



# Economic Development Incentive Program (EDIP)

## Massachusetts Office of Business Development

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### Fiscal Year 2019 Annual Report





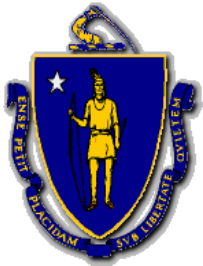
# Table of Contents

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Content	Page
Letter from EDIP Director.....	3
Mass Office of Business Development.....	4
FY 2019 EDIP Projects.....	5
FY 2019 Summary.....	10
FY 2019 Annual Metrics.....	11
Projects Approved by Region.....	12
EACC Board Members.....	14
Contact Information.....	15
Statutory References.....	16



# Letter from EDIP Director



**COMMONWEALTH OF MASSACHUSETTS  
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**CHARLES D. BAKER**  
GOVERNOR

**KARYN POLITO**  
LIEUTENANT GOVERNOR

**MIKE KENNEALY**  
SECRETARY

September 30, 2019

Dear Governor Baker:

On behalf of the Massachusetts Office of Business Development (MOBD) we are pleased to submit the Economic Development Incentive Program (EDIP) FY 2019 Annual Report in accordance with Section 3B(c) of Chapter 23A of the Massachusetts General Laws. The Annual Report covers the Economic Assistance Coordinating Council (EACC) and the Economic Development Incentive Program for FY 2019, ending June 30, 2019.

The EDIP continues to be a critical tool in the Commonwealth. In fiscal year 2019 thirty-six (36) projects were approved across the Commonwealth. These projects support the anticipated creation of 5,699 jobs, the retention of 8,480 jobs and leverage \$495 million of private investment from the Berkshires to the Cape, from Amesbury to Agawam. Since the Baker-Polito Administration took office in 2015, 231 projects have received approval, leading to the potential creation of 18,055 new jobs, the retention of 36,370 existing jobs and leveraging of almost \$5 billion in private investment. During this time period the EACC assisted 104 manufacturers through the EDIP and has supported 102 projects in Gateway Cities.

Sincerely,

Annamarie Kersten  
Senior EDIP Director

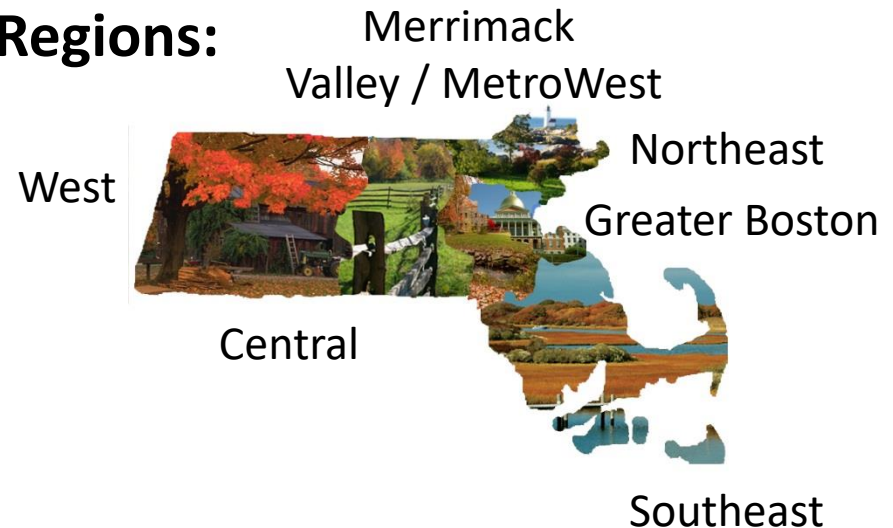


# Massachusetts Office of Business Development (MOBD)

## Mission

- Facilitate access to resources
- Promote job growth and job retention
- Stimulate private investments
- Help businesses thrive in Massachusetts

## Regions:



## Resources

- Financing
- Workforces Training
- Tax Incentives
- Export Assistance
- International Investment
- Industry Expertise
- Permitting / Regulatory
- Infrastructure Support
- Site Selection
- Business Consultation



