

## **Mass. Recovers \$13M From Tax Credit-Stealing Manufacturer**

Steve LeBlanc, Associated Press

BOSTON (AP) — Massachusetts expects to recover about \$13 million from the abrupt shutdown of a solar panel manufacturer that had received tens of millions in state aid, a top Patrick administration official said Tuesday.

Economic Development Secretary Greg Bialecki said the \$13 million includes a portion of the grants and benefits the state offered Evergreen Solar to encourage it to build its plant in Devens.

One benefit required the company to employ a certain number of workers over a specified number of years. The company hadn't met that goal when it closed. Bialecki said the state also will recover additional money since the company's dollar-a-year lease will be revoked.

Bialecki tried to put the best light on the shutdown. He said the state directly invested \$31 million to the company, less than the reported \$58 million. Bialecki's figure doesn't include certain tax benefits and millions in upgrades to roads and utilities around the plant.

Bialecki also refused to describe Evergreen Solar as a bad investment, saying the decision to funnel public dollars to the company sent the larger message that Massachusetts was open for business for renewable energy companies.

"This investment in Evergreen Solar was really ... symbolic of a commitment that this state is making to grow a clean energy sector," Bialecki told reporters Tuesday. "This really wasn't an investment in Evergreen Solar as much as it was an investment in the clean energy sector."

Bialecki said there are thousands of people in Massachusetts working in the clean energy sector now, in part as a result of that overall investment in the sector.

"I still think, in hindsight, that it was a good idea," Bialecki said of the investment in Evergreen, although he conceded it didn't turn out as the state had hoped.

Bialecki said the experience with Evergreen leaves open the question of how Massachusetts can keep manufacturing jobs when it's competing not only with other states, but with the rest of the world.

Evergreen announced last week it was closing its Devens plant by the end of the 2011 first quarter.

Evergreen CEO Michael El-Hillow said dropping prices and competition from heavily

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subsidized solar manufacturers in China made the plant "no longer economically feasible."

The company's decision has put the Patrick administration on the defensive.

House Minority Leader Brad Jones, R-North Reading, has called for an investigation.

Democratic House Speaker Robert DeLeo said he expressed his concern to the governor and was waiting for a call from Bialecki for more information.

Gov. Deval Patrick tried to put the best face on Evergreen's decision, saying he was disappointed but thankful for the jobs the company had created.

"I'm very, very proud of the fact that we quadrupled the solar manufacturing and installation industry in this commonwealth in the last four years," Patrick said. "We're not going to win every one, but you better believe we're going to compete for every one."

Patrick had championed Evergreen Solar early on in his first term and as recently as 2008 praised the company's commitment to the state during a talk at the Massachusetts Institute of Technology.

Even before he took office, Patrick named Evergreen Founder Mark Farber to a transition committee on economic development charged with making policy recommendations to the then-incoming Democratic governor.

Farber has also donated \$1,250 to Patrick's campaign account since 2005.

Bialecki said the \$31 million he said the state directly invested in the company included a \$20 million grant to defray the cost of construction, a \$1 million work force training grant, a \$7.5 million investment tax credit and \$2.7 million for a long term lease at the Devens facility.

Bialecki said he's not counting other expenses as part of the state's investment in the company, including \$13 million the state spent on infrastructure costs at Devens for roads and utilities that Evergreen needed to open their facility.

He said Evergreen doesn't own the roads and they remain to serve other companies located there.

Bialecki said he also wasn't counting other tax benefits that Evergreen might have taken advantage of as a manufacturer and another agreement that would have lowered the amount of real estate taxes it paid over 20 years.

The \$13 million the state expects to recover includes a \$7.5 million investment tax credit that was never claimed by Evergreen, \$3 million for the failure to create as many jobs as promised and \$2.7 million for closing the plant early, negating the dollar a year lease.

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On the other side of the balance sheet, Bialecki said the state reaped an estimated \$5 million in income taxes from workers employed by Evergreen over the past three years and \$1 million collected by Devens in property taxes.

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