

# CURTIS INDUSTRIES, LLC TIF AGREEMENT

## *Town Clerk Meeting Minutes*

August 8, 2016

## *Special Town Meeting*



Kim D. Hopewell, Town Clerk  
Elaine S. Novia, Asst. Town Clerk

*Special Town Meeting*  
**Town Clerk Meeting Minutes**

**August 8, 2016**

Article 1 Section 3 of the Town of West Boylston's General Bylaws states that "One Hundred (100) legal voters, including the presiding officer and the clerk, shall constitute a quorum, provided that a number less than a quorum may vote an adjournment; and that not more than Seventy-five (75) shall be required to maintain a quorum once the meeting has been called to order by the Moderator and that a quorum of Seventy-five (75) be required to reconvene any adjourned session of any such meeting."

Kim D. Hopewell, Town Clerk, informed Moderator Jonathan Meindersma that 207 registered voters were in attendance and that the quorum requirement as set out in the General Bylaws has been met. At 7 p.m. the meeting was called to order.

The following people were appointed as tellers by the Town Clerk;

Patricia Bryant	Elaine Novia
Nancy Barakian	Barbara Deschenes
Patrick Novia	Sarah Novia
Gary Peterson	Neil Norum
Robert Dunn	

M.G.L. Ch. 39 § 15 was accepted at the Oct. 20, 2008 Semi-Annual Town Meeting and placed in the General Bylaws Article I § 7. This bylaw section states: "If a two-thirds vote of Town Meeting is required by statute, the Moderator may, at his or her discretion, decline to verify a voice vote by polling the voters or by dividing the meeting, and may record the vote as a two thirds vote without taking such a count."

After the Pledge of Allegiance a moment of silence was conducted for all citizens whom have passed since our last meeting.

Upon a motion by Christopher Rucho and second by John Hadley it was unanimously voted to waive the reading of the Warrant and refer it as subject matter only.

***Article 1 –***

**AUTHORIZATION OF A TAX INCREMENT FINANCING AGREEMENT**

***Recommendations-*** Finance Committee, Economic Development Committee

***Motion-*** Patrick Crowley

***Second-*** John Hadley

I move the Town vote, pursuant to G.L. c.40, §59, G.L. c.23A, § 3E, and §3F, and regulations thereunder, to approve the Tax Increment Financing Agreement between the Town and Curtis Industries, LLC, substantially in the form on file with the Town Clerk (hereafter known as the TIF Agreement), as may be amended by agreement of all parties, with respect to property located at 70 Hartwell Street, West Boylston, MA, which property is as described in more detail in such

TIF Agreement and which TIF Agreement provides for real estate tax exemptions, at the exemption rate schedule set forth therein, for a period of no more than 20 years, and authorize the Board of Selectmen to execute the TIF Agreement, and approve submission to the Economic Assistance Coordinating Council ("EACC") of the TIF Agreement and "Local Incentive Only Application" for EACC approval, and any necessary documents relating thereto, all relating to the project as described in the TIF Agreement, and to take such actions as are necessary or appropriate to obtain EACC approval, implement those documents and carry out the purpose of this vote.

### ***Discussion-***

Town Administrator Anita Scheipers gave the following presentation;

#### **Curtis Industries, LLC TIF Agreement**

### **What is a TIF?**

- **Tax Increment Finance Agreement** –Written agreement to tax a business property incrementally during a pre-agreed period of time
- Provides limited tax relief to a new or expanding business
- Participating companies receive local (and sometimes state) tax incentives in exchange for investing significant private funds to establish or expand a business that creates or retains jobs

### **Benefits for West Boylston**


- Encourages economic development
- Business growth helps creates a more diversified and stable tax base
- Establishment or expansion of a business increases the assessed value and increases annual tax revenue
- New jobs are brought to the community
- Employees boost local sales at shops and restaurants
- Businesses become good stewards in the community

