



MASSDEVELOPMENT
Build. Create. Innovate.

Annual Performance Report— Fiscal Year 2014

Deval L. Patrick, Governor

Greg Bialecki, Chairman and Secretary, Executive Office of Housing and Economic Development

Marty Jones, President & CEO



Key Performance Indicators (KPIs)



Key Performance Indicator - Access to Capital

ACTION

Provide access to capital to support economic growth

MEASUREMENT

- Total \$ Invested
- # of Financings

COMMENTS

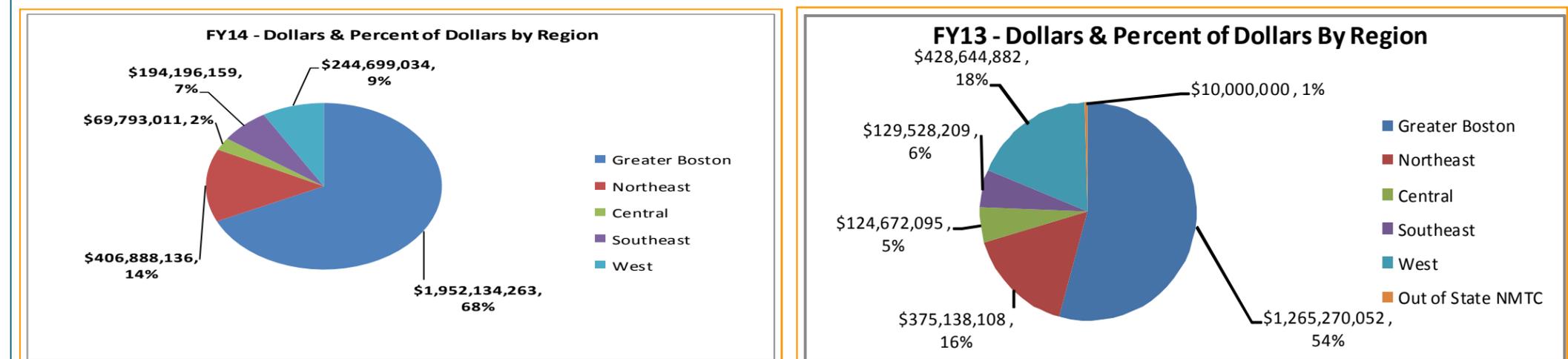
- 23% increase in total volume financed
- 22% decrease in finance program closings
- 82% of bond issuances contributed to either projected new and/or construction job creation
- 39% of bond issuances to “non-institutional” borrowers (not hospitals or universities)

RESULTS

	Fiscal 2014	Fiscal 2013
Total \$ Invested (Bond, Loan & Grant Programs)	\$2,867,710,604	\$2,333,253,346
Total Closings	277	317

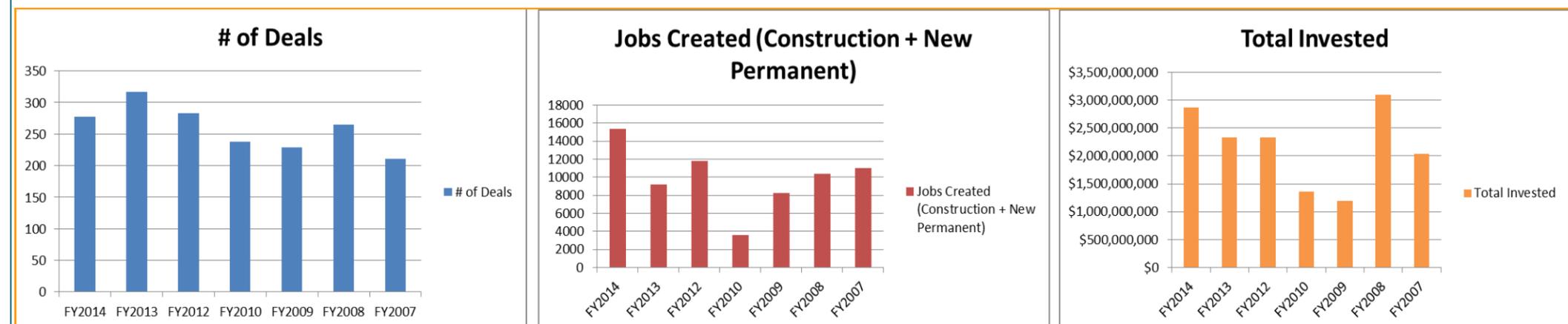
Note: \$40,000,000 in New Market Tax Credits allocation were also utilized on projects in FY2014 and not included in the total above.

Fiscal Year 2014—Finance Programs Regional Distribution



Note: Partners Health Care bond (Approx. \$500M) represents significant skew in the volume of dollars for Greater Boston region for FY14.

MassDevelopment Investment Trends FY2007 - FY2014





Key Performance Indicator - Job Creation

ACTION

Provide financing and real estate services.

