

# Economic Development Incentive Program (EDIP)



## Fiscal Year 2016 Annual Report

Massachusetts Office of Business Development

September 30, 2016

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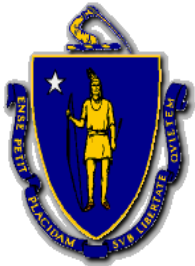


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# Letter from EDIP Director



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GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

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**JAY ASH**  
SECRETARY

**NAM PHAM**  
ASSISTANT SECRETARY

September 30, 2016

Dear Governor Baker:

On behalf of the Massachusetts Office of Business Development (MOBD) we are pleased to send you the Economic Development Incentives Program (EDIP) Fiscal Year 2016 Annual Report in accordance with Section 3C(3) of Chapter 23A of the Massachusetts General Laws. This Annual Report covers the Economic Assistance Coordinating Council (EACC) and the Economic Development Incentive Program (EDIP) for Fiscal Year (FY) 2016, ending June 30, 2016.

The EDIP continues to be the largest job creation incentive in the Commonwealth. In fiscal year 2016 fifty-nine (59) projects were approved with the potential to create 2,927 jobs, the retention of 6,130 jobs and a private investment of \$990 million. Since the Baker-Polito Administration took office in 2015, 89 projects have received approval, leading to the potential creation of 4,531 new jobs, the retention of 8,611 existing jobs and leveraging of over \$1.4 billion in private investment. During this time period the EACC has assisted 39 manufacturers through the EDIP and has supported 43 projects in Gateway Cities.

Sincerely,

Annamarie Kersten  
EDIP Director

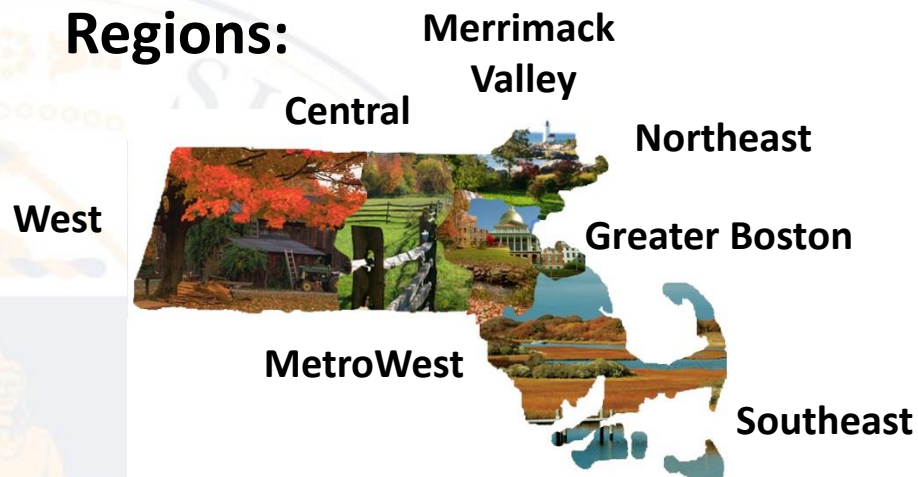
cc The Senate Committee on Ways and Means  
The House Committee on Ways and Means  
The Joint Committee on Labor and Workforce



## Mission

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

## Regions:



## Resources

- |                                |                          |
|--------------------------------|--------------------------|
| • Financing                    | • Permitting             |
| • Workforce Training           | • Infrastructure Support |
| • Tax Incentives               | • Site Finding           |
| • Export / International Trade | • Business Consultation  |
| • Industry Expertise           |                          |



