

Economic Development Incentive Program (EDIP)



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Executive Office of Housing & Economic Development**

Overview of EDIP



The Economic Development Incentive Program (EDIP)

- Tax incentive program (not grants)
- Created in 1993, first tax credits in 1994
- Designed to foster job creation and stimulate business growth
- Companies receive state tax credits and local property tax incentives in exchange for job creation, manufacturing job retention and private investment commitments.

Overview of EDIP



Economic Assistance Coordinating Council (EACC)

- EACC approves the projects quarterly
 - March, June, September, December
- Board comprised of 14 members
 - 7 from state agencies
 - 6 Governor appointments from 6 regions of the Commonwealth
 - 1 Governor appointment from higher education
- Paul Matthews and Michael Goodman are EACC Board members

2016 Reforms to EDIP



Governor Baker signed Economic Development Bill in August 2016

EDIP Provisions:

- Allow for wiser investment of public funds
 - Direct tax credits to companies that need incentives to grow
 - Target type of jobs we want, sectors that are impactful, geographies needing help
- Increased flexibility
 - Not all projects fit into narrowly defined project types
 - Greater variety of projects eligible for refundable tax credits (but fewer to give out)
 - Allows for more discretion in enforcement
- More Accountability
 - Decertification may result in a proportionate loss of tax credits—if a company creates half the jobs it promised, it must forfeit half the credits awarded.
 - Or, decertification gives rise to a “cause of action” to reclaim monetary benefits claimed by a company; DOR may reach back more easily to recapture credits

2016 Reforms to EDIP



Additionally:

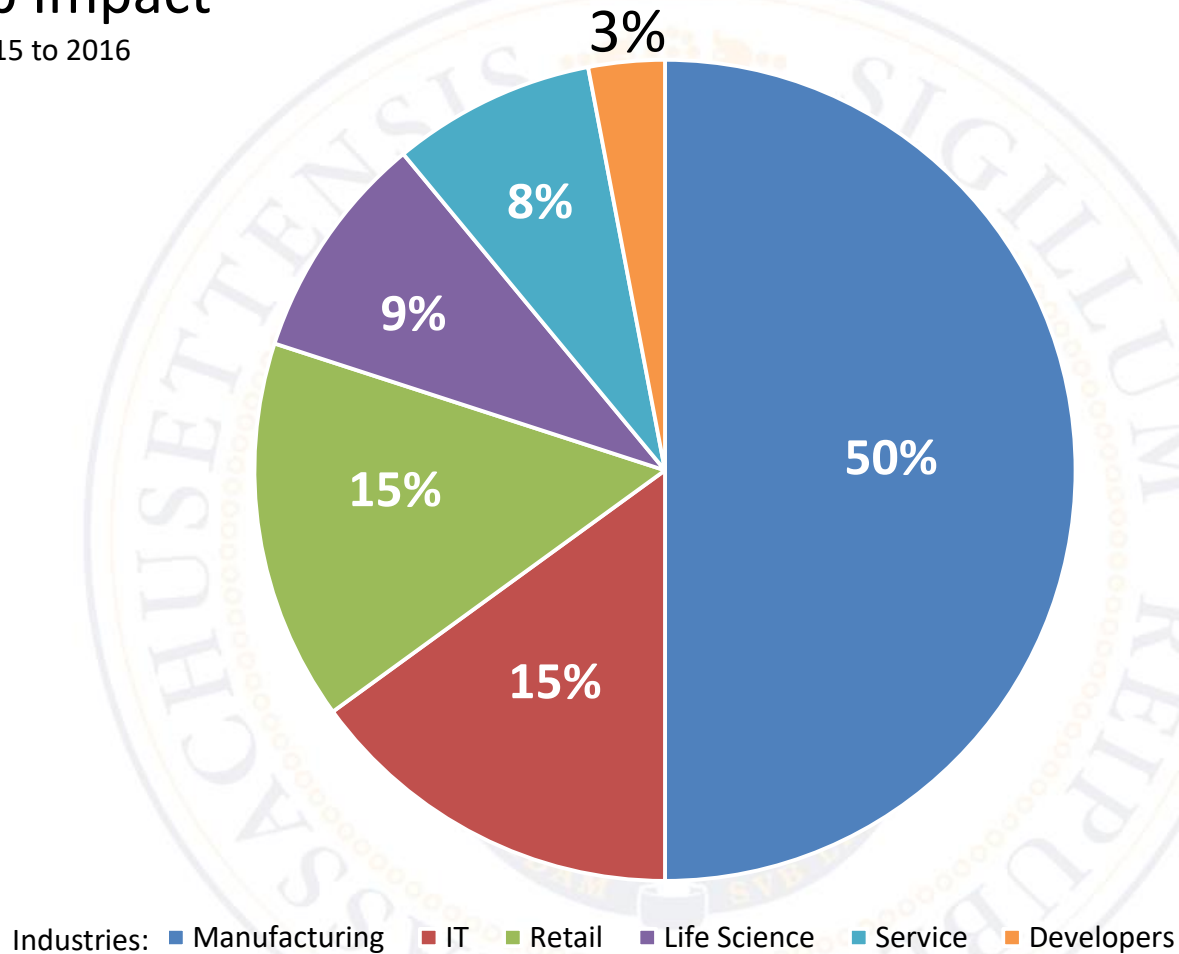
- No monetary caps for individual projects
- Not all projects will receive tax credits: EDIP is an incentive, not an entitlement; must demonstrate need
- More flexibility and discretion to certify—*or not*—any project that creates net new employment in the Commonwealth
- Refundable Credits are limited to \$5 million total per year
- EDIP has a total budget of \$20 million annually in credits

