

International manufacturing company expands US headquarters in Beverly

- By Ethan Forman, Staff Writer, Salem News
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HADLEY GREEN/Staff photo. Robert Senk, Krohne's vice president of operations, speaks about the company's products.

BEVERLY — Krohne Inc. has cut the ribbon on its new, terra-cotta clad U.S. headquarters at 55 Cherry Hill Drive, a move that could see the company double its workforce in the coming years.

Krohne is part of an independent, German family-owned company that makes instruments used in process industries around the world.

The company relocated its "flow and level instrument manufacturing and calibration facility" and related offices to Beverly from a smaller facility in Peabody's Centennial Park.

By moving to a new facility in Beverly, Krohne has tripled its floor space while keeping its workforce local.

The parent German company employs about 3,700 people worldwide, including 64 in Beverly.

Krohne makes equipment that can measure the volume of water or the mass of oil and gas flowing through pipes. Its customers range from large corporations such as Coca-Cola to small businesses, such as family dairy farms which use their equipment to measure the flow of milk.

In Beverly, Krohne has made a \$25 million facility investment to serve markets in the United States, Canada and Mexico. The new building was constructed on the former vacant location of infomercial producer ITV Direct. The old ITV building was torn down to make way for the new facility.

The new building appears to be two buildings in one. A two-story, 20,000-square-foot administrative office facility is connected to a 65,000-square-foot manufacturing facility by a second-story overhead bridge.

Krohne's growth has not gone unnoticed.

At a recent North Shore Chamber of Commerce breakfast, Jay Ash, the state's secretary of housing and economic development, said Krohne was among a number of innovative Bay State companies that value their local talent so much they have decided to grow here. Ash said he attended the company's Sept. 27 ribbon cutting.

"Krohne is an international company. It could be anywhere," Ash said. He called Krohne "another example of a company from all around the world ... that believes that Massachusetts is the place to be."

Creating jobs

In 2015, Krohne's expansion was approved under the state's Economic Development Incentive Program for a \$320,000 state investment tax credit, according to the program's fiscal 2016 annual

report. The company expansion was meant to retain 45 employees and add 54 more, with the tax credit tied to job creation.

Vice President of Operations Robert Senk said he estimates eventually 110 to 120 people could be working in Beverly. A lot of this job growth will come on the manufacturing side of the business, both in positions to support manufacturing and those needed to build the equipment.

To unlock the state tax credits, Beverly approved a 10-year tax increment financing plan which Mayor Michael Cahill said would mean a "modest forbearance" of property taxes for the city.

Under the TIF, a certain percentage of the newly created property value is exempt from taxes for 10 years: 10 percent for the first three years, 7.5 percent for the second three years, and 5 percent for the remaining years. The tax break is on new development.

City records show the 9-acre parcel was acquired for \$6.75 million in 2016 by 55 Cherry Hill Drive LLC. It's presently assessed at \$1.6 million.

"They are an outstanding company," said Cahill. "By coming to Beverly, they were able to stay in the region." And that was good news for its employees, many of whom are local, he said.

Among them is Manny Tejada of Gloucester, who has worked for Krohne for six months. The welder was one of four people brought in to build a new product for the Beverly facility that can be mounted in a pipeline to measure the flow of water.

"It's a great company to work for," said Tejada, who said he was flown to the Netherlands for training for one month. Senk said it's just one example of how the company invests in its workforce.

Cahill said Krohne has become a strong corporate partner in the city even before it opened its new headquarters. It has sponsored the city's summer learning program for three years.

Krohne has also been recognized by MassEcon, the state's private sector promoter of business growth.

The company was just named a Team Massachusetts Economic Impact Award winner, a distinction based on job growth, facility expansion, investment and community involvement.

More on Krohne

Senk said the German company, which dates back to 1921, makes products used in the chemical, water and wastewater, food processing and oil and gas industries, among others. The company has plants in Germany, the Netherlands, France, England, China, Brazil and Beverly.

The company established itself in the United States in 1979, and had been in Peabody since 1981.

Senk said when the lease in the former facility came up, the company decided it wanted to grow in North America, but to do so would require a significant investment in its facility, people and products. The process of looking for a new digs started in 2016. The company looked at Houston, Louisiana, the southeast, and other locations north of Boston up to the New Hampshire border.

"We ultimately concluded that it was in Krohne's best interest, and in our customer's best interest, and most importantly, in our employees best interest, to stay," Senk said.

The family that owns the company is also a family of artists and architects, and the owners had specific ideas as to what they wanted. The building was designed by a member of the ownership family, Nils Dubbick. The general contractor was also a local, family-owned company, Connolly Brothers of Beverly.

"We chose this location because it was close to our employees, that was very important to us," Senk said.

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