

**Massachusetts Development Finance Agency
FY2016 Strategic Themes & Business Plan Goals Summary**

1 *Support Economic Growth - Foster and cultivate opportunities that equip businesses, nonprofits and communities with the tools they need to sustain and or expand, creating quality jobs to meet the needs of the Commonwealth's economy.*

Goal	Key Performance Indicator(s)
1.1 Provide access to capital markets for customers throughout the Commonwealth	Dollars provided by program type
1.2 Support the creation of employment in the Commonwealth with a focus on specific economic sectors and/or regions	Jobs created (new permanent and construction)
1.3 Strengthen and champion the Commonwealth's commercial and industrial sectors, with a specific focus on manufacturers	Manufacturing jobs created, financing provided
1.4 Strengthen and champion the Commonwealth's innovation sector by increasing business starts, improving access to the innovation economy for new communities and building supportive ecosystems for entrepreneurs	Collaborative/maker spaces assisted, new business starts
1.5 Strengthen and champion the Commonwealth's Defense sector, military installations and related industry sectors	Operational cost reductions, Companies connected to contracting opportunities

2 *Build Regional Competitiveness - Increase housing stock and make investments in targeted communities, add to their housing availability and commercial property stock, remediate troubled sites and apply effective redevelopment practices.*

Goal	Key Performance Indicator(s)
2.1 Champion Transformative Development Initiative and leverage existing resources and investments	Districts established and assisted, Fellows placed, Equity Investments deployed
2.2 Increase housing availability by providing access to capital and technical expertise to support the creation of multi-family and other housing choices for residents	Housing units financed
2.3 Build regional knowledge and facilitate regionally based economic growth	RE Service projects moved to implementation
2.4 Catalyze urban economic growth, cultivate small businesses and improve Brownfields program	New and improved program rollouts
2.5 Increase "developability" of the Devens community and continue to move project towards self-sustainability	Acres made development ready, increase in tax valuation and increased operational efficiencies

3 *Strive for Organizational Excellence - Create a high-performing organization with efficient, effective and integrated delivery of services to external and internal customers and a diverse, highly-qualified workforce with the right skills in the right jobs.*

Goal	Key Performance Indicator(s)
3.1 Foster a culture of constant learning by developing and implementing a comprehensive staff training program	Implementation of training programs and employee satisfaction
3.2 Modernize and revamp agency online presence to support key initiatives	Deployment of online customer interfaces and internal dashboards
3.3 Develop new cross departmental collaboration models and implement strategies to increase inter agency and partner agency collaborative efforts	Implementation of inter- agency and partner agency collaboration strategies
3.4 Increase stakeholder engagement by providing increased opportunities for informed participation in agency programs	Deployment of improved public affairs strategy and transparency efforts
3.5 Strengthen performance management by following successful, evidence-based practices to strengthen attainment of mission	Increased alignment of agency performance management to statewide efforts, Successful pilot of DevensStat



MASSDEVELOPMENT

Annual Performance Report — Fiscal Year 2015

Charlie Baker, Governor

Karyn Polito, Lt. Governor

Jay Ash, Chairman and Secretary, Executive Office of Housing and Economic Development

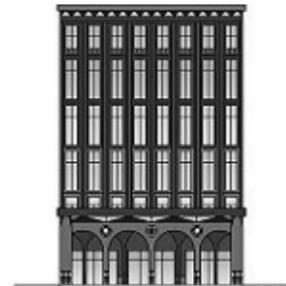
Marty Jones, President & CEO



MASSDEVELOPMENT AT A GLANCE

286

PROJECTS IN FISCAL 2015



HOUSING UNITS
PRESERVED
&/OR BUILT
IN FISCAL 2015

2,306

107% of Target for
Fiscal Year



**General Fund Housing
Loan - \$5M, Leominster**

Downtown redevelopment for market rate housing. Project is expected to create 51 housing units, 24 construction jobs and 7 new jobs.



**Central Square Technical Assistance Panel & [TDI]
District in Development - \$500,000, Lynn**

Provided intensive one day planning for Central Square, selected district for [TDI] and placed fellow to organize local partnership. Goal is to recast the square as a destination through program and public space improvements to increase development.



Emerging Technology Fund - \$2.5M, Cambridge

Acquire tooling and equipment enabling N12 to develop commercial manufacturing of its advanced carbon nanotube materials. Project is expected to create 25 jobs.



**Manufacturing Bond
& Loan Guarantees -
\$5M, Lee**

Acquire/renovate Lee facility with updated clean rooms, labs, and work rooms and purchase/install new drug manufacturing equipment.

Project expected to create 30 new jobs and 7 construction jobs.

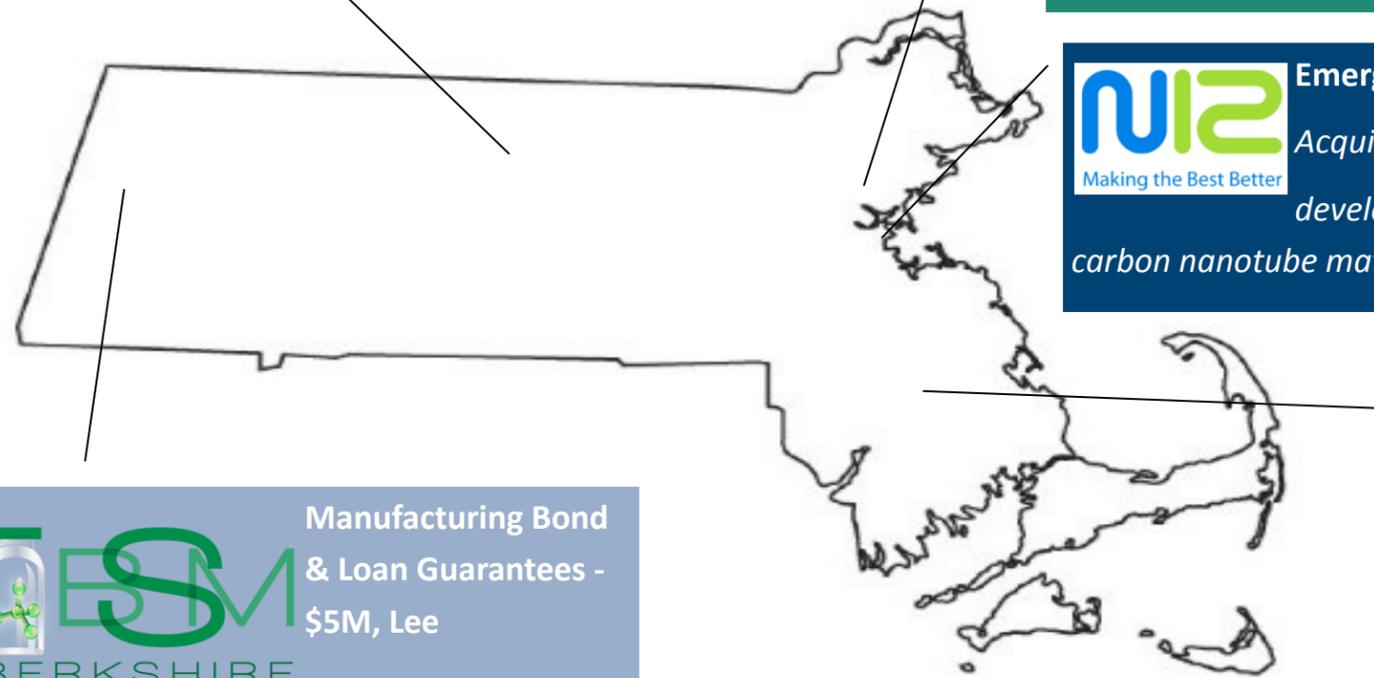


**501 c 3 Bond & New Market
Tax Credit - \$27M, Middle-
borough/Brockton**

Acquire/renovate Brockton facility and redevelop St. Luke's Hospital in Middleborough. Projects are expected to create 220 new jobs, 73 construction jobs, and allow for more than 4,000 new treatment slots for patients.

