

**Annual Town Meeting
Monday, April 26, 2021, 7pm, Ayer Shirley Regional High School
Article #26**

Company Background

Headquartered in Ayer, Massachusetts, Catania Oils is a fourth-generation, family-owned manufacturer founded over 100 years ago by Giuseppe Basile, an Italian immigrant who brought his olive oil business from Sicily to the United States. The Company has grown into a leading manufacturer of edible oils, including virgin olive, vegetable, blended, organic, and specialty oils.

Catania Oils products are used in the bulk ingredient, food service, retail, and private label markets in New England and across the country. Top bulk ingredient customers include Gorton's Seafood, Ken's Foods, Frito-Lay, Stacy's Pita Chips, Bake'n Joy, and other food manufacturers. The Company also sells its own branded products under the Marconi, LaSpagnola, and Catania brands. Private label customers include Market Basket, Shaw's, Hannaford, Whole Foods, Trader Joe's, and other local and national grocers.

Catania Oils has enjoyed being located in Ayer for more than 25 years and is proud to be one of the largest manufacturers in the community.

Expansion Project

The Company occupies an estimated 115,532sf building at 3 Nemco Way, Ayer, for its corporate offices and distribution facility, and an estimated 96,036sf facility on-rail at 1 Nemco Way for its manufacturing operations and pays approximately \$362,000 annually in real estate taxes at both properties to the Town.

As a result of increased customer demand for its products, the Company has a need to expand its manufacturing operations. Through its real estate advisors, the Company has evaluated sites in Massachusetts and out of state and an expansion at its current manufacturing location is under consideration as a viable option.

The proposed project consists of constructing a 51,500 square foot, on-site manufacturing expansion. The project investment is estimated at \$14.4 million, including \$6.3 million in hard and soft construction costs, \$2.6 million in infrastructure costs and \$5.5 million for new personal property.

Economic Development Benefits to Ayer

- Retain 160 full-time, permanent jobs in Ayer, including 100 jobs at its manufacturing facility at 1 Nemco Way and 60 jobs at its corporate headquarters and distribution facility at 3 Nemco Way
- Create 30 new, full-time permanent jobs
 - Positions would require a blend of talents and skills, including assembly, engineering, processing, quality control, forklift drivers, warehouse operators, and office
- Increase real estate tax revenue to Town
- Increase excise tax and meals tax revenue to Town
- The Company and its employees spend annually with local businesses
- The Company is dedicated to community involvement and supports a variety of programs, including:
 - Ayer Fire & Police Departments
 - Ayer Cleanup Day
 - Ayer Holiday Lights
 - Holiday Roasts to Ayer Fire Department
 - Local Food Pantries and Job Fairs
 - Transportation program for truck routes
 - Apprenticeship programs through Mount Wachusett Community College
 - North Central Workforce Board member
 - Nashoba Valley Chamber of Commerce member
 - United Way of North Central MA Sock Drive
 - Annual Golf Tournament for Dana Farber Cancer Institute

Tax Increment Financing

Tax Increment Financing (TIF) is a feature of the Commonwealth's Economic Development Incentive Program (EDIP). A TIF provides a company with a sliding scale property tax exemption for up to 20 years based on the increased incremental assessed value of the project property due to on-site investments.

It is important that communities remain competitive in retaining and attracting businesses. A TIF is a useful economic development tool that provides both short- and long-term benefits to the town, region and Commonwealth of Massachusetts.

- The TIF Proposal applies only to the new construction project at 1 Nemco Way
- The Town does not lose any existing tax revenue on the existing property
- The Town continues to receive the real estate taxes on the base value of the site
- The tax incentive is a discount only on the new taxes at the property during the life of the proposed TIF
- The Town generates new net tax revenue with a TIF

TIF Program Criteria

- Job retention or job creation
- Private real estate investment – generates new tax revenue in the community
- 5-year – 20-year TIF term
- 1% – 100% TIF exemption term annually

TIF Proposal Projections – 1 Nemco Way

10-year TIF Exemption Percentage
95-85-80-75-60-55-45-35-25-20

(Projections over a 10-year period)

Current real estate tax revenue to Ayer	\$2,042,370
New net real estate tax revenue to Ayer	<u>\$ 579,237</u>
Estimated tax revenue to Ayer	\$2,621,607

Company TIF tax savings	\$ 783,673
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Local Officials TIF Support

The Ayer Select Board and Finance Committee
have voted unanimously to support this article