MEASUREMENT

- # of construction jobs
- # permanent jobs
- # of jobs by region

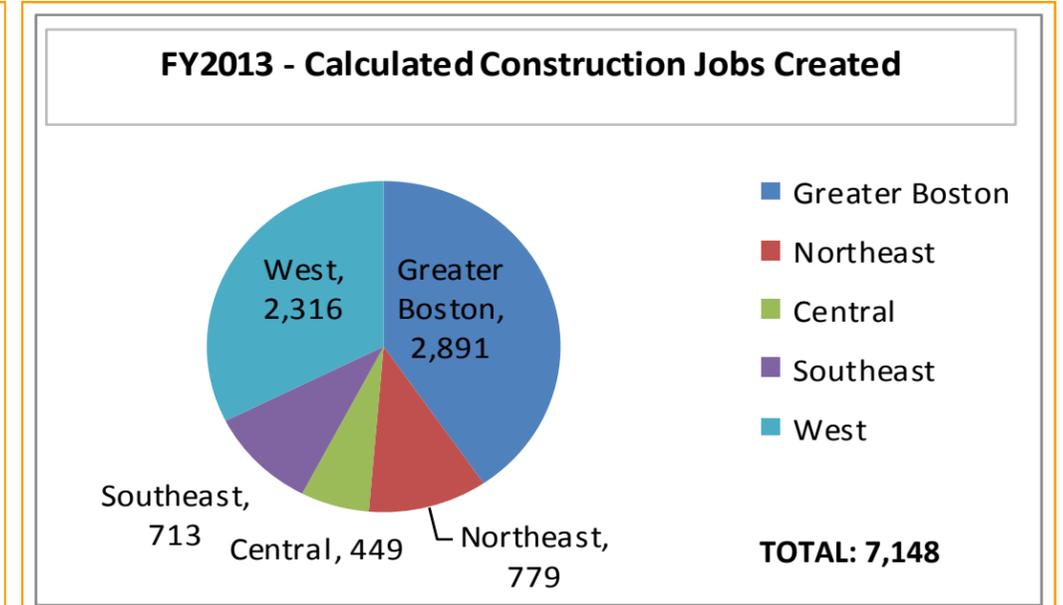
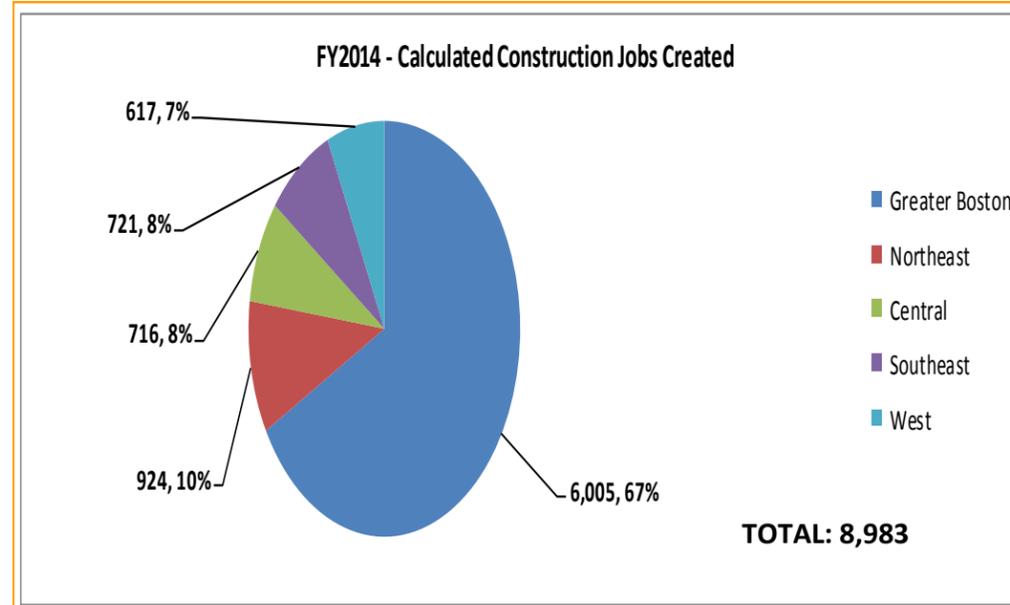
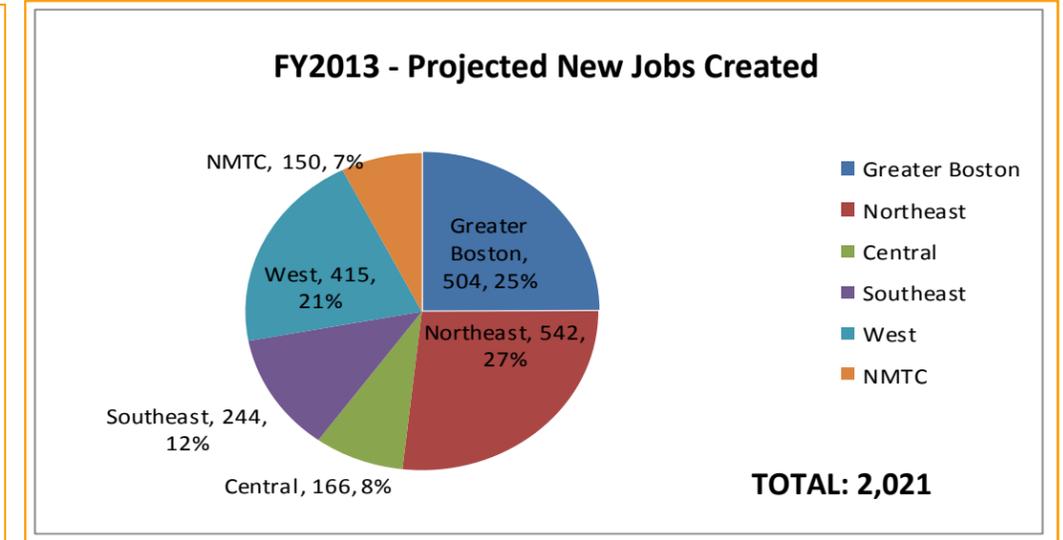
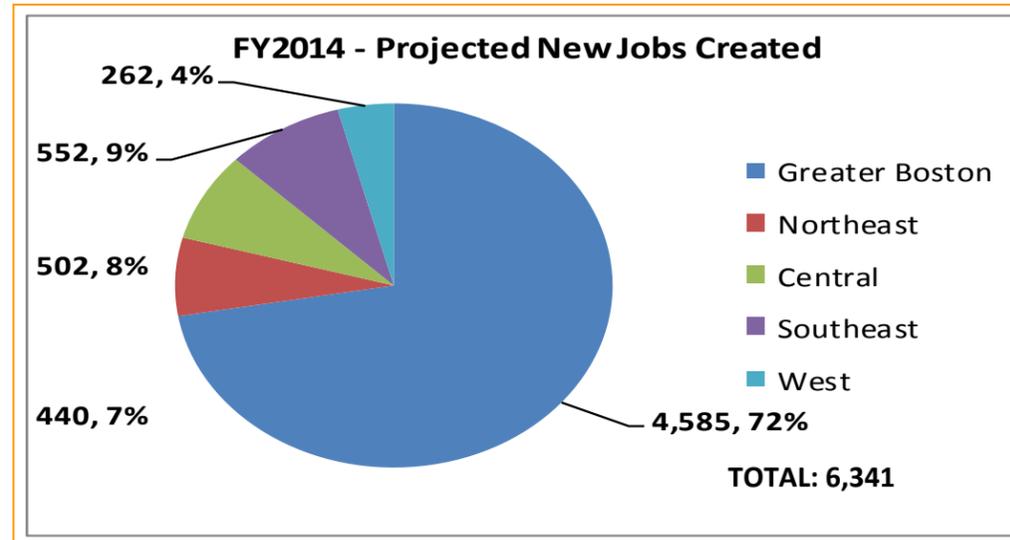
**Job creation measures 3 year projection of new permanent jobs by borrower and application of the IM-PLAN formula for construction jobs.*

COMMENTS



- 67% increase in total jobs created
- 26% increase in construction jobs created
- Over three times number of projected new jobs created
- 13% increase in jobs indirectly supported by providing businesses and institutions in the Commonwealth access to financing

RESULTS



Note: Partners Health Care bond (Approx. 2,800 new jobs) represents significant skew in projected new jobs in FY14.

