

BOSTON



WORCESTER



SPRINGFIELD



# MASSACHUSETTS **ECONOMIC DEVELOPMENT INCENTIVE PROGRAM (EDIP)**

[www.cbre-ne.com](http://www.cbre-ne.com)

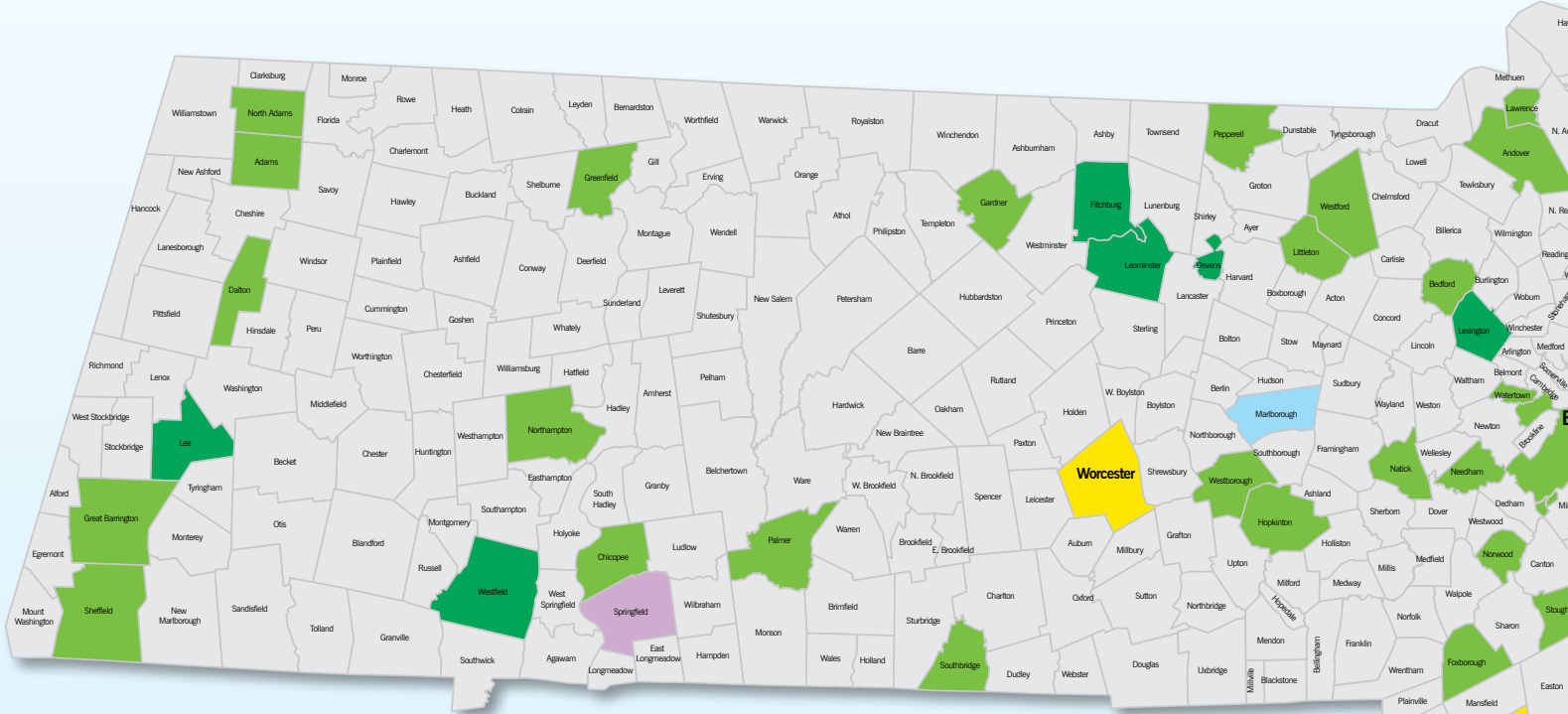
33 Arch Street, 28th Floor • Boston, Massachusetts 02110  
617.912.7000 • Fax 617.912.7001

**CBRE** | New England

CB Richard Ellis – N.E. Partners, LP, a CBRE Joint Venture

# ECONOMIC DEVELOPMENT INCENTIVE

THE COMMONWEALTH'S LOCAL AND STATE INVESTMENT TAX CREDIT (ITC) PROGRAM FOR BUSINESSES (EDIP Awards by Municipality 2012 to Present)