### **How is a TIF Structured?**

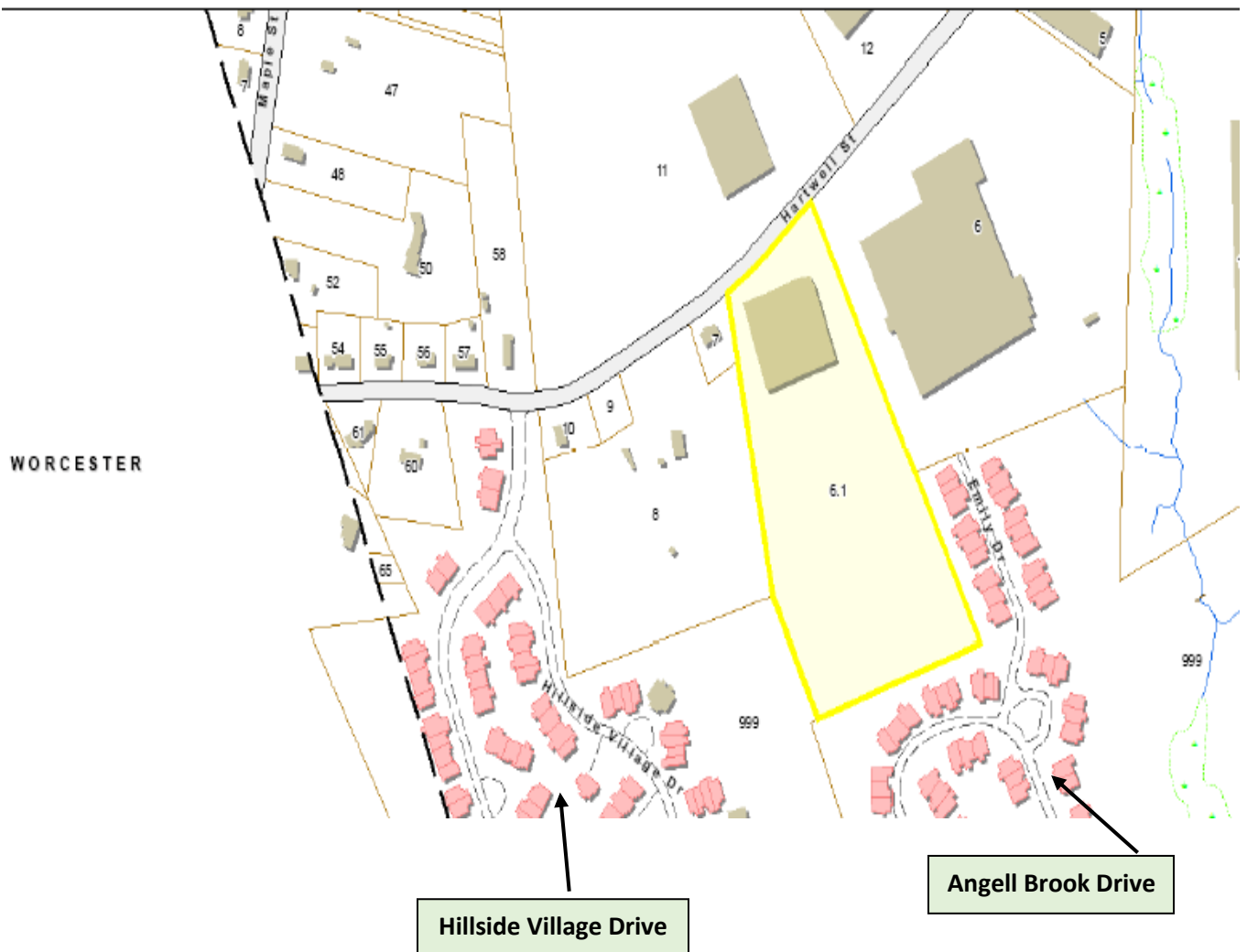
- TIFS are regulated by state law
- Minimum of 5 years / Max of 20 years
- Law allows varying degrees of tax relief from 100% to 5% over term of agreement
- Specific obligations of the business and of the Town are detailed in an agreement



West Boylston, MA  
1 Inch = 268 Feet



A horizontal scale bar with alternating black and white segments. It is marked with the numbers 0, 268, 536, and 804.