# Notable Fiscal Year 2016 EDIP Projects



# Fiscal Year 2016 EDIP Projects



59 Projects Approved



2,927 Jobs to be Created



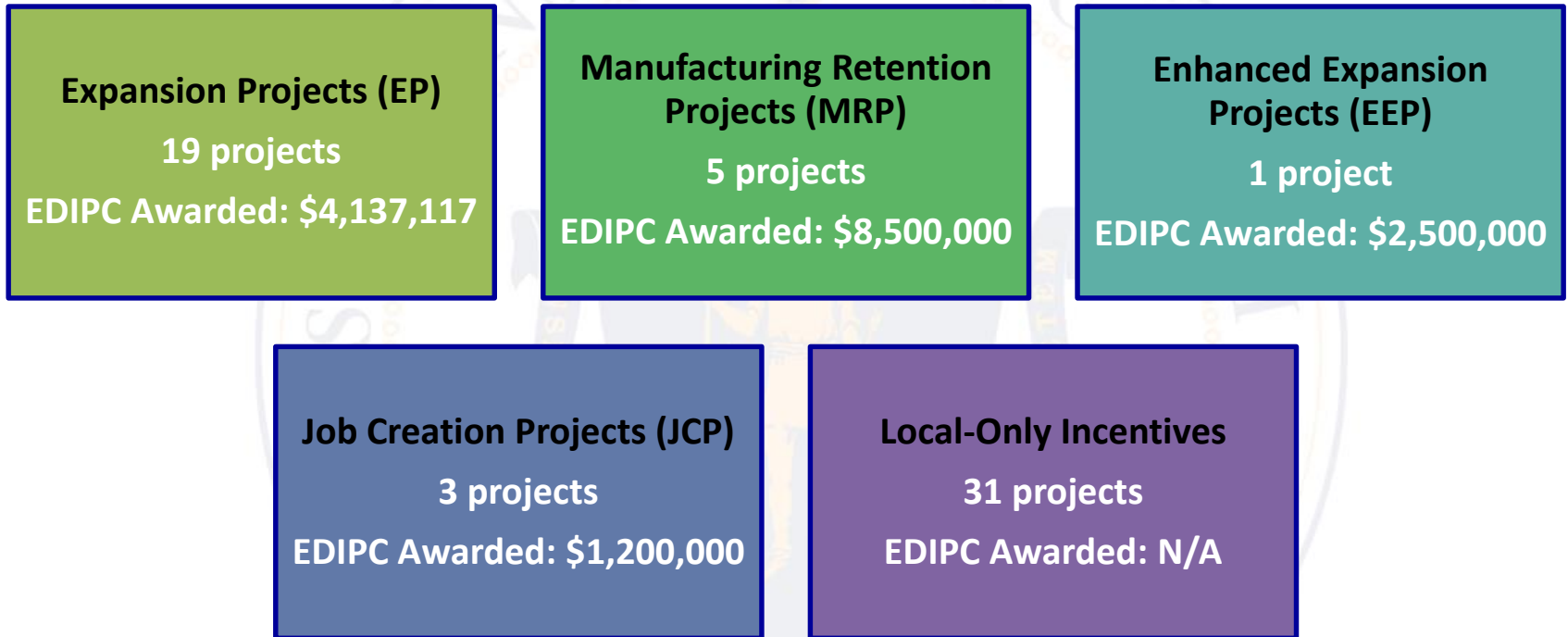
6,130 Jobs to be Retained



\$990 Million Private Investment



## EDIP Breakdown by Project Type



EDIPC = Economic Development Incentive Program Tax Credits

# Fiscal Year 2016 EDIP Projects



## Breakdown by Type of Project

Expansion Projects	Manufacturing Retention Projects	Enhanced Expansion Projects	Job Creation Projects	Local Incentives Only
EP	MRP	EEP	JCP	Local
<ul style="list-style-type: none"><li>• 19 Projects</li><li>• 764 Jobs Created</li><li>• 2,041 Jobs Retained</li><li>• \$191 million Private Investment</li><li>• \$5,415 EDIPC per job created</li></ul>	<ul style="list-style-type: none"><li>• 5 Projects</li><li>• 340 Jobs Created</li><li>• 1,860 Jobs Retained</li><li>• \$100 million Private Investment</li><li>• \$25,000 EDIPC per job created</li></ul>	<ul style="list-style-type: none"><li>• 1 Project</li><li>• 500 Jobs Created</li><li>• 250 Jobs Retained</li><li>• \$51 million Private Investment</li><li>• \$5,000 EDIPC per job created</li></ul>	<ul style="list-style-type: none"><li>• 3 Projects</li><li>• 400 Jobs Created</li><li>• 555 Jobs Retained</li><li>• \$9.1 million Private Investment</li><li>• \$3,000 EDIPC per job created</li></ul>	<ul style="list-style-type: none"><li>• 31 Projects</li><li>• 923 Jobs Created</li><li>• 1,424 Jobs Retained</li><li>• \$639 million Private Investment</li><li>• N/A EDIPC per job created</li></ul>



