-contractors.
- (11) The applicant must commit to supporting Women Business Enterprises (WBE) and Minority Business Enterprises (MBE) certified by the state Supplier Diversity Office or similar certifying agency. The applicant must commit to a goal of contracting at least 15% of the value of all contracts with WBEs and 10% of the value of all contracts with MBEs.
- (12) The applicant must commit to a goal of achieving workforce hours in each trade of 50% Worcester residents, 38% people of color, and 10% women.

- (13) The applicant, its contractors, subcontractors and lessees, if applicable, will ensure non-discrimination in all their respective employment decisions. The applicant, its contractors, subcontractors and lessees, if applicable, will ensure without regard to race, color, religious creed, national origin, age, sex, gender identity & expression, sexual orientation, genetic information, ancestry, military service, source of information, or disability in the areas of hiring, promotion, demotion, transfer, recruitment, layoff, termination, rate of compensation, in-service or apprenticeship training programs, and all other terms and conditions of employment as it pertains to the applicant, its contractors, subcontractors and lessees, if applicable.
- (14) The applicant must affirm that it will not unlawfully misclassify workers as self-employed or as independent contractors and certify compliance with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.
- (15) The applicant must affirm that any construction manager, general contractor, subcontractors, or any entity hired by the applicant for the construction of the project shall not unlawfully misclassify workers as self-employed or as independent contractors, or that fail to comply with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.
- (16) The applicant and all contractors and sub-contractors will comply with the Wage Theft Prevention ordinance as described in Chapter 2, Section 39A of the Revised Ordinances of the City of Worcester.
- (17) The applicant must ensure that all contractors and sub-contractors comply with the health care laws of Massachusetts, and the applicant must not hire any contractors or sub-contractors that are on the Commonwealth of Massachusetts debarment lists.
- (18) The applicant must ensure that all contractors and sub-contractors have not within the past three years been found in violation of any law applicable to its contracting business, including, but not limited to, licensing laws, tax laws, prompt payment laws, wage and hour laws, prevailing wage laws, environmental laws, or others.

- (19) The applicant must ensure that all contractors and sub-contractors maintain appropriate industrial accident insurance sufficient to provide coverage for all the employees on the project in accordance with G.L. c.152 and provide documentary proof of such coverage to the Commissioner of Inspectional Services to be maintained in Inspectional Services as a public record.
- (20) The applicant must provide the City of Worcester with a list of contractors and sub-contractors that will be given the opportunity to bid on the project construction. Said list must be provided to the City's Program and Compliance Manager prior to the commencement of construction.
- (21) Contractors and subcontractors at every tier must at the time of bidding certify that all employees working on the project will have successfully completed a course in construction safety and health approved by the United States Occupational Safety and Health Administration (OSHA) that is at least 10 hours in duration, and shall ensure that all employees working at the worksite possess such qualifications at all times throughout the duration of their work on the project and furnish documentation of successful completion of the course.
- (22) A copy of this Responsible Development Ordinance must be included in all solicitations for pricing from contractors and subcontractors at every tier. The Responsible Development Ordinance must also be included in all contracts and subcontracts at every tier.
- (23) If the applicant decides to sell the property or business during the TIF/TIE Plan or to otherwise transfer control of the property or business and/or its operation, the applicant must give the City of Worcester as much notice as is practicable. The applicant must ensure that regardless of future ownership, the property will remain taxable or pay a tax equivalent payment for the life of the TIF/TIE Plan, unless the property is repossessed or foreclosed upon by a mortgagee.

(d) Workforce Development.

- (1) The applicant and its tenants (if applicable) must work with the City's Program and Compliance Manager regarding workforce development resources to help advance the goals described in this ordinance. The applicant must also meet and collaborate with the City's Workforce Development Division, the Program Director of the Worcester Jobs Fund, other local employment agencies, and community or neighborhood organizations as identified to outline the job profiles of those positions to be created in order to secure positions at the project address for Worcester residents. The applicant and its tenants (if applicable) must also agree to make all commercially reasonable efforts to maintain and add to the level of jobs at the project address as long as the TIF Plan is effective.