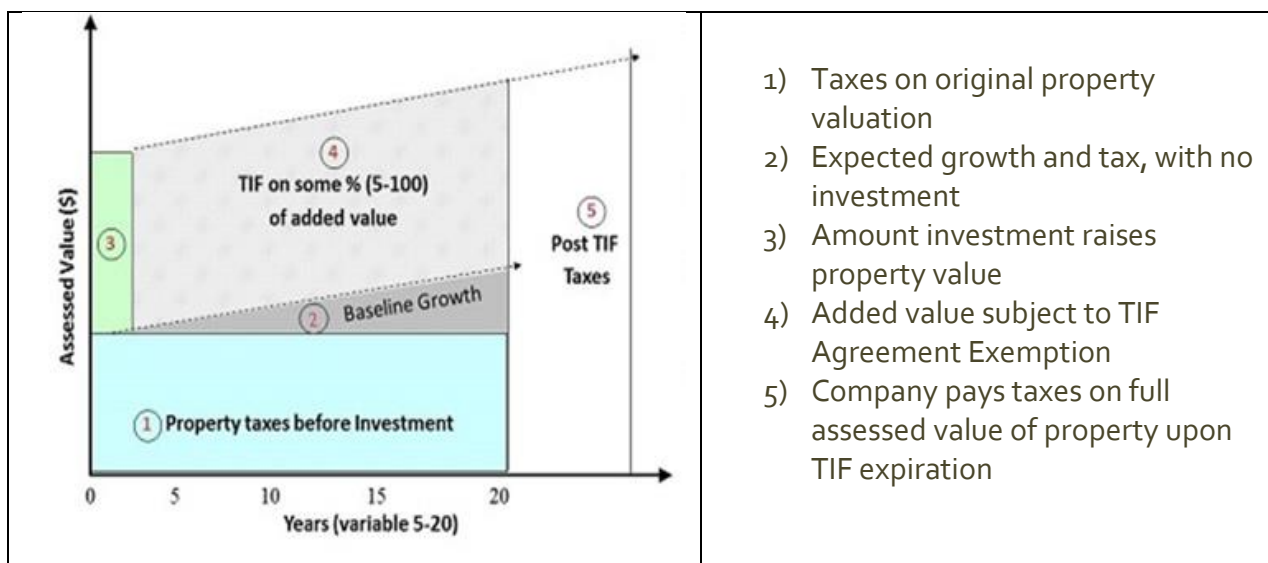




## Curtis TIF Specifications

- Local incentives only. No state tax relief sought
- 13 year agreement
- involved \$8 million+ of property improvements (actual assessed value to be determined)
- Brings 125+ permanent jobs

## Tax Increment Financing (TIF) Agreement Mechanics



**Base value of property: \$2,936,200**

Base value will continue to be assessed for full amount

**Proposed Construction Costs: \$8,000,000**

Actual assessed value to be determined. Tax relief applies only to the increase in assessed value

**Timing of Curtis TIF**

- Full taxes will be assessed on the original structure now and through entire term of TIF
- TIF exemptions will be applied to the new assessed value of property from FY18 in accordance with an agreed-upon schedule of exemptions

**Schedule of Tax Exemptions Fiscal**

Fiscal Year	TIF Year	% Exemption
2018	1	100%
2019	2	100%
2020	3	90%
2021	4	90%
2022	5	70%
2023	6	60%
2024	7	50%
2025	8	50%
2026	9	40%
2027	10	40%
2028	11	30%
2029	12	20%
2030	13	10%
2031	14	0%

**Estimated Values of TIF vs Taxes Paid**

*See TIF Calculation Spreadsheet at the end of the document*

**NEXT STEPS**

- If approved tonight, the TIF agreement must be sent to the State's Office of Business Development by August 24<sup>th</sup>

- TIF is reviewed and voted on by their Economic Assistance Coordinating Council on Sept 21<sup>st</sup>
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## **Curtis Industries**

George Psychojos, President and CEO gave the following report;

Thank you for that kind introduction Anita and for the permission to address this audience Mr. Moderator.