	FY2014	FY2013
TOTAL JOBS CREATED	15,324	9,169
EXISTING JOBS AT COMPANIES RECEIVING FINANCING	98,576	87,254



FY14 Business Plan Goals



Annual Performance Report Summary— Fiscal Year 2014

GOAL	RESULT	FY15 Business Plan Alignment
1. Strengthen and champion the manufacturing sector by implementing and rolling out the Advanced Manufacturing Futures Fund.		Addressed in FY14 Business Plan Goals
2. Work with federal, state, local, non-profit, and private partners to strengthen the defense sector and military presence.		Addressed in FY14 Business Plan Goals
3. Increase impact on the Commonwealth's cost competitiveness and support the Governor's goal of 10,000 new multi-family housing units by implementing MassDevelopment Multi Family Housing Project.		
4. Establish and execute "Develop Devens" initiative to increase sources of revenue and continue to move towards long-term sustainability, self-sufficiency and accelerate completion of Devens build-out.		Addressed in FY14 Business Plan Goals
5. Support efforts to build the knowledge and capacity of regional and local economic development teams, working with Regional Economic Development Organizations, and led by municipal officials who are "CEOs for Economic Development."		Addressed in FY14 Business Plan Goals
6. Strengthen and champion the Gateway Cities by developing and launching a "Transformative Development Initiative" (TRI).		Addressed in FY14 Business Plan Goals
7. Develop and execute plans to assure the availability of adequate resources for general and restricted fund lending programs.		Addressed in FY14 Business Plan Goals
8. Modernize and revamp agency web presence to support key initiatives.		Addressed in FY14 Business Plan Goals
9. Operate more efficiently and build staff involvement in developing solutions to agency's challenges.		Addressed in FY14 Business Plan Goals
10. Categorize and catalogue agency workforce satisfaction to inform development of human resource/organizational development strategies.		Addressed in FY14 Business Plan Goals

Color coding: Goal Fully Completed (Green); Goal Partially Completed (Yellow); Goal Not Completed/Action Underway (Red)



1. Strengthen and champion the manufacturing sector by implementing Advanced Manufacturing Futures Fund

ACTION

Provide support to the sector by developing and implementing new financing and technical assistance

Promote advanced manufacturing careers via AmpltUp!

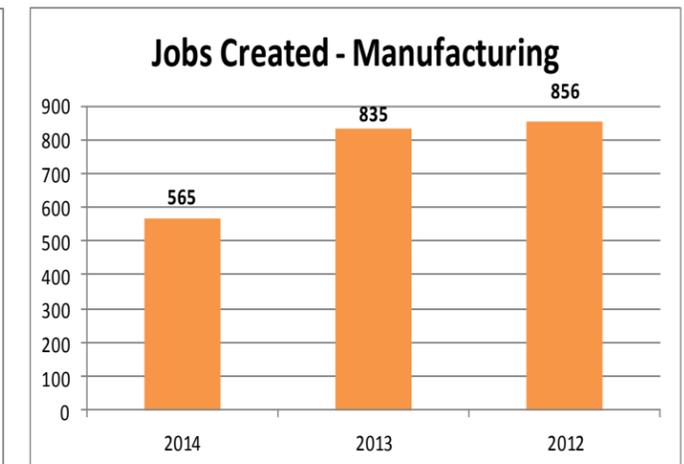
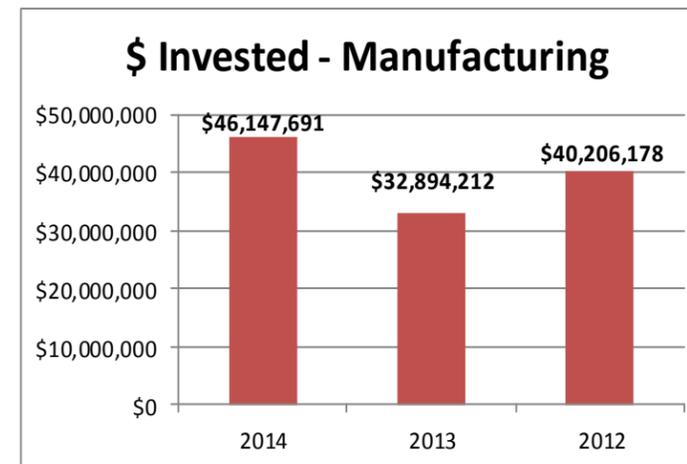
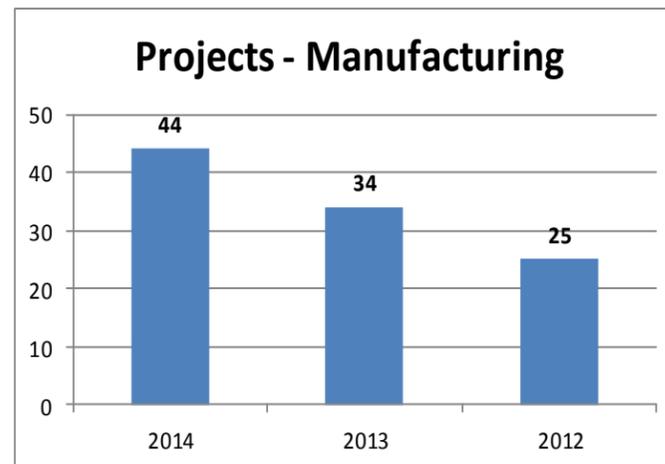
MEASUREMENT

- Modified/newly developed sector specific financing products to support each of AMCs 5 priority areas
- Burn rate on AMFF dollars
- # of AmpltUp events
- Manufacturing jobs created
- Manufacturing dollars invested

COMMENTS

- 29% increase in total projects financed supporting the manufacturing sector
- 40% increase in total dollars invested (from all programs) to support manufacturing sector (FY14 to FY 13)
- 48% decrease in jobs created in the manufacturing sector (FY14 to FY 13)

RESULTS



**Job creation measures 3 year projection of new permanent jobs by borrower and application of the IMPLAN formula for construction jobs.*



2014 Program Awards

11 Grants - \$ Invested: \$108,950

2013 Program Highlights

- AMPitup! grantees held 33 events in the 2013 grant period, reaching more than 1,000 students and adults.
- Events included company tours, 3D printing & CAD training, teacher externships, and presentations on the program to students.

