



Commonwealth of Massachusetts

Executive Office of Economic Development

In coordination with

Massachusetts Office of Business Development

Massachusetts Clean Energy Center

Massachusetts Life Sciences Center

Request for Proposals (RFP)

Business Incentive Programs

Business Builds Capital Grant Program

Program Guidelines

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A. Introduction

The Commonwealth's goal is to ensure that businesses choose not only to locate in Massachusetts, but to grow, expand, and build their future here.

The Massachusetts Office of Business Development ("MOBD"), the Massachusetts Life Sciences Center ("MLSC"), and the Massachusetts Clean Energy Center ("MassCEC") are coordinating the release of three capital grant programs: MLSC's Business Builds: Life Sciences Capital Program, and Clean Energy Center's Business Builds: Climatetech Capital Program and MOBD's Business Builds Capital Grant Program (the last with focus on key sectors such as Defense, Robotics, Manufacturing, AI, Tech and Childcare).

By aligning incentive programs across Team Massachusetts, the Commonwealth is delivering a seamless, strategic investment process that supports companies in our key sectors, accelerates business expansion, and reinforces our commitment to helping businesses start, grow, and thrive here. This coordinated approach ensures that every investment advances the Commonwealth's long-term economic priorities while strengthening Massachusetts' position as the premier destination for innovation, talent, and industry leadership.

Strong applicants will be engaged in headcount and/or physical expansions that leverage private investments to create jobs and generate new economic activity across the Commonwealth.

B. Program Overview

The Business Builds Capital Grant Program (Business Builds) is a competitive funding initiative created by the Mass Leads Act to support business expansion and private

investment in the Commonwealth of Massachusetts. Administered by the Massachusetts Office of Business Development (MOBD) under the Executive Office of Economic Development (EOED), the program provides capital reimbursement grants to businesses that are expanding operations, relocating to, or creating jobs in Massachusetts.

The program is designed to:

- Support capital investments in facilities and equipment, particularly climate-friendly investments
- Attract and retain businesses in the Commonwealth and spur job creation in Gateway Cities, rural towns, and underutilized spaces.
- Complement existing programs such as Economic Development Incentive Program (EDIP).

Business Builds is part of The Business Front Door, a single portal that provides the most relevant resources available for each individual business and connects each business with a single point of contact to help address their business needs. To access the Business Builds application, businesses must register at Business Front Door | Mass.gov and select “Start a request. On the main business dashboard”

After registering for the Business Front Door and being presented with Business Builds as a potential resource, the business may seek a Business Builds grant by submitting a project application through the Business Front Door. Each business may submit only one project application at a time. A business is eligible to apply if the project consists of capital investments in a facility that enables the business to relocate from one location to another in Massachusetts, relocate from out of state to Massachusetts, expand an existing facility, or establish a new facility in a Massachusetts. Projects that mitigate climate impacts of the business or facility and contain a job-creation component will be prioritized. Once a timely and complete application is received, MOBD will review and evaluate the project for eligibility and may make an award determination. MOBD reserves the right to ask additional clarifying questions related to the application.

C. Program Details

Overview	Description
Eligible Applicants	Businesses seeking to expand or improve their operations within the Commonwealth.
Priority Sector	The following sectors will be prioritized in this process:

	Defense, Advanced Manufacturing, Technology, Robotics, Childcare and Artificial Intelligence (AI).
Typical Grant Range	\$500,000 - \$2,000,000
Match Requirement	Requirement: 50/50 match (business must match grant funds dollar-for-dollar). Matches cannot be other state grants or in-kind contributions.
Grant use	Eligible Expenses (Capital Only): • Construction, buildout, and fit-out. • Equipment aligned with the project's sustainability goals. • Site preparation and infrastructure such as water, sewer, power, HVAC, or clean energy installations. Ineligible Expenses: • Operating expenses • Working capital • Non-capital administrative costs Further details below.
Contract Payment Terms	Cost reimbursement contracts. Funds are disbursed on a cost reimbursement basis, on 45-day cycles. Only approved expenses, based on a scope of work contained in a fully executed contract with MOBD, will be reimbursed. Applicant must accurately project spending of the grant. The grant request may span fiscal years, but funding will not roll over from fiscal year to fiscal year. The funding must be spent within the projected fiscal year.
Performance Period	Current fiscal year.

