

Necco

# City of Revere

## TAX INCREMENT FINANCING AGREEMENT

For

**New England Confectionery Company**  
135 American Legion Highway, Revere, MA 02151

**THIS AGREEMENT** is made this 25<sup>th</sup> day of June, 2003 by and between the **City of Revere, Massachusetts**, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, having a principal place of business at 281 Broadway, Revere, Massachusetts 02151, acting by and through its CITY Council, (hereafter the "CITY"), **New England Confectionery Company**, a corporation qualified to do business in Massachusetts, with a principal place of business at 135 American Legion Highway, Revere, Massachusetts 02151 (hereafter the "COMPANY"). This agreement will take effect as of the date of execution.

**WHEREAS**, the COMPANY will relocate its Massachusetts headquarters and manufacturing facilities to a newly renovated facility located at 135 American Legion Highway, Parcel # 017-297-001A, in Revere, Massachusetts to accommodate the growth of the COMPANY's business, (hereafter called the "FACILITY") and the purchase of new equipment for installation in the FACILITY; and

**WHEREAS**, the CITY is willing to grant a Tax Increment Financing ("TIF" or "Tax Increment Financing") agreement to the COMPANY in accordance with Massachusetts General Laws Chapter 23A, Section 3E, Chapter 40, Section 59 and Chapter 59, Section 5 in return for a guarantee of the renovation and outfit to the new FACILITY, new capital investment at the FACILITY by the COMPANY, and the creation of new employment opportunities for local workers by the COMPANY.

**NOW, THEREFORE**, in consideration of the mutual promises contained herein, the parties do mutually agree as follows:

### A. THE COMPANY'S OBLIGATIONS

This authorization for a Tax Increment Financing agreement is made in consideration of the COMPANY'S agreement to the following:

1. The COMPANY shall provide the CITY with a copy of the 2002 June monthly statement of employment or the equivalent, which shall be used to establish the base

*City of Revere, Massachusetts*



level of employment of the COMPANY for purposes of this TIF agreement. Furthermore, the COMPANY shall provide the CITY with a copy of the monthly statement of employment or the equivalent, for all subsequent Decembers as part of the annual report through and including the year 2023.

2. The COMPANY shall transfer approximately 494 full time employees and in excess of 200 seasonal employees from the COMPANY's Cambridge, Massachusetts facilities and Woburn, Massachusetts facility and create an additional 11 new jobs, within one year of the completion date of the project, in addition to creating 40 new jobs due to turnover in the existing work force, at the new FACILITY over the term of the TIF agreement (20 yrs).
3. The COMPANY shall commit to a policy of giving employment preference at the FACILITY first to qualified residents within the Revere Economic Target Area and second to qualified residents in the surrounding communities.
4. The COMPANY shall cooperate with the Jobs Training Partnership Act ("JTPA"), the Department of Employment and Training of the Commonwealth of Massachusetts and other agencies, as appropriate, in seeking to fill vacancies at the FACILITY from the local community.
5. The COMPANY shall provide the CITY with an annual report in the month of April 2004 for the period ending December 2003 and for each successive year thereafter for the duration of the Tax Increment Financing agreement term. Said report shall contain the following information: employment levels at the beginning and end of the reporting period, and the number of ETA and non-ETA Revere residents hired at the FACILITY.
6. The COMPANY agrees that the base value of the new FACILITY, for purposes of the TIF, will be \$16,022,800 for years 2004-2023 of the 20 year TIF agreement, subject to CPI index/rate of inflation if any +/-.
7. The COMPANY and CITY both agree that upon completion of the FACILITY improvements described in this TIF agreement, the FACILITY will be valued at the fair market value at that time, currently estimated to be approximately \$34,909,700. The incremental difference in assessed value subject to the terms of this TIF agreement should be the fair market value less the base value of \$16,022,800, subject to CPI index/rate of inflation if any +/-.
8. The COMPANY and CITY both agree the assessed fair market value of the FACILITY shall not increase nor decrease by more than 5% per year for years 2005 – 2023 of the 20 year TIF term.