## Fiscal Year 2019 EDIP Projects



36 Projects Approved



5,699 Jobs to be Created



8,480 Jobs to be Retained



\$495 Million in Private Investment



# Fiscal Year 2019 EDIP Projects

## Regional Snapshot of FY 2019 EDIP Projects

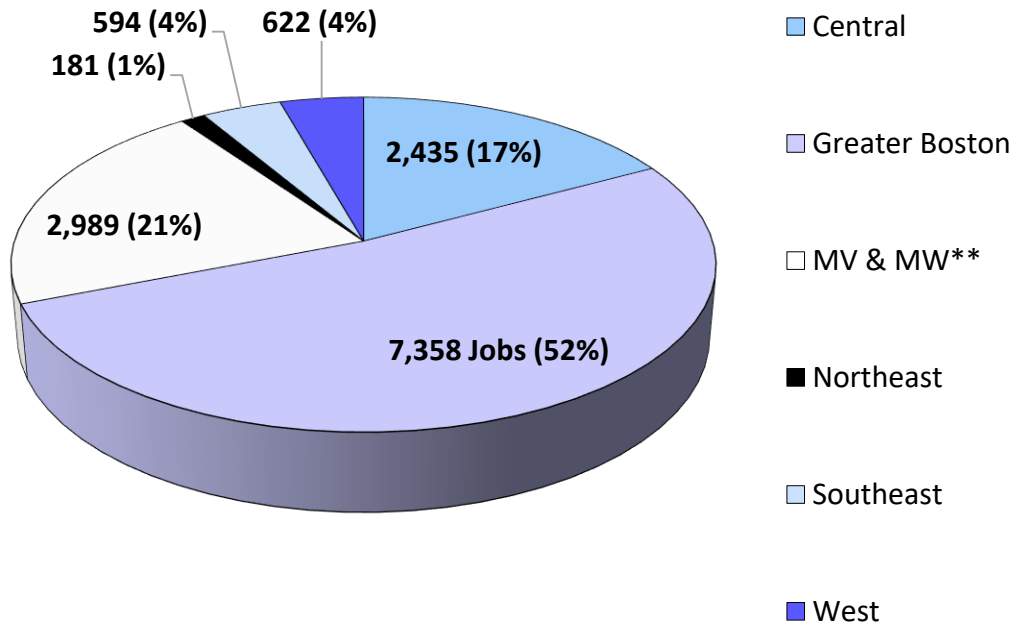
Region	Number of Projects	New Jobs	Retained Jobs	Private Investment	EDIP Tax Credits Awarded*
Central	5	435	2,000	\$115,519,438	\$125,000
Greater Boston	4	3,475	3,883	\$59,343,000	\$29,975,000
Merrimack Valley & MetroWest	10	1,121	1,868	\$204,157,000	\$5,270,000
Northeast	3	91	90	\$17,231,700	\$225,000
Southeast	7	171	423	\$30,551,000	\$1,267,500
West	7	406	216	\$68,445,702	\$3,335,000
<b>Total</b>	<b>36</b>	<b>5,699</b>	<b>8,480</b>	<b>\$495,247,840</b>	<b>\$40,197,500</b>

\*The tax credits are referred to as **EDIPC** which stands for Economic Development Incentive Program Credits.

