



## CITY OF NEW BEDFORD TAX INCREMENT FINANCING BOARD

1213 Purchase Street  
New Bedford, MA 02740

Tel. (508) 991-3122  
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Jonathan F. Mitchell, Mayor

### TIF/STA PROJECT OVERVIEW

**Project:**

TIF - proposed 10-year agreement

Raw Sea Foods, Inc.  
Lot 11 on Samuel Barnet Boulevard  
New Bedford, MA 02745

**Contact Information:**

Jason Hutchens, President  
[jhutchens@rawseafoods.com](mailto:jhutchens@rawseafoods.com)

Scott Hutchens, Vice President  
[shutchens@rawseafoods.com](mailto:shutchens@rawseafoods.com)

Raw Sea Foods, Inc.  
481 Curren Road  
Fall River, MA 02720

**Company Background**

Raw Sea Foods, Inc. was founded in 1998 - it's roots beginning in New Bedford. The two owners, Jason (founder) and Scott Hutchens, were born and raised in New Bedford along with many of their current employees. Growth brought many expansions and, in 2005, growth required new land and facilities that at that time were not available in New Bedford. Operations currently reside in an 80,000 square foot facility in the Fall River Industrial Park with Jason and Scott actively managing the business (the real estate is owned by Hutchens Holding LLC; Jason and Scott are the primary owners).

Raw Sea Foods is a manufacturer and seafood processor serving the Retail and Food Service Industry segments; dedicated and known for providing its customers with exceptional quality and customer service across a variety of species. Sales have grown annually over 15% since 1998 and over 25% since 2012 with a current run rate approximating \$80 million.

**Current Employment**

Raw Sea Foods currently employs 182 employees—107 are New Bedford residents—and has an annual payroll of approximately \$9 million. The average hourly wage of non-managerial employees at Raw Seafoods is \$16.00. The company does offer its employees health insurance, vacation, and a benefits package.

**Proposed Project**

Raw Sea Foods proposes to acquire lot 11 in the park and construct a new 80,000 sq. ft. cold storage facility. The building is being designed as a first phase of their New Bedford expansion and future plans allow for an additional 80,000 sq. ft. expansion for a second phase.

With this acquisition and construction Raw would move its cold storage and distribution functions to this new facility. This location would house managerial, office, and hourly production employees at pay ranges similar to those at the main production facility in Fall River.

**Proposed Investment**

The proposal requires the acquisition of vacant land, construction of a new 80,000 square foot facility, and the purchase of all necessary furniture, fixtures, machinery, and equipment totaling approximately \$11,000,000.

The property is vacant land and has a total assessed value of \$21,250.19 (FY15).

**Employment Projections**

The project proposes the creation of 20 permanent full time jobs. The types of jobs retained and created are wide ranging and will include managerial, general administrative, warehouse.

The average wage for the new hires will be \$16.00 per hour.

*It is important to note that all 182 jobs at the Fall River facility will be retained—including the 107 that are New Bedford residents.*

**EDIP Participation**

- Local real estate tax incentive beneficiary (hypothetical calculation is attached)

**Corporate Citizenship**

The owners and management of Raw Seafoods feel it is very important to give back to the communities they live and work in as well as ones around the country that their customers and vendors reside. Although the company contributes to numerous charities and local youth athletic organizations, the company's primary focus for the past 3 years has been raising funds for the Devin Laubi Foundation based in Westport, MA. The Foundation provides financial assistance to families of children with cancer. The Raw Seafoods "Extreme Team" participates in several sprint triathlons, road races, bike races, and hikes to raise money for them throughout the year.

Raw Seafoods Inc. is also a member of the American Scallop Association, the Global Cold Chain Alliance, and AIM.

Hypothetical TIF Calculation:  
**HUTCHENS LLC**

Parcel ID      133      63

Proposed Term		Current Tax Structure with New Investment							Proposed TIF Structure			
Fiscal Year	Year	Base Value	New Investment	New Assessment (BV+NI)	Current Tax Rate	Tax on Base Value	Tax on New Investment	Total Tax Paid w/o TIF	Tax % Paid on New Investment	Tax Paid on New Investment	Tax Benefit	Total Tax Paid
2015	Base	\$633,200			\$33.56	\$21,250	\$0	\$21,250				\$21,250
2018	1	\$633,200	\$3,840,000	\$4,473,200	\$33.56	\$21,250	\$128,870	\$150,121	10%	\$12,887	\$115,983	\$34,137
2019	2	\$639,532	\$3,878,400	\$4,517,932	\$33.56	\$21,463	\$130,159	\$151,622	10%	\$13,016	\$117,143	\$34,479
2020	3	\$645,927	\$3,917,184	\$4,563,111	\$33.56	\$21,677	\$131,461	\$153,138	15%	\$19,719	\$111,742	\$41,396
2021	4	\$652,387	\$3,956,356	\$4,608,742	\$33.56	\$21,894	\$132,775	\$154,669	25%	\$33,194	\$99,581	\$55,088
2022	5	\$658,910	\$3,995,919	\$4,654,830	\$33.56	\$22,113	\$134,103	\$156,216	35%	\$46,936	\$87,167	\$69,049
2023	6	\$665,500	\$4,035,879	\$4,701,378	\$33.56	\$22,334	\$135,444	\$157,778	45%	\$60,950	\$74,494	\$83,284
2024	7	\$672,155	\$4,076,237	\$4,748,392	\$33.56	\$22,558	\$136,799	\$159,356	55%	\$75,239	\$61,559	\$97,797
2025	8	\$678,876	\$4,117,000	\$4,795,876	\$33.56	\$22,783	\$138,167	\$160,950	65%	\$89,808	\$48,358	\$112,591
2026	9	\$685,665	\$4,158,170	\$4,843,835	\$33.56	\$23,011	\$139,548	\$162,559	75%	\$104,661	\$34,887	\$127,672
2027	10	\$692,522	\$4,199,751	\$4,892,273	\$33.56	\$23,241	\$140,944	\$164,185	80%	\$112,755	\$28,189	\$135,996
Totals						\$243,574	\$1,348,270	\$1,591,844		\$569,165	\$779,104	\$812,739

