



MassDevelopment

Massachusetts

Department of Environmental
Protection



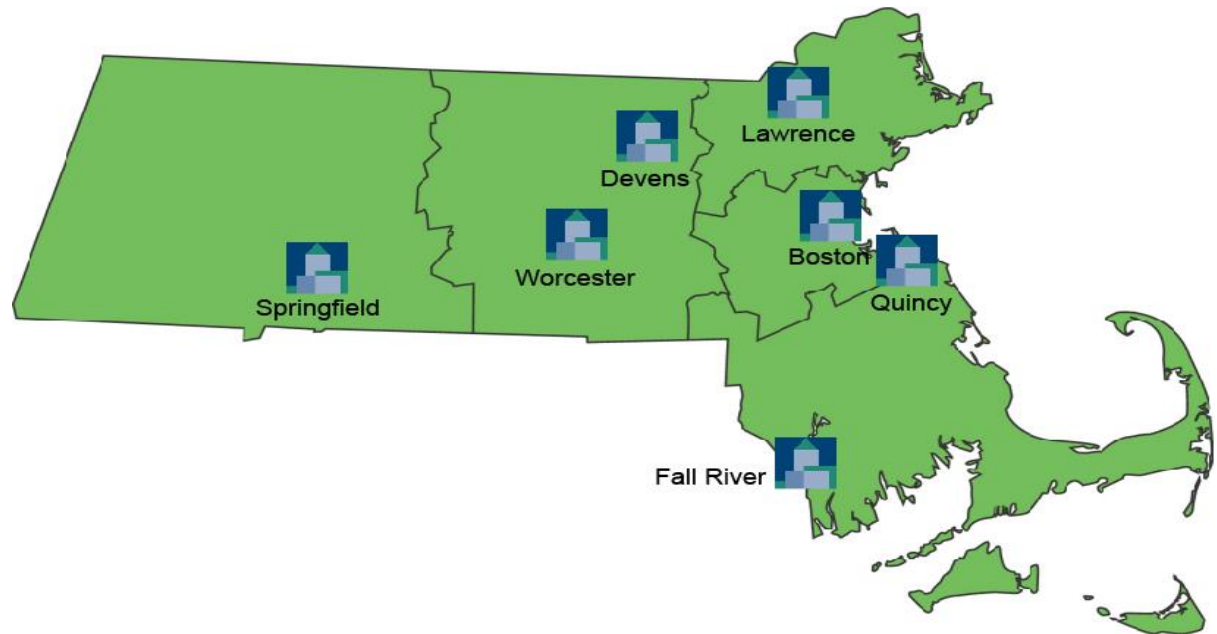
Way to grow, Massachusetts

As the Commonwealth's quasi-governmental economic development and finance agency, MassDevelopment is committed to achieving three goals:

1. Stimulate business
2. Drive economic growth
3. Help communities thrive across Massachusetts

Where we are

- Boston
- Quincy
- Lawrence
- Fall River
- Worcester
- Devens
- Springfield



Who we serve



Businesses

Helping companies expand, modernize, and relocate.



Developers

Making the difference at every stage of development.



Housing

Building expertise, from predevelopment to construction.



Manufacturers

Finding skilled employees, opening global markets.



Municipalities

Eliminating blight, revitalizing downtowns, creating opportunities.



Nonprofits

Working with nonprofits to upgrade, renovate and expand.



Banks

Partnering with banks to provide creative financing.

How we work

Promote capital investment in Massachusetts by providing integrated financing and development solutions at all stages of the project

- Primary tools
 - Tax-exempt bonds
 - Loans and guarantees
 - Real estate planning and development services
- Partner with banks, businesses, and municipalities to deliver programs
- In fiscal year 2018, MassDevelopment financed or managed 384 projects generating investment of more than \$4.1 billion in the Massachusetts economy.

Bond Financing Structure



MassDevelopment acts as a “conduit”, capitalizing loans with proceeds from bond purchases

- Loans are pledged to repay bonds
- The bank underwrites, sets terms and manages the relationship the same as for a loan

Tax-exempt bond financing

Provides a cost-effective method to finance capital projects

Advantages:

- Lower cost of capital (tax-exempt v. taxable)
- Increased debt capacity
- Customer can work with their existing banking relationship to purchase bond directly or provide credit for public market transactions
- Flexible structuring options
- Access 4% tax credits for affordable rental housing projects

Eligible Borrowers

Tax-exempt bond eligibility based on Federal tax code

501(c)(3) Non-Profit Users

i.e., colleges, hospitals, schools, cultural institutions,
YMCA's,

Boys & Girls Clubs, human service providers, long-term care
providers,

assisted living facilities nursing homes

Manufacturing Facilities

Recycling/Environmental Facilities

solid waste disposal, including recycling

Affordable Rental Housing

Governmental Entities

Infrastructure Financings

Lending Programs

MassDevelopment provides loans and guarantees to help organizations expand or grow their operations in Massachusetts and spur economic development

- We partner with banks and other lenders to help mitigate credit and underwriting risks and make projects happen
- The Agency's "value added" proposition – we offer competitive rates, flexible terms and we think "outside the box" to provide creative financing solutions
- All projects must have some level of "public purpose" (eliminating blight, job creation, etc.)

Lending Programs

MassDevelopment's programs finance hard assets such as real estate and equipment and include the following:

- Real Estate Loans & Direct Participations
- Equipment Loans
- Mortgage Loan Guarantees
- Charter School Loan Guaranty Fund
- Export Loans/Export Loan Guarantee
- Brownfields Redevelopment Fund
- Emerging Technologies Fund (ETF)

Mortgage Insurance Guarantees

Encourage private sector investment by guaranteeing a portion of a bank loan or bank bond purchase on real estate financings

- Maximum \$2,000,000
- Guarantee on difference between bank's maximum loan-to-value up to 90% loan-to-value
- Reduces dollar-for-dollar with principal amortization
- Annual fee based on the outstanding principal balance:
 - 2% nonprofit and 3% for profit borrower
- Guaranty based on post-liquidation deficiency balance

Export Loan Guarantees

Program available to Massachusetts companies that currently export products or plan to in the near future

- Guarantee program for banks – provide up to a 100% guarantee on equipment loans
- Loan amount up to \$2 million
- Fees: \$250 application fee and no origination fee
- Bank pays 1% annual fee of the guarantee amount
- Guaranty based on post-liquidation deficiency balance

Equipment Loan Guarantees

Program purpose is to encourage banks to make loans they otherwise would not without credit enhancement

- Guaranty based on the difference between the lender's acceptable LTV to a maximum 90% LTV
- Maximum guaranty amount up to \$2 million
- Fees: \$250 application fee and no origination fee
- Bank pays 1% annual fee of the guarantee amount
- Guaranty based on post-liquidation deficiency balance

Brownfield Redevelopment Fund

Mission is to focus on redevelopment of blighted areas in our communities

- Up to \$100,000 for site assessments in unsecured, zero-interest loans
- Up to \$500,000 in cleanup funds with flexible-term loans
- There must be an economic development or housing project in order to access funds
- Sites must be located in Economically Stressed Areas (EDAs) or Economic Target Areas (ETAs)

GreenWorks – Peabody MA

50,000-Square-Foot Recycling Facility

January 2015

Financing for the building and equipment was provided by the MassDevelopment Finance Agency and Eastern Bank. GreenWorks received \$12.5 million via a bond program for manufacturing and recycling industries.

GreenWorks became a 24/7 operation in 2015. About 25 jobs were initially created, which grew to 40 with 10-15 workers per shift. It is now one of the largest processing facilities in New England

Contact Information

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