

Richard J. Kos
Mayor

PRESS RELEASE

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CITY APPROVES MERCEDES BENZ INCENTIVES

CHICOPEE –Mayor Richard J. Kos announced the City Council has approved a tax incentive for the announced Mercedes Benz dealership to be located in Chicopee.

The Mercedes Benz dealership will be located at the site of the former Plantation Inn at 295 Burnett Road in the city. The dealership will be 35,000 square feet in size and is expected to employ a minimum of 35 permanent, full-time jobs.

Springfield Automotive Partners, LLC will be investing \$9.6 million in property acquisition, demolition, and construction. They will also be investing \$1.5 million on machinery and equipment, and \$700,000 in other costs for a total investment of \$11.8 million.

The City Council approved the certified project application at their March 3, 2016 meeting. The application now will be sent to the Massachusetts Economic Assistance Coordinating Council (EACC) for final approval.

“This will be a significant project to the region and to the city of Chicopee,” said Michael L. Vedovelli, Director of Community and Economic Development for the City. “Having an out of state business expand and invest in our community points to the fact that Chicopee has a geographic advantage as the Crossroads of New England as well as a friendly business climate.”

The approved tax incentive plan calls for Springfield Automotive Partners, LLC to receive a tax break of 50% on the increased value for fiscal years 2018, 2019, and 2020. They will receive a break on 25% of the increased value in fiscal years 2021 and 2022.

During the period of demolition and construction on the property, Springfield Automotive Partners, LLC has agreed to continue payment of taxes on the property at the current assessed value.



The tax incentive agreement was unanimously approved by the Economic Development Incentive Program Project Review Committee. The approval of the City Council completes the deal.

“This is a substantial commitment by Peter and his group that will have the potential to transform this site and have a prestigious presence for years to come,” said Mayor Kos. “Through this agreement we are able to maintain the current level of tax revenue being generated, in addition to improving a major gateway to our City.”

“This is an exciting project,” said City Council President John Vieau. “We replace an abandoned motel with an upscale car dealership while improving the area surrounding exit 6, it’s a home-run.”

The project is expected to be completed by December 31, 2016 with an anticipated opening of April 2017.

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