



**New Bedford
Economic Development Council**

Open for Business!

1213 Purchase Street
2nd Floor
New Bedford, MA 02740
www.nbedc.org

December 13, 2016

Linda M. Morad, President
New Bedford City Council
133 William Street
New Bedford, MA 02740

**RE: New Bedford Tax Increment Financing Program
Proposed STA Agreements**

Council President Morad,

The Tax Increment Financing Board has approved the proposed STA applications at their 12.8.16 meeting. These projects represent \$1.75 million of new investment in the City and will be responsible for the retention of 38 existing jobs while creating at least 27 new jobs over the next 12-60 months.

The following proposed projects are now ready for submission to City Council:

- Proposed STA for Quality Custom Packing Inc., 25 Wright Street – 5 year agreement
- Proposed STA for Freedom Restoration and Cleaning, 1440 Purchase Street – 5 year agreement

On behalf of the TIF Board and the project applicants, we are requesting that this item be placed on the City Council agenda for referral to the Finance Committee.

Attached are 12 copies of the project overview, hypothetical calculation, and City Council Resolution for the above-mentioned projects for the City Council's review. Should any City Councillor request to visit the sites we would be pleased to arrange the details with the company representatives.

Thank you and please do not hesitate to call with any questions.

Sincerely,

Derek Santos
Executive Director

Cc: New Bedford City Council
Mayor Mitchell's Office

CITY CLERKS OFFICE
NEW BEDFORD, MA
2016 DEC 13 A 10:50
CITY CLERK



Tel. (508) 991-3122
Fax (508) 991-7372

The property has a current total assessed value of \$363,200 (FY16).



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Economic Development Incentive Program (EDIP)
PRELIMINARY APPLICATION

The following information is required by the Massachusetts Office of Business Development (MOBD) and the Economic Assistance Coordinating Council (EACC) to make a preliminary determination on the eligibility of a project under the Economic Development Incentive Program. This application must be returned in electronic form to your MOBD Regional Director and a hardcopy with original signature(s) mailed to: EDIP Manager, MOBD, 10 Park Plaza, Suite 3730, Boston, MA 02116. Please refer to the EDIP Guidelines, www.mass.gov/hed/edip and your MOBD Regional Director for assistance with this application.

PART I. COMPANY OVERVIEW					
1. COMPANY INFORMATION					
Company Name:	Freedom Restoration & Cleaning LLC				
Project Location Address:	Street Address:		1440 Purchase st		
	City:	New Bedford	MA	Zip Code	02740
Company Headquarters Location:	City:	Tiverton	State:	RI	
FEIN (Federal Employer Identification Number):	27-1589852				
DUA # (Dept. of Unemployment Assistance #):					
Type of Organization:	(a) Type of Organization: Limited Liability Company				
Company's Taxable Year End:	4/15/17				
NAICS Code:					
Is the applicant classified as a MA Department of Revenue Manufacturer?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
Company's outside of Massachusetts sales as a percentage of total sales: (a) currently (b) projected upon completion of proposed project:	(a) Current Outside of MA sales as of 10/4/2016: 95% (b) Projected Outside of MA sales upon completion of project: 40% Additional Information (if necessary):				
2. COMPANY CONTACT					
Executive Officer/ Company Designee:	Full Name	Randy J. Santerre	Title	president	
Contact (if different from above):	Full Name		Title		
Contact Address:	Street Address:		104 Shove st		
	City:	Tiverton	State:	RI	Zip Code 02878

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Telephone Number:	401-846-4319
Email Address:	newportfreedom@gmail.com

3. COMPANY DESCRIPTION & HISTORY

Please provide a brief description and history of the company.

Freedom is an emergency cleaninf & restoration co providing high end area rug cleaning and emergency serices since 1992. We are expanding into the floor covering business by purchasing a 65 year established co and utilizing our current client database of over 2500 clients.

PART II. ECONOMIC DEVELOPMENT PROJECT

1. PROPOSED BUSINESS EXPANSION PROJECT

(a) Please provide a description of the proposed expansion project.

purchase 1440 purchase st building and business and move our headquarters into New Bedford MA

(b) Does the current public infrastructure meet the proposed certified project's needs? If no, please explain.

Yes ☒ No ☐

If no, please explain:

2. PROJECT TIMELINE

(a) Please indicate the date a Letter of Intent was sent to the municipality and cc: MOBD Regional Director:	(b) Date the applicant expects to begin the project:	(c) Date the applicant expects to complete the project:	(d) Date the applicant expects to open the facility:
Select mm/dd/yyyy	10/4/2016	12/1/2016	10/4/2016

Additional Information (if necessary) on Project Timeline:

3. INVESTMENT BREAKDOWN

Please provide a breakdown of the expected investment required and associated costs.

