

International company plans move, expansion in Beverly

By Arianna MacNeill Staff Writer | Posted: Sunday, November 29, 2015 9:35 pm

BEVERLY — A Germany-based company plans to drop about \$20 million on an expansion into Beverly and bring 54 new jobs with it.

Krohne Inc., which creates measurement tools for water, temperature and other industrial uses, intends to buy 55 Cherry Hill Drive, currently home to an empty office building, and make Beverly its headquarters in North America.

The company currently has a space in Peabody, but could not expand the way it wanted on that site.

To help Krohne with its move, City Council approved a request to the state for tax increment financing, which would lower the company's property taxes for its first 10 years in Beverly.

"Krohne is a nearly 100-year-old German-owned family company," Mayor Michael Cahill told City Council during its Nov. 16 meeting prior to the vote. "They have great staying power."

Brian Elliot, Krohne's president and chief executive officer, told the Council that Krohne's measurement tools are used by the food and beverage industries, such as Coca-Cola, and other large international companies, such as Bayer, Siemens and many others.

"The market for us is North America," Elliott said, adding that most of the products made in New England are shipped elsewhere, such as California, Central America and Canada. "This location would support all of those."

The Cherry Hill Road property measures nine acres and the current office building, which Krohne intends to renovate, includes 55,000 square feet, according to a letter to the Council from Cahill.

Krohne plans to build an additional 40,000-square-foot expansion, increasing total space to 95,000 square feet.

Jobs brought to Beverly would include the 45 employees Krohne currently has at its Peabody facility, plus 54 more. These new positions are described as full-time, ranging from manufacturing to administrative and sales, with salaries ranging from \$40,000 to \$130,000 annually, according to the TIF proposal.

Through the proposed 10-year TIF, Krohne would save 10 percent off its property tax bills from fiscal years 2017-2019, 7.5 percent off from fiscal years 2020 through 2022, and 5 percent less for fiscal years 2023 and 2024.

The property carries a \$3.77 million base assessment. Without property improvements, this represents \$1.209 million in property taxes through fiscal 2026. However, this becomes \$2.670 million with the improvements, a \$1.461 million increase, according to the TIF document.

Krohne is set to begin work in March 2016 and move into its new facility by April 2017, the document says.

Several councilors spoke favorably of Krohne's proposed move.

"I think it's a huge opportunity for us to attract a global company," Matthew St. Hilaire, at-Large councilor, said.

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