

OPINION

EDITORIAL

Tax break helps lure Kettle Cuisine

Lynn officials cite 'TIF' plan as vital tool



It was done with little fanfare and is not as glamorous as other hot-button political issues, but is substantially more important to the continued economic stability of Lynn.

Lynn city officials used a seldom-used tool, at least in this city, to help lure soup maker Kettle Cuisine to build a new plant at 330 Lynnway and move its operation here from Chelsea, which will create a projected 100 new local jobs.

The City Council and Mayor Judith Flanagan Kennedy approved a tax break for the company — or a Tax Increment Finance (TIF) plan — which gives the company a significant tax break on investment over a 15-year period.

As City Council President Timothy Phelan explained in an email to The Item on Tuesday, "(The tax break) is based upon the improvements and investments to the actual property/infrastructure by Kettle Cuisine, not the assessed value. The agreement is for 15 years and the investment is going to be \$20 million over that time. So, as of now they pay 100 percent of the value of the annual increment. When they invest each year the percentage they pay reduces for 15 years until it hits a low of 7.6 percent of what they would normally pay."

"In theory the more they invest in the building/company, the less they pay on taxes on the improvements/investments. So it allows a company to use its capital to physically build its business from within and instead of being taxed on the improvements. They can use that money to do more improvements."

Phelan noted the Council approved the TIF agreement last Nov. 13.

"It was done with little fanfare and is not as glamorous as other hot-button political issues, but is substantially more important to the continued economic stability of Lynn. It also sends a message to other potential businesses that Lynn wants you and is ready, willing and able to make it happen," he said.

Former City Council President James Cowdell, executive director of the Lynn Economic Development and Industrial Corp. (EDIC), said Thursday that the EDIC prepared the TIF proposal for Kettle Cuisine, which the council, mayor and state Legislature had to sign off on.

Cowdell said TIF agreements have been relatively few in Lynn.

"Going back to 1987, in the 26 years since, I could probably count five TIFs," Cowdell said, citing three examples as the Clock Tower Building on the Lynnway, the Eastern Bank offices on Market Street and Willow Labs on Union Street.

"I'm a big proponent of TIFs," Cowdell said. "With Kettle Cuisine I can tell you went and knocked on their door and met with the president of the company, and the TIF was definitely a tool we used."

Indeed, as the city looks to develop open waterfront land, and continue efforts to lure new companies and jobs to the downtown and other areas, tax breaks are a huge incentive. Meanwhile, Lynn still has strides to make in other important areas — particularly streamlined permitting — to spur sustained new economic development.

We don't have a spending problem.

You don't need a gun to protect yourself from rape. It's why we have call boxes, it's why we have safe zones, it's why we have the whistles.

We're going to go through our books page by page, line by line to eliminate waste and inefficiency.

Food stamps are a sure-fire way to stimulate the economy.

If you like your healthcare plan you can keep your healthcare plan. Period.

We will cut the deficit in half by the end of my first term in office.

Nothing we are proposing should increase our deficit by one single dime. Not one dime.



This is the most transparent administration in history.

ERICALLIE

THE REALITY BASED COMMUNITY

Keep Saturday postal delivery, please

REKHA BASU

for Saturday pizza and movie night.

Some of the people cheering the end of Saturday mail complain it brings too much junk. Yes, there are welcome solicitations, bills, violation and renewal notices. But at least on weekends you have more time to deal with them.

Without mail delivery, Saturdays would be flatter, duller and less productive. But if sentiment were the only reason to continue it, that wouldn't be much of an argument. There are practical reasons too.

In an era of globalization, amid efforts to boost international trade and an unprecedented outsourcing of jobs, scaling back any mail delivery would be counterproductive. Last I checked, some countries had mail deliveries twice a day. America even used to have Sunday mail delivery around Christmastime.

Cutting delivery back would drive customers to other avenues, forcing further cuts and losses to the U.S. Postal Service. It would open the door for private companies to grab more business and costs to spike.

Yes, the Postal Service reportedly lost nearly \$16 billion in the last fiscal year. But that doesn't mean there is no longer a need for its services. The Nation magazine calls the budget problem "a manufactured crisis," thanks to a 2006 law introduced at the behest of the George W. Bush administration that requires the Postal Service to fund retiree health benefits 75 years in advance, at a cost of \$5.5 billion per year.

