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Public-private team helps save 230 local jobs at Signature Breads

CHELSEA – Gov. Deval Patrick today joined with state, local and lending officials to celebrate a partnership that saved 230 local jobs from being eliminated at a bread baking factory with deep roots in this city.

“When we talk about keeping jobs in Massachusetts, the story of Signature Breads should serve as a model of how it can be done,” said Gov. Patrick, after touring the Justin Drive factory. “I know it took no small amount of vision and effort from all of you here today to create this success story for the families who rely on these jobs for their piece of the American Dream.”

The Signature Breads story could have been another story about well paying urban manufacturing jobs leaving a Northeastern city for parts unknown instead of a model for economic development and skilled job retention.

Signature Breads, Inc. had been par-baking bread for the food service industry, mostly for Sysco and US Food Service, the two biggest distributors in the country, for 20 years. Those companies in turn distribute to retailers, including restaurants that serve freshly baked bread. The business had been owned by Pillsbury and later by General Mills, Inc. When Signature was about to be sold by General Mills, nearly every potential suitor had plans to dismantle the Chelsea plant and shift operations out of state.

But Tony Rodriguez, plant manager for the last four years and a spokesman for the company, was part of a group of local people who wanted to save the plant and its 230 jobs.

Ultimately, a finance team, including the Massachusetts Community Development Finance Corporation (CDFC) and the Massachusetts Economic Stabilization Trust (The Trust) put together a financing package worth just more than \$16 million, which allowed the operation to continue in Chelsea. CDFC and The Trust together extended a \$1 million term loan. Other partners included Salem Five, \$8.9 million; The US Small Business Administration through its lending partner Bay Colony Development Corp., \$4 million; Digital Federal Credit Union, \$1 million; and The Business Development Company, \$1 million

“It was a great business opportunity and the jobs would have been impossible to replace if the plant had closed,” Rodriguez said. “In Chelsea we have a great workforce dedicated to what we’re doing.”

“I’m happy that CDFC could be a part of this wonderful effort to help more than 200 families secure their futures,” said state Sen. Jarrett Barrios, D-Cambridge, whose district contains the plant. “This project is a great example of how Massachusetts can work with the private sector to protect and stabilize our workforce.”

“Losing this plant would have had ripple effects beyond the City of Chelsea,” said Andres Lopez, President of CDFC. “In addition to the loss of income for the workers, this company purchases much of what it needs to operate in Massachusetts.”

“The purchase of Signature Breads by management, keeping the company in Massachusetts, was an exciting outcome for the state, the City of Chelsea and the workers and their families,” said Chris Perkins, President of The Trust. “These jobs would have been difficult to replace.”

Originally known as Rudi’s Bakery, Signature Breads' Chelsea plant was acquired by Pillsbury in the mid-1990s, then by General Mills when it purchased Pillsbury in 2001.

CDFC is a quasi-public corporation created by the Legislature in 1975 to help small businesses access capital that might not be available from traditional lenders. It is one of the nation’s first state-wide community development finance institutions. CDFC provides small businesses with lines of credit, term loans and surety bond financing support. To date, CDFC has invested more than \$70 million in the Massachusetts economy.

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