	Once awarded, a Business Builds grant may run until June 30, 2027. MOBD may also make multi-year awards, depending on the project. Projects that are shovel-ready will be prioritized.
Limitations	Applicants with a project that have applied for and received the ClimateTech Tax Incentive for Capital or the capital programs for the Mass Life Sciences Center cannot apply to Business Builds for the same project. An additional project will be considered if it has not been supported by the programs noted above.

Eligible & Ineligible Capital Expenses:

All eligible costs must be capital expenses, including the purchase, construction, or permanent installation of equipment or infrastructure. Operating expenses ("OpEx"), including salaries or wages of grantee staff, are not eligible for funding.

Costs must be incurred after the execution of a Grant Agreement and will be reimbursed by MOBD.

Budget Category	Description	Reimbursable
Capital Expenses		
Infrastructure & Equipment	Equipment, digital infrastructure, permanent installations.	☒ Eligible
Capital Labor	Staff salaries/wages for capitalizable work (routine site maintenance, installation, etc.)	☒ Not eligible
Capital Labor Fringe	Benefits related to capital labor.	☒ Not eligible
Capital Subcontractors/Consultants	Third-party installation, engineering, and construction services needed to install equipment, including subcontractor indirect costs included in the hourly rates for actual project hours worked.	☒ Eligible

Other Capital Materials and Costs	Permanent building and installation materials (e.g., structural steel, concrete, conduit, wiring, permanent piping), and capitalized software. ⁶	☒ Eligible
Capital Overhead/Indirect Costs	Allocated indirect costs on capital expenditures.	☒ Not eligible
Operating Expenses		
Direct Labor	Salaries and wages of staff engaged in non-capitalizable tasks, such as project management, administrative work, grant reporting, etc.	☒ Not eligible
Direct Labor Fringe	Benefits related to direct labor costs.	☒ Not eligible
Subcontractors/Consultants	Subcontractors or consultants performing non-capitalizable tasks, such as project execution, evaluation, outreach, etc.	☒ Not eligible
Direct Materials	Office supplies, or software not directly tied to asset creation.	☒ Not eligible
Other Direct Costs	Expenses necessary for project execution that do not fit the above categories (travel costs, conferences, etc.).	☒ Not eligible
General & Administrative Expense/Overhead	Organization-wide costs not directly attributable to the project, such as executive leadership, rent, utilities, etc.	☒ Not eligible

D. Application Process

Applications will be accepted on a rolling basis via Business Front Door, with reviews and awards made bi-annually.

Link to Application: [Business Front Door | Mass.gov](#)

The project application is broken down into four sections:

Section 1: Applicant Information

This section requests basic information about the business undertaking a proposed project, including the business contact information.

Section 2: Project Information

This section requests information about the proposed project, including scope of work, outcomes, public benefits, and how the incentive factors into the project.

Section 3: Employment

This section requests details of the jobs to be created.

Section 4: Grant Request

This section requests information about the request, use of funds, matching funds, and projections of spending.

Section 5 & 6: Supplemental Information

The final sections includes affirmations, authorizations, disclosures, and signature of the application.

E. Eligibility and Evaluation

Once a business has submitted a complete application, MOBD will carefully review each project application's eligibility to confirm that the following conditions have been met:

- 1) The project is located in Massachusetts
- 2) The project consists of capital investments in a facility that enables the business to relocate from one location to another in Massachusetts, relocate from out of state to Massachusetts, expands an existing facility, or to establish a new facility.
- 3) The project appears to be economically feasible for the business (i.e. the business has the funds to match the grant award dollar-for-dollar).

MOBD will evaluate each eligible project application according to the following criteria. No one criteria is deterministic nor disqualifying on its own.

Scoring Criteria	Description
Priority Sector	Evaluates alignment with MOBD's strategic industry sectors, including Defense, Advanced Manufacturing, Technology, Robotics, Childcare, and Artificial Intelligence (AI). Higher scores are awarded to companies operating in sectors with significant economic growth potential and strategic importance to the Commonwealth.
Expansion Location	Assesses the economic impact of the proposed location based on factors such as whether the project is located outside of Route 128, and whether it is situated within a Gateway City or rural community. Projects in areas targeted for economic development receive higher scores.
Job Growth Potential	Measures the company's projected employment impact, including anticipated job growth over five years and the quality of jobs created. Preference is given to projects estimating at least 50% employment growth and offering wages above the statewide average individual income.
Investment in Massachusetts	Evaluates the scale and significance of the company's commitment to Massachusetts through capital investment, business expansion activities, and long-term presence. Priority considerations include investments exceeding \$10 million; expansion of manufacturing, headquarters, R&D, or other functions; establishment of a new location; and introduction of a new business function to the state.
Public Good	Assesses the broader benefits the project provides to Massachusetts beyond direct business outcomes. Factors include investments that support community development, workforce advancement, regional economic significance, infrastructure improvements, environmental benefits, or other public-facing impacts that contribute to the Commonwealth's long-term prosperity.