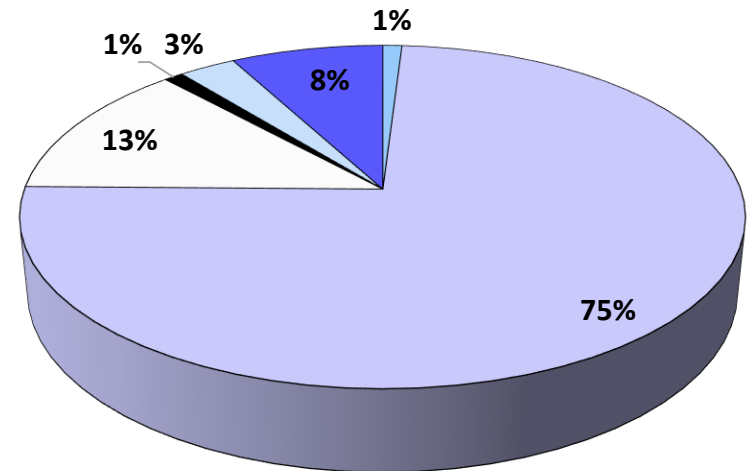


# Fiscal Year EDIP 2019 Projects

## Number of Jobs by Region



## \*Tax Credits by Region



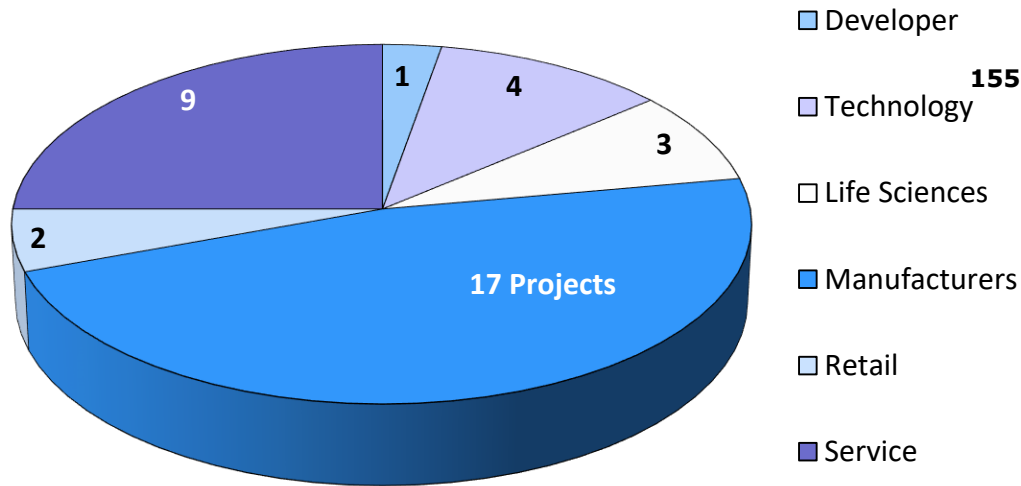
\*Economic Development Incentive Program Credits (EDIPC)