Land: \$440000
Construction: \$125000
Machinery & Equipment: \$170000
Other : \$90000
Total Projected Investment: \$825,000

Additional Information (if necessary) on Investment:

4. MASSACHUSETTS EMPLOYMENT

(a) Is the applicant new to Massachusetts?

Yes ☒ No ☐

(i) If no, where are the existing Massachusetts facilities?

NA ☐

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ECONOMIC ASSISTANCE COORDINATING COUNCIL
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

<p>(ii) If no, what is the applicant's full-time, permanent employment in Massachusetts (total of all MA facilities)?</p>	<p>0 full-time permanent MA employees as of 10/4/2016</p>	<p>N/A <input type="checkbox"/></p>
<p>(b) Will the proposed economic development project require and/or trigger the closing or consolidation of any Massachusetts facilities or the elimination of any other jobs currently in Massachusetts? If yes, please give location of facility and explain.</p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>If yes, please explain:</p>	
<p>5. PROJECT LOCATION EMPLOYMENT</p>		
<p>Please indicate the number of:</p>		
<p>(a) Full-Time Permanent Jobs to be Created (net new to facility and Massachusetts):</p>	<p>(b) Full-Time Permanent Employment to be Retained (number of employees currently at the Project Location, if any):</p>	<p>(c) Full-time Permanent Employees to be transferred from other Massachusetts Locations to Project Location (if any):</p>
5	4	9
<p>(d) Total Full-Time Permanent Existing Jobs to be Retained at Project Location (Sum of questions 5b. and 5c.):</p>		
<p>Additional Information (if necessary) on Project Location Employment:</p>		
<p>(e) What action will the applicant take to recruit employees from among residents of the municipality and/or Economic Target Area?</p> <p>We are working with the Greater New Bedford Career Center and the EDC of New Bedford</p>		
<p>(f) Will the project result in significant spin off economic benefit and support Massachusetts based suppliers and contractors? Please explain.</p> <p>yes our carpet and stone floor wholesale distributors are based in Mass</p>		
<p>6. FACILITY</p>		
<p>(a) Will the applicant own or lease/rent the facility where the business expansion/relocation will occur?</p>	<p>Lease <input type="checkbox"/> Own <input checked="" type="checkbox"/></p>	
<p>(i) If leasing/renting, identify the developer/landlord and state who will be the taxpayer of record for purpose of paying local real estate taxes?</p>	<p>N/A <input checked="" type="checkbox"/></p>	
<p>(ii) If owning, will the applicants fully occupy the space?</p>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>	

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ECONOMIC ASSISTANCE COORDINATING COUNCIL
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

(iii) If the applicant will not fully occupy the space, does it intend to lease/rent the remaining space? If yes, to whom (if known)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, to whom?	N/A <input type="checkbox"/>
(b) Is the site of the facility a 43D Preferred Development Site? If yes, name site.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, name site:	N/A <input type="checkbox"/>
(c) Does the proposed expansion project involve the renovation and reuse of an abandoned building?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
(i) If yes or unsure, how long has the building been vacant or unused (if known, state date)	24 months Vacant since: 12/1/2014	N/A <input type="checkbox"/>
(ii) If yes, during the period of time that the building has been vacant or unused, what percentage of the building was vacant and unused? If the percentage varied during this time period, provide information for each change in the percent of vacant space and the applicable time period.	75 % vacant Details: The owners of the building only used a showroom to conduct business. The warehouse and basement has been unused for some time	N/A <input type="checkbox"/>
7. INCENTIVES & FINANCING		
(a) Please indicate which incentives the applicant is seeking in relation to the expansion project.	State Investment Tax Credit	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	Local Real Estate Tax Incentive	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
	State Abandoned Building Renovation Deduction	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
(b) Is the applicant seeking tax incentives from the Massachusetts Life Science Center? If yes, please explain as this may affect the potential EDIP benefits.	Yes <input type="checkbox"/> No <input type="checkbox"/> If, yes please explain:	
(c) Please provide detailed information on any other sources of public or quasi-public funding that has been received or will be sought to contribute towards the financing of the proposed expansion.	We have received a small loan of \$50,000 from the New Bedford Economic Development center	
(d) Has the applicant previously been approved as a "Certified Project" by the Economic Assistance Coordinating Council (EACC)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

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MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

If yes, what is the Project (i) name; (ii) municipality; (iii) approval date?	(i) Project Name:	
	(ii) Project Municipality:	N/A <input checked="" type="checkbox"/>
	(iii) Project Approval Date: <i>Select month/day/year</i>	
(e) Please indicate whether the applicant has utilized other sources of public or quasi-public funding in the past. If applicable, please explain specific uses of funding and amount. If other, please give details on the funding source.	<i>Select Funding Source</i>	N/A <input checked="" type="checkbox"/>
	<i>Select Funding Source</i>	N/A <input checked="" type="checkbox"/>
	<i>Select Funding Source</i>	N/A <input checked="" type="checkbox"/>
	If applicable or other, please explain:	N/A <input type="checkbox"/>