12,943

JOBS CREATED
130% of Target for Fiscal Year





STRATEGIC THEMES & FISCAL YEAR 2015 GOALS

STRATEGIC THEMES



FULLY MET GOAL

Provide Access to Capital
Support Job Creation
Support Manufacturing
Support Defense Sector
Increase Housing Availability
Build Regional Economic Development Knowledge
Implement the Transformative Development Initiative
Develop Devens
Maintain Financial Resources

PARTIALLY MET GOAL

Build Collaborative Culture
Build MassDevelopment Workforce Capacity
Modernize Systems & Technology

Strategic Theme 1: Support Economic Growth
Foster and Cultivate Opportunities That Equip Businesses, Nonprofits and Communities with the Tools They Need to Sustain and or Expand, Creating Quality Jobs to Meet the Needs of the Commonwealth's Economy

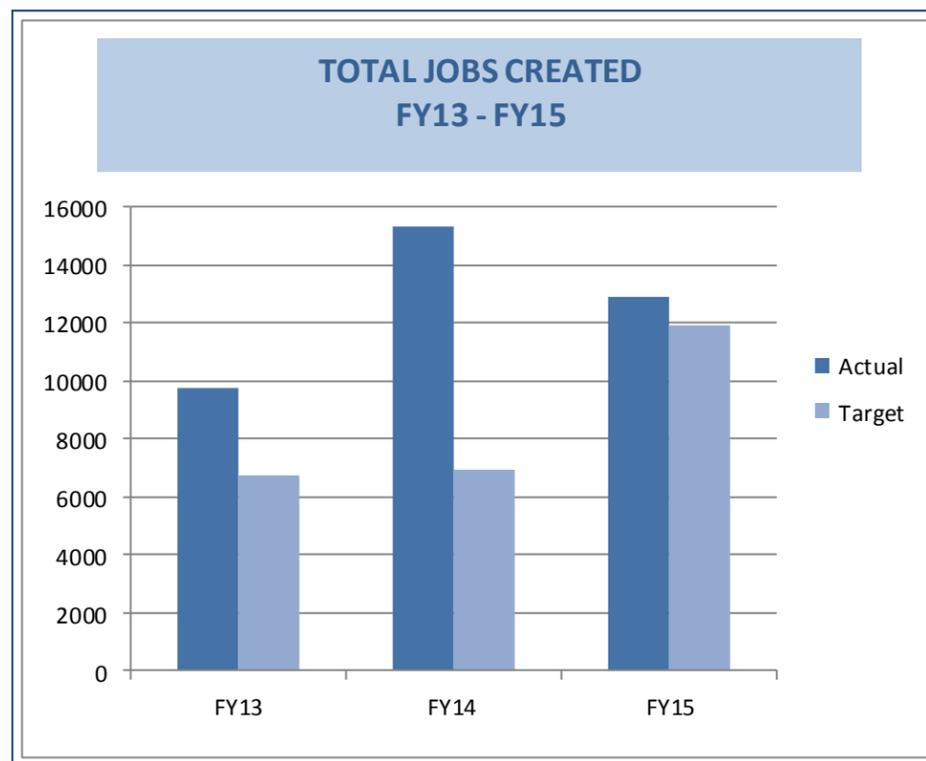
Strategic Theme 2: Build Regional Competitiveness
Increase Housing Stock and Make Investments In Targeted Communities, Add to their Housing Options and Commercial Property Stock, Remediate Troubled Sites and Apply Effective Redevelopment Practices.

Strategic Theme 3: Build Organizational Excellence
Create a High-Performing Organization with Efficient, Effective and Integrated Delivery of Services to External and Internal Customers and a Diverse, Highly-Qualified Workforce with the Right Skills in the Right Jobs.

KEY PERFORMANCE INDICATORS

SUPPORTING ECONOMIC GROWTH:

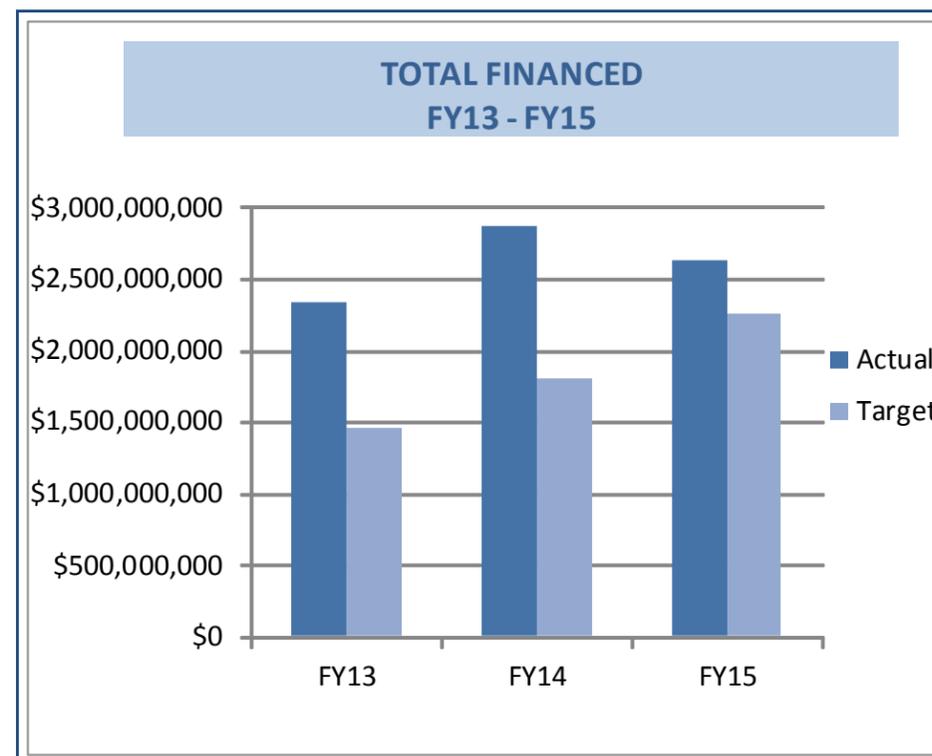
JOB CREATION



FY13-FY15 Comparison

SUPPORTING ECONOMIC GROWTH:

