



Office of Performance Management Oversight (OPMO)

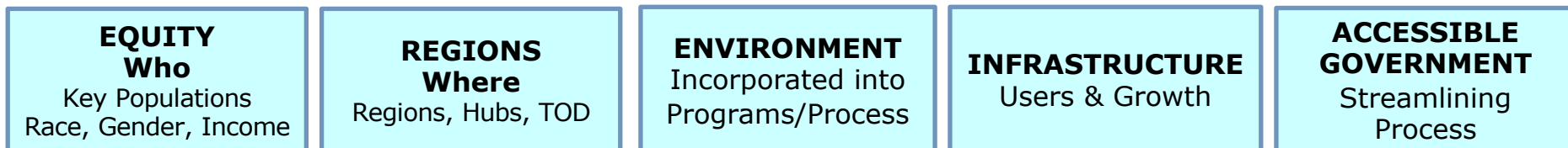
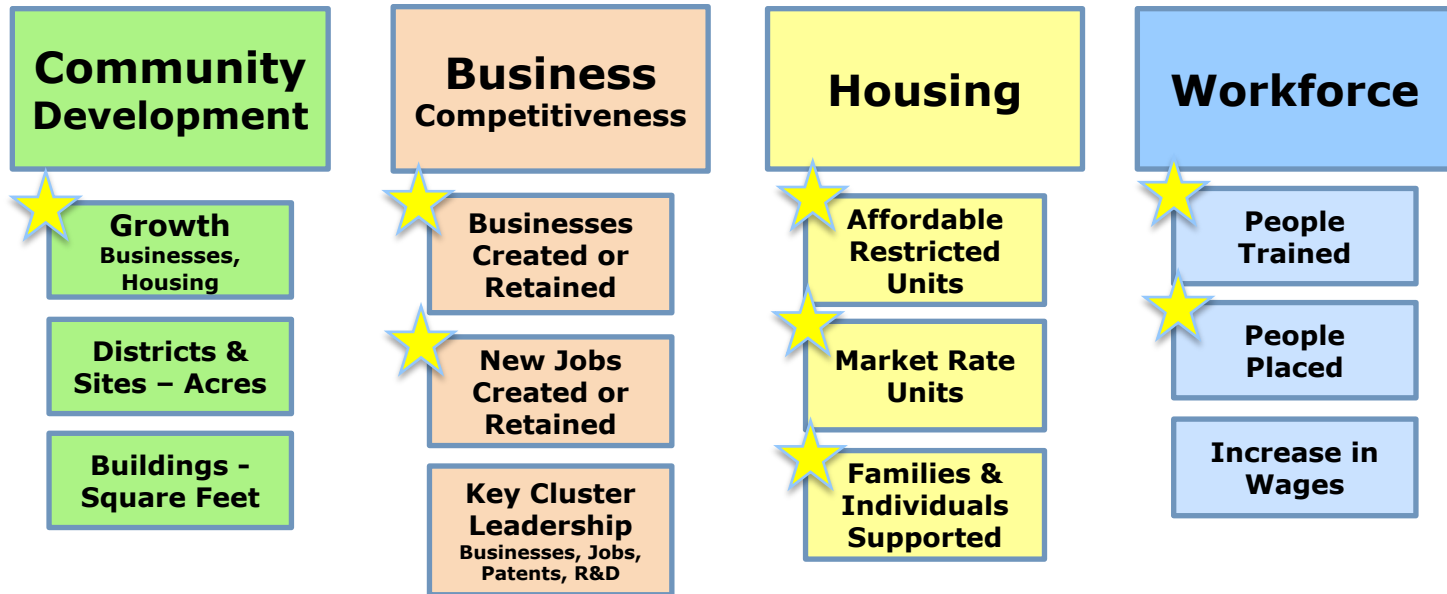
Massachusetts Development Finance Agency
FY2021 Report