FY2014—Program Highlights

- \$9,375,000 initial capitalization from the Commonwealth through the FY14 Budget.
- \$5,133,164 programmed through end of FY 2014
- Launched the Rapid Access Manufacturer’s Portal (RAMP) which uses a unique “matchmaking” model to provide a one-stop shop for manufacturers to access public sector resources in the Commonwealth.
- Successfully completed the Massachusetts Advanced Manufacturing Regional Partnership Academy (AMRPA) with above partnersto accelerate adoption of best practices, capacity building and engagement to help regions build sustainable partnerships to meet industry needs.
- Established working capital guarantee to help manufacturers access private lending capital.

RAMP MA.COM



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2. Work with federal, state, local, non-profit, and private partners to strengthen the defense sector and military presence.

ACTION	RESULTS					
Develop and grow partnerships with key government and private sector stakeholders to prepare for possible BRAC process	Massachusetts Military Installations — 2014 Key Program Activity					
MEASUREMENT						
<ul style="list-style-type: none"> • Execution of 1 capital project per installation • Link small businesses to defense contractors with at least 2 events • Complete FAA RFP 	<p style="text-align: center;">Barnes AFB</p> <p>Initiated runway re-surfacing with a combination of state and federal capital funding</p>	<p style="text-align: center;">Fort Devens</p> <p>Initiated property exchange with Army Reserve that would provide a new range control facility exchange for nine acres of land and associated improvements at the Moore Army Airfield.</p>	<p style="text-align: center;">Hanscom AFB</p> <p>Secured state capital funding for Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance Enterprise Integration Facility</p>	<p style="text-align: center;">Westover AFB</p> <p>State capital funding secured to construct National Aeronautics training center in partnership with UMass Amherst</p>	<p style="text-align: center;">Natick Soldier Systems Center</p> <p>State capital funding secured for energy infrastructure upgrades for Doriot Climatic chamber</p>	<p style="text-align: center;">Joint Base Cape Cod</p> <p>State capital funding secured for Connery Road repair project</p>
COMMENTS	FY14 Accomplishments—Military Task Force & Defense Sector Initiatives					

- Efforts to link contractors to business opportunities underway, but not completed to level set in FY14 goal target

- 

- Successful FAA application lead to the establishment of the Massachusetts Unmanned Aircraft Systems Test Center
 - Received grant from Department of Defense to map regional assets available to defense sector businesses
 - Secured nearly \$27 million dollars of capital funding authorization from Military Bond Bill to fund capital improvements at installations
 - Task Force structure codified in statute & \$700K appropriation secured to support efforts in FY2015
 - Funded and launched workforce training certificate program at Hanscom to assist workers in acquiring needed skills.
- Held small business forum at Hanscom AFB on connecting Massachusetts companies to defense contract opportunities
 - Governor Patrick & Task Force awarded Association of Defense Communities (ADC)'s State Leadership Award
 - Completed Phase 1 of energy audit at all 6 installations



3. Increase impact on the Commonwealth's cost competitiveness and support the Governor's goal of 10,000 new multi-family housing units.

ACTION

Execute technical assistance and financing efforts leading to new units of multi family housing.

MEASUREMENT

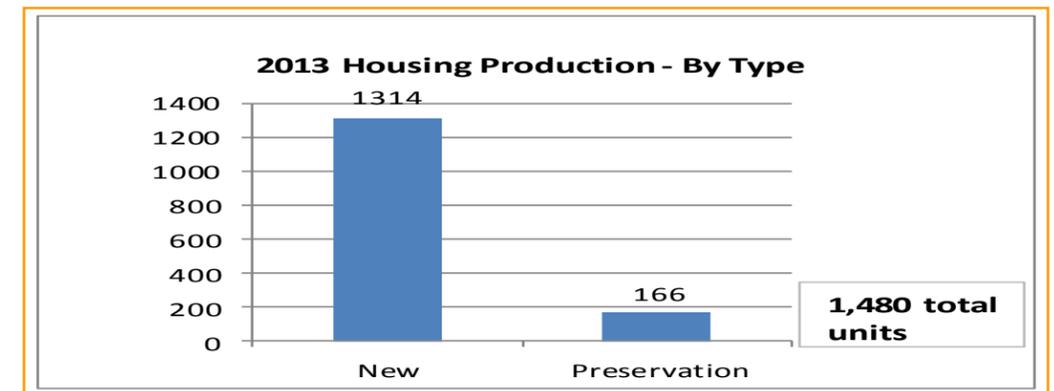
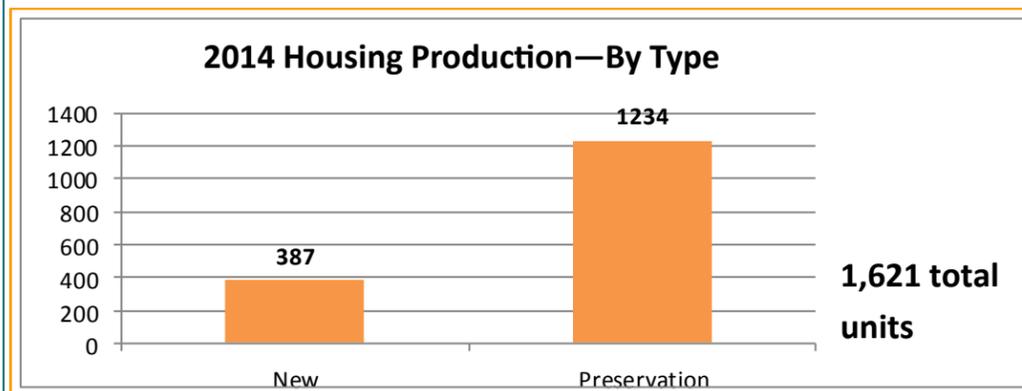
- 3-5 Growth District targeted MFH Technical Assistance Efforts
- 3 developer tours to highlight MFH development opportunities
- # of new/rehabbed multi family units developed/financed by MDFA