9. The COMPANY agrees to allow the CITY's mayor or his designee to monitor and enforce said TIF agreement.
10. The COMPANY shall make real property capital improvements in excess of \$31 million for the renovation and outfit of the original 576,000 square foot FACILITY.
11. The COMPANY will provide certain other benefits to the CITY, its businesses and its residents as are set forth in Schedule 1, which is attached hereto.

**B. THE CITY'S OBLIGATIONS**

The CITY shall grant a Tax Increment Financing Agreement to the COMPANY for the FACILITY as described in the site plan on file with the CITY Building Department as Parcel # 017-297-001A, 135 American Legion Highway. In accordance with Massachusetts General Laws Chapter 23A, Section 3E, Chapter 40, Section 59 and Chapter 59, Section 5; said agreement shall be valid for a period of twenty (20) years beginning in fiscal year 2004 (July 1, 2003 - June 30, 2004) and ending in fiscal year 2023 (July 1, 2022 - June 30, 2023). The CITY hereby authorizes a Tax Increment Financing agreement schedule with respect to the renovation and outfit of the new FACILITY described in Section A, above, as follows:

**576,000 square feet Expanded to 800,000+ square feet with a Base Value To Be Determined**

<u>YEAR</u>	<u>FISCAL YEAR</u>	<u>TAX EXEMPTION</u>
1	2004	40%
2	2005	45%
3	2006	49%
4	2007	49%
5	2008	49%
6	2009	49%
7	2010	49%
8	2011	49%
9	2012	49%
10	2013	39%
11	2014	39%
12	2015	29%
13	2016	29%
14	2017	1%
15	2018	1%
16	2019	1%
17	2020	1%
18	2021	1%



19	2022	1%
20	2023	1%

**C. OTHER CONSIDERATIONS**

The COMPANY agrees that the CITY has the right to petition the Massachusetts Economic Assistance Coordinating Council (“EACC”) to decertify the project and revoke this TIF agreement if the CITY determines that the COMPANY has failed to meet any of its obligations as set forth in this agreement. Upon decertification by the EACC, the CITY shall discontinue the TIF Agreement benefits described above, commencing with the fiscal year immediately following the year for which the COMPANY failed to meet its obligations. However, prior to filing any such petition for decertification, the CITY shall give the COMPANY written notice of the COMPANY’s alleged defaults and an opportunity to be heard at a public hearing on the matter. If the CITY is satisfied that the COMPANY has made a good faith effort to meet its obligations under this TIF Agreement, the parties will attempt to negotiate a mutually acceptable and reasonable resolution, which may result in amendments to the terms of this TIF Agreement.

This TIF Agreement shall be binding on all of the parties hereto and, with respect to the FACILITY, shall be binding upon the subsequent owners of the FACILITY; provided, however, that if the COMPANY purports to convey, assign or otherwise transfer this TIF Agreement, or its rights hereunder to another party without the express and advance written consent of the CITY, which consent may be withheld or denied by the CITY with or without cause, the CITY may, by written notice give to the COMPANY, terminate the TIF Agreement and petition for decertification as provided above. Any transaction, or series of transactions, which results in a change of control of the COMPANY, whether by the sale of a majority of its voting stock, merger, acquisition or otherwise, shall be deemed to be a transfer within the meaning of the first sentence of this paragraph.

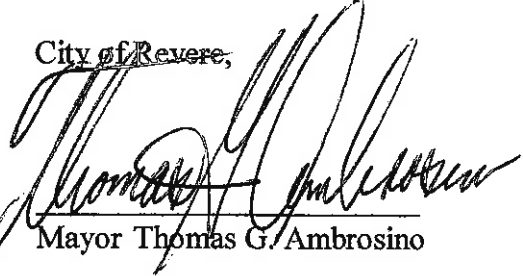
[Signatures on following page.]



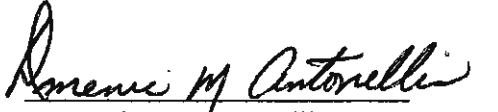
Executed as a sealed instrument on the day and year first above written.

