



## Company Background

The award-winning travel site, TripAdvisor, is the world leader in travel planning. Headquartered in Massachusetts, the Company has grown into the largest online travel site, providing its customers with a wide variety of planning features and booking tools to create that perfect trip. TripAdvisor operates travel websites in over 30 countries. Since its launch in 2000, TripAdvisor has expanded through acquisitions and operates websites for 18 other travel media and advertising brands including Cruise Critic, SeatGuru, Family Vacation Critic, and Booking Buddy. Renowned worldwide for excellent service, TripAdvisor has received numerous awards including the **2012 Travel d'Or Travel Review** and **2011 Adweek Brand Genius Award**, and it was ranked among the **Boston Globe's Top Places to Work 2011 and 2012**.

## Expansion Project

TripAdvisor currently leases and occupies an estimated 116,000 square feet in Newton, Massachusetts. Due to increased customer demand, TripAdvisor has realized a need for additional space and plans to consolidate and relocate its operations to a new facility. The Company has conducted a site search in Massachusetts and has evaluated out-of-state and global options. TripAdvisor has identified vacant property located at the New England Business Center in Needham as a viable option.

The proposed expansion plan consists of leasing approximately 230,000 square feet of space which is intended for new construction. The property is planned to be designed with an upscale, campus-style atmosphere and many on-site employee amenities. The expansion is planned for office and research and development space. The project investment is estimated at \$101 million, including costs for construction, land related costs, leasehold improvements, and new personal property.

## Economic Development Benefits to Needham

- Redevelopment of vacant land parcels into an upscale technology corporate campus.
- Diversification of local tax base with new construction for prominent technology company.
- Generate additional new revenue from permit fees, personal property taxes, and hotel and meals taxes.
- Creation of 250 new permanent full-time jobs;
  - New positions will be available for skilled and highly-educated individuals in software engineering; senior level management; sales and marketing; customer service; and information technology.
  - New job opportunities will be open to qualified Needham residents.
- Retention and relocation of 450 full-time jobs to Needham from its Newton offices.
- TripAdvisor plans to participate in local job fairs and advertise online and in local newspapers.
- TripAdvisor supports education and sponsors internship programs at area colleges.
- TripAdvisor and its employees spend over \$3.5 million annually with local vendors and establishments.
- TripAdvisor has a strong history of community involvement and is dedicated to supporting local programs.
- TripAdvisor is committed to corporate responsibility and supports social and environmental initiatives.
- The Town of Needham is positioned to attract the global headquarters of a desirable local business.

## Tax Increment Financing

Tax Increment Financing (TIF) is a feature of the Commonwealth's Economic Development Incentive Program (EDIP) and can be offered within an Economic Target Area (ETA). A TIF provides a company with a sliding scale property tax exemption of up to 20 years based on the increased incremental value of the project property due to new on-site investments.

- The tax incentive is a discount on the projected new taxes at the property during the life of the proposed TIF.
- The Town continues to receive 100% of the existing real estate taxes on the base value of the site.
- The Town does not lose any existing tax revenue.

The program also offers a state EDIP Investment Tax Credit (ITC) to companies that meet the eligibility criteria. These tax incentives help to reduce a company's project cost and encourage the company to expand in Massachusetts.

Given the current economy, it is essential that communities remain competitive in retaining and attracting businesses. A TIF is a useful economic development tool that assists with business expansion and job growth and provides both short and long-term benefits to the town, region and the Commonwealth of Massachusetts.

## TIF Projections

### TIF Proposal Summary Details

13-year TIF Proposal

(76-76-76-76-1-1-1-1-1-1-1-1-1)

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#### Current Base Estimated Annual Real Estate Taxes

\$ 146,766	Current annual taxes paid to Needham
\$1,907,958	Current taxes paid to Needham over a 13-year period

*Assessed values or tax rate may change annually*

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#### Estimated New Real Estate Tax

\$4,347,816	Real Estate Tax Revenue to Needham with proposed TIF over a 13-year period
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#### Estimated Additional Revenue

\$ 815,000	Personal Property Taxes, Permit Fees, and Hotel and Meals Taxes over a 13-year period
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#### Combined Estimated Revenue to Needham

\$7,070,774	Combined tax revenue to Needham over a 13-year period
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#### Proposed Estimated Tax Savings to TripAdvisor

\$1,849,726	Projected real estate tax savings over a 13-year period
<b>\$ 142,287</b>	<b>Projected annual average real estate tax savings</b>