COMMENTS

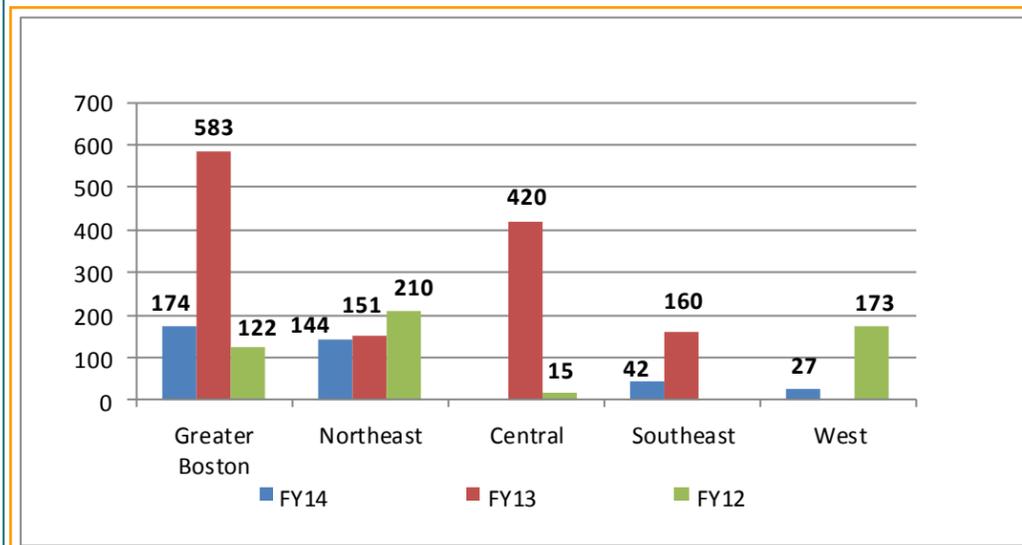


- 9.5% increase in total housing production from FY13 to FY14
- 7% increase in units supported in highest housing cost MassDevelopment region (Greater Boston—51% of units in FY14, 44% of units in FY13)
- Increase in preservation units suggests continued demand for financing to support 4% Low Income Housing Tax Credit deals (DHCD policy change eliminating use of 9% credits for preservation deals)

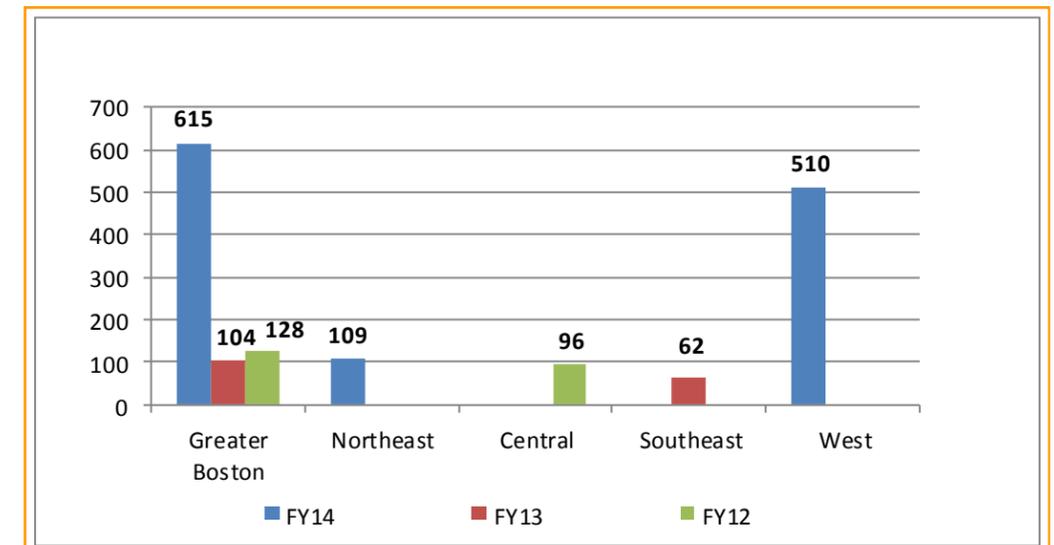
RESULTS



FY12 - FY14 - New Housing By Region



FY12 - FY14 - Preservation Housing By Region



Housing—Policy Coordination & Technical Assistance—FY2014

Multi-Family Housing Technical Assistance Assisted Hull, New Bedford and Amesbury with Planning Services for Multi-Family Housing



Showcasing Development Sites
MassDevelopment hosted 2 developer tours in fiscal 2014 (Metro North and Western MA)
Metro North Developer Tour



4. Establish and execute “Develop Devens” initiative to increase sources of revenue and continue to move towards long-term sustainability, self-sufficiency and accelerate completion of Devens build-out.

ACTION

Increase sources of revenue and manage/ reduce expenses

MEASUREMENT

- Acres made development ready
- Square feet sold/leased
- # of new sites marketed by RE staff
- Capital dollars invested by MDFA
- Resolution on Salerno cleanup
- Shirley Zoning change to promote development
- Tax revenue collected

COMMENTS



- Total assessed valuation trend and tax receipts up over previous year indicating progress towards sustainability
- Municipal Operations showing a 3 year decline in overall deficit
- Added 33 additional acres to marketing efforts for land sales

RESULTS



FY2014 Development—At A Glance

Acres New Development Constructed: 16

% Infrastructure Complete: 80%

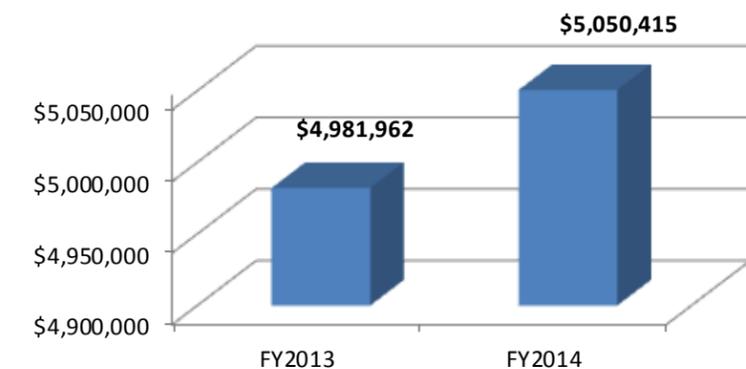
Sites Marketed — 155 Acres currently on market (33 Acres added in FY2014)

Sold: 37 acres (last two years)

