

Tax incentives draw 3 companies to Methuen

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METHUEN — As Lawrence looks to a venture fund to help spur small business growth within its borders, Methuen is focusing in on job growth through a state tax incentive program that's potentially drawing three businesses to the city.

The state's Economic Assistance Coordinating Council (EACC) recently approved three area businesses - Jessica's Brick Oven Inc., Globus Medical and New England Die Cutting Inc. - to participate in the state's Economic Development Incentive Program (EDIP). That program provides tax credits for businesses that foster job creation and stimulate business growth.

Along with the state incentives, Methuen has approved Tax Increment Financing (TIF) agreements with the three businesses. The agreements provide the businesses a break on paying property taxes to the city on any new value from improvements to their properties over the course of ten years, starting with a full exemption the first year and decreasing to a 10 percent exemption by the last year.

Mayor Stephen Zanni said the tax incentive programs would help with community development.

“It's all about increasing our tax base and bringing economic development to our area and bringing jobs,” he said.

Globus Medical and New England Die Cutting Inc. have already closed on properties in Methuen, helping to fill available buildings such as the former Internal Revenue Service building on Milk Street. Jessica's Brick Oven is in the process of closing on the former General Mills Yoplait yogurt factory property, officials said.

The three businesses were among 13 projects approved by the EACC on Sept. 23 that are expected to create 717 new jobs and retain 935 jobs statewide.



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TIM JEAN/ Staff photo. David Abare, Vice President of New England Die Cutting points to where several die cutting machines will be placed. The company are relocating from Haverhill to the former IRS building at 96 Milk St., Methuen. 9/29/15

“Expansion and hiring incentives are a cost-effective part of our push to make Massachusetts business friendly, and to catalyze significant, sustained economic growth across the Commonwealth,” Gov. Charlie Baker said in a statement.

Jessica's Brick Oven

Established in 1997, Jessica's Brick Oven is a wholesale bakery serving retail supermarkets, big box stores, food service companies, and local gourmet shops and restaurants.

Located in North Andover since 2011, the bakery is in the process of closing on the former General Mills factory, which includes buildings at 35 Danton Drive and 192 Pelham St., owner Nabil Boghos said.

Should the deal close, the plan is to “move Jessica's over there, to have a production plant, a distribution plant, and a third building that would house our refrigeration needs,” Boghos said. That third building would be a new construction of up to 70,000-square feet, he said.

Boghos said that while the company's North Andover location had served well, taking over the General Mills property would allow Jessica's to own its own building, outfit the space to its needs, and potentially become more green. The current North Andover location on Osgood Street is part of a shared building and has shared docks, which are not ideal for helping to company meet its audits, he said.

“It's really about controlling our own destiny,” Boghos said.

When General Mills announced it was closing its Methuen plant, the timing proved fortuitous for the city, said William Buckley, the city's director of economic and community development.

“It's been great news for the city because we're basically going to have an almost seamless transition of a major employer in the city,” Buckley said. “We're pleased because Jessica's is going to replace those lost General Mills jobs and then some.”

According to Buckley, Jessica's is expected to close on the buildings, a combined nearly 160,000 square feet, in late October.

If the deal goes through, Jessica's plans to hire 25 new employees and retain 120 current employees, as well as making an anticipated investment of \$10.5 million, the city said in a press release. The EACC approved \$375,000 in investment tax credits for the project, and the city approved a 10-year TIF valued at approximately \$105,000.

New England Die Cutting

Founded in 1982, New England Die Cutting is a family-owned business based in Haverhill that manufactures gaskets, seals and insulators primarily for the military industry.

President and owner Kimberly Abare said the company was looking to expand into a larger-scale building without leaving the Haverhill-Methuen-Andover area.

“We needed to ensure that we wouldn't lose our workforce,” which comes everywhere from Haverhill to Amesbury to Lowell, she said.

Abare co-owns the company with her husband, David Abare, and their two sons also work there. They'll take over the 102,000 square foot former Internal Revenue Service building at 96 Milk St., and will leave behind their 22,000 square foot space in Haverhill. The move will allow the company to expand by 15 percent annually, according to the press release.

Buckley said the company closed on the building a few weeks ago and has already started a “full build out of their space and renovation into what they call a state-of-the-art manufacturing facility for their business.”

Abare expected the renovation process to be complete by the end of October, and anticipated moving into the new space on Nov. 1. New England Die Cutting will occupy about 70,000 square feet of the building and will lease out about 30,000 square feet to another business, she said.

The Methuen expansion will allow the company to bring in new equipment, including molding machines, a second water jet cutting machine, and a laser cutting machine, she said.

Through the expansion project, New England Die Cutting will add 13 new employees and keep 31 existing employees, along with making a private investment of \$5.4 million. The city awarded the company a TIF agreement valued at approximately \$98,000.

“When we're making a large move like this, obviously there's more real estate taxes, there's more overhead on everything, more electricity,” Abare said. “So this helps us make the move smoothly and stay competitive without raising rates for our customers.”

Globus Medical

Globus Medical Inc., an international medical device manufacturing company focused on products that promote healing in patients with musculoskeletal disorders, is moving part of its operation to the city.

The company is in the process of renovating a building at 300 Griffin Brook Park Drive to house its Robotics, Imaging and Navigation Division, which is working on developing a surgical robotic positioning system.

Globus vacated an 8,283-square foot building on Riverside Drive in Andover for its Methuen property, which is just more than 100,000 square feet. Half of that will be a build-out that will include labs and clean spaces for research and development, Buckley said.

“They left a real small space in Andover and they’ve basically established this is their location to grow now,” Buckley said.

Representatives from Globus Medical could not be reached for comment as of press time.

The Globus Medical project will result in 20 new jobs and the retention of 26 existing jobs, as well as a private investment of \$8.7 million. Methuen approved a TIF valued at approximately \$206,000 to the company.

Zanni said the companies were going to be a great asset for the city.

“I think it’s just exciting to have these types of companies in our community, and more importantly, creating jobs in Methuen and in the area,” Zanni said.

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