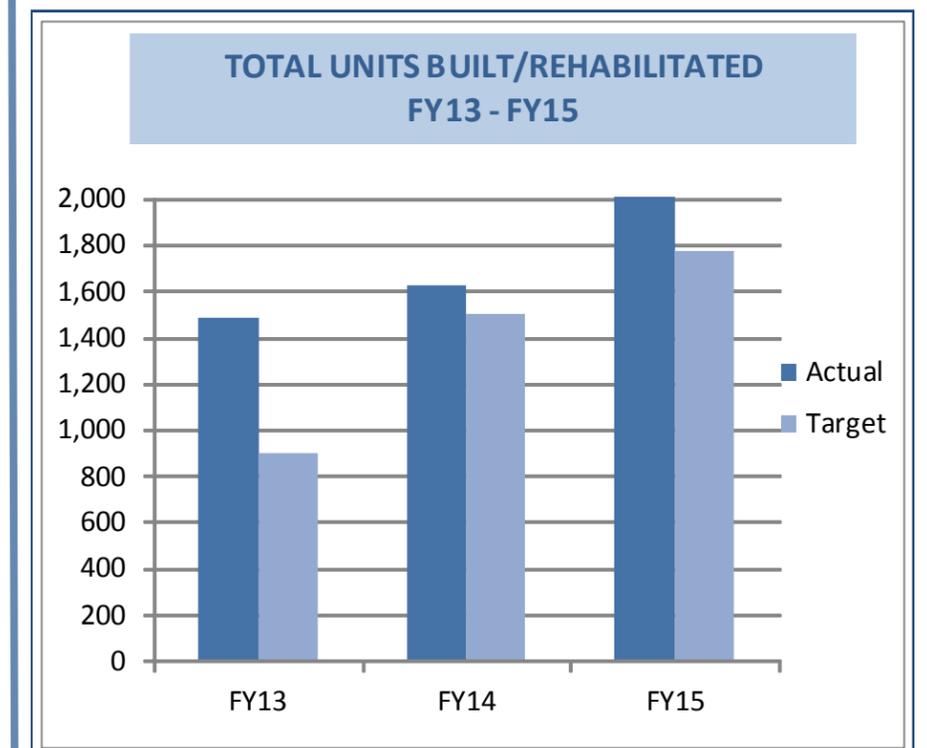
ACCESS TO CAPITAL



FY13-FY15 Comparison

BUILDING REGIONAL COMPETITIVENESS:

INCREASE HOUSING AVAILABILITY

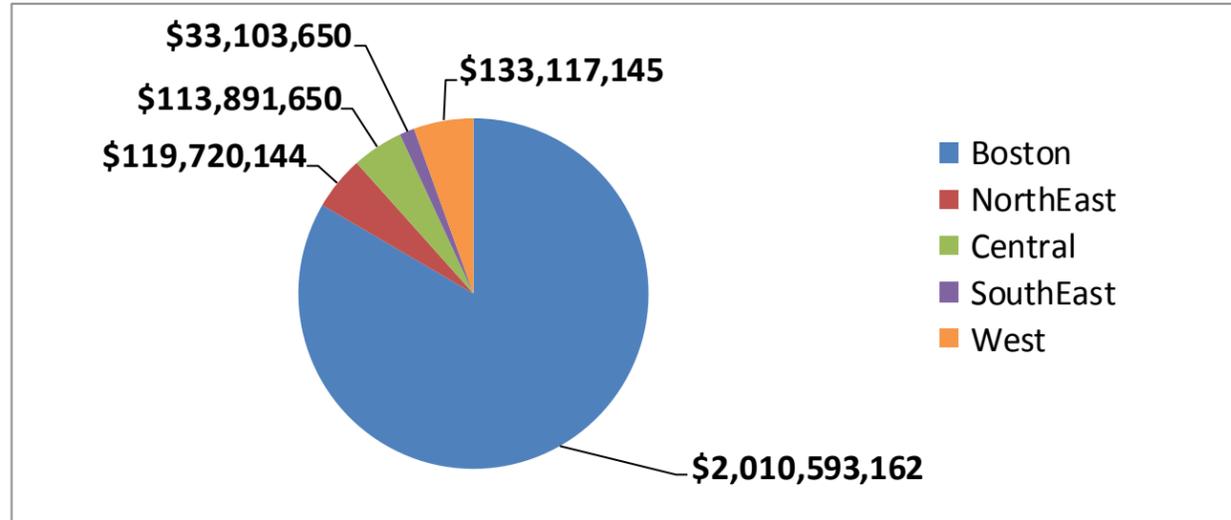


FY13-FY15 Comparison



SUPPORT ECONOMIC GROWTH: SUPPORT ACCESS TO CAPITAL

FY2015 Total Invested (by region)

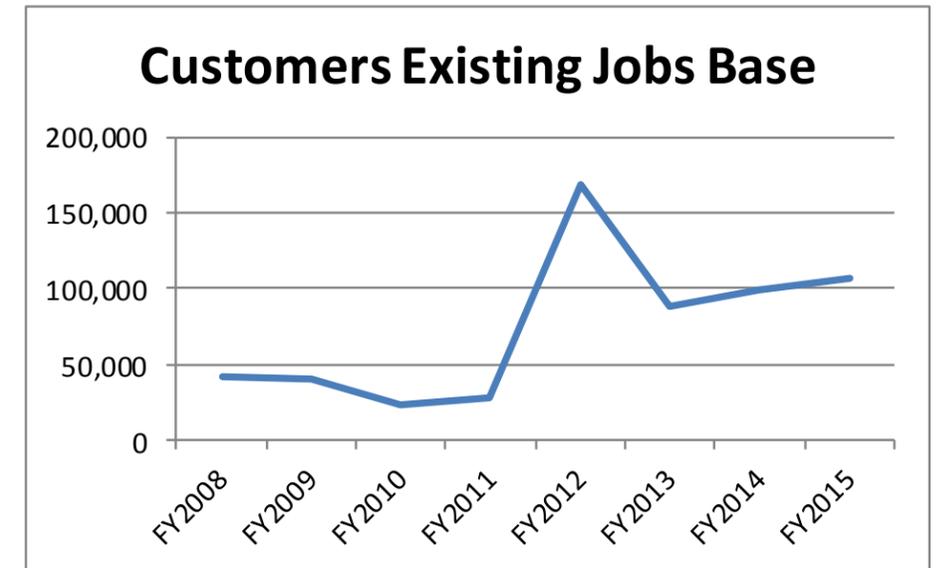
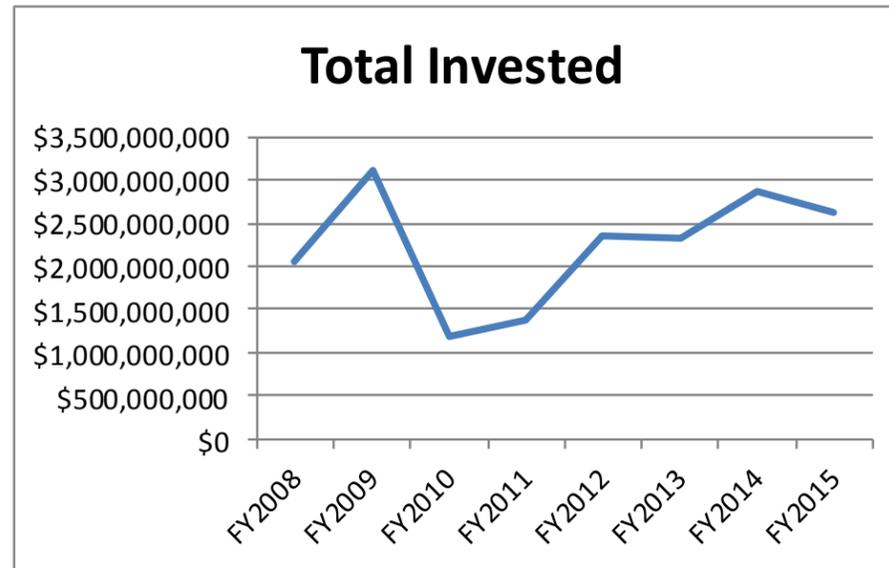
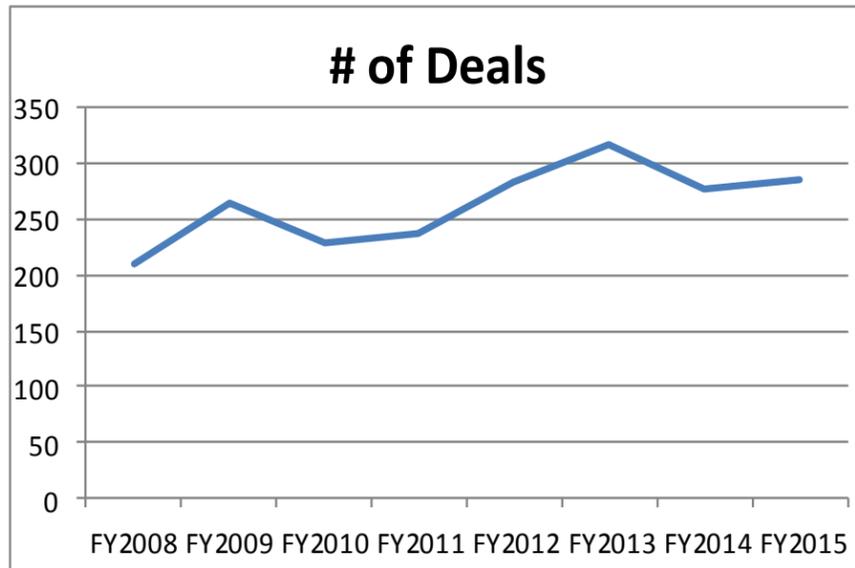