HEALTHCARE MANUFACTURING 2%

OTHER 3%

MANUFACTURING/TECHNOLOGY 3%

RETAIL 10%

MANUFACTURING/INDUSTRIAL 4%

MANUFACTURING 4%

TECHNOLOGY 1%

HOSPITALITY 6%

MANUFACTURING GOODS 7%

**PERCENTAGE OF INCENTIVES BY INDUSTRY TYPE**

HEALTHCARE 41%

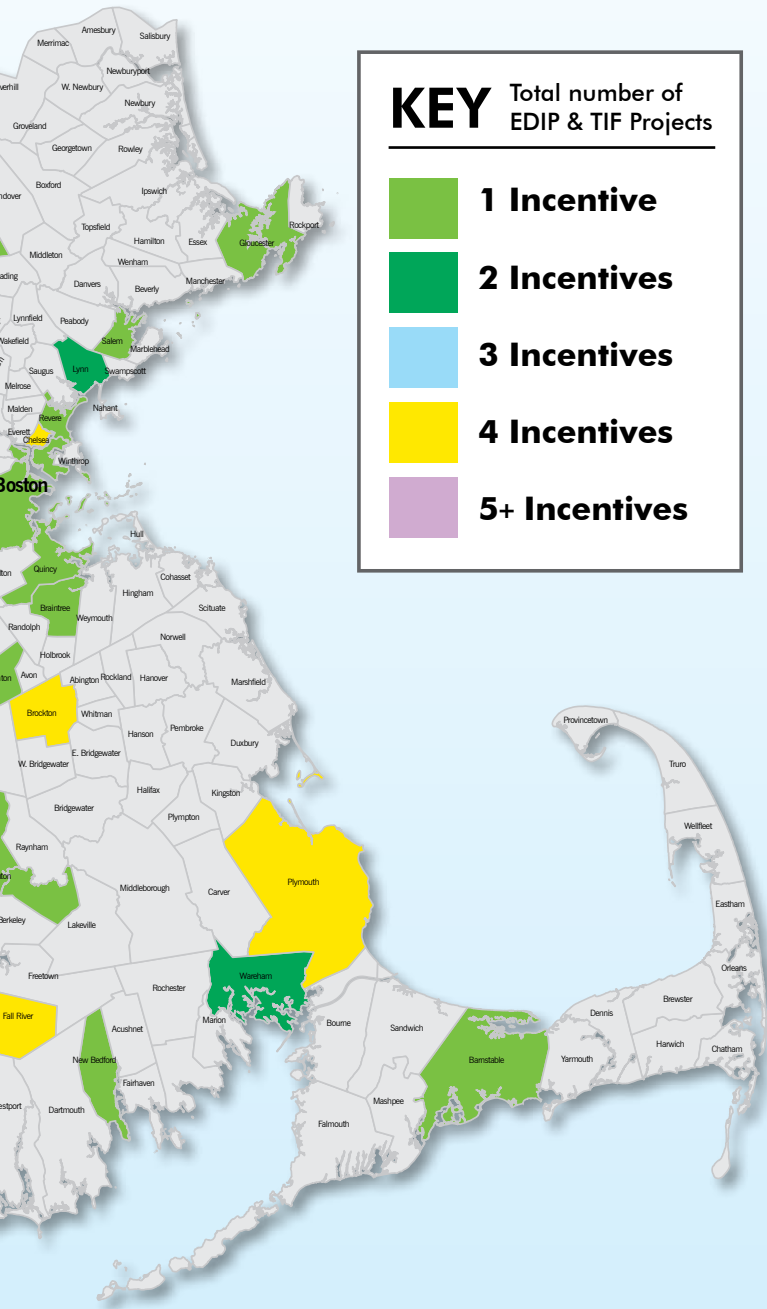
BUSINESS SERVICES 29%



**7,500+**

JOBS CREATED BY THE EDIP SINCE 2012

# EDIP PROGRAM (EDIP)



## KEY INCENTIVE PROGRAMS

Over recent years, Massachusetts has proactively taken more aggressive steps to incentivize companies to move and expand their business within the Commonwealth.

The EDIP is an incentive-based tax program for expanding companies that are creating and/or retaining a substantial number of full-time jobs, and are generating sales outside of the Commonwealth of Massachusetts.