# Fiscal Year 2016 EDIP Projects



## EDIP FY 2016 Results: Regional Snapshot

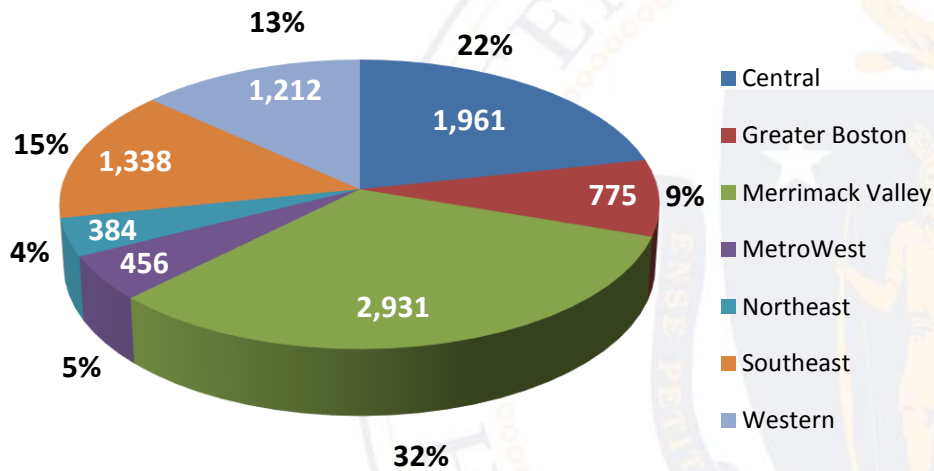
Region	Number of Projects	New Jobs	Retained Jobs	Private Investment	EDIPC* Awarded
Central	10	442	1,519	\$118,265,000	\$1,068,500
Greater Boston	2	525	250	\$57,000,000	\$2,500,000
Merrimack Valley	9	588	2,343	\$267,923,624	\$8,836,500
MetroWest	2	155	301	\$21,202,125	\$650,000
Northeast	7	195	189	\$72,726,240	\$532,117
Southeast	14	474	864	246,276,990	\$670,000
West	15	548	664	\$206,689,500	\$2,080,000
Total	59	2,927	6,130	\$990,083,479	\$16,337,117

