

**Resolution Approving Certified Project Application and Special Tax Assessment
Agreement with Eastern Fisheries, Inc.**

Whereas, Eastern Fisheries 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, 2026 pursuant to the authority grandy by and meeting the requirements of 402 C.M.R. 2.10(3).

Whereas, Eastern Fisheries 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 133 55 on 214 Samuel Barnet Blvd. New Bedford, MA and shown on the City of New Bedford's real property assessment database on July 1, 2020;

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 Eastern Fisheries Inc., 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, Eastern Fisheries Inc., is going to invest at least \$13,000,000 in the acquisition of the facility, renovations and other capital expenditures, and will retain 275 permanent full time jobs and create 50 new permanent full time jobs over a period of five years;

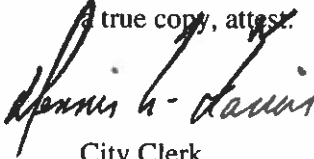
Now Therefore be it Resolved that the City Council of the City of New Bedford approves the Certified Project application of Eastern Fisheries Inc., and forward said application for certification to the Massachusetts Economic Assistance Coordinating Council for its approval and endorsement.

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 Eastern Fisheries 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, 5% 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 FY2022 through FY2026.

IN CITY COUNCIL, December 9, 2020

Referred to the Committee on Finance – Yeas 11, Nays 0. Dennis W. Farias, City Clerk

A true copy, attest:


Dennis W. Farias
City Clerk



CITY OF NEW BEDFORD TAX INCREMENT FINANCING BOARD

1213 Purchase Street
New Bedford, MA 02740

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

Jonathan F. Mitchell, Mayor

TIF/STA PROJECT OVERVIEW

Project:
STA - proposed 5 -year agreement

Eastern Fisheries Inc.
214 Samuel Barnett Blvd.
New Bedford, MA 02745

Contact Information:
Benjamin Alego, CFO
benjamin@easternfisheries.com

14 Hervey Tichon Ave.
New Bedford, MA 02740

Company Background

Eastern Fisheries, headquartered in New Bedford, MA is a global supply leader in the seafood industry and a trusted seafood source to some of the largest retailers, food service distributors and wholesalers in the world. Founded in 1978 by Roy Enoksen and Frank O'Hara, Eastern Fisheries harvests, imports, and distributes premium seafood worldwide. Today, Eastern owns and operates the largest scallop fleet in the industry and operates facilities in the U.S.A , China, Europe and Japan.

Eastern Fisheries is a privately owned, family operated, vertically integrated seafood company. Founded in 1978, Eastern is the world's largest harvester, importer and processor of scallops and has become a globally recognized and trusted seafood source for retailers and food service companies world-wide. The company's vertically integrated business approach manages to ensure the highest quality control, cost effectiveness and availability of products while minimizing logistic issues.

Eastern currently buys, processes, and sells over 50 million pounds of seafood per year.

Current Employment

Eastern Fisheries Inc., currently employs 275 full time employees.

Proposed Project

This project includes the acquisition and renovation of 214 Samuel Barnett Blvd. that will enable the relocation and expansion of Eastern Fisheries' operations. This location, the former Rhinehart facility, has remained vacant for a number of years and has suffered from deferred maintenance. Renovations to be completed include the upgrading and repairs of buildings roof, mechanical systems, electric, HVAC, refrigeration, as well as bathrooms and break areas.

The company plans to complete renovations in Q1 2021, start moving equipment into the new facility in Q2 2021, and begin full production at the new location by May 1, 2021.

Proposed Investment

The proposal requires an investment of approximately \$12MM. The acquisition price was \$8MM, renovations are budgeted at \$2MM, and equipment, machinery, and furniture are budgeted at \$2MM.

The property has a total assessed value of \$4,913,900 (FY20).

Employment Projections

The project proposes the retention of 275 FTE jobs and the creation of 50 new jobs over the next 5 years.

Job Creation will consist of:

Job Category	Number	Average Salary
Management	2	\$130,000
Professional	2	\$98,000
Skilled labor	5	\$76,000
Unskilled labor	41	\$42,000

The company does offer health insurance as well as a 401k/IRA to its employees.

EDIP Participation

- Local real estate tax incentive beneficiary (hypothetical calculation is attached)
- Abandoned building tax credit
- EDIP State Income Tax Credits

EDIP Supplemental Application Exhibit 2: Local Incentive Valuation for Eastern Fisheries, Inc. (New Bedford)

Note: In Massachusetts, Proposition 2½ operates at the level of a municipality's total tax levy. Due to Proposition 2½, it is impossible to make reliable projections for individual parcels, whose taxes may increase much more or much less than the municipality's total taxes. As a result, this spreadsheet does not include an assumed increase in either the tax rate or the assessed value. This spreadsheet is intended to provide an estimate of the total value of property tax exemption as a result of the yearly TIF or STA exemption percentage negotiated between a company and a municipality.

Total Yearly Value of Local Tax Incentives minus PILOT =

Location: 214 SAMUEL BARNETT BLVD**Parcel ID:** 133 55**Zoning:** IC**Fiscal Year:** 2020**Current Owner Information:**

LONE OAK - NEW BEDFORD, LLC
C/O REYES HOLDINGS, LLC
6250 NORTH RIVER ROAD

ROSEMONT, IL 60018

Current Sales Information:**Sale Date:**

10/22/2007

Sale Price:

\$8,000,000.00

Legal Reference:

8832-265

Grantor:

DISTRIBUTION REALTY LLC,

Card No. 1 of 1

This Parcel contains 9.4 acres of land mainly classified for assessment purposes as IND WHS with a(n) WareHouse style building, built about 1999, having Metal exterior, Rubber Sheathing roof cover and 112587 Square Feet, with 1 unit(s), total room(s), total bedroom(s) total bath(s), 0 3/4 baths, and 0 total half bath(s).

Building Value:

4231000

Land Value:

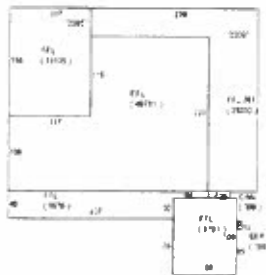
601200

Yard Items Value:

81700

Total Value:

4913900

**Fiscal Year 2020**

Tax Rate Res.: 16.16
Tax Rate Com.: 33.59
Property Code: 401
Total Bldg Value: 4231000
Total Yard Value: 81700
Total Land Value: 601200
Total Value: 4913900
Tax: \$165,057.90

Fiscal Year 2019

Tax Rate Res.: 16.47
Tax Rate Com.: 34.84
Property Code: 401
Total Bldg Value: 4105600
Total Yard Value: 81700
Total Land Value: 601200
Total Value: 4788500
Tax: \$166,831.34

Fiscal Year 2018

Tax Rate Res.: 16.63
Tax Rate Com.: 35.65
Property Code: 401
Total Bldg Value: 3927100
Total Yard Value: 81700
Total Land Value: 431800
Total Value: 4440600
Tax: \$158,307.39