- (2) The applicant's support of local workforce development initiatives such as job fairs or programs like the Building Pathways program is highly encouraged.
- (3) The applicant must commit to a goal of 15% workforce hours for apprentices in an Apprenticeship program registered with the Massachusetts Division of Apprenticeship Standards (DAS) and comply with such standards. In furtherance of this goal, applicant must demonstrate efforts to procure contractors and subcontractors in each trade that maintain a DAS registered apprenticeship program. Opportunities on the project for apprentices who are Worcester residents and/or students or graduates of the Worcester Public Schools are a priority of the City and highly encouraged.

(e) Reporting and Monitoring.

(1) During Construction.

- (i) In furtherance of the contractor requirements and workforce goals for the project, the applicant must submit to the City certified payroll documentation for all contractors and sub-contractors at every tier. The documentation must be submitted at least monthly and shall include each employee's name, address, gender, race/ethnicity, apprentice status, wages, and withholdings. The OSHA 10 cards referenced in section (c) of this ordinance must be submitted for each employee with the first certified payroll form in which the employee appears.
- (ii) The applicant must ensure that its construction manager or general contractor maintain a daily log of each employee working on the project. The log must contain the project location, date, printed employee name, employee signature, name of employer, and time of entry / exit. The logs must be submitted to the Program and Compliance Manager at least bi-weekly.
- (iii) The applicant must participate in the City's Construction Diversity Monitoring Committee (CDMC) meetings throughout the duration of the project. Attendance by a representative from the project's development team and a representative from the project's Construction Manager/General Contractor team are required at CDMC meetings.
- (iv) The applicant must make the Program and Compliance Manager aware of any shortfalls regarding goals and meet with the Program and Compliance Manager monthly/periodically or as needed throughout

the project construction to evaluate and reassess performance toward diversity goals and develop a strategic plan to address any shortfalls.

- (v) The applicant will provide the site access for periodic monitoring and compliance visits throughout the duration of the project.

(2) Post-Construction.

- (i) Per M.G.L. Chapter 23A and 402 CMR 2.00, active EDIP projects are required to submit an annual report to the Commonwealth's Economic Assistance Coordinating Council (EACC) and to the municipality in which the project is located. The EACC reviews each project for compliance with job creation and retention, private investment goals and if applicable, investment tax credit utilization. The failure to submit the annual report to the EACC is grounds for project decertification which may result in the revocation and potential recapture of state tax benefits. The annual report requires the following information: full-time employment levels at the facility at the beginning and end of the reporting period; the specific number of Worcester residents employed full-time at the facility at the beginning and end of the reporting period; the total project investment made as of the date of the report; the applicant's financial contribution to the City of Worcester (i.e. property taxes, motor vehicle excise taxes, and water and sewer fees), for the fiscal year; a description of any private investment made for the benefit of the community during the reporting period.
- (ii) In addition to the annual report required of the EACC, the City of Worcester requests similar reports on a semi-annual basis, for time periods ending June 30th and December 31st during the duration of the TIF Plan.
- (iii) Active HDIP projects must provide annual reporting to the City of Worcester including occupancy rates of the residential units, rental rates of the residential units, and the applicant's financial contribution to the City of Worcester for the preceding fiscal year.

(f) Corrective Action & Remedies.

(1) General Requirements and Assurances.

Any violation of compliance with laws, requirements, and/or assurances in section (c) of this ordinance may result in revocation or reduction of local tax benefits in the sole determination of the City of Worcester.

(2) During Construction.

- (i) Failure to submit complete and accurate documentation as outlined in section (e) of this ordinance may result in fines, revocation, or reduction of local tax benefits.
- (ii) Failure to perform best faith efforts in achieving the goals described in section (c) of this ordinance may result in fines, revocation or reduction of local tax benefits.
- (iii) As a result of project reporting and monitoring, if the Program and Compliance Manager determines that the project is failing to meet the requirements or expectations of this ordinance, a Letter of Noncompliance will be issued. The initial Letter of Noncompliance will result in a fine of five thousand dollars (\$5,000.00). The applicant must respond to the letter with a Corrective Action Plan outlining the steps that will be taken to remedy the issues of Noncompliance. Failure to implement the Corrective Action Plan may result in a revocation or reduction of local tax benefits associated with the project in the sole determination of the City of Worcester. The severity of Noncompliance issues will inform the City's determination of whether to revoke the tax benefits, or the degree in which the tax benefits may be reduced.

(3) Post Construction.