\*Economic Development Incentive Program Credit

# Fiscal Year 2016 EDIP Projects

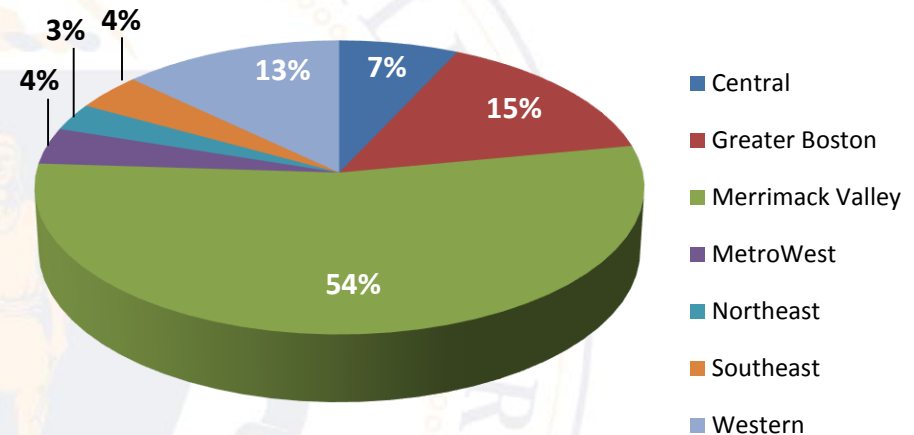


## Job Impact\* by Region



\*Job Impact is Jobs Created and Jobs Retained

## EDIPC\*\* Awarded by Region

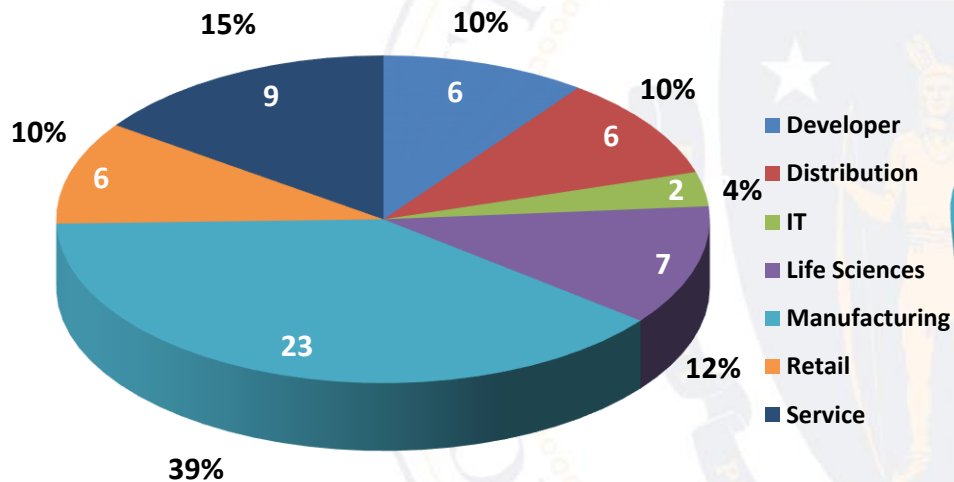


\*\*Economic Development Incentive Program Credit

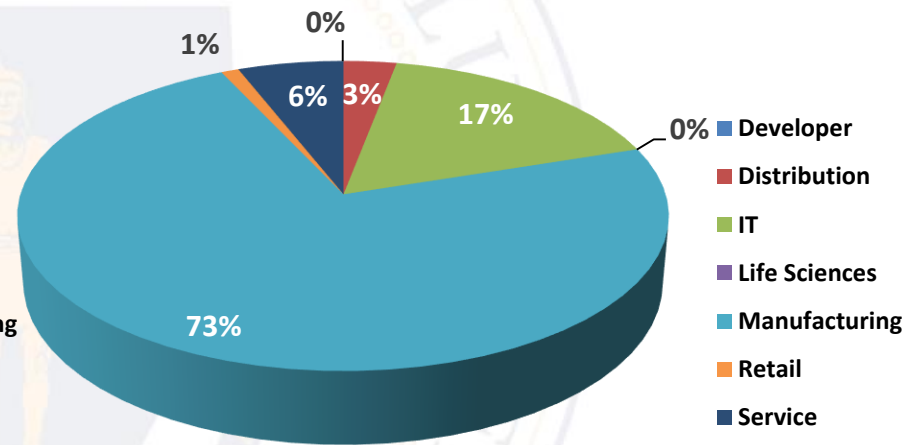
# Fiscal Year 2016 EDIP Projects



## Number of Projects by Industry



## EDIPC Awarded by Industry



# Fiscal Year 2016 EDIP Projects



31 projects  
located in  
**Gateway Cities**

53%

23 projects  
were  
**Manufacturers**

39%

39 projects  
< 200 employees  
**Small Businesses**

66%

# FY 2016 Accomplishments



## In Addition to the EDIP Projects Approved:

- Approved one **Economic Distressed Area (EDA)** to enable access to brownfields programs:
  - Medford
- Held one **EACC Board Policy Meeting** with EOHE (November) and four regularly scheduled **EACC Board Meetings** (September, December, March, June)
- **Annual reporting** was conducted for **455** active EDIP projects
- Five **hearings** were held at the request of non-compliant companies in program
- EACC **decertified** 10 EDIP projects and approved the **voluntary withdrawal** of Certified Project status for 8 projects
  - Decertification and withdrawal of certified project status from EDIP ends the tax credits in year this action is taken and for all future years
- Begin FY 2017 with **424 active projects** in EDIP (25 existing certified projects expired June 30<sup>th</sup>)



# FY 2016 Accomplishments



- Conducted review of Q4 2014 ***“Innovation Economy Job Creation Challenge”*** results for new Job Creation Project (JCP) category.
- For pilot program, companies made job creation commitment for Calendar Year 2015.

