

Potential for Growth



Town of Billerica
January 16, 2014



Introduction



- Last meeting with S&P was May 2013
- Increase in business expansion
- Tax base and tax revenue are increasing
- CIP has expanded
- Liabilities have decreased
- OPEB Trust was established

Business Expansion - EDIP



- Billerica has utilized the Massachusetts Economic Development Incentive Program (EDIP)
- Current EDIPs:
Flir Systems, Inc (25 Esquire Road), PAREXEL International (1, 2 and 8 Federal Street), EMD Serono (45 Middlesex Turnpike), Pharmalucence (29 Dunham Road) and E Ink (1000 Technology Park Drive)
- Completed EDIPs:
ASE Americas, Inc (4 Suburban Park Drive), Bay Networks, Inc. (1100 Technology Park), Cabot Corporation (157 Concord Road), Bruker Bio-Spin (15 Fortune Drive), Bruker Optics (19 Fortune Drive), Welch's Technical Center (749 Middlesex Turnpike), Nuvera Fuel Cells (129 Concord Road), and Curriculum Associates, Inc (153 Rangeway Road)
- *EDIP has resulted in over \$340 million of private investment and the creation of over 2,000 permanent, full-time and part-time jobs in Billerica.*

Business Expansion - Middlesex Turnpike



The Town of Billerica has assisted with several business expansion projects outside of the EDIP. Companies that have recently relocated in the Middlesex Turnpike area in Billerica include:

- RainDance Technologies (2013) - a life sciences company - relocated to the vacant Welch's Building on Middlesex Turnpike and relocated over 90 employees and expects to hire 20 – 30 new employees in the next year.
- Mettler-Toledo Thornton (2013) – provider of precision instruments - relocated to 900 Middlesex Turnpike (42,000 SF), invested \$1 million and relocated 120 jobs to Billerica and expects to create 30 new jobs.
- Dodge Company (2012) - supplier of embalming chemicals – relocated to 9 Progress Road (formerly abandoned industrial site) and relocated 100 new jobs to Billerica.
- Lasermax Roll Systems (2012) - automated paper handling, monitoring and processing equipment company - relocated to 4 Suburban Park Drive, which created approximately 75 new jobs in Billerica and reused a formerly vacant industrial building.

Business Expansion - Middlesex Turnpike



Additional companies that have recently expanded and relocated to the Billerica's Middlesex Turnpike area include:

- Tokyo Electron (2012) - expanded its operations to 900 Middlesex Turnpike (91,649 SF). Tokyo Electron retained approximately 100 employees and hired another 40-50 employees.
- Nova Biomedical (2011) - manufacturer of blood testing equipment - purchased a vacant building at 39 Manning Road and invested \$3.5 million and retained approximately 100 employees and will create 60 new jobs in the next five years.
- Pharmalucence Inc. (2011) – life science manufacturer - invested \$35 million, relocated to vacant building at 29 Dunham Road and retained 75 jobs and created 30 permanent new jobs. This is an EDIP Certified Project.
- EMD Serono (2011) – life sciences manufacturer and R&D - constructed a 125,000 SF expansion at 45 Middlesex Turnpike for its research operations and invested \$75 million. April 2013, EMD Serono announced that it is in the process of expanding its US workforce by 20 percent and expects to add in excess of 125 new positions in Massachusetts. This is an EDIP Certified Project.

Business Expansion – Concord & Tech Park



Companies that have recently expanded and relocated along Concord Road and Technology Park include:

- Empirix (2013) - end-to-end network performance company - relocated over 175 employees to 600 Technology Park Drive.
- Insulet Corporation (2013) - medical device company - signed a 90,000 SF lease at 600 Technology Park and will relocate 430 current employees and plans to grow to 550 - 600 in next few years.
- E Ink (2013) - world's largest supplier of electronic paper display components for the e-book industry, including Amazon's Kindle and Barnes and Nobles Nook – relocated 254 employees and invested \$36 million at 1000 Technology Park (over 140,000 SF). E Ink anticipates creating at least 60 new jobs in the first year and dozens more in future years. This is an EDIP Certified Project.
- PAREXEL International (2012) - major life science company - invested over \$4 million to expand to multiple buildings on Federal Street. PAREXEL is Billerica's largest private employer with over 1,200 employees. This is an EDIP Certified Project.

