

GLOUCESTER SPECIAL CITY COUNCIL MEETING
Tuesday, March 16, 2021 – 6:00 p.m.
REMOTE MEETING
-Minutes-

Present: Council President, Councilor Steve LeBlanc; Council Vice President, Councilor Val Gilman; Councilor Melissa Cox; Councilor Jen Holmgren; Councilor John McCarthy; Councilor Scott Memhard; Councilor Sean Nolan; Councilor James O’Hara; Councilor Barry Pett

Also Present: City Clerk, Joanne Senos; CAO, Nicole Kieser; Community Development Director, Jill Cahill; Assessor, Gary Johnstone; Economic Development Director, Sal DiStefano; City Auditor, Kenny Costa

Applicants: Daniele Diotallevi, Alessandro Topan and Maria DiStefano for BC Gourmet USA

*This meeting was conducted remotely through Zoom
All votes were ROLL CALL votes*

Meeting called to order at 6:00 p.m.

Councilor LeBlanc announced that the meeting was recorded by video and audio in accordance with state Open Meeting Law. Consistent with the Governor’s orders suspending certain provisions of the Open Meeting Law and banning gatherings of more than 10 people, the meeting would be conducted by remote participation. Additionally, all votes taken by the City Council during this and future remote meetings will be by roll call vote. If someone is calling in on a phone, they can press Star 9 (*9) to request to speak. If they are watching on a computer or device there is a “raise hand” button that can be tapped or pressed to request to speak. Please use either of these options during oral communications or the public hearing to be recognized.

Councilor LeBlanc announced the names of the Councilors and city staff who were in attendance.

1. PH2021-005: Tax Increment Financing Agreement between the City of Gloucester and BC Gourmet, USA

Public Hearing Opened at 6:05 p.m.
Those Speaking in Favor:

Economic Development Director, Sal DiStefano stated BC Gourmet was a pasta sauce and dip manufacturer of high quality foods based in Italy with their US headquarters currently based in Lynn, but looking to expand in Gloucester to 11 Parker Street. He stated BC Gourmet was looking to invest \$1.2 million into the facility, consisting of \$900,000 in buildout to the facility that was being leased and \$300,000 in equipment purchases. The lease at 11 Parker Street would be for 25,000 sq. ft. which was approximately 25% of the building. He stated BC Gourmet was looking to bring 25 jobs to Gloucester with the creation of 8 additional jobs over the next five years.

Mr. DiStefano explained that BC Gourmet was being offered a TIF and that it was not a reduction in taxes, but a discount in the incremental tax generated after an investment was made. It would be a small discount on the additional tax that was created after the investment. He stated the City was proposing a 5-year TIF with the following percentages:

Year 1: 90% discount off the incremental tax
Year 2: 80% discount off the incremental tax

Year 3: 70% discount off the incremental tax
Year 4: 60% discount off the incremental tax
Year 5: 50% discount off the incremental tax

Mr. DiStefano stated the total amount of the discount over 5 years was \$14,167.13.

CEO of BC Gourmet, Daniele Diotallevi stated BC Gourmet was an Italian company specializing in pasta sauce, dips and fresh pasta. He stated BC Gourmet decided to come to the US to Lynn to start producing foods in 2017. After that, he stated BC Gourmet acquired another company out of New York State in which BC Gourmet moved that operation to Lynn and now wants to move the whole operation to Gloucester. **Mr. Diotallevi** stated their current employees in Lynn would be offered jobs in Gloucester, but he did not think many current employees would move to Gloucester.

Those Speaking in Opposition: None.

Written Communications: None.

Councilor Questions:

Q. (Gilman) In looking at the MI District requirements under Sec 5.18, there were five criteria about zoning for businesses on the working waterfront, could those criteria be explained?

A. (Cahill) Explained she had gone to the Building Inspector, Bill Sanborn to talk through how this worked. The TIF agreement was between the City and the company and the permitting and compliance with the permitting lies with the landowner. The Building Inspector cannot make an interpretation of whether it was in compliance until they have submitted plans to apply for a permit and that step cannot be done until this step was complete. In moving the TIF forward, BC Gourmet could apply for tax credits with the State. At that stage, then permitting could move forward with the property owner bringing the plan forward to the Building Inspector where zoning would be determined at that time. The City had worked closely with the property owner.