Results follow: (Data as of December 31, 2015)

Company	New Jobs Commitment	Actual New Jobs	+/- Commitment	EDIPC Received
Wayfair	264	656	392	\$264,000
SimpliVity	120	151	31	\$120,000
Demandware	146	86	(60)	\$0
Fiksu	120	10% job cuts	(139) est.	\$0

- Since then 5 new JCP projects have been approved.

Note: Demandware and Fiksu were decertified and included in the decertification totals.

# FY 2016 Accomplishments



- Trained and/or presented Economic Development Incentive Program (EDIP) to various stakeholders across the state:
  - 8/19/2015 EOLWD BizWorks Training - **Framingham**
  - 8/26/2015 EOLWD BizWorks Training - **Northampton**
  - 9/16/2015 EOLWD BizWorks Training - **Worcester**
  - 3/30/2015 EOLWD BizWorks Training - **Boston**
  - 6/20/2016 **Plymouth** Regional Economic Development Foundation
  - 6/27/2016 Town of **Dartmouth** Board of Selectmen
- Also, participated in field meetings with companies and municipalities interested in learning more about EDIP

# FY 2017 Goals & Initiatives



- Codify changes from the Acts of 2016 – *An Act Relative to Job Creation and Workforce Development* into the EDIP regulations
- Attaining executed contracts for all active EDIP projects approved prior to Acts of 2016 before December 31, 2016.
- Assess and update EDIP applications, guidelines and web site and determine if the process can be streamlined
- Initiate 6 regional municipal outreach meetings to educate local officials on changes to EDIP
- Continue to implement a “but for these EDIP incentives, jobs and investment would not occur” emphasis when reviewing project applications
- Hold at least one EACC Board Policy Meeting to update EACC Board on statutory changes, review proposed award schedule and criteria
- Continue working with Department of Revenue (DOR) and Division of Unemployment Assistance (DUA) with regards to information sharing when propagating regulations

# FY 2016 EDIP Projects Approved



Alphabetical by Region

Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	EDIPC Award Total	EACC Date	Gateway
Dudley	Central	Webco Chemical Corporation	MFG	Expansion Project	15	53	\$6,890,000	\$136,000	12/16/2015	N
Fitchburg	Central	M.A.S Realty Corporation	DEVLP	Local Only	0	0	\$11,200,000	\$0	6/22/2016	Y
Grafton	Central	103 Worcester Street, LLC	SVC	Local Only	0	7	\$2,100,000	\$0	6/22/2016	N
Marlborough	Central	LFB USA, Inc.	Life Science	Local Only	50	0	\$37,000,000	\$0	9/23/2015	N
Marlborough	Central	OYO Sportstoys, Inc.	MFG	Expansion Project	100	95	\$8,000,000	\$480,000	12/16/2015	N
Westborough	Central	SimpliVity Corporation	IT	Job Creation Project	100	389	\$400,000	\$100,000	6/22/2016	N
Westborough	Central	Cumberland Farms, Inc.	RET	Expansion Project	150	608	\$12,800,000	\$150,000	6/22/2016	N
Worcester	Central	Blackstone River Road, LLC	DEVLP	Local Only	0	0	\$26,000,000	\$0	9/23/2015	Y
Worcester	Central	Absolute Machinery Corporation	DIST	Expansion Project	6	14	\$1,025,000	\$45,000	3/22/2016	Y
Worcester	Central	Imperial Distributors, Inc.	DIST	Expansion Project	21	353	\$12,850,000	\$157,500	3/22/2016	Y
Brockton	Greater Boston	Comercial Yard, LLC and D. W. Clark, Inc.	MFG	Local Only	25	0	\$6,000,000	\$0	12/16/2015	Y
Cambridge	Greater Boston	International Business Machines Corporation	IT	Enhanced Expansion Project	500	250	\$51,000,000	\$2,500,000	9/23/2015	N
Franklin	Metrowest	Cold Chain Technologies, Inc.	MFG	Expansion Project	55	135	\$12,541,525	\$550,000	12/16/2015	N
Maynard	Metrowest	Acacia Communications, Inc.	MFG	Job Creation Project	100	166	\$8,660,600	\$100,000	3/22/2016	N

