



Sapphire Engineering, Inc., a subsidiary of IDEX Corporation, is the leading U.S. health & science manufacturer of custom precision analytical and diagnostic components for original equipment manufacturers (OEMs). An innovative company with an extensive domestic and worldwide distribution base, it leads the field in alternative uses for sapphire and other ultrahard materials, providing precision components for diagnostic and biotech instruments and developing groundbreaking new products and solutions. Sapphire Engineering has a strong customer base, which includes Waters, Thermo, Dionex, Varian, Hitachi, Perkin Elmer, Agilent, and Brookstone Engineering among others. Many of the Company's products are life altering and have made a significant positive impact on people's lives across the world.

Expansion Project

Currently, Sapphire Engineering leases facilities in Pocasset and Hopedale, Massachusetts. Due to its steady growth in the marketplace, the Company has outgrown its existing space and is seeking to relocate and consolidate its operations to a single facility. Sapphire Engineering has conducted a site search throughout the region and in New England and has identified a property located at the Campanelli Business Park in Middleborough. Sapphire Engineering plans to lease approximately 80,000 square feet of manufacturing space with capacity for a 20,000 square foot on-site expansion. This expansion would result in total project costs estimated at \$11.8 million: \$4.8 million in construction costs, \$500,000 for clean room space, \$3 million for new machinery and equipment, and projected future investments estimated at \$3.5 million.

Economic Development Benefits to Middleborough

- Retention of 170 full-time manufacturing jobs in Massachusetts.
- Creation of 15 new permanent full-time jobs
 - Jobs will be open first to qualified residents of Middleborough.
 - New jobs will include CNC Machinists, Clean Room Assembly, Engineering and Product Management, Finance and Administration, and Process and Quality Engineering.
 - Competitive market based salary and benefits including medical, dental, vision, life insurance, matched 401K and company paid retirement plan.
- The Company plans to provide internship and co-op programs to qualified students from the Middleborough High School and Bristol-Plymouth High School.
- The Company plans to advertise open jobs in local newspapers and participate in local job fairs.
- The Company and its employees expect to spend an estimated **\$1 million** annually with area establishments and qualified service providers.
- The Company's corporate visitors plan to occupy hotel rooms and will generate new hotel tax revenue.
- The Company has an outstanding corporate culture, a solid track record of community involvement, and supports various local civic and charitable organizations.
- The Town of Middleborough is expected to generate new tax revenue as a result of this expansion and a potential on-site expansion.

What is a TIF?

Tax Increment Financing (TIF) is a feature of the Massachusetts Economic Development Incentive Program (EDIP). The tax incentives provided under this program encourage the Company to invest and grow in Middleborough. TIFs have been successful in the Commonwealth because they provide long-term benefits for all participating parties. A TIF is a five to 20-year sliding scale property tax exemption based on the increased value of the project property due to new on-site investments. The Town will continue to receive 100% of the real estate taxes on the base value (present value without improvements) of the site. The tax incentive is only for the new investment at the property during the life of the proposed TIF.

The EDIP also offers a state 5% EOA Investment Tax Credit on qualifying investments. This benefit is significant to the Company thereby reducing the Company's Massachusetts corporate income tax. These tax incentives would help reduce the project costs of the real estate expansion and would allow the Company to have a positive impact on the local economy.

An estimated 204 communities in Massachusetts are designated as Economic Target Areas (ETAs). Municipalities can offer tax incentives to encourage economic development. Given the present real estate and job market, it is essential that Middleborough remains competitive in retaining and attracting businesses. The TIF is a useful economic development tool to assist with business expansion and job growth, which will provide both short and long-term benefits to the town.

TIF Proposal Projections

Twenty (20) year TIF exemption, applies only on the new property tax revenue generated due to new investment. Percentage exemption on new property tax revenue over 20 years is as follows:
(75-70-65-60-55-50-45-40-20-10-1-1-1-1-1-1-1-1-1-1-1)

Current Estimated Tax Revenue to Middleborough on land parcel

\$ 11,087 Current estimated annual taxes paid to Middleborough
\$ 283,222 Current estimated taxes paid to Middleborough over a 20-year period

Additional Estimated Tax Revenue to Middleborough

\$ 964,168 New estimated tax revenue with TIF to Middleborough over a 20-year period
(based on \$4.8 million assessed value)

Combined Estimated Tax Revenue to Middleborough

\$ 1,283,942 Estimated tax revenue with TIF to Middleborough over a 20-year period

Estimated tax savings to Sapphire

\$ 319,774 Projected real estate tax relief over a 20-year period
\$ 15,989 Projected annual average real estate tax relief