PART III. LABOR AFFIRMATION

1. CERTIFICATION OF STATE & FEDERAL EMPLOYMENT LAWS

- ☒ As an applicant requesting Certified Project approval, Freedomllc, affirms (**check box**) that this business will not unlawfully misclassify workers as self-employed or as independent contractors, and certifies compliance with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.
- ☒ As an applicant requesting Certified Project approval, Freedomllc, affirms (**check box**) that this business will not knowingly employ developers, subcontractors, or other third parties that unlawfully misclassify workers as self-employed or as independent contractors, or that fail to comply with applicable state and federal employment laws and regulations, including but not limited to minimum wages, unemployment insurance, workers' compensation, child labor, and the Massachusetts Health Care Reform Law, Chapter 58 of the Acts of 2006, as amended.

2. COMPANY DISCLOSURE

Within the past five years, has the applicant or any of its officers, directors, employees, agents, or subcontractors of which the applicant has knowledge, been the subject of (if yes, please provide details):

(a) an indictment, judgment, conviction, or grant of immunity, including pending actions, for any business-related conduct constituting a crime under state or federal law;	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:
(b) a government suspension or debarment, rejection of any bid or disapproval of any proposed contract subcontract, including pending actions, for lack of responsibility, denial or revocation of prequalification or a voluntary exclusion agreement; or	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:

COMMONWEALTH OF MASSACHUSETTS
ECONOMIC ASSISTANCE COORDINATING COUNCIL
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

(c) any governmental determination of a violation of any public works law or regulation, or labor law or regulation or any OSHA violation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Details:
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IV. AUTHORIZATION & CERTIFICATIONS

1. CERTIFICATE OF GOOD STANDING

Provide proof of good tax standing in the Commonwealth of Massachusetts via a Massachusetts Department of Revenue Certificate of Good Standing for each of the businesses intending to take advantage of the state tax incentives.

* Applications will not advance to the supplemental round until a Certificate of Good Standing is received. The certificate must be dated within 6 months of the anticipated EACC meeting that the project is coming forth for review.

To obtain a Certificate of Good Standing visit:

<https://web.dor.state.ma.us/webfile/Certificate/Public/WebForms/Welcome.aspx>

Attached ☐

Date of DOR
Application for
Certificate of Good
Standing: *Select*
mm/dd/yyyy

Notes:

2. CERTIFICATE OF COMPLIANCE

Provide proof of good standing with the Massachusetts Department of Unemployment Assistance by obtaining a Certificate of Compliance for each of the businesses intending to take advantage of the state tax incentives.

* Applications will not advance to the supplemental round until a Certificate of Compliance is received.

To obtain a Certificate of Compliance visit:

<http://www.mass.gov/lwd/unemployment-insur/employers/>

Attached ☐

Date of DUA
Application for
Certificate of
Compliance: *Select*
mm/dd/yyyy

Notes:

From here, log into your DUA account and click on "Payment Information" and then you will see a link for "Request Employer Certificate of Compliance."

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ECONOMIC ASSISTANCE COORDINATING COUNCIL
MASSACHUSETTS OFFICE OF BUSINESS DEVELOPMENT

3. COMPLIANCE WITH MASSACHUSETTS OBLIGATIONS

The following section will be sent to The Commonwealth of Massachusetts' Joint Task Force on the Underground Economy and Employee Misclassification which will certify that the applicant is in compliance with its obligations to the state of Massachusetts. The Joint Task Force will contact the applicant directly if there is an outstanding issue.

Legal Business Name:	Freedom Restoration LLC					
Doing Business As:	Freedom Cleaning					
Primary Business Address:	Address:	531 Main Rd				
	City:	Tiverton	State:	RI	Zip Code:	02878
FEIN (Federal Employer Identification Number):	27-158952					
DUA # (Dept. of Unemployment Assistance #):	n/a					
Type of Organization:	Limited Liability Company					
Total Number of MA Employees:	0					
List Address(es) of other Business Locations in MA:	n/a					

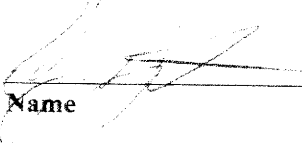
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4. APPLICATION AUTHORIZATION, CERTIFICATION & ACKNOWLEDGEMENT

I/We, Randy Santerre (names and titles) of the applicant business applying for "Certified Project" status from the Commonwealth of Massachusetts. Economic Assistance Coordinating Council hereby certify that I/we have been authorized to file this application and to provide the information within and accompanying this application and that the information provided herein is true and complete and that it reflects the applicant's intentions for investment, job creation and sales to the best of my/our knowledge after having conducted reasonable inquiry. I/We understand that the information provided with this application will be relied upon by the Commonwealth in deciding whether to approve "Certified Project" status and that the Commonwealth reserves the right to take action against the applicant or any other beneficiary of the Certified Project if the Commonwealth discovers that the applicant intentionally provided misleading, inaccurate, or false information. I/We make this certification under the pains and penalties of perjury.