Since that year, the Postal Service says it has cut its 193,000 jobs, con-

solidated more than 200 mail-processing centers and reduced hours at 13,000 post offices. Postmaster General Patrick R. Donahue has asked Congress to give the Postal Service permission to run its own health plan for employees and retirees and modify the prefunding mandate. Congress should grant that. But Donahue's claim that the Postal Service has the authority to end Saturday delivery without congressional approval is disputed by members of Congress from both parties, and should be fought.

Labor leaders say ending Saturday delivery would be felt most in rural areas and inner cities, where post offices are already targeted for closing, and would increase mail carriers' workloads the rest of the week. The Postal Service could instead save money, writes New York University professor Steve Hutkins, by reducing its \$12 billion worth of outsourcing to private companies and doing some of the work handled by call centers, mail transportation services, retail contract stations and maintenance in house. Others argue postal services should be centralized in retail establishments such as grocery stores to save on running post offices.

Many approaches should be considered, but with the end goal of maintaining the Postal Service's viability and not making it superfluous. Like water or electricity, mail delivery is an essential public service that nothing can replace.

Rekha Basu's column is distributed by Scripps Howard News Service. Email her at rbasu@dmreg.com.

LETTERS

Saugus library thief couldn't have spent all

To The Item Editor:
I am the person responsible for the GE Foundation being (victimized) by the unbelievable theft (of more than \$800,000) at the Saugus Public Library.

In 1997 I read about the GE Gift Foundation program, where charitable donations made by their employees, retirees or spouses would be matched dollar for dollar, up to \$50,000 each year. What a great incentive to give to charity!

After submitting the GE forms, the Saugus Public Library did qualify for a three-year period only, which coincided with the library's capital building campaign.

In 2002, I read that we could re-apply and were once again accepted, and this was ongoing into 2011, when the theft disaster was discovered.

In July 2011, our new library director, after being on the job only a few weeks, noticed that things didn't add up and she went to the town accountant with her suspicions. Soon after, we all read about this library employee, Linda Duffy, being indicted for theft and deceit that had been ongoing for many years. Over those years, GE Foundation mailed checks for over \$450,000 to the Friends of the Library, which ended up in Duffy's bank accounts.

Even after a person had died (2008), Duffy reported to the GE Foundation that the library had received a \$50,000 donation from

that family (which was a false claim) and unknowingly, GE Foundation sent a \$50,000 match, more for Duffy's accounts.

Duffy reported to the GE Foundation that her own family member had donated \$50,000 for each of the past few years, also fraudulent claims, and all of those (matching funds) went into Duffy's bank accounts. For many years the library received \$145,000 from an estate trust charitable account, all of this ended in Duffy's account.

Duffy had so much money she got her daughter involved when she deposited \$30,000 plus into the daughter's bank account.

Logic and common sense tells us that Duffy could not have spent all of that \$800,000 plus, and her family has to know where it is, but she is passing that burden and shame onto them rather than telling the court where it is and returning it to its rightful owners.

I am one of many deeply heart-wounded patrons of Saugus Public Library.

Dorothy Amaden Saugus

Christians persecuted in Islamic countries

To The Item Editor:
I enjoyed reading Amber Pancher's well-written and interesting article: "Communication Breakdown." But Ms. Pancher didn't give the religion of the Iraqis in the story. They mentioned being terrorized because they worked for the U.S. That could be the whole case, but if they are Christian

that may have been a factor in their persecution.

I bring this up because one area of interest I have as a Catholic deacon is the status and treatment of Christians in the Islamic world. Persecution of Christians in Islamic countries is widespread and vicious, but is mostly ignored in the American mass media — and if mentioned gets a tiny story that is usually run only once.

Most Americans don't realize that huge percentages of immigrants fleeing the Middle East to here are NOT Muslims but persecuted Christians. In Iraq, Chaldean (Eastern Catholic) priests, deacons, sisters and lay people have been regularly gunned down even inside their parish churches. There used to be almost a million Christians in Iraq (and they are the native Iraqis). That number is now down to about 400,000 according to some estimates.

In Syria and Egypt native Christians who used to be present in large numbers are being terrorized under cover of the turmoil in those countries. And for the most part the media ignores the issue.

Today's (Wednesday, Feb. 20, 2013) Get Religion website analyzing media and religion coverage ran a long story on how an American Protestant pastor is incarcerated in Iran because of his Christian faith but getting almost no mainstream media coverage. Compare this with how much coverage any violence toward American media personnel gets.

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