Good Evening. My name is George Psychojos. I am the President and CEO of Curtis Industries. Before I begin I would like to thank Board of Selectmen Chair Christopher Rucho and Selectmen Siobhan Bohnson, Barur Rajeshkumar, Patrick Crowley, and John Hadley along with Town Administrator Anita Scheipers for hosting this meeting and for their support. I would also like to thank you for taking the time to attend tonight's meeting.

I am here tonight representing the 125 employees of Curtis Industries with the purpose of introducing you to our company and to solicit your support to help us relocate to your community.













Curtis Industries is a leading designer, manufacturer and marketer of vehicle cab enclosures, snow and ice control attachments, and related accessories for utility vehicles and tractors that improve our customers' comfort and productivity. We sell our cabs to Homeowners with Acreage, Motorsports Enthusiasts, Industrial Users, Educational Facilities, Farms, Government Facilities, and many others through some of the most recognizable manufacturers like those shown on the lower left of this slide, and through approximately 2,000 active dealers throughout North America, Europe, and Asia. Hopefully you had a chance to spend some time with our team looking at our equipment out front before the meeting, but if not, we will hang out for a while after.

We have a stable company with a sound strategic growth plan that affords us an opportunity to make investments in our future, our people, and our community.



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## Slide 1

<ul style="list-style-type: none"><li>• Founded in 1968, privately held</li><li>• 125 employees</li><li>• 160,000 sq. ft. facility, ISO certified</li><li>• In-house functions: sales, marketing, customer service, engineering, production, shipping, administrative staff and technical support</li><li>• Annual capacity, 20,000 cabs &amp; plows</li><li>• Over 2,000 active dealers worldwide; 90% in North America</li></ul>			
	<p>#1 Brand in the Business Dramatic Growth Focus Total Customer Satisfaction</p>		
<p>What We Do</p> 		<p>THE SWITCH IS ON</p> 	
<p>Strategic Customers</p> 	<p>Markets</p> 		

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This plan requires that we either expand our cramped and scattered facilities in Worcester, or find a new home. The picture on the top left shows two of our three current buildings in Worcester. With your approval of the proposed TIF Agreement, we intend to relocate to 70 Hartwell Street in West Boylston. The move will require a significant facility expansion and multiple millions of dollars of other improvements in factory equipment, offices, and furnishings. This facility will allow us to “triple” our production over the next 10 years, creating a substantial number of new jobs.





We strive to offer unparalleled service to our customers. This is a key ingredient to growing our business and to creating new jobs. We also have a proud history of service to our current community as well.

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## Slide 2



### Where We Are



### Where We Want to Be



**Better facility. Triple the business. Creating substantial # of NEW jobs**

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You'll see some examples of recent investments to organizations on the screen behind me. In addition to the more typical community support, we've come up with a possible quick opportunity to support your town. Parks and Recreational facilities and police and fire departments often use our products on work tractors and utility vehicles. From time to time we need field test time on our products. Free use of equipment in return for allowing for us to gather direct user feedback and engineering data could be a nice way to begin a mutual winning relationship. Together with our leadership team, I look forward to working with you and town leadership to develop new opportunities to support West Boylston.

Part of being a good citizen is how a Company focuses on safety and the environment. Safety is ALWAYS our number one priority and we have a very significant focus on this area and a great track record.

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### Slide 3

#### Corporate Citizenship

- Abby's House shelter for women
- Boy Scouts of America
- EcoTarium Science and Nature Museum
- American Red Cross blood drive
- Giving tours to students interested in manufacturing and metal fabrication
- Toys for Tots
- Founding Member of the Manufacturing Advancement Center Workforce Innovation Collaborative
- Supports STEM: Science, Technology, Engineering, Mathematics



**Going beyond serving our customers. Service to our Community**

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There are three other key areas we have considered for the 70 Hartwell property: Sustainability, Traffic Flow, and Noise. Let me talk a little about these.