Economic Development Plan

Key Outcome Metrics

Economic Development Plan Pillars & Principals



Investment Leveraged from Other Sources - \$

Engagement & Technical Assistance – Contact with Individuals & Companies



Agency Mission

- **Mission:** MassDevelopment's mission is to stimulate economic development and industrial growth, increase employment, build communities, promote prosperity and general welfare, and eradicate blight across the Commonwealth.
- **Contribution to Partnerships for Growth:**
- Respond to the Housing Crisis: Preserve and produce more housing for families at all income levels, including market-rate housing in gateway cities.
- Support Business Competitiveness: Enable robust economic growth across communities, businesses and sectors. Foster an environment that encourages growth. Build on the strength of Massachusetts' innovation ecosystem. Capitalize on the strengths of small business, and support established and emerging clusters.
- Develop Vibrant Communities: Make targeted, impactful investments in communities and regions that add to their housing options and economic opportunities; remediate troubled sites; build vibrancy; and increase the capacity of regional and local partners to employ effective redevelopment and equitable growth.



Agency Goals

- **Agency Goal 1:** Strengthen Massachusetts' economic competitiveness and support the innovation economy by providing access to capital through bond financing and lending programs.
- **Agency Target for Goal 1:** Provide access to \$1,356,163,790 in total financing in order to support 73 total businesses, including 35 from bond financing and 37 through lending programs.
- **Results of Goal 1:** Provided access to \$1,832,977,009 in total financing support of 102 total businesses, including 57 from bond financing and 45 through lending programs.
- **Agency Goal 2:** Support job creation across established and emerging clusters. Capitalize on the strengths of small businesses and enable community growth through low-cost bond financing, further development at Devens, and direct loans to support projects that generate public benefits.
- **Agency Target for Goal 2:** Create 5,520 total jobs through a combination of lending, bond financing, and Devens development.
- **Results of Goal 2:** Created 6,578 total jobs (including 1,886 New + 4,692 Construction) through a combination of lending, bond financing, and Real Estate programs.



Agency Goals

- **Agency Goal 3:** Preserve and produce more housing for families at all income levels, including market-rate housing in gateway cities. Create homeownership opportunities for populations that face structural barriers.
- **Agency Target for Goal 3:** Create or retain a total of 1,972 units of housing through a combination of new permanent and rehabilitation projects.
- **Results of Goal 3:** Created or retained a total of 1,909 units of housing through financing a combination of new permanent and rehabilitation projects (Formula: New Affordable = 566, New Market Rate = 617, Rehab Affordable = 590, Rehab Market Rate = 11, Student Beds: Divide by 3 and add to new housing $(375/3) = 125$)
- **Agency Goal 4:** Utilize cross-sector partnerships to accelerate economic growth within focused districts by engaging community members in actionable planning, implementing local economic development initiatives, and catalyzing follow-on public and private investment.
- **Agency Target for Goal 4:** Identify 1-3 properties in each district to consider for investment, pending modified solicitation process; achieve FY21 aims in 7 active TDI Districts and 3 municipalities receiving regional support; support the retention or addition of at 5-10 businesses per TDI district.
- **Results of Goal 4:** Agency has achieved the majority of FY21 objectives in active TDI districts and regions, but has extended programs for one fiscal year due to pandemic-related disruptions. See TDI Equity and TDI Fellows slides for detail.



Agency Goals

- **Agency Goal 5:** Develop vibrant communities by identifying and preparing sites for development, remediating troubled sites, increasing regional economic development knowledge and impact, and investing in regional real estate assets.
- **Agency Target for Goal 5:** Complete 40 total projects to support at least 300,000 square feet of potential development and at least 250 acres of potentially developable land, including 15 Brownfields community development closings, 10 Site Readiness awards, and 15 new real estate services engagements.
- **Results of Goal 5:** Completed 53 total projects to support over 1.3m square feet of potential development and over 940 acres of potentially developable land, including 18 Brownfields Community Development closings, 10 Site Readiness awards, 25 new Real Estate Services engagements; 8 FY21 Real Estate Services TA projects (Ashburnham, Falmouth, Foxborough, Medfield, North Adams, North Andover, Reading, Somerset), 2 FY21 Real Estate Services consulting projects (Shrewsbury, North Andover), 3 ULI TAPs (Amesbury, Millis, North Brookfield), 12 Initial community consultations (Fairhaven, Fall River, Hadley, Milton, Montague, Revere, Sandwich, Springfield, Stow, Upton, Uxbridge, Wrentham)