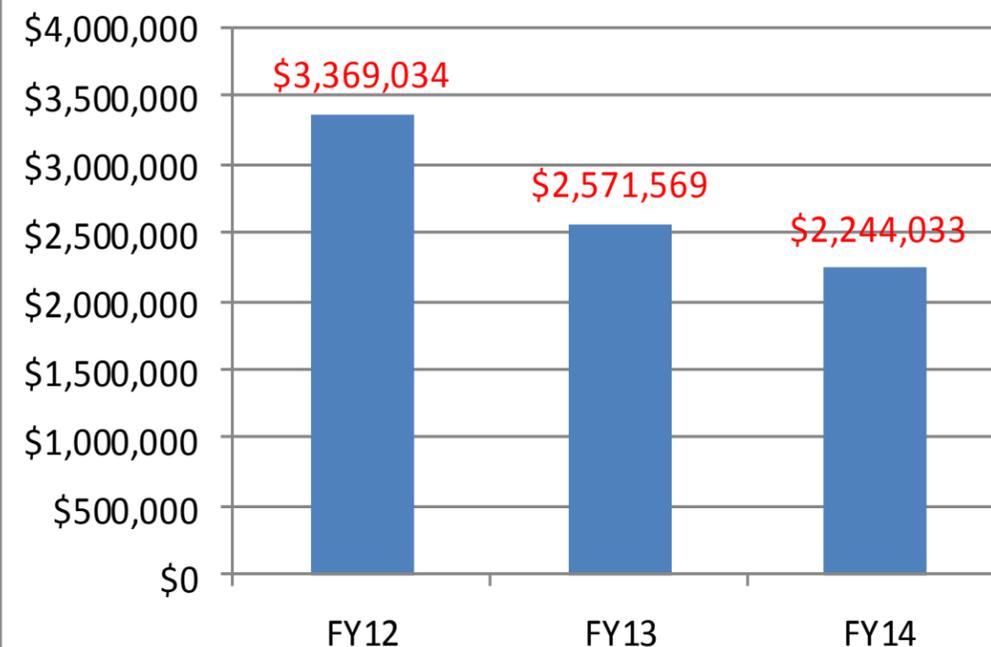
Total \$ Invested:

- **Public: \$1,420,685**
- **Private: \$21,919,761**

Devens Total Tax Revenue (Excluding Electric PILOT) FY13 and FY14



Devens - Operations Deficit



Devens Total Assessed Valuation - 2012

	FY2013 Valuation	FY2014 Valuation	Change	% Change
Residential	\$26,726,700	\$29,771,600	\$3,044,900	11.39%
Commercial	\$35,248,300	\$34,674,100	-\$574,200	-1.63%
Industrial	\$110,475,950	\$109,317,100	-\$1,158,850	-1.05%
Total	\$172,450,950	\$173,762,800	\$1,311,850	-0.76%

Note: Valuation as of 1/1. Does not include properties assessed a Municipal Service Fee. Does not include full value of 3 parcels under TIFs.



5. Support efforts to build the knowledge and capacity of regional and local economic development teams

ACTION

Develop, compile and share knowledge, expertise and tools that promote regional economic development team development and encourage planning ahead for growth in the Commonwealth

MEASUREMENT

- # of academies held
- #/% of communities completing EDSAT assessment
- # of communities participating in academies

COMMENTS

- Nearly 20% of communities in the Commonwealth participated in a regional Economic Development Academy
- Increased communities participating in Economic Development Self-Assessment Tool process by 2.3%

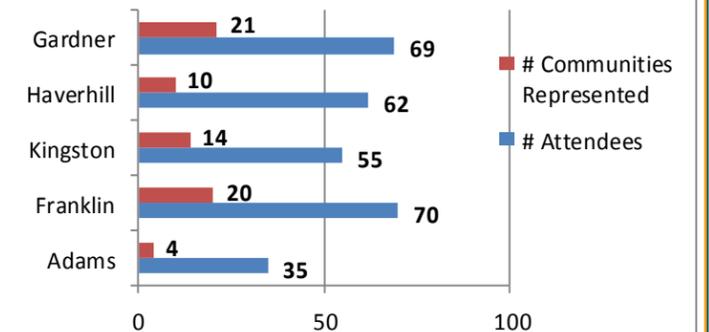
RESULTS

Academies & Municipal Capacity Building

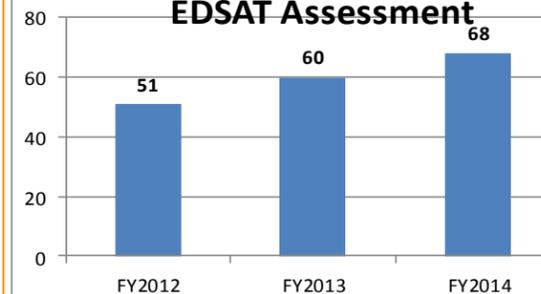


Marty Jones and Lawrence Mayor Daniel Rivera (left) at the North regional Academy

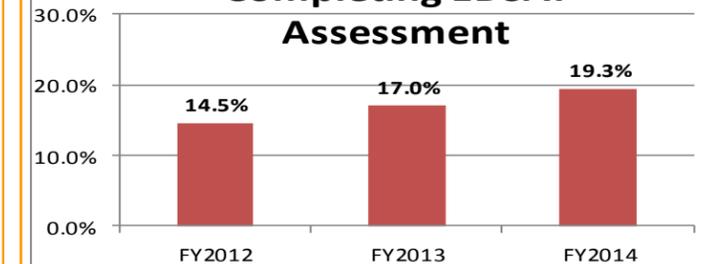
2014 Economic Development Academies



of Communities Completing EDSAT Assessment



% of Communities in MA Completing EDSAT Assessment



Technical Assistance Panels 2014

- Brockton - TOD Development
- Marlborough - Downtown Redevelopment
- Westborough - Surplus Property Redevelopment

Real Estate Services

FY2014 Technical Assistance

New Projects	Completed Projects	Completed	Total Completed
		Projects (Previous Year)	
11	4	5	9



6. Strengthen and champion the Gateway Cities by developing and launching a “Transformative Development Initiative” (TDI).