- **Sustainability:** Part of our plan is to acquire several pieces of new manufacturing equipment, all made to the latest standards with a focus on improving sustainability. Beyond complying with all laws and regulations, we also have an active recycling program in our offices and our factory. Currently we recycle virtually 100% of our steel scrap, as well as many other materials including corrugation, plastic and paper.
- **Traffic Flow:** We are respectful to our neighbors and understand that the residential part of Hartwell Street is a potential access to the proposed new facility. We also know that GPS systems often route commercial vehicles incorrectly through these areas. While we only average about a half dozen trucks

a day in and out of our facility, we will work with local and state authorities as necessary to ensure all roads are properly marked. Consistent with current businesses in the area, truck traffic will be directed by our logistics team to use established routes for traffic to and from other companies in the area; specifically, we will direct them to enter and exit via Shrewsbury Street. Employees will be requested to follow the same route via Shrewsbury Street or other such routes as the Town may request.

- **Noise:** In the normal course of business, our equipment does not make noise that can be heard outside the walls of the plant. We are a very quiet operation. That said, we have surveyed the area and see that there are berms on the rear edge of the property to provide a visual and noise barrier. We will thoughtfully configure our operations with the goal of being a totally unobtrusive neighbor.

We will always consider appropriate good corporate citizenship activities and actions if other situations arise. The safety and comfort of our neighbors is paramount to us.

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## Slide 4



### Being Your Good Neighbor

		
<b>Sustainability</b> <ul style="list-style-type: none"><li>- New manufacturing equipment</li><li>- Comply with all laws and regulations</li><li>- Recycle 360,000# of steel</li><li>- Recycle corrugation, plastic and paper</li></ul>	<b>Traffic</b> <ul style="list-style-type: none"><li>- Respectful to our neighbors</li><li>- Average 6 trucks a day</li><li>- Proper road markings</li><li>- Our logistics team will direct carriers to use Shrewsbury St</li><li>- Reminder signs at facility exits</li></ul>	<b>Noise</b> <ul style="list-style-type: none"><li>- Low noise manufacturing environment</li><li>- Machine noise contained in the building</li></ul>

**Safety and the environment. Key focus areas for our Company**

Before I finish my formal remarks, I want to take a moment to introduce you to the Curtis employees that are here with me this evening and to review some of the benefits to West Boylston if we are able to complete the TIF agreement and begin our facility build out and relocation.

- **Wendy Conway:** Product Specialist and a resident of West Boylston and a primary goodwill ambassador to our customer and proposed community
- **Michael Alexander:** Vice President, Marketing and Sales
- **Gabor Hajos:** Vice President, Operations
- **Theodor Moisidis:** Vice President of Engineering
- **Ian Stratton:** Manufacturing Engineering Manager
- **Steve LeBlanc:** Director of Human Resources
- **John Davis:** Aftermarket Sales Manager
- **Mark Manno:** Marketing Manager
- **Bob St Cyr:** Logistics Manager

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## Slide 5

### Our People



#### vision

- Curtis Industries will be recognized as the most innovative designer and manufacturer of compact vehicle enclosure systems, attachments and related accessories that enhance our customer's *comfort* and *productivity*.

#### mission

- Foster a safe and healthy work environment while also providing challenging professional opportunities to our employees.
- Our innovative business culture will design, build and deliver *market leading vehicle enclosures*, related accessories, and snow products to our customers without defect.
- Demonstrate that our strategic accounts and dealers are *true long term business partners*.

#### values

- Integrity
- Ethics
- Courage
- Teamwork
- Innovation
- Continuous improvement



**The best people. The best products. The best service. The best dealers**

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## Slide 6

### Benefits to West Boylston

- Stable, established company that is expanding operations
- 125+ permanent jobs, substantially more as we grow
- Early new job notices to West Boylston residents; engineering, technical and skilled labor positions
- Increased value to 70 Hartwell St property
- Increase diversity of the tax base
- More revenue to restaurants, shops and other local businesses
- Recognition for improving economic development by attracting new business to your community
- Corporate philanthropy to local organizations, charities and civic groups
- Possibility of employees moving and purchasing homes
- Paid Coops and Internships
- No community cash investment to upgrade or expand local infrastructure
- Help keep manufacturing jobs in Massachusetts



**We look forward to completing the TIF and to becoming your neighbor**

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Finally, I'd like to echo Ms. Scheiper's sentiment that there are many benefits we believe we can bring to your town – hopefully our new town once we complete the proposed TIF agreement, facility build out, and relocation.