Brownfields Redevelopment Fund

- **Program Description:** MassDevelopment administers the Brownfields Redevelopment Fund, which helps to transform vacant, abandoned, or underutilized industrial or commercial properties. In most cases, redevelopment is complicated by real or perceived environmental contamination and liability.
- **Program Budget:** \$2,500,000
- **Partnerships for Growth Goal Alignment:** Housing, Business, Community
- **COVID – 19 Response:** N/A



Brownfields Redevelopment Fund

- **Fiscal Year Goal 1:** Provide access to capital for assessment and remediation of contaminated sites in Economically Distressed Areas leading to increased job creation.
- **Fiscal Year Target 1:** 5 sites assessed and/or remediated with the capacity to host up to 50 new jobs upon redevelopment. 10 acres reclaimed allowing for the rehabilitation or construction of 200,000 square feet of commercial or industrial space.
- **Results of Goal 1:** In FY2021 the Agency closed on 18 transactions from the Brownfields Redevelopment Fund totaling \$3,715,976 for assessment and remediation. In total the 18 projects will reclaim 60.12 acres, create 614 housing units, and have the potential to host up to 742 new jobs at full build-out in 1,376,216 square feet of newly constructed or rehabilitated site buildings. Eight of the 18 projects anticipate a commercial or industrial reuse that will reclaim 42.15 acres, create up to 654 jobs in 419,000 square feet of newly constructed or rehabilitated site buildings.
- **Fiscal Year Goal 2:** Provide access to capital for assessment and remediation of contaminated sites in Economically Distressed Areas leading to increased housing production.
- **Fiscal Year Target 2:** 10 sites assessed and/or remediated with the capacity to host up to 100 new housing units. Five acres reclaimed allowing for the rehabilitation or construction of 100,000 square feet of new housing developments.
- **Results of Goal 2:** [See FY21 results on previous slide] Ten of the 18 projects anticipate a housing or mixed-use redevelopment that will reclaim 17.97 acres, and create up to 614 housing units and 88 new jobs in 957,216 square feet of newly constructed or rehabilitated site buildings.



Site Readiness Program

- **Program Description:** The Site Readiness program aims to boost the Commonwealth inventory of large, well-located, project-ready sites, to accelerate private-sector investment in industrial and commercial projects, and to support conversion of abandoned sites and obsolete facilities into clean, actively-used, tax-generating properties.
- **Program Budget:** \$3 million (anticipated)
- **Partnerships for Growth Goal Alignment:** Business
- **COVID – 19 Response:** N/A



Site Readiness Program

- **Fiscal Year Goal 1:** Continue to advance the readiness of prior program grantees through staff consultations, peer mentorship and additional investment (where applicable) such that a first group of sites can be marketed and sold to end users.
- **Fiscal Year Target 1:** Help at least three sites from FY17-FY20 attain readiness and be listed for sale or otherwise be made available for disposition, totaling at least 150 acres. Facilitate the sale of at least one of these sites to an end user.
- **Results of Goal 1:** Strong sales/development activity in the industrial sector in FY21 included several Site Readiness Program sites: Sold: 48.5 acres at the Westminster Industrial Park to Jumbo Capital for use as a 600K square foot distribution/light industrial facility, Sold: ~40 acres at Centech Park North (Shrewsbury) to Northbridge Partners for use as a logistics facility, Approved: ~32 acres on Simplex Drive (Westminster) for a 320K square foot warehouse development, Offer Submitted: ~40 acres Fitchburg "Sandpit" site; well-known developer interested in a multi-building industrial park, On the Market: ~80 acre Turnpike Road Industrial Park in Westfield, Coming to Market: ~100 acre Whaling City Business Park (New Bedford); RFP to be issued shortly
- **Fiscal Year Goal 2:** Continue to grow the Site Readiness Program pipeline by identifying a group of promising sites for FY21 grants.
- **Fiscal Year Target 2:** By December 2020, prepare a recommendation for the FY21 round grants including at least ten grantees and 250 acres of land.
- **Results of Goal 2:** The FY21 Site Readiness Program recommendations included ten grantees on approximately 880 acres of land.



