



Economic Development Incentive Program (EDIP)

Massachusetts Office of Business Development

Fiscal Year 2020 Annual Report

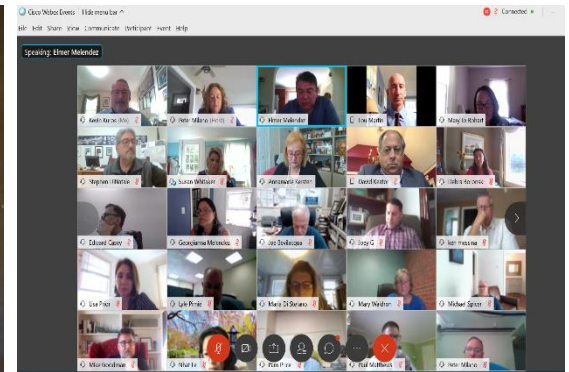




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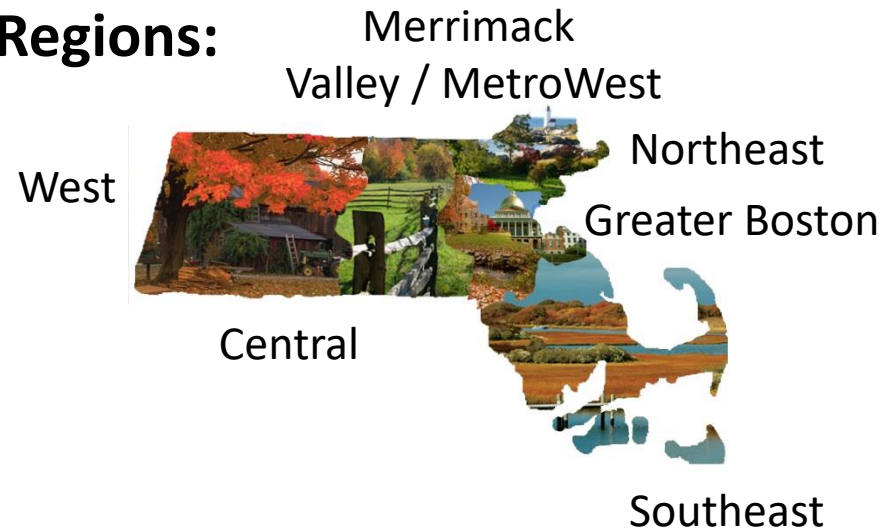


Massachusetts Office of Business Development (MOBD)

Mission

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

Regions:

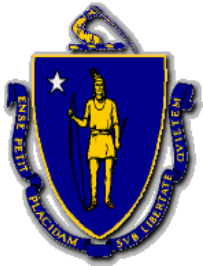


Resources

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



Letter from EDIP Director



**COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF HOUSING & ECONOMIC DEVELOPMENT
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT**

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CHARLES D. BAKER
GOVERNOR

KARYN POLITO
LIEUTENANT GOVERNOR

MIKE KENNEALY
SECRETARY

September 30, 2020

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 2020 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 2020, ending June 30, 2020.

The EDIP continues to be the largest job creation incentive in the Commonwealth. In fiscal year 2020 twenty-three (23) projects were approved across the Commonwealth with the potential to create 2,854 jobs, the retention of 1,386 jobs, and a private investment of \$900 million from the Berkshires to the Cape, from Amesbury to Agawam. In addition, the first four Vacant Storefront Projects were approved. Since the Baker-Polito Administration took office in 2015, 254 projects have received approval, leading to the potential creation of 20,909 new jobs, the retention of 37,576 existing jobs, and leveraging of almost \$5.8 billion in private investment. During this time period, the EACC assisted 108 manufacturers through the EDIP and has supported 114 projects in Gateway Cities. Please contact the EDIP Director, Annamarie Kersten should you have any questions.

