



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:

STA - proposed 5-year agreement
TIF- proposed 10-year agreement

Sid Wainer & Son
2301 Purchase Street
New Bedford, MA 02746

Contact Information:

Klaus Nygaard, CFO
klausn@sidwainer.com

Sid Wainer & Son
2301 Purchase Street
New Bedford, MA 02746

Company Background

Sid Wainer & Son was founded in 1914 by Henry Wainer on the historic cobblestone streets of New Bedford, MA. Mr. Wainer's grandson and namesake, Henry B. Wainer, grew up working in the family business, alongside his father, Sid. Throughout the years, visits with the local farmers increased and powerful partnerships grew, as did a resolve to support the local farming community. As a result, Sid Wainer & Son developed a unique and unparalleled ability to deliver high yielding fresh fruits and vegetables the same day they were harvested.

Since that time, Sid Wainer & Son has experienced meteoric growth due to passion, product diversification and a commitment to purchasing premium first-pick produce from the world's finest farms. The company has also developed close relationships with artisanal producers from around the world that create specialty products using preparations, techniques and recipes that are centuries old. Under the leadership of Henry B. Wainer, the current president and owner, the company has become the first HACCP certified produce company in the United States. Sid Wainer & Son leads the industry in food safety and is a strong proponent of the Slow Food movement and sustainable agriculture bringing freshly harvested produce from farm to table. Many of the products it sells are grown on the company's own Jansal Valley Farms.

Today, Sid Wainer & Son is the most prominent importer and distributor of specialty produce in the country and supplies over 30,000 of the finest restaurants, hotels, gourmet shops, retailers and caterers around the world. The company also sells to the home chef through its website, its Gourmet Outlet in New Bedford as well as specialty retail markets, upscale supermarkets, Costco, BJ's and Amazon, domestically and internationally.

Current Employment

Sid Wainer & Son currently employs a total of 470 and has an annual payroll of \$20.1 million. Of this total, 371 are permanent in-state employees, with the majority working out of the Purchase Street location. Currently, 42% of their employees are New Bedford residents.

Proposed Project

This proposed project is a 55,000 SF expansion of their existing 125,000 SF facilities for the construction of a state of the art distribution facility. This expansion is needed to increase the efficiency and to stay competitive in an extremely competitive marketplace. The project also includes improvements to the exiting facility and is has been approved by the Planning Board.

Proposed Investment

The proposal requires new equipment in the existing facility and the construction of a new addition for an investment of \$11 million in total. Approximately \$9 million will be invested into new construction and \$1.5 million will be for new equipment. An additional \$500,000 will be for infrastructure and equipment in the existing facility.

The existing property has a total assessed value of \$3,215,500. (FY15).

The land for the new addition has a total assessed value of \$157,000 (FY15).

Due to the fact that there are separate parcels (for the existing facility and the addition) 2 separate project applications and agreements are required.

Employment Projections

The project proposes the retention of 371 and the creation of 10 permanent full time jobs over the first 2 years of the agreement.

EDIP Participation

- Local real estate tax incentive beneficiary (hypothetical calculation is attached)
- State Investment Tax Credit

Corporate Citizenship

Sid Wanier & Son have been long-time corporate leaders in the New Bedford community avidly supporting organizations like;

- Buttonwood Park Zoo
- New Bedford Public Schools
- Whaling Museum
- Charter School and Sister School
- Rotch-Jones-Duff House
- New Bedford Police Union
- Massachusetts State Police Association
- Great New Bedford VT High School

They also support local food banks and the Greater Boston Food Bank with food donations on an ongoing basis.

