



TOWN OF TEWKSBURY ECONOMIC DEVELOPMENT COMMITTEE

Meeting Minutes May 14, 2014

The meeting was called to order at 6:03 p.m. by David Plunkett, Chairman, at the Pike House (temporary Town Hall). Present were Bruce Panilaitis, Patricia Lelos, and Larry Sanford. Also present was Steve Sadwick, Director of Community Development.

Brian Linder, Michael Monahan, Marko Duffy, and Richard Montuori were not in attendance.

Approval of Meeting Minutes – April 8, 2014

MOTION: Ms. Lelos made the motion to approve the April 8, 2014 meeting minutes; seconded by Mr. Sanford and the motion carried 3-0-1. Mr. Panilaitis did not take part in this vote

A) Peter Milano, Mass. Office of Business Development

Present was Peter Milano and John Sisson of the Mass. Office of Business Development. Mr. Milano explained that Mr. Sisson covers the Boston region for the Mass. Office of Business Development and he works in the Northeast Region; which includes Tewksbury. There are a total of six regions. Their mission statement is to facilitate access to State resources which can be big or small. Mr. Milano explained that many times it is leveraging their relationships with people like Mr. Sadwick or Mr. Montuori. They work with companies to increase and maintain their headcount or increase capital expenditures in Massachusetts. Mr. Milano explained that they work with several programs and are mostly a referral agency. One of their programs, which Tewksbury has taken advantage of, is tax incentives. Mr. Milano explained that typically they send out a mass, blind email to what they call their “economic development partners”. Mr. Sadwick and Mr. Montuori both receive these emails. If there is something that fits in the town they can respond back stating so. Mr. Milano noted that they also assist with permitting and the town has been able to permit projects rather quickly. Mr. Milano explained that through their partners at Labor and Workforce Development there are programs for training and assisting with the unemployed and veterans. Mr. Milano noted that they do own one program: economic development incentive program; which is the tax incentive program. Thermo Fisher Scientific is an example of a business in Tewksbury who has taken advantage of the tax incentive program and would have fallen under the expansion project (EP). Mr. Milano reviewed some of the requirements for expansion projects

which include a requirement of out of state sales. This is done to eliminate companies who are looking to site based on car count and eliminates big box retailers. Mr. Milano explained that if there was a challenging piece of property in Tewksbury and the town wanted to use this program for a big box retailer it can still be done; however, unlike the Thermo Fisher project, the State would not participate and it would be a two way partnership. Other types of projects are: enhanced expansion projects (not relevant in Tewksbury; companies that are creating at least 100 jobs in non economic target areas), manufacturing retention projects (not relevant), gateway municipalities (not relevant), and local incentives only.

Mr. Milano reviewed some of the key definitions and noted that they use the Department of Revenue (DOR) definition for manufacturing and explained that manufacturers are rewarded more generously in this type of program than any other industry. If the DOR views the company as a manufacturer then the Mass. Office of Business Development does as well.

Mr. Milano reviewed the economic development incentive program further and explained that a three way partnership would be formed between the company that agrees to provide a level of job retention, the town who agrees to provide the real estate tax relief, and the State who agrees to provide some level of investment in the tax credit. The real estate tax relief can be between 5 and 100% of the increased value that the company's capital expenditure creates for a term of between 5 and 20 years. This is known as a tax increment financing agreement (TIF). The town can also provide personal property tax exemptions of between 5 and 100% of the value for the term of 5 to 20 years. If the State is involved in the partnership, they may provide investment tax credits of between 0 and 10% on depreciable assets with a time from of 4 years or longer and upon approval of the Economic Assistance Coordinating Council. Mr. Milano explained that they will work with the town to determine the program for the company.

Mr. Milano reviewed the special tax assessment; which is not a tax increment financing agreement, and has a 5 to 20 year timeframe, but the business does not pay real estate taxes for the first year and this is nonnegotiable. In a TIF there is a baseline evaluation which is protected to the town. In a special tax assessment the town must find a way to collect no taxes in year one. Mr. Milano noted that this has been an unpopular part of the program, but they are required to review this.