Accepted by

~~City of Revere,~~

  
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Mayor Thomas G. Ambrosino

New England Confectionery Company

  
\_\_\_\_\_  
Domenic M. Antonellis  
President & Chief Executive Officer

~~Chief Assessor~~

6/25/03  
Date

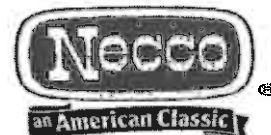
6-24-03  
Date



## Schedule 1

As additional consideration for this TIF Agreement, the COMPANY agrees as follows:

1. To put into effect the undertaking set forth in Section A.3 of the TIF Agreement, the COMPANY will, at a minimum, advertise all employment opportunities in a paper of local circulation (i.e., the Revere Journal; East Boston Sun Transcript; etc). COMPANY shall demonstrate and document its good faith effort in providing Revere residents' preferable employment opportunities. This good faith effort shall be achieved by providing the CITY with an annual report demonstrating how many positions were hired during the last year and how many Revere residents were hired. The COMPANY shall provide reports at other intervals as may be reasonably requested by the CITY.



## **TAX INCREMENT FINANCING PLAN AND AGREEMENT NEW ENGLAND CONFECTIONERY COMPANY**

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### **LOCATION**

A. The Tax Increment Financing (TIF) plan described herein relates to property defined as 135 American Legion Highway, Parcel # 017-297-011A, City of Revere, is located in the City of Revere Economic Opportunity Area (ETA), and is designated an Economic Opportunity Area (EOA)

B. The City of Revere, Massachusetts is an Economic Target Area (ETA), certified by the Economic Assistance Coordinating March of 2001.

C. The proposed TIF Zone is:

1. Displayed on a map which indicates parcels and their property lines, land use, Zoning, and the outlines of the buildings (attached).

2. Identical to the parameters of the Certified Project Application; as voted by the Revere City Council.

3. Created to accommodate the growth and expansion of the New England Confectionery Company (NECCO), to retain 494 permanent employees, and to hire at least 11 permanent employees over the first year of the TIF, and to create 40 new jobs over the term of the TIF as a result of turnover in the existing work force. The principals of NECCO are familiar to the City of New Bedford.

4. NECCO will be the sole property owner within the TIF Zone.

### **DURATION**

The duration of the TIF Agreement is 20 years commencing FY04.

### **TIF ZONE AND ECONOMIC DEVELOPMENT**

The TIF Zone will foster economic development by assisting NECCO to purchase and rehabilitate the facility located at 135 American Legion Highway and offer jobs to residents of the ETA. This expansion effort equates to full time employment in areas such as administrative and plant support, sales, transportation, and manufacturing employment. The company anticipates a total dollar investment to be in excess of \$75 million over the lifetime of the TIF Agreement.

Economic benefits to the City are ensured by the retention of 494 permanent jobs and the creation of 51 permanent jobs over the lifetime of the TIF agreement.

The TIF Zone is provided with a full range of Municipal services including streets, water, sewer,

lighting and fire protection. The Zone is also served by private gas, electric, and telecommunications utilities. The City has determined that the level of infrastructure is adequate for the proposed development.

The TIF Zone is zoned industrial and has had several industrial uses over the past twenty years. The improvements to the property by NECOO will have a significant impact on improving the surrounding area.

## **TIF ZONE PROJECT**

NECCO is the sole project proposed in the zone. With the advent of the rehabilitation of the building and the hiring of additional personnel, NECCO can expand their business to remain competitive.

## **TAX INCREMENT FINANCING**

Approval of the TIF was obtained from the City Council during its regular meeting held on June 23, 2003.

The City shall grant a TIF Agreement to NECCO in accordance with MGL, Chapter 23A, Section 3E, Chapter 40, Section 59, and Chapter 59, Section 5, for Parcel #017-297-001A, of the City of Revere of Assessor's Tax Map. The exemption shall be valid for a period of 20 years beginning FY 04 and through FY 2023.