Hypothetical STA Calculation: Friends Realty Inc 2301 Purchase Street Parcel ID 97 9

SID WAINER

Proposed Term		Current Tax Structure with New Investment							Proposed STA 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 STA	Tax % Paid on Total Value	Tax Benefit	Total Tax Paid
2015	Base	\$3,215,500.00			\$33.56	\$107,912.18	\$0.00	\$107,912.18			
2017	1	\$3,215,500.00	\$0.00	\$3,215,500.00	\$33.56	\$107,912.18	\$0.00	\$107,912.18	0%	\$107,912.18	\$0.00
2018	2	\$3,247,655.00	\$0.00	\$3,247,655.00	\$33.56	\$108,991.30	\$0.00	\$108,991.30	25%	\$81,743.48	\$27,247.83
2019	3	\$3,280,131.55	\$0.00	\$3,280,131.55	\$33.56	\$110,081.21	\$0.00	\$110,081.21	50%	\$55,040.61	\$55,040.61
2020	4	\$3,312,932.87	\$0.00	\$3,312,932.87	\$33.56	\$111,182.03	\$0.00	\$111,182.03	75%	\$27,795.51	\$83,386.52
2021	5	\$3,346,062.19	\$0.00	\$3,346,062.19	\$33.56	\$112,293.85	\$0.00	\$112,293.85	100%	\$0.00	\$112,293.85
Totals						\$550,460.57	\$0.00	\$550,460.57		\$272,491.77	\$277,968.80

Notes

1 Base Value and New Assessment Value adjusted for appreciation 1% per year

2 Base value is assessed value at base year 2015.

4 Current Tax Rate based on FY15

Hypothetical TIF Calculation: Friends Realty Inc 2301 Purchase Street Parcel ID 97 152

SID WAINER

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	\$157,000			\$33.56	\$5,269	\$0	\$5,269				\$5,269
2017	1	\$157,000	\$2,496,000	\$2,653,000	\$33.56	\$5,269	\$83,766	\$89,035	10%	\$8,377	\$75,389	\$13,645
2018	2	\$158,570	\$2,520,960	\$2,679,530	\$33.56	\$5,322	\$84,603	\$90,925	15%	\$12,691	\$71,913	\$18,012
2019	3	\$160,156	\$2,546,170	\$2,706,325	\$33.56	\$5,375	\$85,449	\$90,824	25%	\$21,362	\$64,087	\$26,737
2020	4	\$161,757	\$2,571,631	\$2,733,389	\$33.56	\$5,429	\$86,304	\$91,733	35%	\$30,206	\$56,098	\$35,635
2021	5	\$163,375	\$2,597,348	\$2,760,722	\$33.56	\$5,483	\$87,167	\$92,650	45%	\$39,225	\$47,942	\$44,708
2022	6	\$165,009	\$2,623,321	\$2,788,330	\$33.56	\$5,538	\$88,039	\$93,576	50%	\$44,019	\$44,019	\$49,557
2023	7	\$166,659	\$2,649,554	\$2,816,213	\$33.56	\$5,593	\$88,919	\$94,512	55%	\$48,905	\$40,014	\$54,499
2024	8	\$168,325	\$2,676,050	\$2,844,375	\$33.56	\$5,649	\$89,808	\$95,457	65%	\$58,375	\$31,433	\$64,024
2025	9	\$170,009	\$2,702,810	\$2,872,819	\$33.56	\$5,705	\$90,706	\$96,412	75%	\$68,030	\$22,677	\$73,735
2026	10	\$171,709	\$2,729,838	\$2,901,547	\$33.56	\$5,763	\$91,613	\$97,376	85%	\$77,871	\$13,742	\$83,634
Totals						\$60,393	\$876,375	\$936,769		\$409,062	\$467,313	\$469,456

Notes

- 1 Base Value and New Assessment Value adjusted for appreciation 1% per year.
- 2 New Investment represents approximately \$48 per square foot of 52,000 square foot new construction per Assessor.
- 3 Current Tax Rate based on FY15

Sid Wainer & Son

Specialty Produce  Specialty Foods

2301 Purchase Street
New Bedford, MA 02740 U.S.A.
408.999.6408
Fax 408.999.6795
800.427.8000

July 10, 2015

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

Dear Mayor Mitchell:

We have been doing business in New Bedford for over one hundred years. Our headquarters have been located at 2301 Purchase Street for the last four decades. At this location we have 470 employees with an annual payroll of \$20.1 million. Currently, 42% of our employees are New Bedford residents.