Business Expansion - North Billerica



Companies that have recently expanded and relocated in North Billerica include:

- Waste Management (2013) - recycling and trash-hauling company invested \$5 million in rehabbing a vacant 273,988 SF site at former Boston Globe's site on Salem Road.
- Potpourri Group Inc. (2012) - multi-title catalog company - relocated its headquarters to a vacant 80,000 SF office building at 101 Billerica Ave and relocated over 250 new jobs to Billerica.
- Magellan Diagnostics (2012) – lead testing for clinical laboratory instruments and analytical laboratory services - relocated to 101 Billerica Ave (22,900 SF).
- Calare Properties, Inc. (2013) – owner of Riverview Technology Park (707,000 SF) – invested \$6 million for first phase of a planned \$30 million multiyear upgrade on the former Raytheon site along Billerica Ave.
- Parallel Products (2011) - recycles sugar and alcohol based byproducts - expanded to an abandoned 70,000 SF industrial building at 26 Cook Street and created 40 new jobs in Billerica.

Commercial / Retail Expansion



- Billerica Mall (2012) – additional retailers have relocated to Billerica’s largest mall, including Big Lots, Dollar Tree, Planet Fitness, and the Party Lab.
- Habitat for Humanity (2012) - renovated a vacant car dealership on Boston Road for its Restore retail facilities.
- Lynnway Auto Auction (2011) – invested \$9 million to relocate the car auction to a 61,000 square-foot-building on 400 Charter Way and created 284 part-time jobs.

Business Expansion - Totals



- Over the last few years, Billerica has seen over 20 major expansions and relocations from high quality and diverse businesses and industries.
- These expansions have resulted in over \$175 million of private investment, the creation / relocation of over 3,000 jobs, and the reuse of 12 vacant buildings in Billerica.

Solar Development



- Urban Green Technologies of Chicago (2013)
- Constructing a 25-acre, 23,000 photovoltaic-paneled solar facility at the Pond Street Superfund site
- Largest solar project on a former Massachusetts landfill
- \$3 million in guaranteed tax revenue over 25 years
- Decrease cost of electricity to the Town by 10% for 9 MW.
- Billerica will no longer be liable for the Superfund site
- UGT has agreed to pay \$400,000 in outstanding taxes