	Fiscal 2013	Fiscal 2014	Fiscal 2015
Total \$ Invested (Bond, Loan & Grant Programs)	\$2,333,253,346	\$2,867,710,604	\$2,410,425,751
Total Projects/Closings	317	277	286

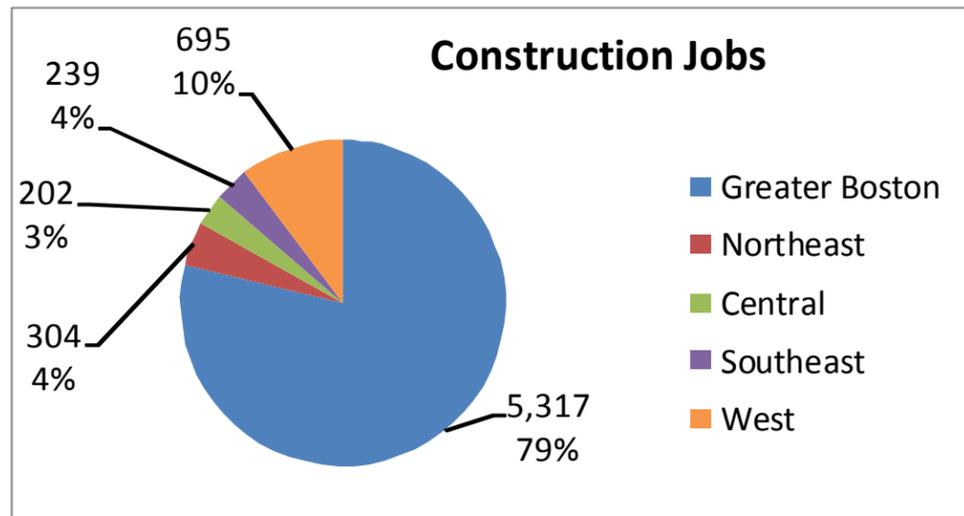
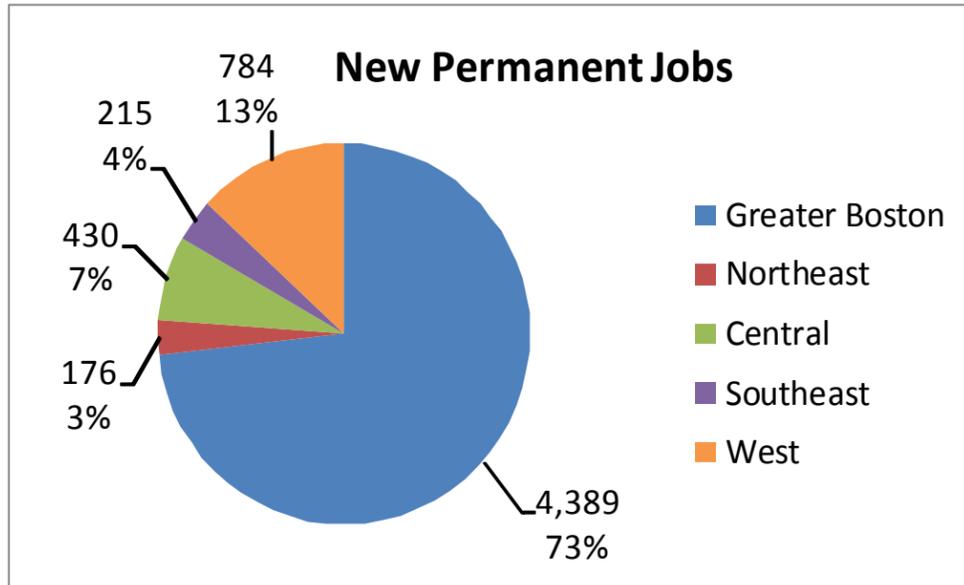
Performance Analysis

- 116% of fiscal year target in total financing volume
- Over \$400M in support for projects outside of Greater Boston
- 54% of fiscal year target in direct general fund lending
 - * 120% over average of fiscal year target for loan guarantee programs (Charter, General)
- 94% of fiscal year target in community development (Brownfields, CFF, Manufacturing grants)