ACTION

Provide financing and technical assistance to Gateway cities

Develop and implement TDI project in two targeted sites (specific geographic district within a Gateway city)

MEASUREMENT

- # of projects, \$ invested & # jobs in Gateway Cities (new permanent + construction)
- Proforma analysis of available properties for redevelopment in each district
- Support municipalities in securing development opportunities in accordance with growth district priorities
- Modify existing financing product terms/ deploy new resources

COMMENTS

- 
- 22% decrease in total dollars invested in Gateway Cities. (Note: When adjusted for 2 FY13 bond outliers at UMassMemorial - 2% decrease)
 - 25% fewer projects in Gateway Cities
 - 8% fewer jobs in Gateway Cities
 - Possible finance product modifications held for launch of TD Fund

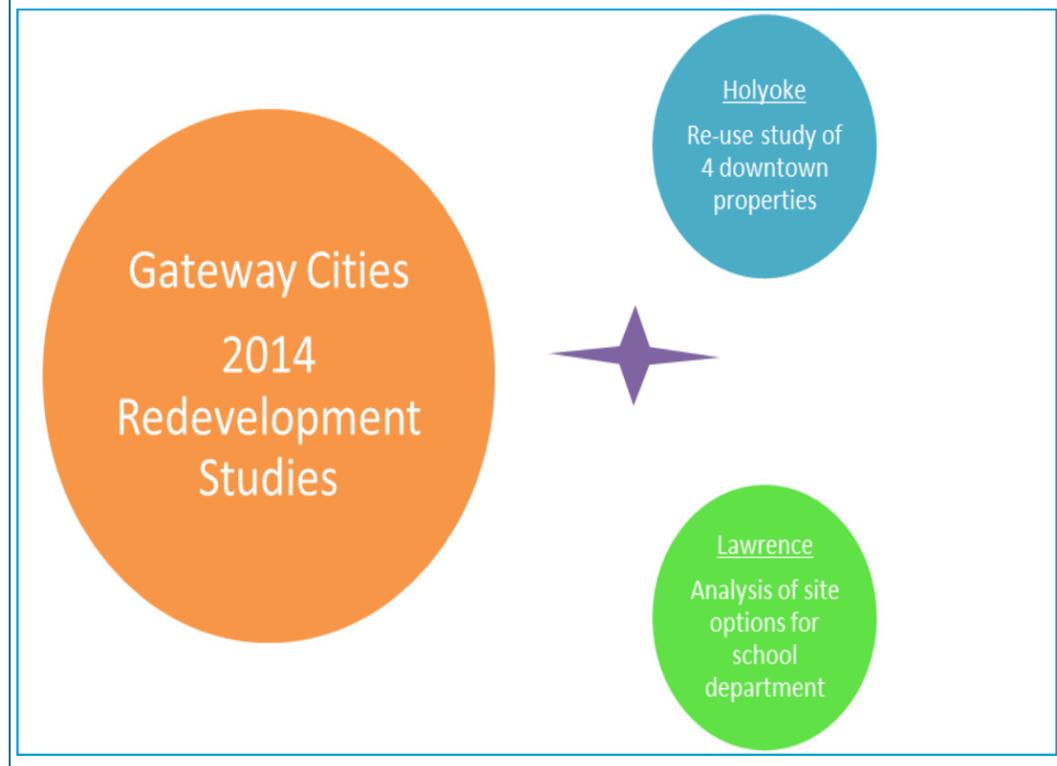
RESULTS

FY 2014—Gateway City Results			FY 2013—Gateway City Results		
# of Projects In Gateway Cities	Dollars Invested in Gateway Cities	Jobs Created in Gateway Cities	# of Projects In Gateway Cities	Dollars Invested in Gateway Cities	Jobs Created in Gateway Cities
• 95	• \$376,287,890	• 3,025	• 127	• \$482,497,768	• 3,289

*(\$ Invested includes 2 UMassMemorial Med. Ctr. bonds (\$100M))

**Job creation measures 3 year projection of new permanent jobs by borrower and application of the IMPLAN formula for construction jobs.*

TRANSFORMATIVE DEVELOPMENT INITIATIVE: PLANNING/GATEWAY TECHNICAL ASSISTANCE





Greening the Gateways

\$5 million dollar pilot funded by Executive Office of Energy and Environmental Affairs with 15,000 trees planted in Chelsea, Fall River and Holyoke over the next two years. MassDevelopment is engaged in assistance on business planning to support the initiative.

Expected Results

- 10 percent increase in canopy cover benefitting around 14,000 households
- 10 percent reduction in energy costs, with an average homeowner saving approximately \$230 a year
- \$400 million in energy savings for residents and businesses over lifespan of trees



7. Develop and execute plans to assure the availability of adequate resources for general and restricted fund lending programs.

ACTION	MEASUREMENT	
Pursue partnerships and secure commitments from new and traditional sources to recapitalize general and restricted lending pools	<ul style="list-style-type: none"> • Completion of efforts to borrow from lenders to recapitalize general fund • ETF fund burn rate monitoring • Brownfields fund burn rate monitoring • Analysis of options for Brownfields funding 	
COMMENTS	RESULTS	
<ul style="list-style-type: none"> • FY15 business plan includes project to research monetizing agency property assets to support programs • Management will continue to monitor fund usage through existing processes 	GENERAL FUND	Further fund analysis determined no need to borrow to recapitalize loan funds at this time.
	BROWNFIELDS REDEVELOPMENT FUND	In partnership with Governor Patrick, the Legislature, and the advocacy community the fund secured a total of \$25 million in Brownfields Redevelopment Fund recapitalization in FY2014.
	EMERGING TECHNOLOGY FUND	Fund continues to realize ongoing paybacks & interest payments that allow staff to determine no need for additional recapitalization at this time.

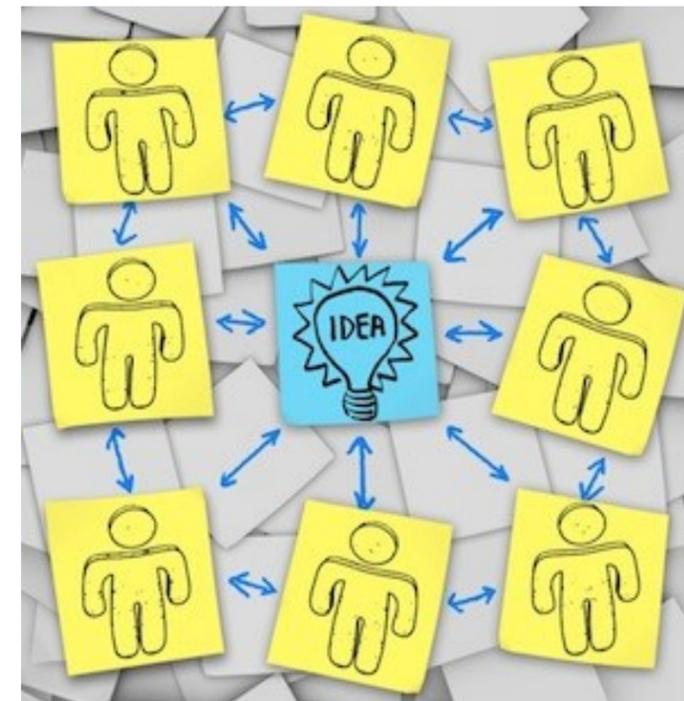
8. Modernize and revamp agency web presence to support key initiatives.