Economic Development Initiatives



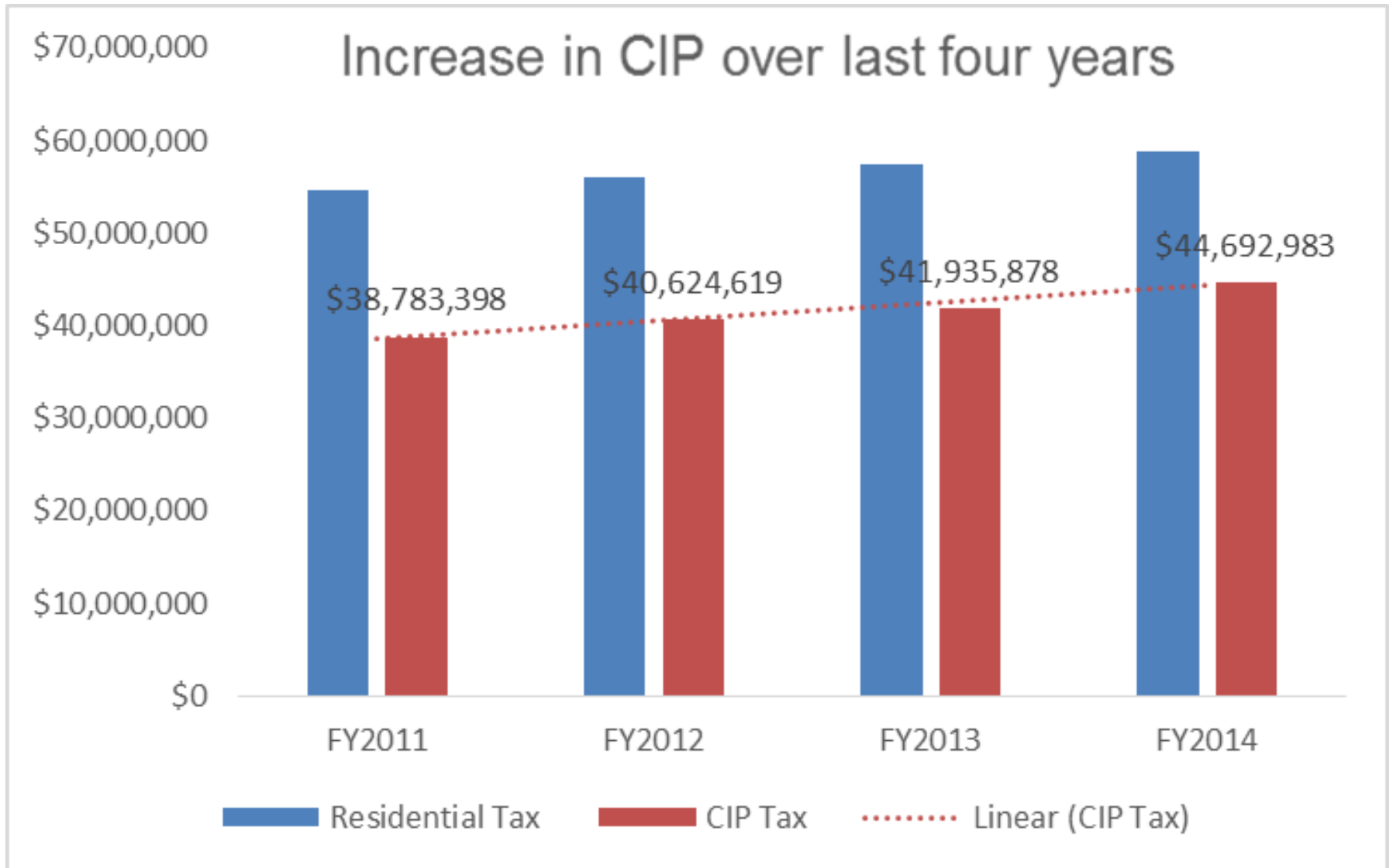
- Hired a part-time Economic Development Coordinator (2008) to assist with business expansion.
- Shuttle service (2013) – new shuttle service from Cambridge and Boston to Billerica.
- Business and School Alliance (2013) – goal to form partnerships and create opportunities for businesses to become involved with the Billerica schools through internships, field trips, career days, curriculum partnerships, etc.
- Middlesex 3 Coalition - regional economic development collaboration among public and private leaders in Billerica, Bedford, Burlington, Chelmsford and Lowell. Goal is to foster economic development, job growth and retention, diversification of the tax base and enhancement of quality of life. This Regional Collaboration is being recognized with an innovation award from the Massachusetts Municipal Association.

Infrastructure Improvements



- Route 3 expanded from two to three lane highway from Burlington to Nashua, NH – resulted in additional interest in business expansion.
- Concord Road/Route 3 Exit - redesign and signalization - completed and improved traffic flow to Concord Road, Technology Park Drive and the Middlesex Turnpike.
- Middlesex Turnpike - design and land acquisition is progressing – to widen and improve signalization
 - Second phase almost complete
 - Third phase is on the Boston MPO's TIP for 2016
 - Billerica approved \$1,180,000 for phase 3 of project
- New, state-of-the-art \$35 million water treatment plant opened to service water needs for residents and businesses.
- Approved \$7.5 million for sewer infrastructure to increase the town's current sewer capacity from 4.46 million gallons to 5.6 million gallon / day of effluence.
- Installed sewer lines to Treble Cove Road and Republic and Esquire Road.