# FY 2016 EDIP Projects Approved



Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
Acton	Merrimack Valley	Associated Environmental Systems, Inc.	MFG	Expansion Project	65	47	\$3,177,800	\$236,500	12/16/2015	N
Burlington	Merrimack Valley	EMD Millipore Corporation	Life Science	Local Only	0	400	\$165,000,000	\$0	12/16/2015	N
Lowell	Merrimack Valley	Kronos Incorporated	MFG	Manufacturing Retention Project	200	1306	\$56,000,000	\$7,000,000	6/22/2016	Y
Lowell	Merrimack Valley	Kronos Incorporated	MFG	Job Creation Project	200	0	\$0	\$1,000,000	6/22/2016	Y
Lowell	Merrimack Valley	M/A Com Technology Solutions, Inc.	MFG	Local Only	47	373	\$15,000,000	\$0	6/22/2016	Y
Lowell	Merrimack Valley	Somerset Industries, Inc.	MFG	Expansion Project	18	40	\$4,090,110	\$225,000	9/23/2015	Y
Methuen	Merrimack Valley	Globus Medical, Inc.	Life Science	Local Only	20	26	\$8,755,714	\$0	9/23/2015	Y
Methuen	Merrimack Valley	Jessica's Brick Oven, Inc.	MFG	Manufacturing Retention Project	25	120	\$10,500,000	\$375,000	9/23/2015	Y
Methuen	Merrimack Valley	New England Die Cutting, Inc.	MFG	Local Only	13	31	\$5,400,000	\$0	9/23/2015	Y
Amesbury	Northeast	DesignWerkes, Inc.	MFG	Expansion Project	15	25	\$2,203,775	\$99,617	9/23/2015	N
Beverly	Northeast	HighRes Biosolutions, Inc.	Life Science	Local Only	30	95	\$11,500,000	\$0	6/22/2016	N
Beverly	Northeast	Krohne, Inc.	MFG	Expansion Project	54	45	\$20,210,500	\$320,000	12/16/2015	N
Gloucester	Northeast	Mortillaro Lobster, Inc.	MFG	Local Only	6	24	\$2,500,000	\$0	9/23/2015	N
Lynn	Northeast	Demoulas Super Markets, Inc.	RET	Local Only	75	0	\$22,000,000	\$0	3/22/2016	Y