ACTION	RESULTS																							
Develop and implement new websites for Devens and AmpItUp	<table border="1"> <thead> <tr> <th data-bbox="935 1413 1473 1497">Website</th> <th data-bbox="1482 1413 1821 1497">FY14 Visits</th> <th data-bbox="1830 1413 2169 1497">FY13 Visits</th> </tr> </thead> <tbody> <tr> <td data-bbox="935 1497 1473 1582">Massdevelopment.com</td> <td data-bbox="1482 1497 1821 1582">99,683</td> <td data-bbox="1830 1497 2169 1582">97,581</td> </tr> <tr> <td data-bbox="935 1582 1473 1667">Devenscommunity.com</td> <td data-bbox="1482 1582 1821 1667">29,808</td> <td data-bbox="1830 1582 2169 1667">25,424</td> </tr> <tr> <td data-bbox="935 1667 1473 1830">VillageHillNorthampton.com</td> <td data-bbox="1482 1667 1821 1830">9,146</td> <td data-bbox="1830 1667 2169 1830">8,660</td> </tr> <tr> <td data-bbox="935 1830 1473 1913">AMPitupMA.com</td> <td data-bbox="1482 1830 1821 1913">5,621</td> <td data-bbox="1830 1830 2169 1913">5,677</td> </tr> </tbody> </table> <div data-bbox="2200 1397 2924 1907"> <table border="1"> <thead> <tr> <th data-bbox="2303 1397 2436 1514">  </th> <th data-bbox="2520 1397 2893 1514">Followers (as of 9/3/2014)</th> </tr> </thead> <tbody> <tr> <td data-bbox="2281 1554 2436 1701">  </td> <td data-bbox="2520 1554 2893 1729">1210</td> </tr> <tr> <td data-bbox="2281 1715 2436 1870">  </td> <td data-bbox="2520 1729 2893 1907">144</td> </tr> </tbody> </table> </div>			Website	FY14 Visits	FY13 Visits	Massdevelopment.com	99,683	97,581	Devenscommunity.com	29,808	25,424	VillageHillNorthampton.com	9,146	8,660	AMPitupMA.com	5,621	5,677		Followers (as of 9/3/2014)		1210		144
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MEASUREMENT	<ul style="list-style-type: none"> • # visits to MDFA websites • Social media statistics 																							
COMMENTS	<ul style="list-style-type: none"> • Final website upgrade to main site on schedule for FY15 																							



9. Operate more efficiently and build staff involvement in developing solutions to agency's challenges.

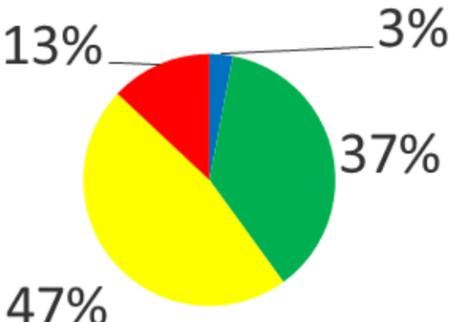
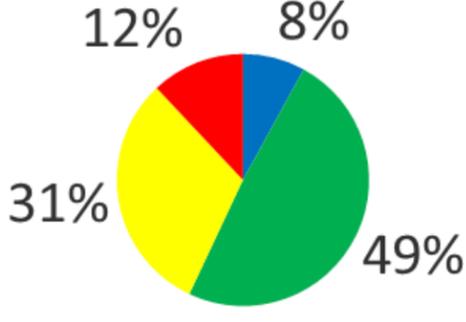
ACTION
Re-establish efficiency committee and seek out suggestions from staff
MEASUREMENT
<ul style="list-style-type: none"> # of recommendations produced # of recommendations implemented
COMMENTS
 <ul style="list-style-type: none"> Management will ensure recommendations are followed through on for FY15 implementation



RESULTS
<p>GOOD IDEAS GROUP</p>
<ul style="list-style-type: none"> Re-Established cross departmental team to seek out ideas Developed 3 concrete recommendations which are being researched and/or finalized: <ul style="list-style-type: none"> Electronic work flow approvals Formal back up plans for key personnel Better distribution of admin support

10. Categorize and catalogue agency workforce satisfaction to inform development of human resource/organizational development strategies.

ACTION
Develop and implement comprehensive employee satisfaction survey
MEASUREMENT
<ul style="list-style-type: none"> % of employees highly satisfied
COMMENTS
 <ul style="list-style-type: none"> Identifying and developing action plan to deal with lower than expected level of employee satisfaction

RESULTS																				
<p>2014 All Staff Survey - Employee Satisfaction Results</p>																				
<div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p>How Would You Describe the Overall Morale of Agency Staff?</p>  <table border="1"> <tr><th>Morale Level</th><th>Percentage</th></tr> <tr><td>Very positive</td><td>3%</td></tr> <tr><td>Positive</td><td>37%</td></tr> <tr><td>Fair</td><td>47%</td></tr> <tr><td>Poor</td><td>13%</td></tr> </table> </div> <div style="width: 45%;"> <p>How Would You Describe The Overall Morale of Your Department Staff?</p>  <table border="1"> <tr><th>Morale Level</th><th>Percentage</th></tr> <tr><td>V. Positive</td><td>8%</td></tr> <tr><td>Positive</td><td>49%</td></tr> <tr><td>Fair</td><td>31%</td></tr> <tr><td>Poor</td><td>12%</td></tr> </table> </div> </div>	Morale Level	Percentage	Very positive	3%	Positive	37%	Fair	47%	Poor	13%	Morale Level	Percentage	V. Positive	8%	Positive	49%	Fair	31%	Poor	12%
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