# OF PROJECTS

### CERTIFIED EXPANSION PROJECT (EP)

13

- A full-time job creation and investment project within an Economic Target Area. ITC as high as 10%.

### ENHANCED EXPANSION PROJECT (EEP)

16

- Substantial employment growth of 100+ new full-time permanent jobs, anywhere in the Commonwealth. ITC as high as 10%.

### INVESTMENT TAX CREDIT (ITC)

- A credit of 3% for qualifying businesses to be used for the purchase and lease of tangible property used for business purposes. The credit is to be applied against their Massachusetts corporate excise tax.

### MANUFACTURING RETENTION PROJECT (MRP)

17

- A project within a gateway community that creates a minimum of 25 new full-time manufacturing jobs and/or retains a minimum of 50 manufacturing full-time positions. ITC is refundable up to 40%.

### R&D TAX CREDIT

- A tax incentive for R&D investment for both manufacturers and R&D companies. A credit of 10% can be applied to qualified expenses, while a credit of 15% for basic research. The credit can be taken in addition to the state's ITC.

### TAX INCREMENT FINANCING (TIF)

39

- District may provide businesses with a TIF agreement for up to 20 years. The property tax exemption can range from 5-100%.

TOTAL 85



The Greater Boston area has seen significant benefits from the growth of healthcare, technology and education. Contributing to this growth is the concentration of high-skill talent and well-paying jobs in these respective industries.



**\$70M+**  
TOTAL EDIP &  
LOCAL TAX CREDITS  
SINCE 2012

# COMMONWEALTH EDIP CASE STUDIES

## ENHANCED EXPANSION PROJECT (EEP)



### 311 ARSENAL STREET, WATERTOWN

INDUSTRY	Information Technology
JOB RETENTION	1,074 full-time employees
JOB CREATION	1,900 new full-time employees
INVESTMENT TAX CREDIT	\$9.5 million

## CERTIFIED EXPANSION PROJECT (EP)



### 1000 TECHNOLOGY CENTER DRIVE, STOUGHTON

INDUSTRY	Online Retail
JOB CREATION	125 new full-time employees
INVESTMENT TAX CREDIT	\$600,000
LOCAL REAL ESTATE TAX BENEFITS	\$2,890,000
10-year Tax Increment Financing Agreement	

## TAX INCREMENT FINANCING AGREEMENT (TIF)



### 101 RANDOLPH ROAD, WORCESTER

INDUSTRY	Housing Development
JOB CREATION	78 new full-time employees
LOCAL REAL ESTATE TAX BENEFITS	\$1,492,140
12-year Tax Increment Financing Agreement	

## MANUFACTURING RETENTION PROGRAM (MRP)



### 307 AIRPORT ROAD, FITCHBURG

INDUSTRY	Information Technology & Manufacturing
JOB RETENTION	154 full-time employees
JOB CREATION	100 new full-time employees
INVESTMENT TAX CREDIT	\$317,500

# CBRE LOCATION STRATEGY & INCENTIVES PROCESS

## PHASE I: Develop the Business Case and Review Footprint Considerations

30-45 days

- Confirm project drivers and criteria through questionnaire and workshops
- Define business inputs (jobs, investment, etc.)
- Identify footprint scenarios (what, where, when)
- Perform preliminary opportunity assessment, as needed

## PHASE III: Final Negotiations and Approvals

15-45 days

- Final in-market meetings/negotiations
- Detailed site/facility due diligence
- Submit applications, negotiate development agreements, receive approvals
- Finalize real estate options/sign lease or purchase agreement

## PHASE II: Scenario Analysis and Market Due Diligence

30-45 days

- Introduce project and submit request for proposals
- Meetings with stakeholders in short-list communities
- Develop and refine qualitative and quantitative analysis
- Narrow to finalist locations

## PHASE IV: Implementation

Timing TBD

- Announcements/Public relations events
- Permits/Construction/Fit-out of space
- Hire and train new jobs
- Begin capital expenditures
- Incentives administration and compliance



## FOR MORE INFORMATION:

**LOCAL:** Andy Hoar  
President/Co-Managing Partner  
617.912.7010  
andy.hoar@cbre-ne.com

**NATIONAL:** Christopher B. Schastok  
Vice President  
312.861.7847  
chris.schastok@cbre.com



© 2014 CBRE, Inc.  
This information has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation about it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.