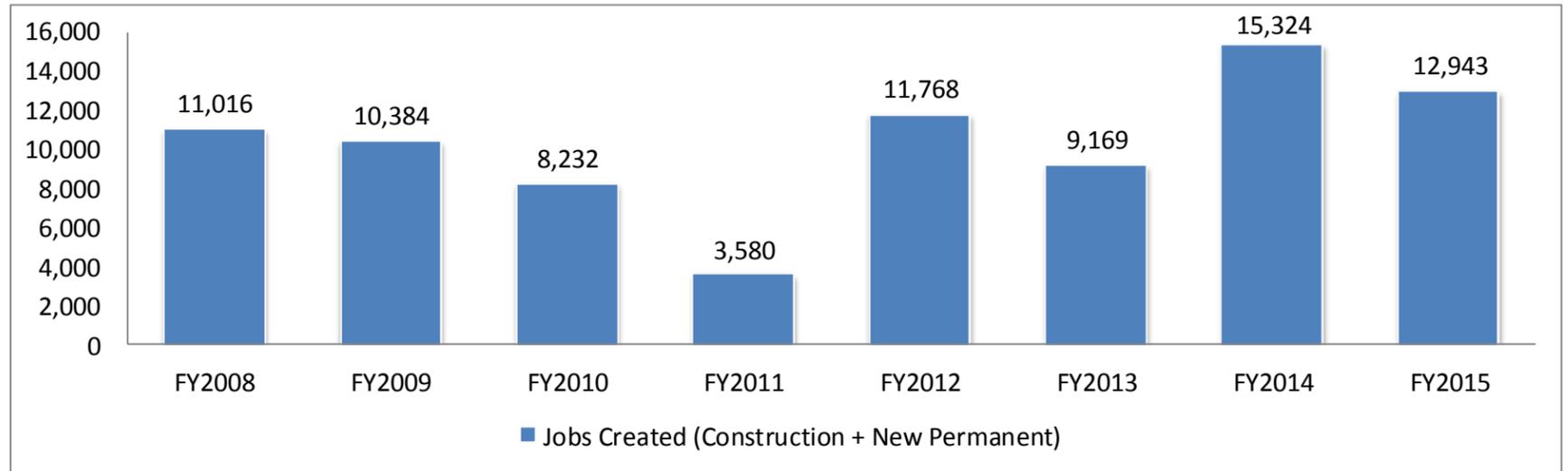
MassDevelopment Investment Trends FY2007 - FY2015



**FY2015 New Permanent/Construction Jobs
(by region)**



**Jobs Created
FY2007—FY2015**



Performance Analysis

- 107% of fiscal year target in total job creation
- 5% decrease in projected new permanent jobs created over FY14
- 24% decrease in calculated construction jobs created over FY14
 - * No New Market Tax Credits in FY15 lowering total investments in new construction
- 8% increase in existing jobs indirectly supported by providing businesses and institutions in the Commonwealth access to financing

SUPPORT ECONOMIC GROWTH: STRENGTHEN THE DEFENSE SECTOR

Barnes AFB	Ft. Devens	Hanscom AFB	Westover AFB	Natick	Joint Base Cape Cod

Performance Analysis

- 124 companies attended forum at Hanscom to facilitate connections and contracting opportunities for small businesses
- Launched development of the Hanscom Collaboration and Innovation Center with an investment of \$2.9M in Military Bond Bill funds for energy and communications upgrades at the center to support the Air Force’s current and future mission requirements and provide potential business partnerships
- Provided \$125,000 for energy upgrades to HEROES lab at Natick, \$900,000 for energy upgrades to the Doriot Chamber and released an RFP to validate the S2PRINT concept
- Developed initial Hanscom/UMass Lowell worker training partnership for network security, providing 37 employees with training to increase skill and work towards a graduate certificate in network security.
- Allocated \$5.9 million in grants across all military installations in the Commonwealth to support implementation of the Energy Efficiency Assessment & Strategic Plan for Massachusetts Military Installations

SUPPORT ECONOMIC GROWTH: STRENGTHEN THE MANUFACTURING SECTOR

Performance Analysis

- 8% increase in total dollars invested (all programs) to support the manufacturing sector over previous year
- 5% increase in total job creation (projected new and construction) supported in the manufacturing sector over previous year
- 20% decrease in total projects supported in the manufacturing sector over previous year



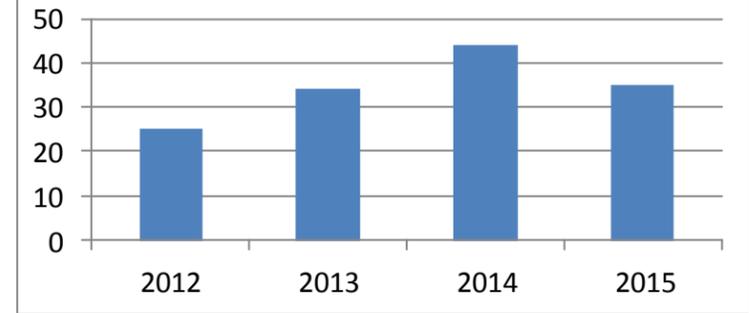
2015 Program Awards

9 Grants - \$ Invested: \$88,633

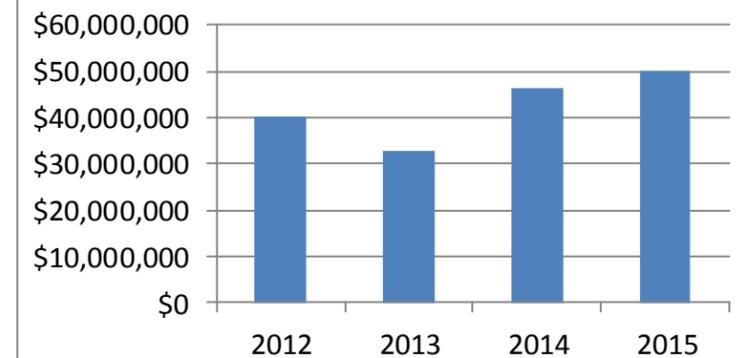
2014 Program Highlights

- Grantees held 77 events in the grant period, reaching more than 2,000 students, more than 200 parents and nearly 100 employers.
- Events included robotics training for teachers, company tours for students, and informational sessions on manufacturing careers for students, parents, school staff and community members.

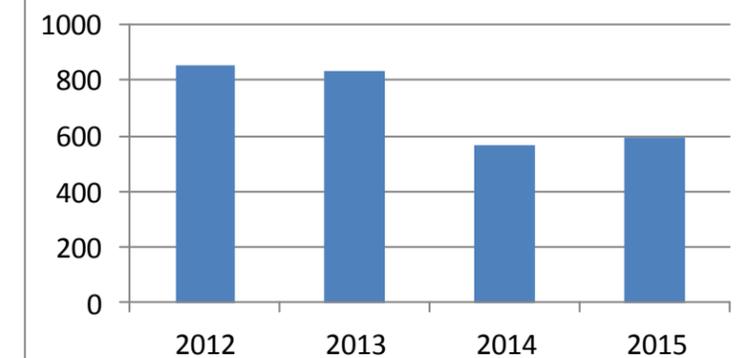
Manufacturing Projects/Investments



\$ Invested



Jobs Created





BUILD REGIONAL COMPETITIVENESS: INCREASE HOUSING AVAILABILITY

Housing: Policy Coordination & Technical Assistance
 Assisted four communities with planning services for Multi-Family Housing