Transformative Development Fund - TDI Equity

- **Program Description:** MassDevelopment's Transformative Development Initiative (TDI) is a place-based development program for Gateway Cities designed to enhance local public-private engagement and community identity, to stimulate an improved quality of life for local residents, and to spur increased investment and economic activity. Along with new tools in the Commonwealth of Massachusetts' Transformative Development Fund, we use existing Agency finance products and real estate services to coordinate with private and public-sector landowners, enterprises, and investors. TDI Equity is a portion of the program used to make equity investments in properties with potential to spur transformative development in and around a TDI District.
- **Program Budget:** \$3 million (expected)
- **Partnerships for Growth Goal Alignment:** Housing, Business, Community
- **COVID – 19 Response:** N/A



Transformative Development Fund - TDI Equity

- **Fiscal Year Goal 1:** Catalyze follow-on investments in districts through the equity investment program (these are public or private investments assisted and/or impacted by TDI). Specific program goals are heavily dependent on whether changes in the program statute are completed in the Economic Development Bill.
- **Fiscal Year Target 1:** Identify 1-3 properties in each district to consider for investment, pending modified solicitation process. Maintain and advance project pipeline to facilitate additional investment and complete existing investments.
- **Results of Goal 1:** The new process for TDI Equity Investments works through a NOFA introduced in March 2021; the Agency started receiving applications at the end of FY21, so much of this progress will be seen in FY22 (delay was largely due to delay in bond bill which legally authorized the new program format). Agency has first round applications across 5 eligible communities, with another in progress for a 6th (so at least one application is in progress so far in all of the currently eligible districts). Agency will be soliciting additional applications throughout the year and are currently meeting on final applications to make decisions on the first round of applicants (one from Fitchburg, two from Worcester). Applications received to date exceed our current FY funding, so we are looking to build out a pipeline over the next few fiscal years based on timing for individual projects.



Transformative Development Fund - TDI Fellows

- **Program Description:** The TDI Fellows Program, a cornerstone of the Initiative, enhances a district's economic development capacity by providing additional expertise and leadership. The Fellows work full-time in their host municipalities as lead community organizers for two to three years, and serve as an extension of MassDevelopment's regional teams. Fellows have professional backgrounds in community and economic development, planning, law, architecture, and workforce and business development. Each Fellow's specific work plan is outlined in a memorandum of agreement between the TDI District and MassDevelopment.
- **Program Budget:** TBD
- **Partnerships for Growth Goal Alignment:** Business, Community
- **COVID – 19 Response:** TDI Fellows are expected to assist their Gateway City communities with further response and recovery during and after the pandemic.



Transformative Development Fund - TDI Fellows

- **Fiscal Year Goal 1:** Continue progress on fellow and district workplans and continue to strengthen TDI partnerships.
- **Fiscal Year Target 1:** Achieve FY21 aims in 7 active TDI Districts and 3 municipalities receiving regional support.
- **Results of Goal 1:** Despite COVID-19's disruptions, most actionable aims for the year were completed by Fellows, including critical strides in partnership-based sustainability work – most notably TA support for a district management organization in Fitchburg, and Viva Fall River hiring its first full-time employee. Due to inevitable disruptions in both place-based work and some longer term planning efforts (with many partners in emergency response mode for much of the year), Agency made the decision to extend all current Fellows' work through FY22. In FY21, Fellows spent a lot of time working specifically on business stability (see next goal) but still managed to plan and launch some very forward-looking activities by the end of FY21 and beginning of FY22, as things started to reopen, including the Chicopee Farmers Market and Center Park, Imagina Essex in Lawrence, and a major branding/website launch in Main South Worcester - all efforts led by the Fellows in those districts.