\*\*Merrimack Valley & MetroWest

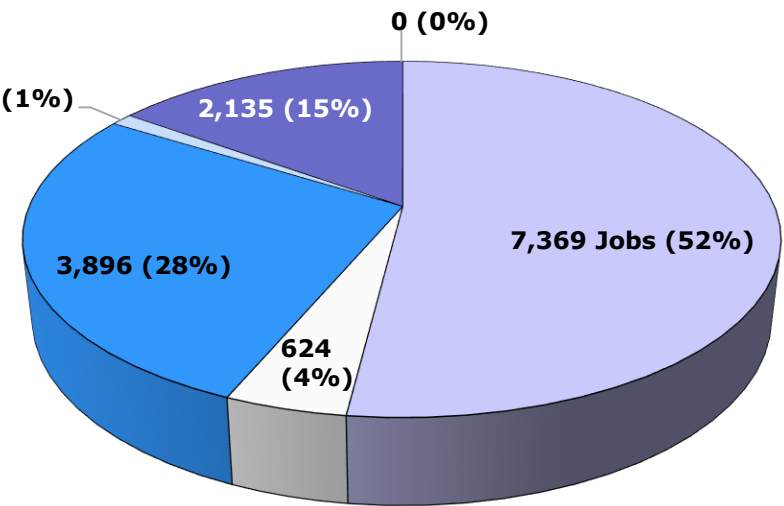


# Fiscal Year EDIP 2019 Projects

## Number of Projects by Industry



## Number of Jobs by Industry

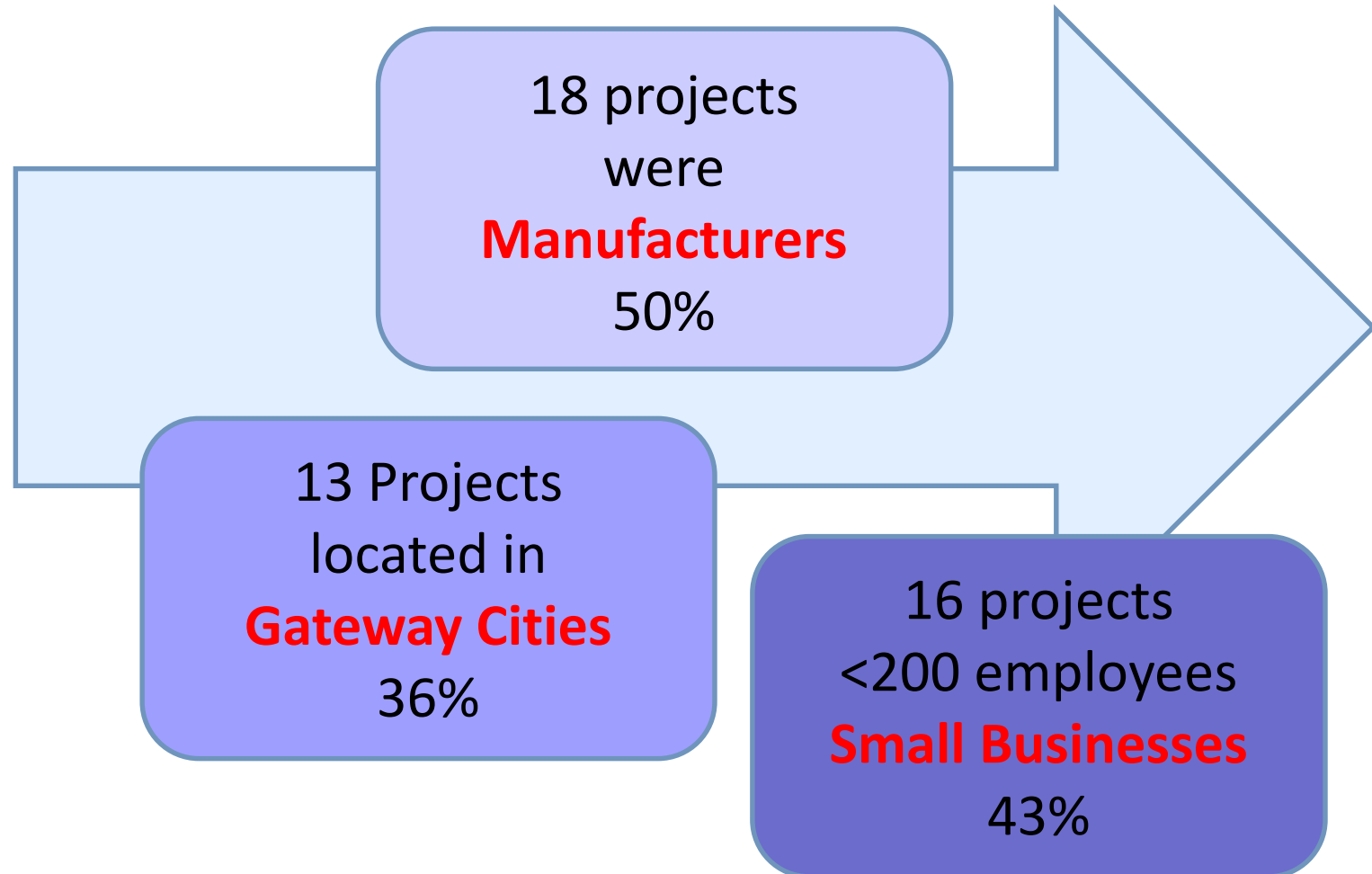






# Fiscal Year 2019 Projects

Of the 36 EDIP Projects Approved:





# Fiscal Year 2019 Summary

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- New Job Compliance Policy drafted, approved and implemented
  - 6 hearings held for non-compliant businesses; 3 tax credit contracts were adjusted
- Vacant Storefront Initiative drafted, approved and applications accepted from 9 municipalities representing 166 vacant storefronts
- 7 Regional Municipal Outreach Meetings held across the state to update local officials in changes to EDIP regs and procedures
- 4 Quarterly EACC Board meetings were conducted
  - September 2018, December 2018, March 2019, June 2019
- 1 EACC Policy Meeting was conducted
  - January 2019
- Website and EDIP applications updated



# Fiscal Year 2019 Annual Metrics

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## EDIP Annual Reporting Activity:

- Ended FY 2018 with 457 active EDIP projects
- Approved 36 projects in FY 2019
- 18 projects expired on 12/31/2018
- Decertified 18 projects in FY 2019
  - 2 projects requested voluntary revocation of certified project status
  - 16 projects out of compliance with job creation
- 22 projects scheduled to expire 6/30/2019
- EDIP begins with 435 active projects in FY 2020



# FY 2019 EDIP Projects Approved

## Central, Greater Boston, Merrimack Valley & MetroWest Regions

	Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	State Tax Credits	Local Award	EACC Date	Gateway
1	Northbridge	Central	Crootof & Sawyer Ventures, LLC	SER	25	13	\$2,300,000	N/A	STA	12/13/2018	N
2	Oxford	Central	IPG Photonics Corp.	MFG	400	1,550	\$67,900,000	N/A	TIF	9/19/2018	N
3	Southbridge	Central	Hardline Heat Treating, Inc.	MFG	10	36	\$3,200,000	\$125,000	TIF	9/19/2018	N
4	Southbridge	Central	United Lens Corporation	MFG	0	126	\$14,119,438	N/A	TIF	12/13/2018	N
5	Sutton	Central	Primetals Technologies USA, LLC	MFG	0	275	\$28,000,000	\$0	TIF	9/19/2018	N
6	Boston	Greater Boston	Humana Insurance Company	IT	225	9	\$10,000,000	\$225,000	None	9/19/2018	N
7	Boston	Greater Boston	Wayfair LLC / SK Retail, Inc.	IT	3,000	3,809	\$31,000,000	\$28,500,000	None	12/13/2019	N
8	Wellesley	Greater Boston	Aetna Inc. / Aetna Resources LLC	SER	250	65	\$15,843,000	\$1,250,000	None	12/13/2018	N
9	Weymouth	Greater Boston	GND Realty Trust	DEV	0	0	\$2,500,000	N/A	TIF	3/20/2019	N
10	Andover	Merrimack Valley & MetroWest	Vicor Corporation	MFG	40	562	\$33,500,000	N/A	TIF	6/19/2019	N
11	Canton	Merrimack Valley & MetroWest	Prodrive Technologies, Inc.	MFG	146	3	\$21,525,000	\$1,825,000	None	6/19/2019	N
12	Hopkinton	Merrimack Valley & MetroWest	Lykan Bioscience, LLC	LS	125	0	\$12,000,000	N/A	TIF	3/20/2019	N
13	Hudson	Merrimack Valley & MetroWest	Medusa Brewing Company	SER	15	10	\$8,082,000	N/A	TIF	6/19/2019	N
14	Lawrence	Merrimack Valley & MetroWest	A&P Coat, Apron & Linen Supply LLC dba Unitex	SER	360	0	\$37,000,000	\$1,800,000	TIF	3/20/2019	Y
15	Marlborough	Merrimack Valley & MetroWest	Candela Corporation / Syneron, Inc.	MFG	100	200	\$5,000,000	\$500,000	TIF	3/20/2019	N
16	Methuen	Merrimack Valley & MetroWest	New Balance Athletics, Inc.	MFG	60	15	\$33,000,000	\$900,000	TIF	6/19/2019	Y
17	Westborough	Merrimack Valley & MetroWest	Olympus Corporation of the Americas	LS	25	400	\$21,750,000	N/A	TIF	3/20/2019	N
18	Medway	Merrimack Valley & MetroWest	Spencer Technologies, Inc.	SER	200	128	\$12,300,000	\$245,000	None	9/19/2018	N
19	Westwood	Merrimack Valley & MetroWest	Citizens Bank N.A.	SER	50	550	\$20,000,000	N/A	TIF	6/19/2019	N