Sincerely,

Annamarie Kersten
Senior EDIP Director



Fiscal Year 2020 EDIP Projects



23 Projects Approved



2,854 Jobs to be Created



1,386 Jobs to be Retained



\$900 Million in Private Investment



Fiscal Year 2020 EDIP Projects

Regional Snapshot of FY 2020 EDIP Projects

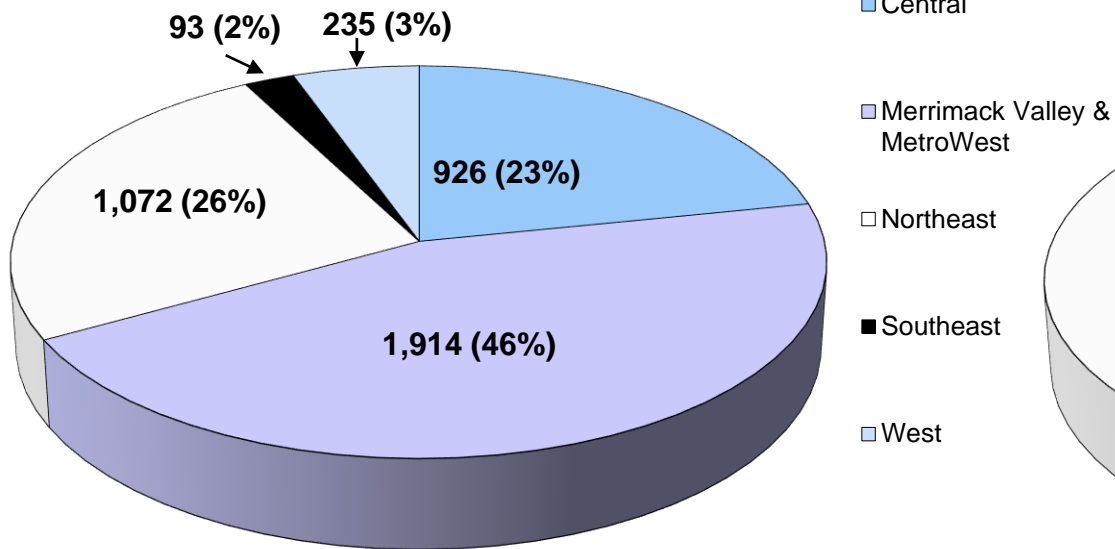
Region	Number of Projects	New Jobs	Retained Jobs	Private Investment	EDIPC* Awarded
Central	7	433	493	\$484,800	\$262,500
Merrimack Valley & MetroWest	6	1,624	290	\$483,278,000	\$142,500
Northeast	5	604	468	\$174,902,836	\$1,064,600
Southeast	1	93	0	\$495,000	\$200,000
West	4	100	135	\$31,494,000	\$25,000
Total	23	2,854	1,386	\$899,653,836	\$1,694,600*

*Lower than average total EDIPC due to 4 large life sciences projects to receive tax credits from MLSC; EACC Board approved Local-Only incentives.