# FY 2016 EDIP Projects Approved



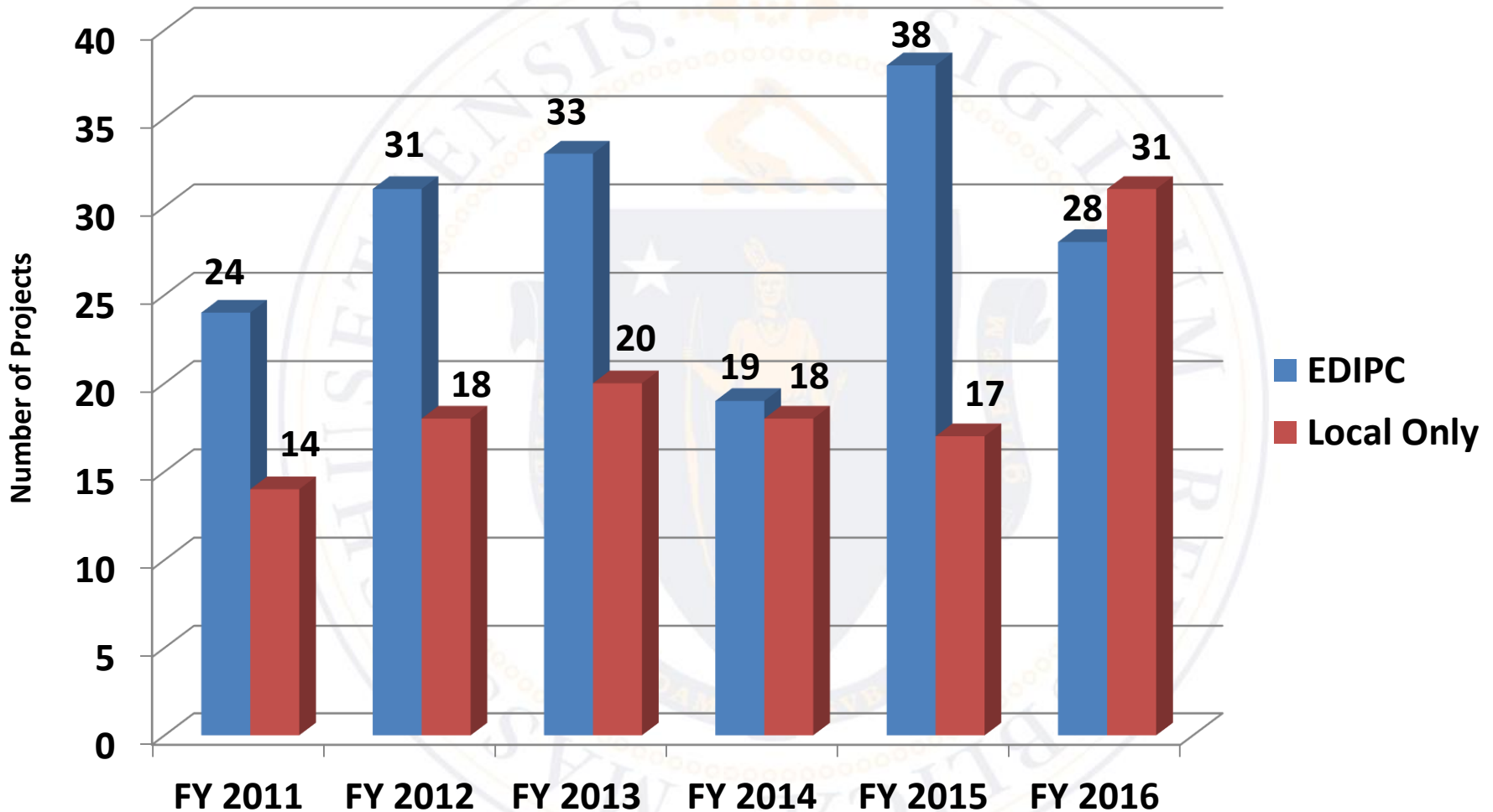
Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
Salem	Northeast	Hotel Salem Real Estate Holdings, LLC	SVC	Expansion Project	15	0	\$10,311,965	\$112,500	3/22/2016	Y
Stoneham	Northeast	C & S Capital Properties, LLC	DEVL	Local Only	0	0	\$4,000,000	\$0	6/22/2016	N
Barnstable	Southeast	K Hyannis Hospitality, LLC	SVC	Local Only	24	0	\$17,240,800	\$0	3/22/2016	Y
Fall River	Southeast	Harbour Hill, LLC	DEVL	Local Only	0	0	\$25,000,000	\$0	3/22/2016	Y
Fall River	Southeast	Demoulas Supermarkets, Inc.	RET	Local Only	75	0	\$16,000,000	\$0	3/22/2016	Y
New Bedford	Southeast	Friendly Fruit, Inc. dba Sid Wainer & Son	DIST	Expansion Project	10	351	\$10,919,290	\$75,000	9/23/2015	Y
New Bedford	Southeast	Shuster Corporation	DIST	Local Only	4	35	\$140,000	\$0	12/16/2015	Y
New Bedford	Southeast	Parallel Products of New England	MFG	Manufacturing Retention Project	50	27	\$6,000,000	\$300,000	9/23/2015	Y
New Bedford	Southeast	Darn It!, Inc. 90 Hatch Street	SVC	Local Only	0	0	\$800,000	\$0	9/23/2015	Y
New Bedford	Southeast	Glassman Services, Inc. dba Servpro	SVC	Local Only	5	8	\$600,000	\$0	6/22/2016	Y
North Attleborough	Southeast	Garlan Chain Co., Inc.	MFG	Local Only	10	16	\$1,696,900	\$0	6/22/2016	N
Norton	Southeast	New England Ice Cream Corporation	DIST	Expansion Project	20	85	\$10,000,000	\$100,000	12/16/2015	N
Norton	Southeast	Alnylam U.S., Inc.	Life Science	Local Only	220	0	\$100,000,000	\$0	12/16/2015	N
Raynham	Southeast	Omni Life Science, Inc.	Life Science	Local Only	15	70	\$2,850,000	\$0	6/22/2016	N
Seekonk	Southeast	FedEx Ground Package System, Inc.	SVC	Expansion Project	26	0	\$48,000,000	\$195,000	6/22/2016	N
Somerset	Southeast	North Atlantic Corp. dba Horner Millwork	MFG	Local Only	15	272	\$7,030,000	\$0	12/16/2015	N

