



Office of Performance Management Oversight (OPMO)

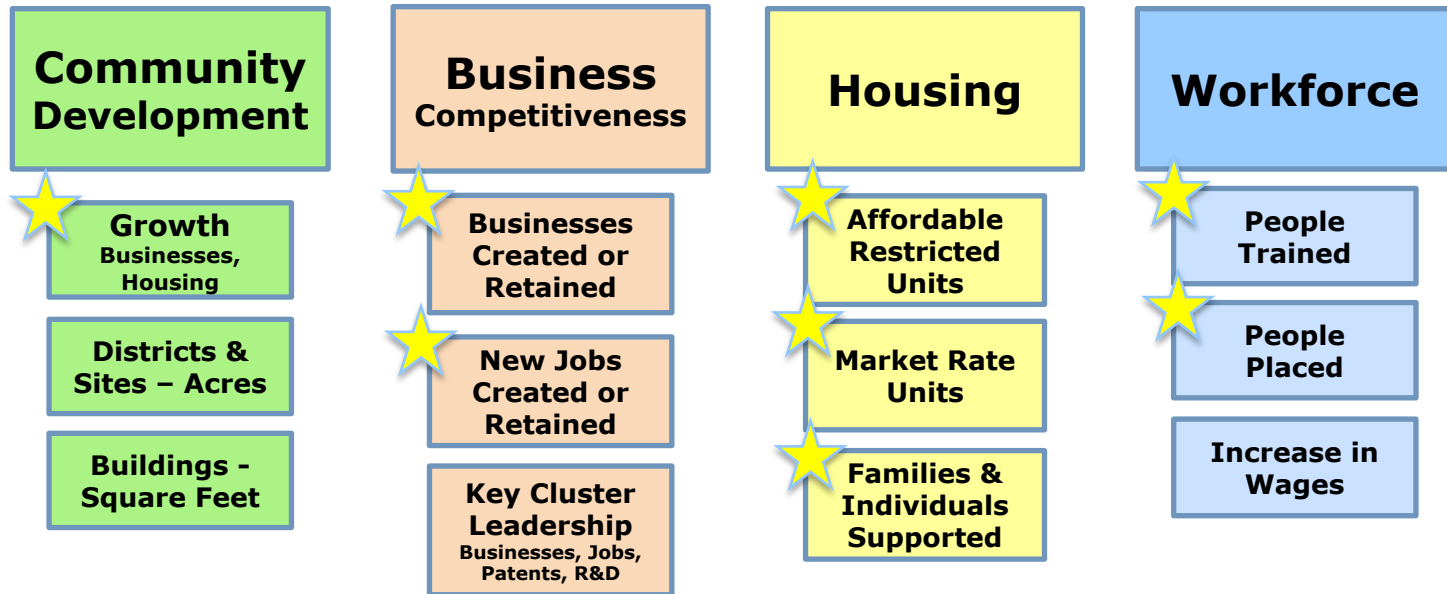
Massachusetts Development Finance Agency
OPMO FY2023 Report



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:** 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 1:** Award funding to 2-6 TDI Equity projects; achieve FY23 aims in 13 active TDI Districts; support the retention or addition of 5-10 businesses per TDI district across all 13 active TDI Districts (65-130 businesses in total).
- **Results of Goal 1:** Awarded funding to 34 total TDI Equity projects supporting the creation or retention of at least 100 jobs; achieved FY23 aims in 13 active TDI Districts and supported the retention or addition of at least 298 total businesses in TDI districts.
- **Agency Goal 2:** 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 Goals

- **Agency Target for Goal 2:** Complete 58 total projects to support at least 500,000 square feet of potential development and at least 350 acres of potentially developable land, including 10 Brownfields community development closings, 8 Site Readiness awards, 25 CoWork awards, and 15 Underutilized Property Program awards.
- **Results of Goal 2:** Completed 117 total projects to support at least 932,885 square feet of potential development and at least 1,142 acres of potentially developable land, including 10 Brownfields community development closings, 19 Site Readiness awards, 39 Collaborative Workspace awards, and 49 Underutilized Property Program awards.



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:** \$3,000,000
- **Partnerships for Growth Goal Alignment:** Business
- **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 additional sites can be marketed and sold to end users.
- **Fiscal Year Target 1:** Help at least three sites from FY17-FY22 attain readiness and be listed for sale or otherwise be made available for disposition, totaling at least 100 acres. Facilitate the sale of at least one of these sites to an end user.
- **Results of Goal 1:** In the course of this fiscal year, four sites from the FY17-FY22 funding rounds have progressed into various stages of disposition/development. Three sites are currently in negotiation for sale and one is in the process of disposition with an end user for future development. In total, these sites represent 118 acres of land.