Failure to submit a semi-annual report to the City of Worcester, as well as a company's failure to retain its permanent, full-time job base as stated in the application, complete the project as proposed, or reach at least 50% of its job creation goal as stated in the application, may result in the revocation and/or potential recapture of local tax benefits. The City of Worcester reserves the right to consider the revocation or reduction of local tax benefits on a case-by-case basis. If the City of Worcester chooses to reduce the percentage of a company's local tax benefits due to non-compliance with its job retention or creation goals, the percentage reduction amount will be proportionate to the company's current permanent, full-time employment levels.

**EXHIBIT D
CITY OF WORCESTER
WAGE THEFT PREVENTION ORDINANCE**

§ 39A. Wage Theft Prevention on Private Development Projects that Utilize Tax Increment Financing or Tax Increment Exemption – Ordained July 23, 2019 #678

Section 39A. Minimum Mandatory Conditions. In addition to any other conditions that may be required in connection with tax increment financing or housing development exemption relief granted by the City, each Tax Increment Financing Agreement and each Housing Development Exemption Agreement entered into between the City and the recipient of such relief shall be subject to and shall include the following set of mandatory conditions:

- (a) It shall be a special and material condition of this Agreement that any construction manager, general contractor or other lead or prime contractor, or any entity functioning in any such capacity, and any other contractor or subcontractor of any tier or other person that is engaged to perform the construction work during the term of this Agreement on the property that is the subject of the Agreement (hereinafter, collectively and individually, the “contractor”) shall comply with the following qualifications and conditions at all times during their performance of work on the property:
- (1) The contractor has not been debarred or suspended from performing construction work by any federal, state or local government agency or authority in the past three years;
 - (2) The contractor has not been found within the past three years by a court or governmental agency in violation of any law relating to providing workers compensation insurance coverage, misclassification of employees as independent contractors, payment of employer payroll taxes, employee income tax withholding, earned sick time, wage and hour laws, prompt payment laws, or prevailing wage laws;
 - (3) The contractor must maintain appropriate industrial accident insurance sufficient to provide coverage for all the employees on the project in accordance with G.L. c.152 and provide documentary proof of such coverage to the City of Worcester’s Compliance Officer to be maintained as a public record;
 - (4) The contractor must properly classify employees as employees rather than independent contractors and treat them accordingly for purposes of minimum wages and overtime, workers’ compensation insurance coverage, unemployment taxes, social security taxes and state and federal income tax withholding. (G.L. c.149, §148B on employee classification)
 - (5) The contractor must comply with G.L. c. 151, §1A and G.L. c. 149, § 148 with respect to the payment of wages; and
 - (6) The contractor must be in compliance with the health and hospitalization requirements of the Massachusetts Health Care Reform law established by Chapter 58 of the Acts of 2006, as amended, and regulations promulgated under that statute by the Commonwealth Health

Insurance Connector Authority.

- (b) If any person or entity subject to the foregoing qualifications and conditions fails to comply with any of them with respect to work on the property, the parties agree that such an event materially frustrates the public purpose for which this Agreement and any certification by the state was intended to advance. In such an event, the City of Worcester shall petition the appropriate state agency or body for revocation of the certification, and, upon such revocation, the tax relief provided by this Agreement shall be terminated and the property owner shall pay to the City an amount equal to the value of the tax relief already received under this Agreement.
- (c) In the event the owner of the property challenges the termination of the tax relief provided by this Agreement and/or the revocation by the state of any certification, the owner shall set aside in an escrow account an amount equal to the full amount of the tax savings that previously would have accrued under this Agreement while any such challenge remains pending. The owner of the property shall have a continuing obligation to contribute to the escrow account amounts equal to the additional tax savings that accrue under this Agreement while its challenge remains pending. The owner shall promptly provide to the City/Town with documentation of its compliance with this obligation. The conditions of the escrow account shall provide that, in the event the owner is unsuccessful in its challenge, the funds in the account shall be paid to the City. The owner's obligations under this subsection shall be judicially enforceable. It is the intent of the parties that the residents of this municipality are third party beneficiaries of this Agreement, and that it may be enforced in a civil proceeding brought by not less than 10 taxable inhabitants.

EXHIBIT E
CITY OF WORCESTER
CITY COUNCIL APPROVAL

DRAFT

EXHIBIT F
AFFORDABLE HOUSING RESTRICTION

[to be inserted]

DRAFT