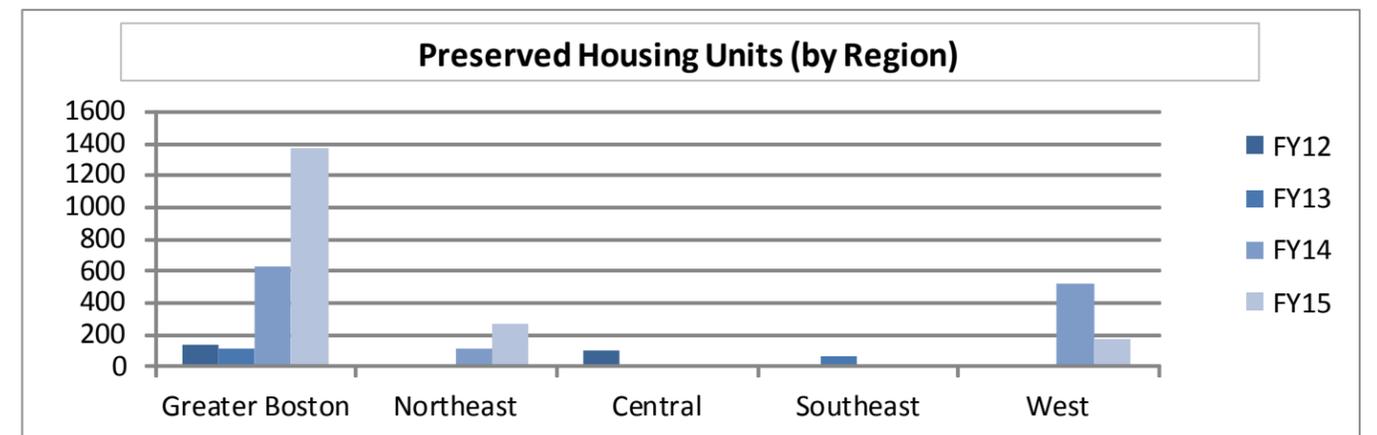
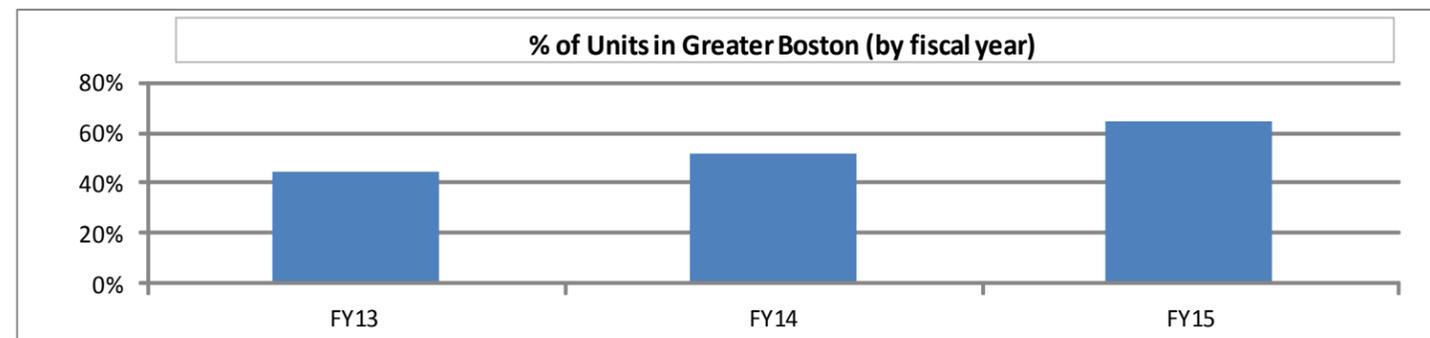
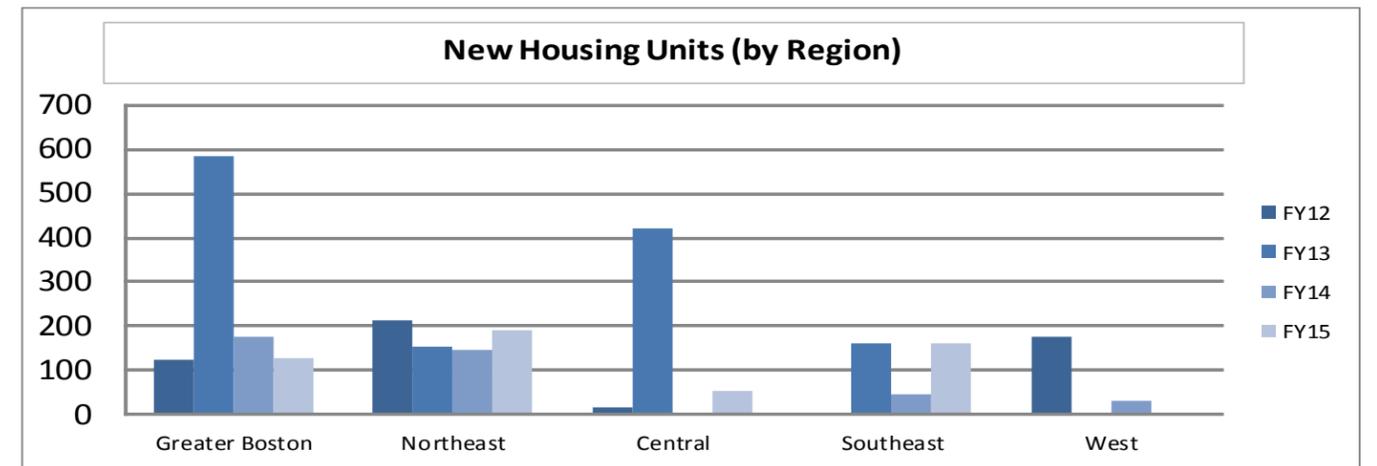
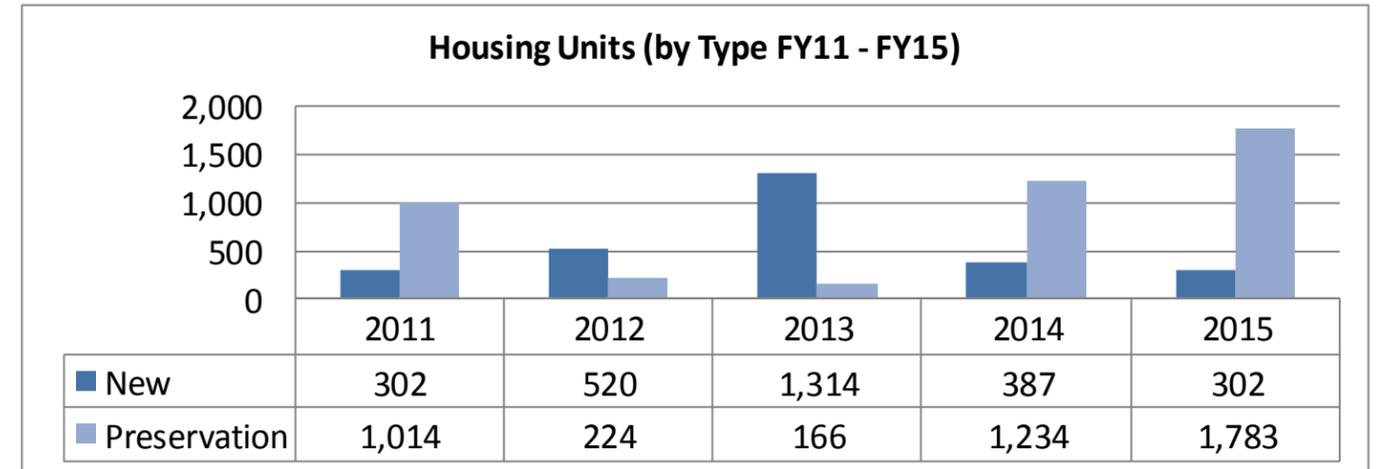


*Showcasing
 Development Sites*

MassDevelopment hosted 3 developer forums (Brockton, New Bedford, Marlborough) in fiscal 2015

Performance Analysis

- 107% of fiscal year target in total units built/preserved
- 31% increase in units preserved over previous year, 27% increase in units built over previous year
- *For the next 2-5 years, the FY 14-15 trend likely to continue with modest new construction demand (both affordable & market) and significant preservation demand
- 13% increase in units supported in highest housing cost MassDevelopment region (Greater Boston)