Site Readiness Program

- **Fiscal Year Goal 2:** Continue to grow the Site Readiness Program pipeline by identifying a group of promising sites for FY24 grants.
- **Fiscal Year Target 2:** Continue to incorporate the program into the Commonwealth's One Stop for Growth application process. By August 2022, prepare a recommendation for the FY23 round grants including at least eight grantees and 250 acres of land.
- **Results of Goal 2:** Agency staff reviewed 42 applications in the Fiscal Year 23 grant round and recommended 12 projects for funding representing 927 acres of land.



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. Remaining buildings include the original power plant, which is targeted for removal in FY23, pending funding availability.
- **Program Budget:** \$3,300,000
- **Partnerships for Growth Goal Alignment:** Housing, Business, Communities
- **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 construct an access road and infrastructure to support the 15 acre area.
- **Results of Goal 1:** Removed dilapidated structures and completed construction on Mass West Industrial Road to support the 15 acre area.



Carriage Grove (Former Belchertown State School)

- **Fiscal Year Goal 2:** Expand the diversity of housing opportunities at Carriage Grove and in Belchertown.
- **Fiscal Year Target 2:** Support the permitting and financing of a residential developer for 101 units of mixed-income multi-family housing.
- **Results of Goal 2:** Moving to phase 1 of development with BRISA Development LLC for 101 units of mixed-income multi-family housing.



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:** \$2,000,000
- **Partnerships for Growth Goal Alignment:** Housing, Business, Community
- **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). For the first time this year, Equity Investment funding can be used for grants or loans, so we expect a significant increase in new projects.



Transformative Development Fund - TDI Equity

- **Fiscal Year Target 1:** Commit funding to 2-6 projects that will create or retain 2-5 businesses in TDI districts, create new housing opportunities in TDI Districts, and redevelop at least 50,000 square feet of underutilized or vacant space in TDI districts.
- **Results of Goal 1:** Agency has funded 34 projects, representing approximately 240,000 square feet of underutilized space, directly supporting the creation or retention of over 100 businesses, and attracting an additional \$1 million in outside investment from the Barr Foundation to support these 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:** \$1,500,000
- **Partnerships for Growth Goal Alignment:** Business, Community
- **Fiscal Year Goal 1:** Finalize workplans and build partnerships and early stage wins across 13 TDI Districts. Strengthen TDI partnerships through business retention.
- **Fiscal Year Target 1:** Support the retention or addition of 5-10 businesses per TDI district across all 13 active TDI Districts (65-130 businesses in total).
- **Results of Goal 1:** Agency has supported the retention or addition of 133 businesses (and counting -- some funding with communities is still being disbursed) with direct financial assistance. Fellows have provided direct staff support to at least 165 additional businesses.



Brownfields Redevelopment Fund

- **Program Description:** The Brownfields Redevelopment Fund 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
- **Fiscal Year Goal 1:** Provide access to capital for assessment and remediation of contaminated sites in Economically Distressed Areas, leading to increased job creation, elimination of blight, and an increased tax base – while improving the morale, health, and safety of affected communities.
- **Fiscal Year Target 1:** Assess and/or remediate 5 sites with the capacity to host a total of at least 50 new jobs upon redevelopment. Reclaim 10 acres, allowing for the rehabilitation or construction of up to 250,000 square feet of commercial or industrial job-producing space.
- **Results of Goal 1:** Provided funding for the assessment and/or remediation of 5 sites with the capacity to host a total of at least 70 new jobs upon redevelopment. Projects will reclaim at least 43 acres, allowing for the rehabilitation or construction of at least 220,000 square feet of commercial or industrial job-producing space.



Brownfields Redevelopment Fund

- **Fiscal Year Goal 2:** Provide access to capital for assessment and remediation of contaminated sites in Economically Distressed Areas, leading to increased housing production at all affordability levels and elimination of blight, while improving the morale, health, and safety of affected communities.
- **Fiscal Year Target 2:** Assess and/or remediate 5 sites, with the capacity to host a total of at least 100 new housing units. Reclaim 10 acres, allowing for the rehabilitation or construction of 250,000 square feet of new housing developments.
- **Results of Goal 2:** Provided funding for the assessment and/or remediation of 5 sites, with the capacity to host a total of up to 633 new housing units. Projects will reclaim at least 54 acres.



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 FY22, eligible collaborative workspace applicants may apply for Fit-out and Seed Grants for building improvements, equipment purchases, or planning and feasibility activity and analysis.
- **Program Budget:** \$1,000,000
- **Partnerships for Growth Goal Alignment:** Business, Community
- **Fiscal Year Goal 1:** Fund capital improvements at CoWork facilities leading to increased membership and participation in the innovation economy, and the activation of community-based spaces.
- **Fiscal Year Target 1:** Improve and support 25 coworking spaces, serving 250 new members and activating at least 10,000 square feet of underutilized space.
- **Results of Goal 1:** The FY23 Collaborative Workspace Program supported 39 Spaces with \$1,197,000 in grant funding. This funding activated more than 732,885 square feet of space serving at least 1,187 members.



