

City of Lowell

Economic Development Incentive Program (EDIP)

Overview:

Established under Chapter 19 of the Acts of 1993, the **Massachusetts Economic Development Incentive Program (EDIP)** is a tax incentive program designed to stimulate job creation, private investment, and economic development in targeted areas within Massachusetts where the need for such development is most critical. The City of Lowell has been an active participant in the EDIP since its inception and has used the program to successfully attract new businesses to Lowell and encourage existing businesses to expand and invest in the City.



Cross Point, Lowell MA
Photo Credit: Jim Higgins

How to qualify:

Participating companies in the EDIP may receive state and/or municipal tax benefits in exchange for significant private investment, job creation and/or retention and generating significant sales outside of the Commonwealth. The State's governing body of the EDIP, the Economic Assistance Coordinating Council (EACC) has established five categories of **Certified Projects: Expansion Projects, Enhanced Expansion Projects, Manufacturing Retention & Job Growth Projects, Job Creation Projects and Local Incentive Only Projects** (see back of the page for minimum eligibility requirements under each category).

Tax Incentives Available:

- ◆ State's Investment Tax Credit (ITC)
- ◆ State's 10% Abandoned Building Renovation Deduction*
- ◆ Up to \$5,000 per new job created in a gateway community, such as Lowell, capped at \$1,000 million- for "Job Creation Projects" (JCP) only- see back of the page for details
- ◆ Local Tax Increment Financing (TIF) - real estate tax exemption on the incremental value of the property due to the significant investment as a result of the project

*Abandoned building has been defined as a building being at least 75% vacant for 24 months or more.



For more information on the EDIP Program, please contact:
City of Lowell- Department of Planning & Development
Phone: 978-674-4252
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www.lowell.org

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Category	Job Creation	Capital Investment	Industry Requirement	Geographical Requirement	Substantial out-of-state sales	Municipal Involvement
Expansion Projects (EP)	No minimum or maximum number of full-time jobs that must be created.	The Applicant must be making a significant capital investment to utilize the EDIP Investment Tax Credit.	None	The project can be located in any of the Commonwealth's 351 cities and towns. A project that is applying to be located in a Gateway City such as Lowell, will receive preference in the awarding of EDIP-ITC.	The project site must generate substantial out-of-state sales.	Projects must have an approved & executed municipal real estate property tax exemption-Tax Increment Financing Agreement (TIF).
Enhanced Expansion Projects (EEP)	The Applicant must create a minimum of 25 full-time net-new to MA full-time manufacturing positions and/or retain a minimum of 50 full-time manufacturing jobs.	The Applicant must be making a significant capital investment to utilize the EDIP Investment Tax Credit.	None	The project can be located in any of the Commonwealth's 351 cities and towns.	The project site must generate substantial out-of-state sales.	Projects must be supported by the municipality of the project; however the municipality is not required to offer a local incentive.
Manufacturing Retention & Job Growth Projects (MRP)	The Applicant must create a minimum of 100 full-time net-new to MA jobs within 2 years of approval by the EACC.	The Applicant must be making a significant capital investment to utilize the EDIP Investment Tax Credit.	The Applicant must be a manufacturer as defined by the Massachusetts Department of Revenue 830 CMR 58.2.1 . Additionally, the project site must be a manufacturing facility.	Must be located in a Gateway City, such as Lowell.	The project site must generate substantial out-of-state sales.	Projects must be supported by the municipality of the project; however the municipality is not required to offer a local incentive.
Job Creation Projects (JCP)	The Applicant must create a minimum of 100 full-time net-new to MA jobs within 2 years of approval by the EACC.	A significant private investment is not required.	None	The project can be located in any of the Commonwealth's 351 cities and towns.	The project site must generate substantial out-of-state sales.	Projects do not require a local incentive.
Local Incentive TIF only Projects	Job creation requirements are at the discretion of the City of Lowell.	The applicant must be making a significant capital investment that increases the assessed value of the real property.	Industry requirements are at the discretion of the City of Lowell.	The project needs to be located in the City of Lowell.	Not applicable.	Tax Increment Financing Agreements are municipal property tax incentive agreements that must be approved by the Lowell City Council prior to review by the Economic Assistance Coordinating Council (EACC).



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