Q. (Gilman) Asked if the plan was the totality of the occupants of the whole building, which this component only takes up 25% of that space?

A. (Cahill) Explained every license was different and every permit was different, so it was dependent on each situation.

Q. (Gilman) Asked if the City was displacing any existent water-dependent uses?

A. (Cahill) Stated the building had been empty for over a year, which was one of the components of 5.18.

Councilor Pett stated there were other tenants on this property including lobstermen, including dock space.

Councilor LeBlanc stated it was dependent on a portion that was occupied by marine industrial.

Public Hearing Closed at 6:22 p.m.

COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Standing Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council approve a Tax Increment Financing exemption between the City of Gloucester and BC Gourmet USA, Inc., in accordance with the Massachusetts Economic Development Incentive Program (EDIP) and Chapters 23A, 40 and 59 of the Massachusetts General Laws to be located at 11 Parker Street, for a term of five (5) years ending in Fiscal Year 2027.

Summary of Discussion: **Members of the City Council** thanked and welcomed BC Gourmet to Gloucester. **Councilor O'Hara** stated this was a true intent of a TIF, which was bringing manufacturing jobs into the City. **Councilor Nolan** thanked BC Gourmet and Mr. DiStefano for their work in bringing BC Gourmet to

Gloucester. **Councilor Pett** thanked BC Gourmet and Ms. Cahill for their hard work in bringing BC Gourmet to Gloucester. **Councilor LeBlanc** stated BC Gourmet relocating to Gloucester was a good move for the direction of the City and hopefully the direction of the company.

MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 9 in favor, 0 opposed, to approve a Tax Increment Financing exemption between the City of Gloucester and BC Gourmet USA, Inc., in accordance with the Massachusetts Economic Development Incentive Program (EDIP) and Chapters 23A, 40 and 59 of the Massachusetts General Laws to be located at 11 Parker Street, for a term of five (5) years ending in Fiscal Year 2027.

COMMITTEE RECOMMENDATION: On a motion by Councilor Cox, seconded by Councilor Memhard, the Budget & Finance Committee voted by ROLL CALL 3 in favor, 0 opposed, to recommend that the City Council accept the following:

- 1) Adopt the Tax Increment Financing (TIF) Agreement between the City of Gloucester and BC Gourmet USA, Inc., for property located at 11 Parker Street;
- 2) Approve the project application and find that it meets the requirements of MGL c. 23A, §3F in that it provides a reasonable opportunity to create jobs within the City of Gloucester as indicated in the TIF Agreement.
- 3) Authorize the Mayor to execute the TIF Agreement and submit the TIF Agreement and the Certified Project Application and all other necessary documents to the Economic Assistance Coordinating Council of the Commonwealth of Massachusetts (EACC), and take any other actions as necessary and appropriate to implement the provisions of those documents.

Summary of Discussion: **Councilor Cox** thanked everyone involved and BC Gourmet for considering Gloucester.

MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 9 in favor, 0 opposed to accept the following:

- 1) **Adopt the Tax Increment Financing (TIF) Agreement between the City of Gloucester and BC Gourmet USA, Inc., for property located at 11 Parker Street;**
- 2) **Approve the project application and find that it meets the requirements of MGL c. 23A, §3F in that it provides a reasonable opportunity to create jobs within the City of Gloucester as indicated in the TIF Agreement.**
- 3) **Authorize the Mayor to execute the TIF Agreement and submit the TIF Agreement and the Certified Project Application and all other necessary documents to the Economic Assistance Coordinating Council of the Commonwealth of Massachusetts (EACC), and take any other actions as necessary and appropriate to implement the provisions of those documents.**

MOTION TO RECONSIDER: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 0 in favor, 9 opposed to reconsider the votes for the Tax Increment Finance exemption and the Tax Increment Finance Agreement between the City of Gloucester and BC Gourmet, USA.

Motion to reconsider failed.

MOTION: On a motion by Councilor Cox, seconded by Councilor Memhard, the City Council voted by ROLL CALL 9 in favor, 0 opposed to adjourn the meeting at 6:34 p.m.

Submitted by Sherry Karvelas, Clerk of Committees

Items submitted at the meeting: None.