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. Currently, MDFA, DCR, and DCAMM are looking to extend the current agreement and explore options for MassDevelopment to lease the properties. 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. There can't be the last bit of t
- **Program Budget:** Currently Undefined
- **Partnerships for Growth Goal Alignment:** Commerce, Business
- **Fiscal Year Goal 1:** Perform necessary immediate repairs to stabilize and maintain assets for current uses. Identify long-term uses and management structure for each property to maximize state and private investment effects on the economy. Identify options to reduce long-term capital needs while pursuing potential capital sources.



State Piers

- **Fiscal Year Target 1:** Facilitate the retention or creation of at least 150-200 jobs at the Gloucester, New Bedford, and Fall River State Piers.
- **Results of Goal 1:** FY22 Ferry Boat Program Project was completed within schedule and under budget, allowing continued use of Ferry Boat berth and access to RoRo Structure. Agency has engaged design team and is moving through project design and permitting for FY23-FY25 North Wharf Replacement Project with anticipated construction in CY24. FY23 energy-efficient lighting upgrades were completed throughout the property. Existing and expanded uses continue at the property, and FY23 became the highest-use year since MDFA engagement in 2017, following the trend of expanded use year after year. Job creation has increased significantly in New Bedford in FY22/23 based on Raw Seafoods' year-round use of the refrigerated warehouse, with 2-3 shifts working the facility seven days per week and creating a total portfolio gain of at least 150 jobs.



Underutilized Properties Program

- **Program Description:** The Underutilized Properties Program was launched in 2021 with the purpose of funding projects that will improve, rehabilitate or redevelop blighted, abandoned, vacant or underutilized properties to achieve the public purposes of eliminating blight, increasing housing production, supporting economic development projects, and increasing the number of commercial buildings accessible to persons with disabilities. The program focuses on funding capital improvements and code compliance projects, along with the design of these improvements.
- **Program Budget:** \$21,725,159
- **Partnerships for Growth Goal Alignment:** Commerce, Housing, Business, Community
- **Fiscal Year Goal 1:** Continue to grow the Underutilized Property Program pipeline by identifying a group of promising sites for FY23 grants.
- **Fiscal Year Target 1:** By August 2022, prepare a recommendation for the FY23 round grants including at least 25 grantees. Funding should help enable the creation of at least 500 housing units, six incubator/co-work type uses and six cultural facilities.
- **Results of Goal 1:** Announced in October 2022, the FY23 Underutilized Property Program grant round included 49 grantees. Funding enabled the creation of 513 housing units, three incubator/co-work type uses and two cultural facilities.



Military Programs

- **Program Description:** Since 2015 the MASS-TF (via MassDevelopment) has sought to support and strengthen our six Military installations and the defense communities that surround and abut them. This has involved a combination of advocacy for new federal work and missions at installations, soliciting of federal grants, and targeted investments under the 2014 Military Bond Bill. Each of these actions has helped the Commonwealth improve its position with the federal government, and helps us retain and grow the estimated 57,000 jobs and \$13B in economic activity associated with the bases. These initiatives directly lead to stronger communities, fostered innovation, increased housing, improved workforce, and the strengthening of key industries and sectors.
- **Program Budget:** \$4,800,000
- **Fiscal Year Goal 1:** Complete funding of UMass Aviation Training Center at Westover Air Reserve Base (\$301,000).
- **Fiscal Year Target 1:** Employ 4-6 professional staff and host 10-12 students daily (in addition to industry partners) at the Aviation Training Center. Occupy 1.5 acres and 18 to 20 parking spaces that would otherwise have been underutilized.



Military Programs

- **Results of Goal 1:** In April 2022, UMass, state and local leaders cut the ribbon for the \$5m UMass Aviation Training Center. The center employs four full time employees and averages over 30 visitors per week. The center is home to the only university-based 360 degree Air Traffic Control Simulator and allows for expanded Air Traffic Control training as well as research on airfield usage and unmanned aircraft. The UMass ATC is also partnering with World Is Our Classroom, a 501(c) (3) non-profit organization, that has partnered with urban school systems, area institutions of higher education and businesses to develop and implement some of the most innovative, non-traditional classroom programs in the Gateway Cities located in the Pioneer Valley. Each session hosted includes as many as 15 high school students and their teacher/counselor. The Commonwealth completed the funding of this project in FY23.
- **Fiscal Year Goal 2:** Compete nationally to secure the F-35 aircraft at Barnes Air National Guard Base, Westfield, MA.
- **Fiscal Year Target 2:** Securing the F-35 would protect 1,648 jobs and \$198m in economic impact, and create opportunity for increased federal investment of up to \$140m, along with up to 50 additional active duty and National Guard jobs.
- **Results of Goal 2:** In April 2023, the Secretary of the Air Force announced plans to station the F-35 aircraft at Barnes Air National Guard Base at Westfield-Barnes Airport. This win for the Commonwealth not only secures the 1,648 jobs and \$198m in economic impact, but will also draw additional federal investment to the base through several Site Activation Task Force assessments underway until aircraft fielding in 2025/26, with potential federal upgrades of \$140m.