- Curtis Industries is a stable, established company that is expanding
- We currently have 125 permanent jobs ... and we are looking to hire more
- We anticipate adding many new Engineering and skilled labor jobs over the next decade with early notice to West Boylston residents
- The Taxable Value of 70 Hartwell St will be increasing substantially, with negligible additional load on the town infrastructure.
- We will increase diversity of the tax base and increase tax revenue
- Our employees will bring their business to your town, increasing revenue to restaurants, shops, and other local businesses
- West Boylston will receive recognition for improving economic development by attracting new business
- We will bring our corporate philanthropy to local organizations, charities, and civic groups
- There is a distinct possibility of our employees purchasing homes in town

- We have paid Co-ops and Internships available – something the student residents of West Boylston might find interesting

Again, I would like to thank you for attending; and to thank the Selectmen and Town Administrator for calling this special meeting.

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## Slide 7



*"Recognized as the most innovative designer and manufacturer of compact vehicle enclosure systems, attachments and related accessories that enhance our customer's **comfort** and **productivity**."*



August 8, 2016

West Boylston Special Town Meeting

8/12/201

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### *Article 1*

### *Discussion-*

*Recommendations made by;* Finance Committee, and Economic Development Committee

### **Phillip Mallet-**

I am highly in favor of this and hope they come here. I serve on the Board of Trustees from Angell Brook and our concerns were legitimately address by George Psychojos. We wanted to ensure

that the engineering study, noise, drainage issues, tree line were explained and that the tree line remain intact. Steve Migridichian, D & S Realty, LLC is the current owner of the property. Steve stated that when he bought the property across the street at 127 Hartwell, the property was contaminated. Corp. Environment Advisors, cleaned and redeveloped the property and made it better environmentally. A portion of the building was formerly used as the Town Hall, and currently houses the Senior Center. We have always been good neighbors and have followed the rules, regulations, and permit process set out by the Town. Lighting, noise, traffic, screening, drainage, etc., will be rule bound with the town's bylaws. We will prepare and submit the proper paperwork and work with the Planning Board, Building Inspector, Fire Chief to be in compliance. We will work with the surrounding abutters while work developing the property.

### **Chuck Marsh-**

Why are you going for a TIF and how are you going to use the money? George Psychojos stated that moving the business is expensive. This will be a new property to develop and grow, including new equipment and to make the project move economically plausible. Curtis will be moving from for buildings currently located in Worcester to West Boylston which allows us to improve efficiency and allowing us to grow as a company. He also stated that Curtis Industries is environmentally friendly with recycling of steel scrap and office waste.

### **Jean Costello-**

How much are we getting and how much is Curtis getting? Selectmen Patrick Crowley stated that the tax reduction for Curtis will be 1.4 million, and the Town will be 1 million. This is based on "Projected Value". Crowley noted the percentage stays the same. Any difference in the assessed value, however, would merely change the number in the calculation. The percentage would not change.

I read that Curtis is not going to have their vehicles registered in West Boylston. George Psychojos said that is not true, and West Boylston will get the excise tax.

Costello then asked about the taxes on personal property. Crowley stated that manufacturing corporations are exempt from local taxation according to Massachusetts Gen. Laws. Mr. Psychojos stated that you can't put a value on personal property until the building is built, equipped and furnished. He further stated that Curtis Industries' is registered with the

Massachusetts Department of Revenue as a manufacturing corporation for purposes of state and local taxation.

Ms. Costello asked if the Town researched how other towns have dealt with these types of agreements. Town Administrator Anita Scheipers stated that Haverhill was the closest and we use that as a basis for comparison. Costello researched this and most TIF's are over a period of 7 to 8 years. We're doing one for 14 years. Needham and Burlington had lots of concessions made in other TIF agreements. Selectman Crowley stated that the tax increment financing project initiative and management is carried out at the local level. This type of TIF project is not dependent upon federal or state funding. The state offers incentives as well. This is the first TIF we've done. This site is zoned for this type of manufacturing use. All of the



manufacturing processes occur inside the facility so there will be no excess noise, odors or activity than is seen at any other normal manufacturing facility. The agreement is basic and simple. It's a win for businesses and for the town and we need to focus on what kind of property tax we're getting. Jean Costello stated she was doing due diligence and hope that it doesn't set a precedent for other companies to come in to town.