In order to meet the standards necessary to stay competitive in today's marketplace, we must expand our existing facility. The timing is critical for us in the sense that we need to decide where to build this building for our future needs. An addition to our current warehouse would allow us to become more efficient, sustain future growth, and stay in the city of New Bedford.

This proposed project is a 52,000 ft² expansion of our existing 125,000 ft² facilities for the construction of a state of the art distribution facility. This project represents a new investment of approximately \$10 million. In addition to the \$8 million construction, we will be spending approximately \$1.5 million on new equipment and \$500,000 for infrastructure improvements to the existing properties.

When complete, this expansion will allow for the retention of our workplaces and the expansion of our workforce over the next several years. We commit to working with the New Bedford Career Center and offering at least 51% of these jobs to New Bedford residents.

At this time, we are requesting an STA Agreement on our existing facility and a TIF Agreement on the parcel containing our proposed expansion project, with the City of New Bedford. If not for the tax incentives available through these programs, it would not be possible to complete this project as planned in New Bedford. Though New Bedford is our preferred option, it is not our only option if we cannot get this done in a timely manner.

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

Sincerely,



Henry B. Wainer
President

**Resolution Approving Certified Project Application and Special Tax Assessment
Agreement with Friendly Fruit Inc., and Friends Realty Inc.**

Whereas, Friendly Fruit Inc., and Friends Realty Inc., 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, 2021 pursuant to the authority grandy by and meeting the requirements of 402 C.M.R. 2.10(3).

Whereas, Friendly Fruit Inc., and Friends Realty Inc., 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 97 9 on 2301 Purchase Street New Bedford, MA and shown on the City of New Bedford’s real property assessment database on July 10, 2015;

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 Friendly Fruit Inc., and Friends Realty Inc., a Special Tax Assessment Agreement, for the project described in the application proposal that will have a reasonable chance of increasing employemtn opportunities for residents of the expansion project area, ETA. Said Agreement is hereby approved by the City Council and the Special Tax Agreement Plan is incorporated by reference herein;

Whereas, Friendly Fruit Inc., and Friends Realty Inc., is going to invest at least \$11,000,000 in the construction of the facility, renovations, equipment, and other capital expenses, and will retain 351 permanent full time jobs and create 10 new permanent full time jobs over a period of five years;

Now Therefore be it Resolved that the City Council of the City of New Bedford approves the Certified Project application of Friendly Fruit Inc., and Friends Realty Inc., 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 Friendly Fruit Inc., and Friends Realty Inc.,. 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 FY2017 through June 30, 2021.

Resolution Approving Certified Local Incentive Project Application and Authorizing the Tax Increment Financing Agreement with Friendly Fruit Inc., and Friends Realty Inc.

Whereas, Friendly Fruit Inc., and Friends Realty Inc 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, 2025 pursuant to the authority granted by and meeting the requirements of 402 C.M.R. 2.10(3);

Whereas, the Friendly Fruit Inc., and Friends Realty Inc 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 97 152 on Purchase Street , New Bedford, MA and shown on the City of New Bedford's real property assessment database on July 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 Friendly Fruit Inc., and Friends Realty Inc 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, Friendly Fruit Inc., and Friends Realty Inc is going to make capital investments for construction, renovations, and equipment and invest at least \$11,000,000 that will result in the retention of 351 and the creation of 10 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 Friendly Fruit Inc., and Friends Realty Inc., 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 Friendly Fruit Inc., and Friends Realty Inc. 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, 85% for year two, 75% for year three, 65% for year four, 55% for year five, 50% for year six, 45% for year seven, 35% for year eight, 25% for year nine, and 15% 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 FY17 through June 30, 2026.