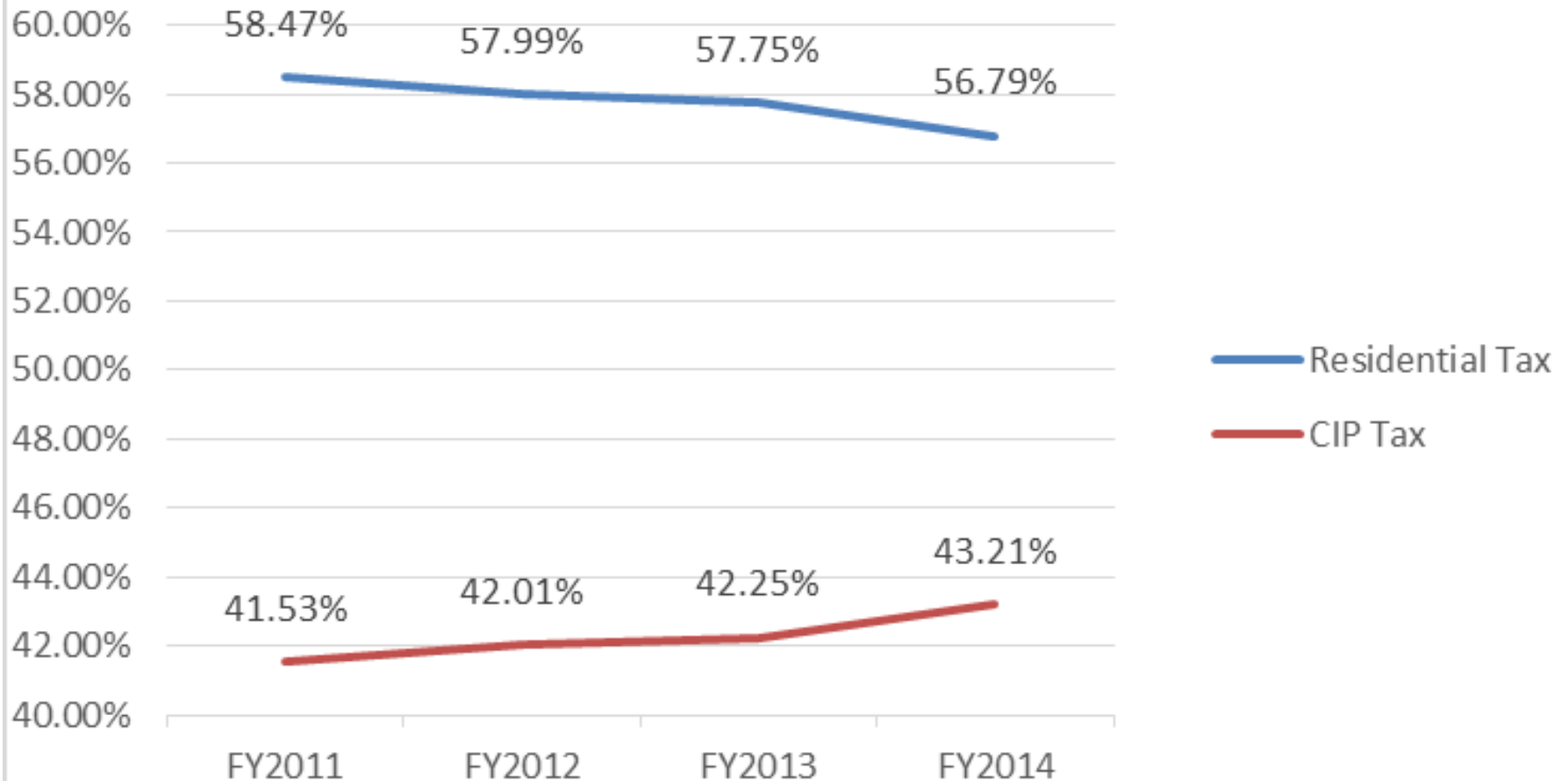
Business Levy Increase



Business Levy Increase



Increase in CIP over last four years



Finances



- Undesignated Fund Balance is \$22,779,009 including \$8,739,992 in stabilization accounts as of June 30th.
- Excess Levy Capacity \$5,016,854.
- Assessed Value \$5,459,090,486.00 – the value of the Town has increased by 3.36% in one year.
- OPEB Trust Fund Balance : \$831,098.00

Policies



OPEB Trust Funding Policy (established January 2013)

The Town shall maintain an Other Post Employment Benefits (OPEB) Trust Fund. The funds shall be managed in accordance with the “prudent investor rule”.

The Town shall strive to budget a combined minimum of 4% more than the previous year for Pension and OPEB contributions. If the annual assessment for the contribution to the retirement fund increases less than 4% the remainder of the 4% shall be budgeted as a contribution to the OPEB Trust Fund. If the annual retirement contribution exceeds 4% then no general appropriation will be made for the OPEB Trust Fund. The Town can, however, appropriate free cash to the OPEB Trust Fund if the funds are available.

Debt Policy

General Operating Debt Service levy commitment, not including excluded debt, shall not exceed or be less than \$9,066,000. This shall be accomplished by appropriating the difference to debt stabilization funds in budget years that debt service does not reach this amount and appropriating money from debt stabilization in budget years where the debt service exceeds \$9,066,000. This amount, represents 7% of the total budget. From time to time this number will be adjusted but shall not exceed 10% of the total budget. Appropriations can be made to debt stabilization funds from free cash.