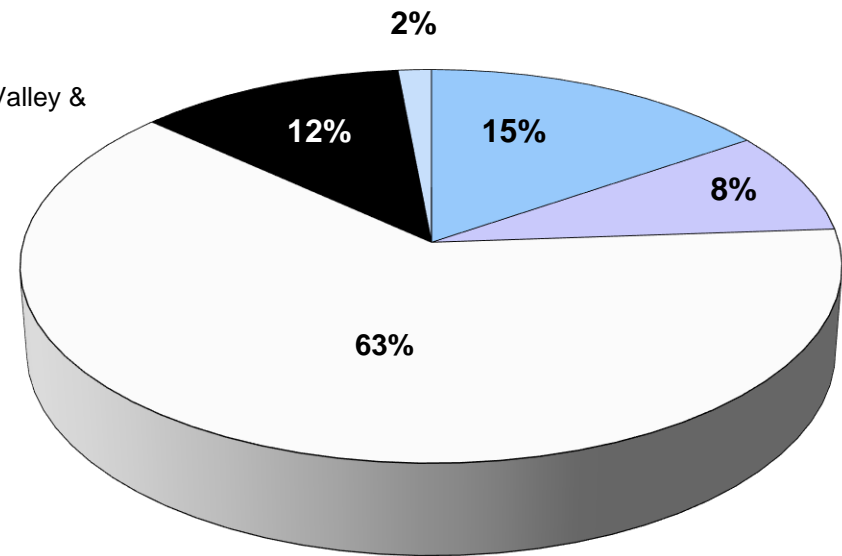


Fiscal Year EDIP 2020 Projects

Number of Jobs by Region



*EDIPC by Region

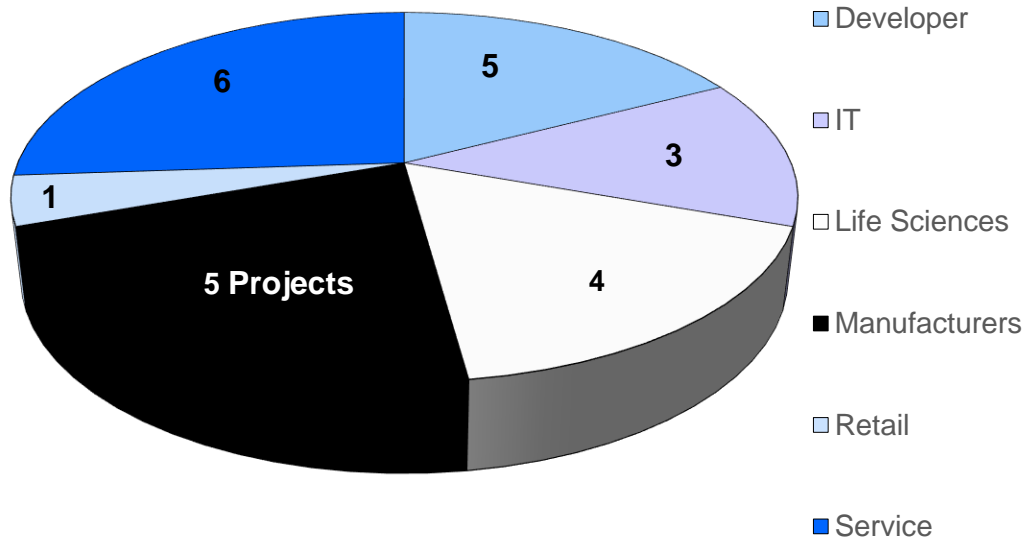


*Economic Development Incentive Program Credits (\$)