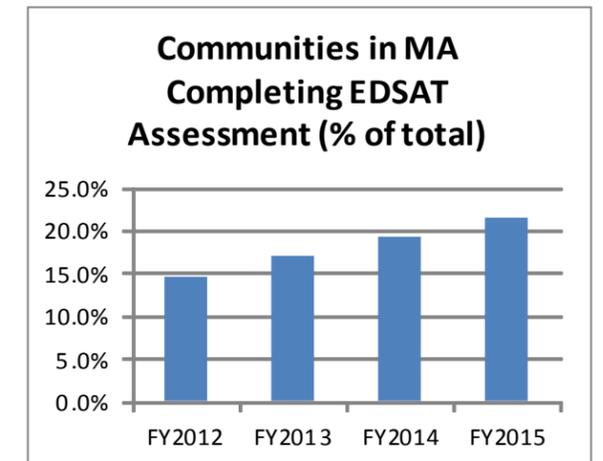
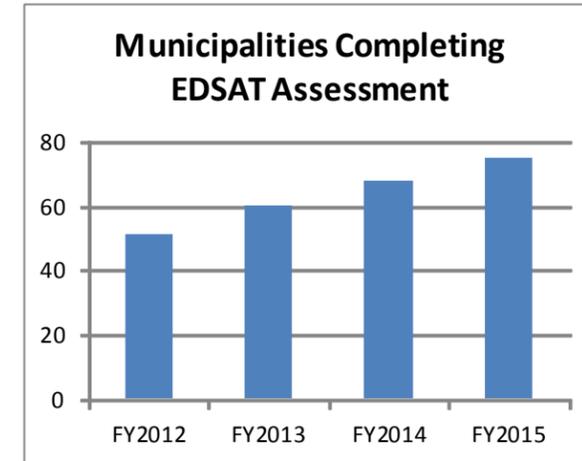


BUILD REGIONAL COMPETITIVENESS:

BUILD REGIONAL ECONOMIC DEVELOPMENT KNOWLEDGE

Performance Analysis

- 10% increase in municipalities completing EDSAT Assessment
- 11% increase in total projects in Gateway Cities over previous fiscal year
- 2% increase in total dollars in Gateway Cities over previous fiscal year
- 23% decrease in total job creation (projected new permanent & construction) over previous fiscal year
- Launch of [TDI] program to support Gateway cities as regional economic centers



Gateway Cities Results



Technical Assistance Panels 2015

- Worcester - Lincoln Square
- Lynn - Central Square
- Saugus - Cliftdale Square
- Methuen - Downtown Redevelopment
- National Panel 2015*
- Malden/Everett - Urban Industrial

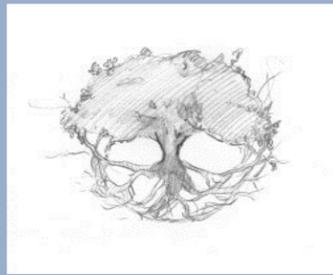
Real Estate Services				
FY2014/FY2015 Technical Assistance				
	New Projects	Completed Projects	Completed Projects (Previous Year)	Total Completed
FY2014	11	4	5	9
FY2015	12	6	4	10

	FY14	FY15
Projects	95	105
Dollars Invested	\$376,287,890	\$385,301,163
Jobs Created	3,025	2,329



MASSDEVELOPMENT

**BUILD REGIONAL COMPETITIVENESS:
IMPLEMENT TRANSFORMATIVE DEVELOPMENT
INITIATIVE**

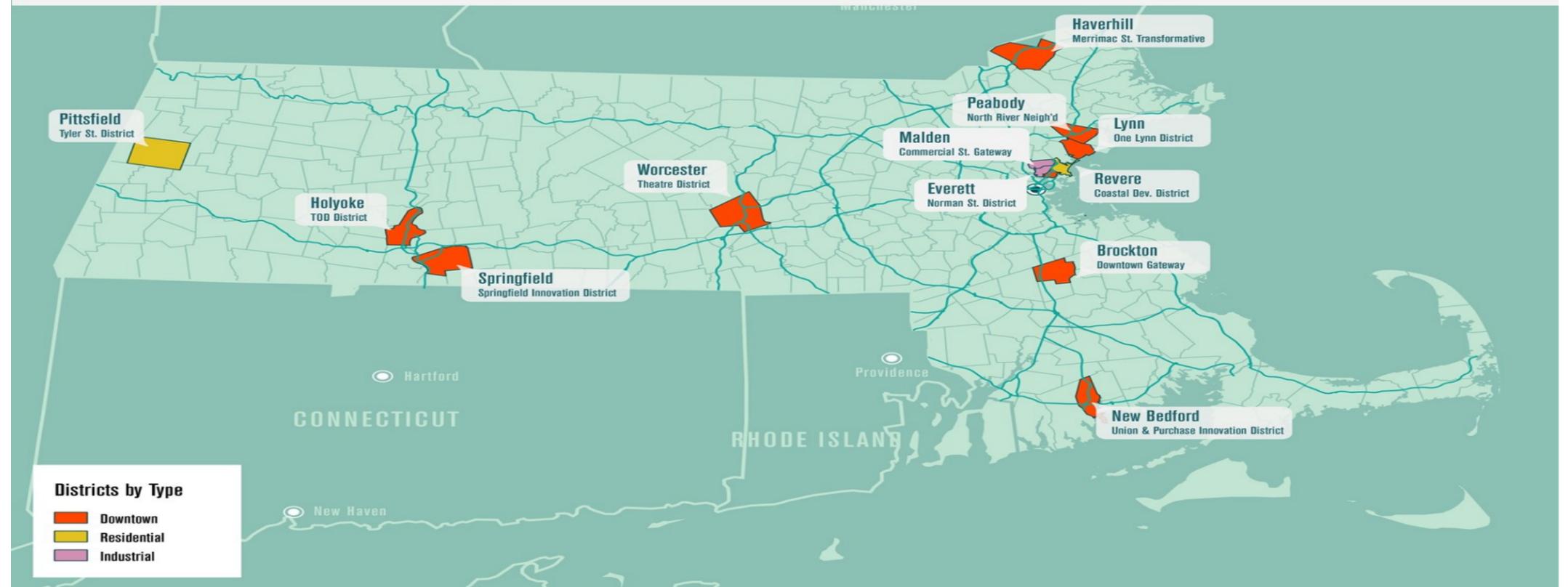


[TDI] CoWork Program Highlight

GROUNDWORK!