Mr. Milano explained that the Governor just introduced a Jobs Bill. Mr. Sisson provided a copy of House Bill 4045 to the members and explained that some of the bills are targeted toward gateway cities. The missions of the bill include: expand opportunity for all residents, middle skills job training, and continuing growth for innovation economy. The one that would apply most to Tewksbury would be the middle skills job training which provides grants to vocational access to technical schools and Community Colleges to train 4,000 student/workers for IT and advanced manufacturing. Also, provides grants to high tech companies to hire interns and provides entrepreneurs with access to mentoring programs. Mr. Sisson discussed the liquor license caps that have been put in place.

Mrs. Reed inquired about the incubating concept. Mr. Milano explained that it is a hard thing to do and that he has seen a need, but with the way the market is it has not taken off. Mr. Sadwick explained that Mr. Montuori has met with some consultants and is working to meet with Marty Meehan at UMass Lowell to start to look at the pipeline from that side. Mr. Sadwick noted that it will come down to the property owners in Tewksbury having to reduce the rents to allow these businesses to spin out into larger spaces. Mr. Milano noted that he is happy to take part in this process as well and asked if needs have been specified. Mr. Sisson explained that the facility in Woburn is not industry specific and is shared space and noted that there are no shared lab spaces anywhere so scientists have no place to go. Mass Bio would likely be able to fill these spaces with smaller scientists. Mr. Sadwick explained that the owner at the Accusphere facility had clean rooms and laboratories and found that it would be cheaper to pull all this out and rent the spaces to warehousing.

Mr. Milano noted that he can provide a copy of the presentation to anyone who is interested.

B) Economic Development Self Assessment Tool

Mr. Sadwick explained that Mr. Montuori has scheduled an economic self assessment get together for June 11, 2014. This is being done in conjunction with the work that is being done by Northern Middlesex Council of Governments and Northeastern's dukasis center and public policy. Northeastern is doing the self assessment which will be bench marked against other communities to see where Tewksbury stands and what improvements need to be made.

C) Update on development activity

Mr. Sadwick noted that there has been a lot of development activity recently. The owner of 1 Radcliff Road is currently before the Planning Board for a parking lot expansion and upgrades to the facility; they do not have a tenant as of yet.

Mr. Sadwick explained that the town has met with the people who are in the process of purchasing 3 Radcliff Road. It is a document recovery company.

Mr. Sadwick and Mr. Montuori met with people relative to the Funland side as well as the Direct Auto site. Wicked Cheesy is looking to move to Galloway's plaza and they have also talked with a development team to set them up with Simon properties to look at development. Mr. Sadwick noted that they are also talking with Middlesex 3; which is a branded economic activity group.

Mr. Sadwick noted that the town met with potential purchaser of the Motel Caswell site who is looking to have a bowling alley and golf simulators with a restaurant and bar. The sale would include the Miracle Ear building located next door.

Mr. Sadwick noted that this past Monday night the Planning Board had three concept plans for different properties on Main Street; all three had a commercial and residential components.

Mr. Panilaitis noted that the town has also met with Enterprise Bank regarding a program to stimulate business activity along Main Street. They discussed potential loan programs that are subsidized in some way by the town to help the businesses get kick started and make it specific to Route 38. The program would be built up over the summer with the hope to kick it off in the fall. Ms. Lelos asked if other financial institutions have been considered as this is likely something The Lowell 5 would participate in and they have a commercial lender in Tewksbury. Mr. Panilaitis noted that it would be great to get as many as involved as possible as it would only expand the program. Ms. Lelos requested they also consider The Lowell Five.

Old Business

There was no old business.

New Business

The next meeting has been scheduled for Wednesday, June 26, 2014.

Adjourn.

MOTION: Mr. Lelos made the motion to adjourn; seconded by Mr. Sanford and the motion carried 4-0.

Approved: 8/4/14

No documents submitted for 5/14/14 Agenda