# FY 2019 EDIP Projects Approved

## Northeast, Southeast, West Regions

	Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	State Tax Credits	Local Award	EACC Date	Gateway
20	Beverly	Northeast	Freudenberg Medical, LLC	LS	26	48	\$7,000,000	N/A	TIF	9/19/2018	N
21	Beverly	Northeast	Beverly Restaurant Associates LLC	SER	50	0	\$4,000,000	N/A	STA	6/19/2019	N
22	Haverhill	Northeast	Plastic Distributors & Fabricators, Inc.	MFG	15	42	\$6,231,700	\$225,000	None	9/19/2018	Y
23	Fall River	Southeast	Fall River Hat Co. dba Korber Hats	MFG	6	15	\$211,000	\$30,000	None	9/19/2018	Y
24	Fall River	Southeast	Millstone Medical Outsourcing LLC	SER	100	271	\$10,720,000	\$750,000	TIF	12/13/2018	Y
25	Fall River	Southeast	Alexandra's Boutique, Inc.	RET	15	20	\$2,000,000	N/A	TIF	6/19/2019	Y
26	Fall River	Southeast	Raw Seafoods, Inc.	MFG	0	0	\$2,450,000	N/A	TIF	6/19/2019	Y
27	Fall River	Southeast	Textile Innovation Group for Instrumentation and Research, LLC (TIGIR) / affiliated with The Merrow Group Companies	MFG	0	0	\$3,600,000	N/A	STA	6/19/2019	Y
28	New Bedford	Southeast	Northern Wind, Inc. / Streetsde Realty, LLC	MFG	15	99	\$8,400,000	\$225,000	TIF	3/20/2019	Y
29	Stoughton	Southeast	Maibec Eastern Inc.	MFG	35	18	\$3,170,000	\$262,500	None	3/20/2019	N
30	Adams	West	B&B Micro Manufacturing, Inc. / 161 River Mill, LLC	MFG	16	20	\$978,500	\$200,000	STA	6/19/2019	N
31	North Adams	West	TOG Manufacturing Co., Inc. / Stanley Black & Decker, Inc.	MFG	28	29	\$5,485,000	\$285,000	TIF	12/13/2018	N
32	Pittsfield	West	Wayfair LLC / SK Retail, Inc.	IT	300	0	\$2,882,202	\$2,850,000	None	12/13/2018	Y
33	Sutton	West	IBA Inc.	DIS	2	46	\$8,500,000	N/A	TIF	6/19/2019	N
34	Westfield	West	Camia, LLC / Myers Information Systems, Inc.	IT	8	18	\$800,000	N/A	STA	9/19/2018	Y
35	Westfield	West	Toll Brothers Inc.	MFG	20	15	\$3,800,000	N/A	STA	6/19/2019	Y
36	Springfield	West	Big Y Foods, Inc.	RET	32	88	\$46,000,000	N/A	TIF	3/20/2019	Y



# FY 2019 EACC Board Members\*

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## Ex Officio Members

- EOHED – Timothy McGourthy, co-chair
- DHCD – Louis Martin, co-chair
- MOBD – Nam Pham
- EOHED appointee – Mayor Brian M. Arrigo
- DCS – Brian Decelles
- DLWD – Ken Messina
- CommCorp – Dr. J.D. LaRock

## Gubernatorial Appointees

- Higher Ed – Dr. Michael Goodman
- Cape & Islands – David Keator
- Central – Paul Matthews
- East – Lisa Prior
- Merrimack Valley – Joseph Bevilaqua
- Northeast – Georgianna Melendez
- Southeast – Mary Waldron
- West – Vacant

\*Board membership as of June 30, 2019



# EDIP Contacts

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## EDIP Contacts:

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## Visit:

[www.mass.gov/mobd](http://www.mass.gov/mobd)

[www.mass.gov/edip](http://www.mass.gov/edip)

[www.mass.gov/hed](http://www.mass.gov/hed)

## Regional Directors:

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Kevin Kuros, Regional Director, Central

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Debra Boronski, Regional Director, West

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# Statutory References

## EDIP Governing Statute:

[M.G.L. Chapter 23A: Section 3A-3G](#)

[3A: Definitions applicable to Sections 3A to 3G](#)

[3B: The Economic Assistance Coordinating Council](#)

[3C: Project proposal to create permanent FT employees; certification](#)

[3D: Awarding of tax credits; refundable tax credits; limitations; EDIP contract](#)

[3E: Municipality provided incentives; local tax incentive; TIF; STA; amendments](#)

[3F: Reports to be filed, material noncompliance, revocation of project certification](#)

[3G: Designation of ETAs, EOAs, criteria; foreign trade zones](#)

## EDIP Regulations:

[402 Code of Massachusetts Regulations 2.00](#)

## EDIP Reformation Statutes:

[Chapter 166 of the Acts of 2009](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2010

[Chapter 240 of the Acts of 2010: Sections 15 - 23](#)

Reforms to M.G.L. Chapter 23A Sections 3A & 3F effective January 1, 2010

[Chapter 287 of the Acts of 2014](#)

Reforms to M.G.L. Chapter 23A effective July 1, 2014

[Chapter 219 of the Acts of 2016](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2017

[Chapter 228 of the Acts of 2018: Sections 5, 12, 16](#)

Reforms to M.G.L. Chapter 23A effective January 1, 2019

## EDIP Investment Tax Credit Statutes:

[M.G.L. Chapter 62: Section 6\(g\)](#)

Taxation of Incomes

[M.G.L. Chapter 63: Section 38N](#)

Taxation of Corporations: Economic Development Incentive Program; Tax Credit for Certified Projects

[M.G.L. Chapter 63: Section 31A](#)

Taxation of Corporations: Investment Credit for Certain Corporations; Limitations

## Abandoned Building Renovation Deduction Statute:

[M.G.L. Chapter 63: Section 38O](#)

[M.G.L. Chapter 62: Section 3\(B\)\(a\)\(10\)](#)

## Department of Revenue Releases on the EDIP Investment Tax Credit for Certified Projects Approved January 1, 2010 onward:

**Note: Guidance may be superseded or applicable to prior versions of the EDIP statute.**

[Department of Revenue Technical Information Release 10-1](#)

Economic Development Incentive Program Credit

[Department of Revenue Technical Information Release 10-15](#)

Certain Local Property Tax, Personal Income Tax, Corporate Excise, and Tax

Administration Changes in "An Act Relative to Economic Development Reorganization"

[Department of Revenue Technical Information Release 16-15](#)

Tax Provisions Included in "An Act relative to job Creation and Workforce Development"

## Regulations applicable to prior version of EDIP statute:

Department of Revenue Releases on the Economic Opportunity Area Credit for Certified Projects Approved Prior to January 1, 2010:

[830 Code of Massachusetts Regulations 63.38 N.1](#)

Regulations and calculation of Economic Opportunity Area Credit

[Department of Revenue Division of Local Services: Informational Guideline Release No. 94-201](#)

Property Tax Exemptions to Promote Economic Development

[Department Of Revenue Directive 09-4](#)

Effect that the Expiration of a Project's Certification has on the Economic Opportunity Area Credit

## Local Tax Increment Financing Statutes and Regulations:

[M.G.L. Chapter 40: Section 59](#)

Powers and Duties of Cities and Towns: Tax Increment Financing Plan

[MGL Chapter 59: Section 5, Paragraph 51](#)

Assessment of Local Taxes: Property; Exemptions

[760 Code of Massachusetts Regulations 22.00](#)

Establishes standards and procedures for designation of Tax Increment Financing (TIF) Zones and for the development of Tax Increment Financing Plans.