Transformative Development Fund - TDI Fellows

- **Fiscal Year Goal 2:** Strengthen TDI partnerships through business retention.
- **Fiscal Year Target 2:** Support the retention or addition of 5-10 businesses per TDI district.
- **Results of Goal 2:** TDI gave direct financial assistance, in the form of flexible grants, to at least 108 businesses across our active districts in FY21. Agency was also an active participant in the Equitable PPP initiative, helping district businesses access federal resources through that program, including several businesses with significant language and financial barriers that would not have applied without direct assistance from Fellows. In a year where local businesses communities were focused on surviving, Fellows were able to assist new businesses opening in their districts, and provide new models for revenue in the district for existing area businesses.



Collaborative Workspace Program

- **Program Description:** The Collaborative Workspace Program accelerates the pace of new business formation, job creation, and entrepreneurial activity in communities by supporting infrastructure that fuels community-based innovation. In FY21, eligible collaborative workspace applicants may apply for Fit-out Grants for building improvements and equipment purchases.
- **Program Budget:** \$1,000,000
- **Partnerships for Growth Goal Alignment:** Business, Community
- **COVID – 19 Response:** FY21 RFP encourages applicants to utilize grant funds for COVID-related health and safety upgrades. Past grantees have assisted in the production of PPE.



Collaborative Workspace Program

- **Fiscal Year Goal 1:** Fund capital improvements at existing cowork facilities leading to increased membership and participation in the innovation economy, and the activation of community-based spaces.
- **Fiscal Year Target 1:** 10 coworking spaces improved and supported serving 100 members and activating 10,000 square feet.
- **Results of Goal 1:** In FY2021 MassDevelopment approved 26 Fit-out Grants for coworking spaces totaling \$1,205,000, closing 24 of those grants with a funding commitment of \$1,080,000. Two grantees were unable to move forward and \$125,000 originally reserved for those projects was made available for use in the FY2022 round. The 24 grantees supported reported the activation of an additional 113,689 square feet of coworking space (351,377 square feet before the grant to 465,066 after the grant), and a 6,540 increase in members/users (12,463 members/users before the grant to 19,003 after the grant).



Real Estate Services Technical Assistance Program

- **Program Description:** During FY21, MassDevelopment’s Real Estate Planning Department worked with municipal officials, planners, local stakeholders, and others to provide technical assistance aimed at addressing site-specific and/or district-wide economic development challenges through creative solutions and clear, implementable action steps. Through our in-house expertise and contracts with “house doctor” consultants, our team helped municipalities and other public entities address their priority planning and development projects quickly and efficiently.
- **Program Budget:** \$330,000
- **Partnerships for Growth Goal Alignment:** Community Development
- **COVID – 19 Response:** N/A



Real Estate Services Technical Assistance Program

- **Fiscal Year Goal 1:** Continue to grow the Technical Assistance pipeline by identifying a group of promising projects for FY21 grants.
- **Fiscal Year Target 1:** By December 2020, prepare a recommendation for the FY21 round grants.
- **Results of Goal 1:** The FY21 Technical Assistance Program recommendations included eight grantees, in all regions of the state: Ashburnham, Falmouth, Foxborough, Medfield, North Adams, North Andover, Reading, Somerset.
- **Fiscal Year Goal 2:** Develop vibrant communities by identifying and preparing sites for development, and investing in regional real estate assets.
- **Fiscal Year Target 2:** Engage with at least 15 communities to support their real estate needs.
- **Results of Goal 2:** 25 New Real Estate Service engagements: 8 FY21 Real Estate Services TA projects (Ashburnham, Falmouth, Foxborough, Medfield, North Adams, North Andover, Reading, Somerset), 2 FY21 Real Estate Services consulting projects (Shrewsbury, North Andover), 3 ULI TAPs (Amesbury, Millis, North Brookfield), 12 Initial community consultations (Fairhaven, Fall River, Hadley, Milton, Montague, Revere, Sandwich, Springfield, Stow, Upton, Uxbridge, Wrentham)