MetroWest EDIP Projects



EDIP Job Impact

2000 jobs 2015 to 2016



EDIP Projects in MetroWest/495



2015-2016

Company	Town	Amount	Jobs . Created . Retained	Date	Description
Associated Environmental Systems	Acton	236,500	65 47	12/16/15	Since 1959, Associated Environmental Systems has designed, manufactured test chambers that range in size from small bench top chambers to large environmental rooms. AES plans to move from the two existing Ayer facilities to a larger building in Acton. This expansion will double AES's space for manufacturing, administrative offices, and R&D showcasing.
Jack's Abbey	Framingham	262,500	35 26	6/23/15	Founded in 2011 by the Hendler brothers, Jack's Abby Brewing has exceeded its capacity at its current 12,000 SF Morton Street location and are relocating to a new 67,000 SF facility on Clinton Street. This expansion will allow them to double their initial production with room for future growth.
Cold Chain Technologies, Inc.	Franklin	550,000	55 135	12/16/15	Cold Chain Technologies (CCT) manufactures thermal packaging solutions. Currently, CCT operates in three buildings in Holliston. CCT is planning to consolidate and expand to a new site in Franklin. The move will increase CCT space from 137,000 sq. ft. to 230,000 sq. ft.
Patriot Beverage, LLC	Littleton	625,000	50 3	12/13/16	This privately owned co-operative business has bottled for Pepsi since 1984 at its Ayer location. The Littleton site is the former Sunny Delight plant. Purchasing the site allows Patriot to expand into other Pepsi products and container sizes. CPF expects to hire 50 new employees while transferring 3 employees from Ayer and making a \$23 million private investment.

EDIP Projects in MetroWest/495



2015-2016

Company	Town	Amount	Jobs . Created . Retained	Date	Description
OYO Sportstoys, Inc.	Marlborough	480,000	100 95	12/16/15	OYO Sportstoys, Inc. is a local manufacturing company that produces mini figure toys that resemble famous athletes. The company currently leases a 30,000 sq. ft. facility in Acton. Due to increased demand, OYO plans to relocate to a 65,000 sq. ft. facility in Marlborough. This leased space will serve as a manufacturing facility and corporate headquarters.
Acacia Communications, Inc.	Maynard	100,000	100 166	3/22/16	Acacia Communications, Inc. (founded 2009) designs, develops, manufactures, and markets intelligence subsystems for ultra-high speed fiber optic transmission. The company plans to expand on-site in Maynard and purchase additional manufacturing, research and development, and high end IT equipment.
Consigli Construction Co., Inc.	Milford	165,000	50 329	6/23/15	Consigli Construction is a leading construction management and general contracting firm. Consigli owns and occupies est. 20,000 SF of office space in Milford. Consigli plans to construct a second, new facility consisting of an estimated 20,000 SF office building while maintaining its current facility.

EDIP Projects in MetroWest/495



2015-2016

Company	Town	Amount	Jobs · Created · Retained	Date	Description
SimpliVity Corporation	Westborough	100,000	100 389	6/22/16	SimpliVity Corporation is an information technology firm based with offices around the world. Its signature product powers an assimilated IT infrastructure platform. This project will add 100 jobs to the current facility to assist with the rapid expansion SimpliVity is experiencing.
Cumberland Farms, Inc.	Westborough	150,000	150 608	6/22/16	Cumberland Farms is a family-owned and operated business incorporated in 1984. Today, Cumberland operates a network of 600 retail stores and gas station business in eight states. Cumberland Farms plans to move its headquarters from Framingham to Westborough; the company will build on its already existing facility there.
Capstan Atlantic	Wrentham	277,800	50 207	6/23/15	Capstan Atlantic is a manufacturer of precision powdered metal gears and complex structural components. The company is adding approximately 30,000 SF to their existing 100,000 SF facility to accommodate additional manufacturing and warehouse space.

EACC Meetings & Deadlines 2017



EACC Meeting Date	Meeting Location	Deadline for EDIP Preliminary Application (all project materials to MOBD Regional Director by 5 P.M.)	Deadline for EDIP Supplemental & Local Incentive Only Applications (all project materials to MOBD Regional Director by 5 P.M.)
March 22, 2017	Salvatore's Conference Room 350 Merrimack Street Lawrence, MA 01843	January 18, 2017	February 22, 2017
June 21, 2017	State Transportation Building 10 Park Plaza, 2nd Floor Boston, MA 02116	April 19, 2017	May 24, 2017
September 20, 2017	Worcester City Hall Levi Lincoln Room 455 Main Street Worcester, MA 01608	July 19, 2017	August 23, 2017
December 13, 2017	TBD	October 11, 2017	November 8, 2017