**Notes**

- 1 Base Value and New Assessment Value adjusted for appreciation 1% per year.
- 2 New Investment represents approximately \$48 per square foot of 80,000 square foot new construction per Assessor.
- 3 Current Tax Rate based on FY15



# RAWSEAFOODS

June 10, 2015

Mayor Jonathan F. Mitchell  
City of New Bedford  
133 William Street  
New Bedford, MA 02740

Dear Mayor Mitchell,

My brother and I are about to acquire property in the New Bedford Industrial Park – Lot 11, Samuel Barnet Boulevard – and intend to expand our business in New Bedford.

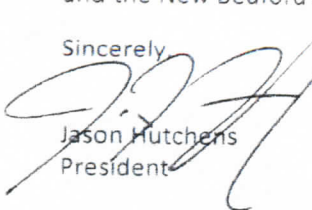
During "Phase 1" of this project, we will be constructing an 80,000 foot cold storage facility which will create 15-20 new jobs. We are designing the building to allow for an additional 80,000 square foot expansion which would add even more job opportunities to the area. We are committed to offering at least 51% of these jobs to New Bedford residents. The estimated cost of the initial project is approximately \$10 - \$11,000,000.

We founded our current business, Raw Sea Foods Inc., in New Bedford in 1998. Our first business loan was with the New Bedford Office of Economic Development. We were both born and raised in the city and attended New Bedford High School along with many of our current employees. Unfortunately, in 2005 when our growth required us to build a new facility, there was no land available with enough space for us so we were forced to acquire land in the Fall River Industrial Park. Since that time, we have grown from 38 full time employees to 182 with 107 current New Bedford residents. Our annual payroll is in the \$8 - \$9,000,000 range and growing every year. Although Fall River has been a very good place for us, our employees, and our business we are very excited to be expanding our operations back in the city we will always consider home!

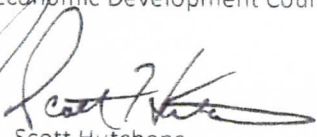
At this time, we are requesting your assistance in applying for a TIF Agreement with the City of New Bedford. If not for the tax incentives available through this program, it would not be possible to complete this project as planned.

We want to thank you in advance for your consideration and look forward to working with your office and the New Bedford Economic Development Council on our proposed project.

Sincerely,



Jason Hutchens  
President



Scott Hutchens  
Vice President

Cc: New Bedford Economic Development Council

**Resolution Approving Certified Local Incentive Project Application and Authorizing  
the Tax Increment Financing Agreement with Raw Seafoods Inc. or its nominee and  
Hutchens Holding II LLC.**

Whereas, Raw Seafoods Inc. or its nominee and Hutchens Holding II LLC has 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 ("BOA") within the New Bedford Economic Target Area ("ETA") for a period 10 of years, ending June 30, 2027 pursuant to the authority granted by and meeting the requirements of 402 C.M.R. 2.10(3);

Whereas, the Raw Seafoods Inc. or its nominee and Hutchens Holding II LLC project meets 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 Area;

Whereas, the proposed Certified Project is located at Parcel ID 133 63 on Samuel Barnet Blvd. , New Bedford, MA and shown on the City of New Bedford's real property assessment database on June 10, 2015;

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

Whereas, the City of New Bedford has agreed to offer Raw Seafoods Inc. or its nominee and Hutchens Holding II LLC a Tax Increment Financing 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 Tax Increment Financing Plan is incorporated by reference herein;

Whereas, Raw Seafoods Inc. or its nominee and Hutchens Holding II LLC is going to make capital investments for acquisition, construction, other improvements, and equipment and invest at least \$11,000,000 that will result in the creation of 20 new permanent full time jobs, over a period of 5 years;

Now Therefore be it Resolved that the City Council of the City of New Bedford approves the Certified Project application of Raw Seafoods Inc. or its nominee and Hutchens Holding II LLC 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 Tax Increment Financing Agreement between the City of New Bedford and Raw Seafoods Inc. or its nominee and Hutchens Holding II LLC. Said Agreement will provide for an exemption on property taxes based on the growth portion in assessed valuation of the property at 90% for year one, 90% for year two, 85% for year three, 75% for year four,

65% for year five, 55% for year six, 45% for year seven, 35% for year eight, 25% for year nine, and 20% of year ten, of a 10 year Agreement according to the requirements and regulations established which govern the implementation of such Tax Increment Financing Agreements. The Agreement will be in effect as of FY18 through June 30, 2027.