# FY 2016 EDIP Projects Approved



Municipality	Region	Business Name	Industry	Category of Project	Jobs Created	Jobs Retained	Private Investment	ITC Award Total	EACC Date	Gateway
Chicopee	Western	US Tsubaki Automotive, LLC	MFG	Manufacturing Retention Project	35	348	\$20,604,000	\$525,000	3/22/2016	Y
Chicopee	Western	Springfield Automotive Partners, LLC	RET	Local Only	35	0	\$11,800,000	\$0	3/22/2016	Y
Greenfield	Western	JimBob Realty, LLC	RET	Local Only	10	41	\$7,500,000	\$0	9/23/2015	N
Holyoke	Western	Nestingly 181, LLC	DEVL	Local Only	2	0	\$2,975,000	\$0	6/22/2016	Y
Holyoke	Western	Aegis Energy Services, Inc.	MFG	Manufacturing Retention Project	30	59	\$6,900,000	\$300,000	3/22/2016	Y
Holyoke	Western	International Container, Co., LLC	MFG	Expansion Project	5	45	\$1,281,500	\$62,500	12/16/2015	Y
North Adams	Western	Greylocks Works, LLC	DEVL	Local Only	0	0	\$8,524,000	\$0	6/22/2016	N
North Adams	Western	The Beyond Place, LLC	SVC	Expansion Project	14	0	\$5,310,000	\$70,000	6/22/2016	N
Palmer	Western	Michael's Party Rentals, Inc.	SVC	Local Only	6	6	\$665,000	\$0	3/22/2016	N
Springfield	Western	CNR MA Corporation	MFG	Local Only	150	0	\$107,000,000	\$0	12/16/2015	Y
Springfield	Western	Falvey Linen Supply, Inc.	SVC	Expansion Project	125	0	\$8,600,000	\$625,000	12/16/2015	Y
Ware	Western	G & G Medical Products, LLC	Life Science	Local Only	71	0	\$1,500,000	\$0	12/16/2015	N
West Springfield	Western	Fathers & Sons, Inc. and Cartelli Realty, LLC	RET	Local Only	15	20	\$11,500,000	\$0	6/22/2016	N
Westfield	Western	Boise Cascade BMD	DIST	Expansion Project	9	79	\$7,955,000	\$67,500	12/16/2015	Y
Westfield	Western	Jarvis Surgical, Inc.	MFG	Expansion Project	41	66	\$4,575,000	\$430,000	3/22/2016	Y

# Closed EDIP Projects by Fiscal Year





## Ex Officio Members

## Governor Appointees

- EOHED – Carolyn Kirk, co-chair
- DHCD – Louis Martin, co-chair
- MOBD – Nam Pham
- MOBD – Annamarie Kersten
- DCS – Ken Messina
- DLWD – vacant
- CommCorp – Rebecca Lashman
- West – Kathleen Anderson
- Central – Paul Matthews
- East – Drake Behrakis
- Merrimack Valley – Joe Bevilaqua
- Southeast – Jennifer Menard
- Cape & Islands – David Keator
- Higher Ed – Dr. Michael Goodman

# EDIP Contacts



## 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)



# Statutory References



## EDIP Governing Statute:

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

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

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

[3C: The Economic Assistance Coordinating Council; Powers duties](#)

[3D: Economic Target Areas](#)

[3E: Economic Opportunity Areas](#)

[3F: Certified projects; Proposals](#)

## EDIP Regulations:

[402 Code of Massachusetts Regulations 2.00](#)

EDIP Regulations effective January 1, 2010

## 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

## EDIP Investment Tax Credit Statutes:

[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](#)

Economic Opportunity Areas; Tax Deduction for Renovation of Abandoned Buildings

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

[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 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.