The signatories also hereby acknowledge that, under the Public Records law of the Commonwealth of Massachusetts, this application and all documents submitted in support thereof are public records under the provisions of Massachusetts G. L., Ch. 4, sec. 7 (26).

Signed:



President

October 4, 2016

Name

Title

Date

Select mm/dd/yyyy

Name

Title

Date

Hypothetical STA Calculation: **1440 Purchase Street**

Proposed Term		Current Tax Structure with New Investment							Proposed STA Structure		
Fiscal Year	Year	Base Value	New Investment Value	New Assessment (BV+NI)	Current Tax Rate	Tax on Base Value	Tax on New Investment Value	Total Tax Paid w/o Incentive	Tax % Paid	Tax Benefit	Total Tax Paid
2017	Base	\$363,200			\$35.83	\$13,013	\$0	\$13,013			
2018	1	\$363,200	\$0	\$363,200	\$35.83	\$13,013	\$0	\$13,013	0%	\$13,013	\$0
2019	2	\$363,200	\$0	\$363,200	\$35.83	\$13,013	\$0	\$13,013	25%	\$9,760	\$3,253
2020	3	\$363,200	\$0	\$363,200	\$35.83	\$13,013	\$0	\$13,013	50%	\$6,507	\$6,507
2021	4	\$363,200	\$0	\$363,200	\$35.83	\$13,013	\$0	\$13,013	75%	\$3,253	\$9,760
2022	5	\$363,200	\$0	\$363,200	\$35.83	\$13,013	\$0	\$13,013	100%	\$0	\$13,013
Totals						\$78,081	\$0	\$78,081		\$32,534	\$32,534

Notes:

1 Base Value is current assessed value for F' **2016**

Current Commercial Tax Rate **\$ 35.83**

2 The Acquisition of the property for approximately \$440,000 and approximate property improvement and equipment investment of \$342,000 are the program qualifying investment.

3 Per conversation with the Assessor's Office, the property improvement investment will have negligible effect on the assessed value.

**Resolution Approving Certified Project Application and Special Tax Assessment
Agreement with Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust**

Whereas, Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust have applied for designation as a Certified Project under the Massachusetts Economic Development Incentive Program created by Chapter 23A of Massachusetts General Laws; within an Economic Opportunity Area (“EOA”) within the New Bedford Economic Target Area (“ETA”) for a period of 5 years ending June 30, 2022 pursuant to the authority grandy by and meeting the requirements of 402 C.M.R. 2.10(3).

Whereas, Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust meet the minimum standards and is consistent with the Economic Development Incentive Program and the local economic development goals and criteria established as part of the documents creating the Greater New Bedford Economic Target Areas shall be expected to benefit significantly from inclusion in said ETA:

Whereas, the proposed Certified Project is located at Parcel 72 239 on 1440 Purchase Street New Bedford, MA and shown on the City of New Bedford’s real property assessment database on June 1, 2016;

Whereas, the project, together with all other projects previously certified and located in the same expansion project EOA will not overburden the City’s infrastructure and utilities servicing he EOA;

Whereas, the City of New Bedford has agreed to offer Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust a Special Tax Assessment Agreement, for the project described in the application proposal that will have a reasonable chance of increasing employment opportunities for residents of the expansion project area, ETA. Said Agreement is hereby approved by the City Council and the STA Plan is incorporated by reference herein;

Whereas, Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust is going to invest at least \$750,000 in the acquisition of the facility, renovations, and other capital expenditures, and will retain 6 permanent full time jobs and create 6 new permanent full time jobs over a period of three years;

Now Therefore be it Resolved that the City Council of the City of New Bedford approves the Certified Project application of Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust and forward said application for certification to the Massachusetts Economic Assistance Coordinating Council for its approval and endorsement.

Further, the City Council of the City of New Bedford authorizes the Mayor to enter into a Special Tax Assessment Agreement between the City of New Bedford and Freedom Restoration, LLC, and 1440 Purchase Street Realty Trust. Said Agreement will provide for an exemption on property taxes on the full assessed valuation of the property at 100% for year one, 75% for year two, 50% for year three, 25% for year four, 0% for year five of a five-year Agreement according to the requirements and regulations established which govern the implementation of such Special Tax Assessment Agreements. The Agreement will be in effect as of FY2018 through FY2023.