- \$150,000 grant to build out a collaborative workspace in New Bedford that will allow creatives, startups, and freelancers a space to collaborate and grow their businesses
- Supported interior fit-out costs, accessibility, and compliance for a 4,000 square foot space

[TDI] Districts in Development



Performance Analysis

[TDI] Districts

- 10 District Agreements Finalized, 4 Kickoffs held

[TDI] Technical Assistance

- Identified and contracted providers for 10 districts
- Held Placemaking and Collaborative Workspace workshops

[TDI] Cowork: Total Year Summary

- 11 Grants Awarded for \$987,500

[TDI] Fellows

- Fellows placed in Haverhill, Lynn, Springfield
- \$1M secured in FY16 state budget for additional fellows

[TDI] Equity

- Initial vetting of possible investments completed by partnerships and MassDevelopment

[TDI] Places

- 19 of 26 Gateway Cities awarded Placemaking grants



BUILD REGIONAL COMPETITIVENESS: BUILD DEVENS



FY15—Development at a Glance

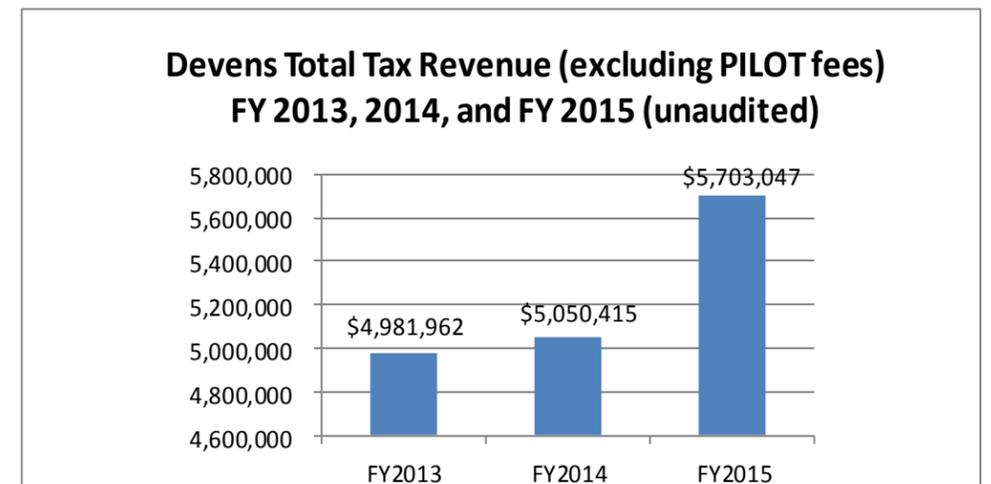
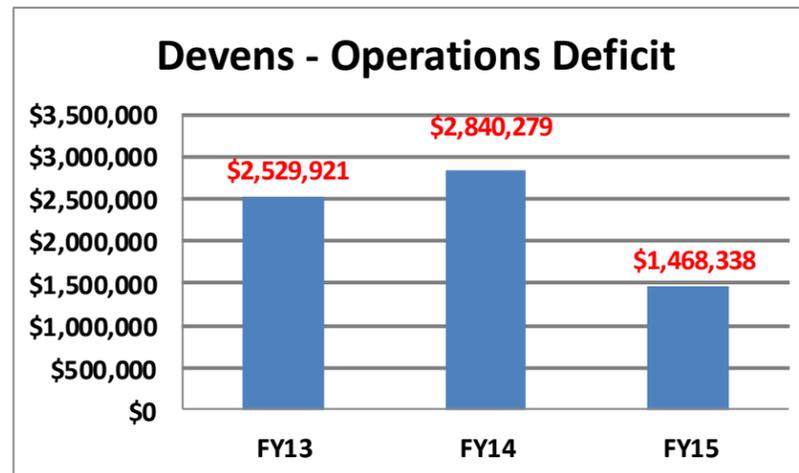
- Acres Sold for New Development: 3.6
- Acres New Development Constructed: 16 3.6 acres sold
- Sites Marketed: 173.3 acres marketed in FY 15 (18.5 acres added in FY 15)
- Sold: 1 lot (3.6 acres)
- Total \$ Invested:
 - Public: \$955,967
 - Private: \$15,292,621

Devens Total Assessed Valuation				
2014 to 2015				
	FY2014 Valuation	FY2015 Valuation	Change	% Change
Residential	\$29,771,600	\$31,025,600	\$1,254,000	4.2%
Commercial	\$41,548,600	\$40,519,500	(\$1,029,100)	(2.5%)
Industrial	\$93,646,200	\$103,244,100	\$9,597,900	10.3%
Total	164,966,400	174,789,200	\$9,822,800	5.9%

Note: Valuation as of 1/1. Does not include properties assessed a Municipal Service Fee. Does not include full value of parcels under TIFs or STAs.

Performance Analysis

- 48% decrease in Devens operations deficit over previous year
- 6% increase in total assessed value of land over previous year
- 13% increase in total tax revenue over previous year
- 15:1 ratio of private investment to public investment in Devens projects





STRIVE FOR ORGANIZATIONAL EXCELLENCE: MAINTAIN FINANCIAL RESOURCES

FY 15 Financial Resources Action Items

- Monitor Existing General Fund Capacity
- Plan for Future Needs
- Develop Property Leverage Assessment

Performance Analysis

- Further cash analysis determined no need to borrow to recapitalize general fund at this time
- Secured \$15M additional Brownfields recapitalization through the 2014 supplemental budget in partnership with the Legislature and Brownfields advocacy community
- Recapitalized DFIF program for \$5M using some proceeds of 100 Cambridge Street sale
- Developed strategy to secure additional \$9.375M capitalization of Advanced Manufacturing Futures Fund
- Completed sale of 100 Cambridge Street to Intercontinental Real Estate Corporation for \$279,600,000 and provided \$90 million to the Commonwealth's general fund
- Developed decision making criteria for assessment of additional agency real estate asset dispositions.

STRIVE FOR ORGANIZATIONAL EXCELLENCE:

BUILD COLLABORATIVE CULTURE



Performance Analysis

- Successfully piloted internal teams on initiatives:
 - * [TDI] design and implementation
 - * 100 Cambridge Street transaction
- Successfully implemented external public agency partners on initiatives:
 - * TAConnect
 - * [TDI] Partners Convenings
- Convened meetings between strategy team and department managers to increase cross-departmental collaboration
- Developed and implemented a FY16 planning process designed to formalize inter-department collaboration on key initiatives



STRIVE FOR ORGANIZATIONAL EXCELLENCE: BUILD WORKFORCE CAPACITY

Performance Analysis

- Professional Development/Training Resource Online Center launched and 6 initial training providers selected
- New Employee Orientation program established
- Collaborated with relevant departments to significantly update the agency employee handbook
- 12% decrease (7 days) under FY15 target for average time to post/fill vacancies
- 64% of staff evaluations completed on time (FY15 target 100%)

Employee Satisfaction

- Agency wide survey will be re-administered in FY16 to determine effectiveness of new employee satisfaction efforts outlined above
- Human Resources will provide analysis of employee feedback on training programs and new employee orientation efforts to further improve delivery

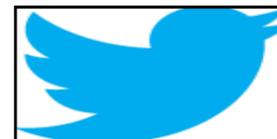
STRIVE FOR ORGANIZATIONAL EXCELLENCE:

MODERNIZE SYSTEMS & TECHNOLOGY

Performance Analysis

- Successfully launched new massdevelopment.com website
- Successfully launched new employee intranet
- Created multiple financial reports [using Bi360 software) greatly enhancing ability of staff to utilize financial data
- 19% increase in number of @MassDev Twitter followers over previous year
- 16% increase in total website traffic over previous year
- 25% reduction in number of record boxes stored at Iron Mountain

WEBSITE	FY14	FY15
massdevelopment.com	99,683	115,619
devenscommunity.com devensbusiness.com	29,808	20,615
VillageHillNorthampton.com	9,146	9,079
AMPitupMA.com	5,621	5,946



TWITTER FOLLOWERS (AS OF 8/31/2015)

@MassDev	6,877
@AMPitupMA	361