Carriage Grove (Former Belchertown State School)

- **Program Description:** Carriage Grove is a new neighborhood in Belchertown with mountain views, master planned for up to 581,000 square feet of mixed-use development. Private investment projects include an assisted living facility and a private non-profit daycare. Project costs include clean up of abandoned buildings and tunnels of the former Belchertown State School (ongoing) and installation of new infrastructure (MassWorks 2018/19, Site Readiness Program and US E.D.A. 2020) to support new business and housing opportunities. Abatement and demolition work should be phased to ensure several buildings are removed each time to produce cost savings while prioritizing buildings that the State Fire Marshall's office has recommended for removal.
- **Program Budget:** \$ 3,681,146 (incl. \$656,053 from non-Commonwealth & non-MassDevelopment sources)
- **Partnerships for Growth Goal Alignment:** Housing, Business, Communities
- **COVID – 19 Response:** N/A



Carriage Grove (Former Belchertown State School)

- **Fiscal Year Goal 1:** Open up 15 acres of land master planned for light industrial / commercial uses.
- **Fiscal Year Target 1:** Remove dilapidated structures and design / construct an access road and infrastructure to support the 15 acre area.
- **Results of Goal 1:** Four structures were removed and the design of the access road advanced to approximately 50%. Permitting review with the town is at 25% and 90% design.
- **Fiscal Year Goal 2:** Expand the diversity of housing opportunities at Carriage Grove and in Belchertown
- **Fiscal Year Target 2:** Enter into a land disposition agreement with a residential developer for 40 units of mixed-income multi-family housing
- **Results of Goal 2:** Following a Request for Interest (RFI) process in the fall and early winter of 2020/21, three residential projects were presented to the Belchertown Economic Development and Industrial Corporation (BEDIC). In early summer 2021, after extensive analysis, the BEDIC voted to enter into negotiations with one of the developers for a phased, mixed-use project. The first phase is for 101 units of mixed-income, multi-family housing and the redevelopment of the former administration building into community, museum and food/beverage-related space.



Devens

- **Program Description:** Located in Central Massachusetts, Devens is a 4,400 acre mixed-use community and an award-winning model for military base reuse. After serving as the U.S. Army's New England headquarters for 79 years, Fort Devens was closed in 1996. MassDevelopment purchased the property and, with financial support from the Commonwealth, is redeveloping Devens into a sustainable and diverse community.
- **Program Budget:** \$14,410,007 (FY21 Devens Operating Expense Budget)
- **Partnerships for Growth Goal Alignment:** Housing, Business, Community Development
- **COVID – 19 Response:** Tracking and responding to guidelines and executive orders coming out of the administration; Devens public safety preparation and response with procurement of PPE; phased reopening of recreational activities.



Devens

- **Fiscal Year Goal 1:** Develop and attract businesses to create jobs in Devens.
- **Fiscal Year Target 1:** 40 new housing units under construction; 82 acres of commercial land sold
- **Results of Goal 1:** The long-anticipated Emerson Green multi-family project did not break ground in FY21, but approximately 20 single-family and duplex units were under construction (and sold) during the year. In commercial sales, the Commonwealth Fusion Systems and King Street sales included approximately 99 acres of land in total.