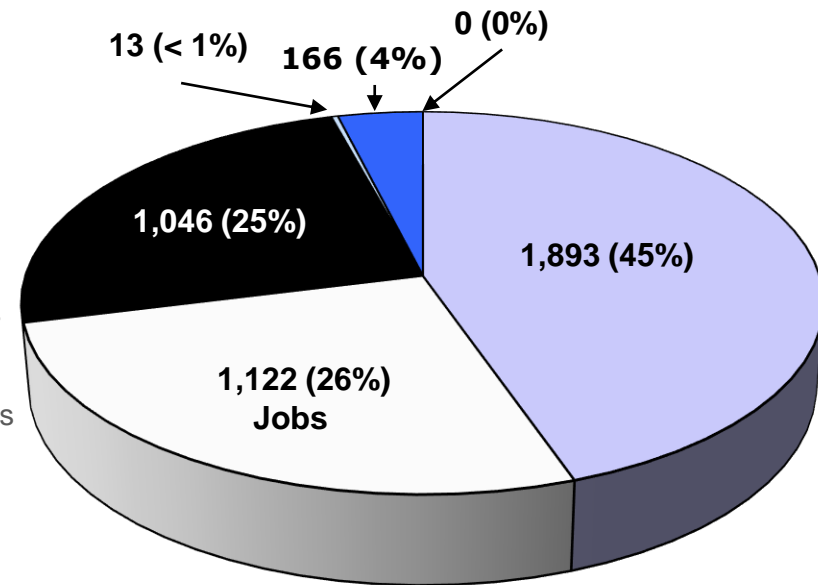


Fiscal Year EDIP 2020 Projects

Number of Projects by Industry



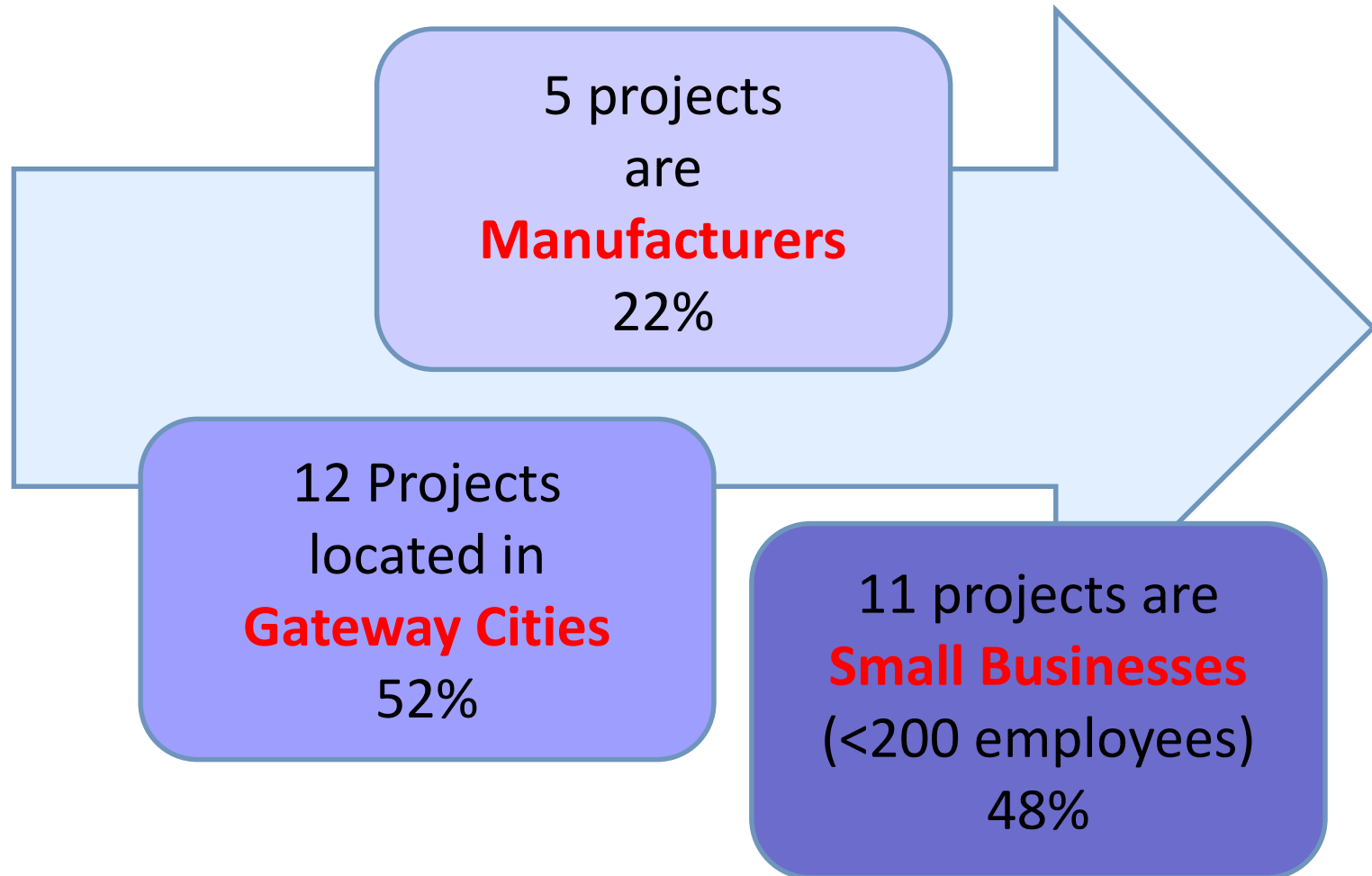
Number of Jobs by Industry





Fiscal Year EDIP 2020 Projects

Of the 23 EDIP Projects Approved:





FY 2020 Vacant Storefront Initiative

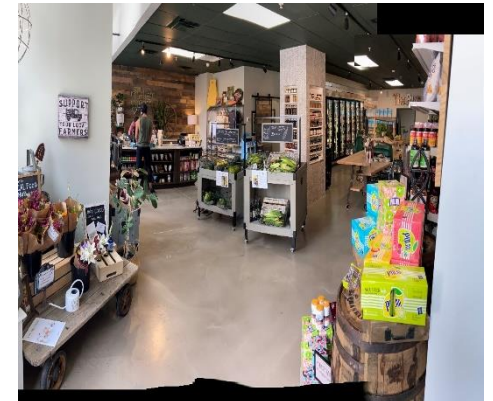
- Section 5 of chapter 288 of the Acts of 2018 amended the **Economic Development Incentive Program** to permit the use of EDIP tax credits to incentivize businesses to occupy vacant storefronts in downtown areas.
- In FY 2019 the **Vacant Storefront Initiative** commenced
- In FY 2020 six (6) new **Vacant Storefront Districts (VSD)** approved:
 - Brockton, Clinton, Fall River, Holyoke, Marlborough, Webster
 - Three (3) of the new Vacant Storefront Districts are in Gateway Cities
- These Vacant Storefront Districts identified an additional 271 storefronts that have been vacant one year or longer
- The Vacant Storefront Initiative today:
 - Thirteen (13) municipalities granted Vacant Storefront District approval
 - Seven (7) are located in Gateway Cities