The scoring criteria informs both the award amount and the overall priority of an application. Awards may range from \$500,000 to \$2,000,000. Due to the competitive nature of the grant programs, applicants may request an amount of funding, but this process does not guarantee that as an award; the actual amount may be lower based on score, eligible costs, required match, project scope, and available program funds.

Public Benefit

All applicants must describe the public benefit of the project. These benefits should illustrate how this project and funding will support the broader economy or community of Massachusetts, beyond the benefits to the applicant. Examples of public benefits include:

1. Job Opportunities for Local Communities

Describe how the project will create new, high-quality employment opportunities for residents of Massachusetts, particularly in Gateway Cities, rural towns, or areas with high unemployment. Include any plans to hire from disadvantaged populations or invest in workforce training.

2. Environmental/Climate Health and Wellbeing

Explain how the project or company will reduce pollution, energy use, or greenhouse gas emissions. Describe any planned investments in clean energy, energy efficiency, green infrastructure, or other measures that will improve environmental conditions and public health.

3. Economic Stability and Growth

Detail how the project will contribute to the economic development of the region. This may include revitalizing vacant or underutilized properties, supporting local supply chains, or strengthening nearby commercial districts.

4. Better Public Infrastructure

Identify any anticipated improvements to local infrastructure associated with the project, such as utilities, transportation access, or public amenities. Explain how these improvements will benefit the surrounding community beyond the improved facility.

5. Competitive and Attractive Job Market

Describe how the project will improve job quality and market competitiveness, including offering good wages, career advancement opportunities, or skills development. Include any partnerships with schools, training institutions, or workforce development programs.

6. Long-term Sustainability

Discuss the long-term environmental impact of the project, including how it aligns with Massachusetts' climate and energy goals. Outline any sustainability standards (e.g., LEED certification), low carbon building materials, or operational practices that will ensure long-term environmental performance.

7. Stronger State Economy

Explain how the business' expansion will increase tax revenues, attract additional investment to the state, or enhance Massachusetts' reputation as a destination for innovation, sustainability, or advanced industry. Emphasize the broader economic impact of the project.

Additional or different benefits will also be considered.

F. Award Recommendation and Contracting

Following the application deadline, timely and complete applications will be reviewed for eligibility and evaluated using the common scoring calculator. A calculator score supports, but does not compel, an award recommendation. All applicants will be notified in writing of the decision on their application.

Applicants that are approved for funding will receive a commitment letter outlining the grant amount and any conditions of the award. Grantees will need to verify the project's readiness and address any related conditions at the time of award.

All awards are subject to availability of funds and are contingent upon full execution of a contract between the Commonwealth and the Grantee.

Applicants that are not selected to receive funding during the round will have the opportunity to request feedback on their application.

G. Post-Award Information

Successful applicants, upon notification of award, will be required to enter into a grant contract agreement with MOBD prior to the disbursement of any grant funds. All scope of work items, timelines, and project outcomes will be detailed and incorporated into the contract. Grantees are not authorized to expend any grant funds until a contract is fully executed. All grant funds must be expended in accordance with the drawdown schedule outlined in the contract.

Each grantee will also be required to enroll in Electronic Funds Transfer (EFT) as a contract requirement. Enrollment is done by completing and submitting the Authorization for Electronic Funds Payment Form for filing with the Office of the Comptroller. Because the Authorization for Electronic Funds Payment Form contains banking information, this form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request.

H. Compliance

At the end of each fiscal year (June 30), each grantee is required to report information on the project, including number of permanent full-time employees, capital investments, climate and carbon impact, and other relevant information necessary to determine project progress. MOBD will review annual reports to determine whether the business has substantially achieved its obligations set forth in the Contract.

MOBD will close out a grant award upon receipt of an annual report evidencing the certified project has met its obligations and all building projects are complete. Upon project close out, any grant funds awarded but not utilized will no longer be available to the company.

Government grants are generally considered taxable income under federal and Massachusetts tax laws. Please consult your tax professional for reporting Business Builds Capital Grants as taxable income when filing tax returns.