### **Sandra Meindersma-**

Ms. Meindersma stated that this is a great opportunity to bring in more money for the town. She questioned if the company went bankrupt or was to leave West Boylston to go to another town what happens to this agreement. Administrator Anita Scheipers stated that if the company doesn't meet the goals outlined in the agreement, West Boylston could revoke the deal and ask the state to decertify Curtis Industries.

Meindersma asked George Psychojos if Curtis Industries was purchasing or leasing the property. He stated that they were leasing. She also asked what the shifts would be. George stated that there is one shift in the morning and a light second shift so it's almost 1½ shifts.

### **David Hennessy-**

Mr. Hennessy asked when the company will start to pay taxes on the building that's presently there. George stated that the owner of the property is paying all the taxes at the present time. The lease will require that Curtis Industries, will pay the taxes, operations and maintenance of the property during the term of lease. The TIF is only applied to the new construction, full taxes are paid on the existing building and property.

### **Peter Iannacchino-**

Peter stated that he was grateful that a well-known industry was coming into town. He asked what effect it would have on their property on Emily Drive. He asked what the proximity to the property line would the addition extend, how much noise will there be, if drainage issues have been studied, and if the tree line would remain intact. Steve Migridichian stated that he will work with the neighbors on all the issues. Migridichian stated that he couldn't give a definite answer to Iannacchino question because no plan has been drawn up yet. However the rear of the building would probably be about 180 feet inside property line.

George Psychojos welcomes any citizen to come in and know the company. George stated that the existing building on the property will be expanded from the current 53,000 to 110,000 ft.<sup>2</sup>. Trees will have to be removed and that the setback of the buffering of trees will be set by the Planning Board and the Zoning Board. Curtis industries is a good neighbor and will work with the abutters to provide necessary screening.

Iannacchino asked whether that the trees were going to be cut next to his property, and stated that his question had not been answered. Migridichian stated that the developer has the right to cut the trees and to expand further back.

The Moderator stopped the discussion stating that it was not in the scope of the article. The scope is for the TIF only, and although the questions are valid concerns but this is not the proper forum to discuss that. Curtis Industries still has to draw plans and go to the Planning

and Zoning Boards for approval. Any issues and questions like these would be addressed in their public hearings.

Hearing no other business. Moderator Meindersma called for a voice vote.

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## **Vote –**

### **Article 1-**

#### ***Authorization of a Tax Increment Financing Agreement***

By a simple majority it was voted, pursuant to G.L. c.40, §59, G.L. c.23A, § 3E, and §3F, and regulations thereunder, to approve the Tax Increment Financing Agreement between the Town and Curtis Industries, LLC, substantially in the form on file with the Town Clerk (hereafter known as the TIF Agreement), as may be amended by agreement of all parties, with respect to property located at 70 Hartwell Street, West Boylston, MA, which property is as described in more detail in such TIF Agreement and which TIF Agreement provides for real estate tax exemptions, at the exemption rate schedule set forth therein, for a period of no more than 20 years, and authorize the Board of Selectmen to execute the TIF Agreement, and approve submission to the Economic Assistance Coordinating Council ("EACC") of the TIF Agreement and "Local Incentive Only Application" for EACC approval, and any necessary documents relating thereto, all relating to the project as described in the TIF Agreement, and to take such actions as are necessary or appropriate to obtain EACC approval, implement those documents and carry out the purpose of this vote.

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The Moderator asked for a motion to dissolve the meeting. Motion moved and seconded. Special Town Meeting of August 8, 2016 was dissolved at 8:05 PM

Moderator Meindersma think the residence for coming out to vote on this on an issue.

Attest:

Kim D. Hopewell  
Town Clerk