FY 2020 Vacant Storefront Initiative

- In FY 2020 the first four (4) **Vacant Storefront Projects (VSP)** were approved; each was awarded \$10,000 in refundable tax credits
 - **Urban Fork** – Fitchburg (December 2019) - Shared commercial kitchen, co-working space, market, coffee bar
 - **Maker to Main** – Worcester (March 2020) - Full-service downtown grocery
 - **Stave & Still** – Webster (June 2020) - Up-scale farm-to-table light fare, artisan cocktails, boutique wine
 - **Monte Verde Restorante** - Webster (June 2020) - Full service Italian restaurant
- Two of the projects are located in **Gateway Cities**

» Maker to Main pictured right





FY 2020 Accomplishments

- Four (4) quarterly EACC Board Meetings and one (1) Special Meeting were conducted:
 - September 2019, December 2019, March 2020, June 2020
 - Pivoted to virtual meetings as of March 2020 due to pandemic
 - One (1) special EACC Board meeting called to deal with COVID-related project receiving local incentives
- Held one (1) EACC Board Policy Meeting - January 2020
- Updated EACC Board Policies to be consistent with changes to statutes
- Consulted with EOHEd regarding potential for developing an electronic EDIP application
 - Requesting EOHEd funding for a consultant
- Website, Vacant Storefront District and Project applications updated and posted



FY 2020 Accomplishments

Addendum to the EDIP Projects Approved:

- Ten (10) EDIP project applicants for state tax credits were turned away
- Of these projects, three (3) went forward with municipal property tax relief in the form of a TIF
- Two (2) of the projects denied state and municipal incentives expanded anyway
- Five (5) projects are on hold or did not expand; a combination of start-ups lacking funding and others feeling uncertainty due to the pandemic/current economic climate



FY 2021 Goals & Initiatives

- Participate with counsel to develop new TIF guidelines for municipalities
- Work with EOHED to develop and implement an electronic EDIP application
- Work with counsel to update EDIP guidelines
- Conduct municipal outreach meetings with municipal officials on Vacant Storefront Initiatives and EDIP as a refresher
- Identify vacant storefront locations eligible for tax credits on EDIP website
- Encourage minority-owned, women-owned, veteran-owned, and disabled-owned businesses to seek tax credits in both EDIP and Vacant Storefront Program. Keep track of metrics and report to agency diversity officer.



FY 2020 EDIP Projects Approved

Central, Merrimack Valley & MetroWest Regions

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	EDIPC Award	Local Award	EACC Date	Gateway
Milford	Central	Interactions LLC	IT	100	200	\$7,000,000	TIF	\$0	3/19/2020	N
Milford	Central	Rentschler BioPharma, Inc.	LS	75	85	\$55,000,000	TIF	\$0	3/19/2020	N
Sturbridge	Central	New England Cold Storage, LLC	SER	18	0	\$17,500,000	TIF	\$0	3/19/2020	N
Worcester	Central	Washington Square Hotel LLC / J. Karam Management, Inc.	SER	35	0	\$21,784,000	TIF	\$262,500	12/11/2019	Y
Worcester	Central	Pieco Holdings, Inc. dba Table Talk Pies, Inc.	MFG	50	130	\$22,200,000	TIF	\$0	3/19/2020	Y
Worcester	Central	YWCA CM QALICBLLC	SER	5	68	\$26,000,000	TIF	\$0	3/19/2020	Y
Worcester	Central	WuXi Biologics USA, LLC	LS	150	10	\$60,000,000	TIF	\$0	3/19/2020	Y
Canton	Merrimack Valley & MetroWest	1895 JW Owner, LLC	DEVLP	0	0	\$600,000	STA	\$0	1/31/2020	N
Lowell	Merrimack Valley & MetroWest	Lowell Legacy Hotel, LLC	SER	19	0	\$13,578,000	TIF	\$142,500	3/19/2020	Y
North Andover	Merrimack Valley & MetroWest	Amazon.com Services LLC	IT	1500	0	\$400,000,000	TIF	\$0	6/18/2020	N
Randolph	Merrimack Valley & MetroWest	Gordon Industries, Inc.	MFG	5	40	\$1,100,000	STA	\$0	9/19/2019	N
Tyngsborough	Merrimack Valley & MetroWest	Sam Park & Company LLC	DEV	0	0	\$18,000,000	TIF	\$0	3/19/2020	N
Norwood	Merrimack Valley & MetroWest	ModernaTX, Inc.	LS	100	250	\$50,000,000	TIF	\$0	12/11/2019	N