State Piers

- **Program Description:** Through a long-standing agreement that pre-dates MassDevelopment, the agency manages the Gloucester (Jodrey) State Pier under an agreement with the Commonwealth through its Department of Conservation and Recreation; the current agreement expires in 2039. Through a separate agreement executed in December 2017 and currently set to expire June 2022, the agency manages the Fall River and New Bedford State Piers. All three assets are commercial properties under DPA (Designated Port Authority) regulations and therefore serve the industries of commercial fishing, water transportation and hospitality, bulk marine freight, international import and export and associated marine uses.
- **Program Budget:** Currently Undefined: Significant capital funding is required at all three properties.
- **Partnerships for Growth Goal Alignment:** Maintain the positive economic impact the properties have on their local economy: Properties furnish marine real estate assets for private marine industry and supporting federal and state government agencies. Closely tied to their respective local communities, the properties support both local and regional commerce. Each pier creates an environment that employs an estimated direct workforce of between 50-150 people per property, which in turn fuels a larger sector of the associated community.
- **COVID – 19 Response:** Continue Operations: Identified as essential services due to their direct relation to law enforcement, transportation and food service, all three properties have continued operations without interruption throughout the COVID-19 pandemic.



State Piers

- **Fiscal Year Goal 1:** Maintain assets for current uses to the extent possible under current physical conditions. Identify long-term uses and long-term management structure for each property to maximize state and private investment effects on economy. Identify options to reduce long-term capital needs while pursuing potential capital sources if continuation of current services remain. Perform necessary immediate repairs to stabilize assets.
- **Fiscal Year Target 1:** Facilitate the retention or creation of 150-200 jobs at the Gloucester, New Bedford, and Fall River State Piers.
- **Results of Goal 1:** Employment remains in the 150-200 range. Gloucester State Pier extended leases with tenants and remains fully occupied. New Bedford State Pier has increased property use, creating a positive NOI (before MDFA overhead); and Fall River State Pier continues operation by Fall River Line Pier (FRLP), where MDFA continues to push for an agreement with FRLP's new leadership.



Lending

- **Program Description:** MassDevelopment specializes in financing complex private sector projects that require higher risk tolerance and more flexibility than private lenders can offer. We finance direct loans to support projects by nonprofits, rental housing and other real estate developers, and other businesses that generate public benefits. We also provide loan guarantees on bank loans to solve financing gaps.
- **Program Budget:** \$49,050,000 loans and guarantees
- **Partnerships for Growth Goal Alignment:** Housing, Business, Community
- **COVID – 19 Response:** Continue to work with impacted borrowers who may struggle with debt service. Continue to finance new projects especially while banks are retreating.



Lending

- **Fiscal Year Goal 1:** Job Creation
- **Fiscal Year Target 1:** 480 projected new jobs to be created by borrowers
- **Results of Goal 1:** 1,075 projected new jobs created by borrowers (480 projected new, 595 construction)
- **Fiscal Year Goal 2:** Housing
- **Fiscal Year Target 2:** 473 new housing units and 564 rehabbed units
- **Results of Goal 2:** 422 new housing units and 4 rehabbed units created



Bond Financing

- **Program Description:** MassDevelopment's bond financing programs offer the lowest cost debt capital for investments in real estate and equipment by manufacturing companies, 501(c)3 nonprofits, affordable rental housing developers, recycling and waste disposal companies and public infrastructure. Bonds use no agency or state capital or credit. Borrowers must be eligible under the Federal tax code.
- **Program Budget:** \$1,293,613,710 total bonds issued
- **Partnerships for Growth Goal Alignment:** Housing, Business, Community
- **COVID – 19 Response:** Continue to help borrows lower costs with refinancings, and take on new projects with low cost debt supported by agency guarantees to make banks willing to lend



Bond Financing

- **Fiscal Year Goal 1:** Job Creation
- **Fiscal Year Target 1:** 5,040 projected new jobs to be created
- **Results of Goal 1:** 4,627 new jobs created (1,072 projected new, 3,555 construction)
- **Fiscal Year Goal 2:** Housing
- **Fiscal Year Target 2:** 895 total housing units
- **Results of Goal 2:** 909 total housing units (312 new, 597 rehabilitated)