FY 2020 EDIP Projects Approved

Northeast, Southeast, Western Regions

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	Local Award	EDIPC Award	EACC Date	Gateway
Gloucester	Northeast	Cometeer, Inc.	MFG	150	7	\$24,400,000	TIF	\$139,600	6/18/2020	N
Haverhill	Northeast	Monogram Gourmet Foods LLC / Monogram Food Solutions, LLC	MFG	354	109	\$43,602,836	TIF	\$925,000	6/18/2020	Y
Ipswich	Northeast	New England Biolabs, Inc.	LS	100	352	\$40,000,000	TIF	\$0	6/18/2020	N
Lawrence	Northeast	250 Riverwalk LLC	DEV	0	0	\$16,900,000	TIF	\$0	12/11/2019	Y
Lawrence	Northeast	282 Riverwalk LLC	DEV	0	0	\$50,000,000	TIF	\$0	12/11/2019	Y
Fall River	Southeast	SecZetta, Inc.	IT	93	0	\$495,000	TIF	\$200,000	12/11/2019	Y
Lee	Western	Berkshire Sterile Manufacturing, Inc.	MFG	75	126	\$20,000,000	TIF	\$0	4/2/2020	N
Pittsfield	Western	Electro Magnetic Applications, Inc.	SER	6	0	\$644,000	TIF	\$25,000	12/11/2019	Y
Pittsfield	Western	John's Building Supply / WJK Realty, Inc.	RET	4	9	\$850,000	TIF	\$0	6/18/2020	Y
Pittsfield	Western	Somnath, LLC	SER	15	0	\$10,000,000	TIF	\$0	6/18/2020	Y



FY 2020 Vacant Storefront Projects Approved

Municipality	Region	Business Name	Industry	Jobs Created	Jobs Retained	Private Investment	EDIPC Award	Local Award	EACC Date	Gateway
Fitchburg	Central	Urban Fork, LLC	RET	2 FT 2 PT	0	\$718,823	\$10,000	\$15,000	Dec 2019	Y
Webster	Central	Monte Verde Restorante	RET	3 FT 3PT	0	\$60,000	\$10,000	\$10,000	June 2020	N
Webster	Central	Stave & Still, Inc. dba Cask & Vine	RES	2 FT 2 PT	0	\$58,271	\$10,000	\$10,000	June 2020	N
Worcester	Central	Maker to Main, LLC	RES	4 FT 4 PT	0	\$164,000	\$10,000	\$30,000	Mar 2020	Y



FY 2020 EACC Board Members

Ex Officio Members

- EOHED – VACANT, co-chair
- DHCD – Louis Martin, co-chair
- MOBD – Mark Fuller
- EOHED appointee – Mayor Brian M. Arrigo
- DCS – Brian Decelles
- DLWD – Ken Messina
- CommCorp – VACANT

Gubernatorial Appointees

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



MOBD Contacts

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www.mass.gov/mobd
www.mass.gov/edip
www.mass.gov/mvsp
www.mass.gov/hed



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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, Regulations and Guidance:

[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.

[Department of Revenue Informational Guideline Release 19-13](#)

Property Tax Exemptions To Promote Economic Development, Affordable Housing, Workforce Housing, And Manufacturing Workforce Development