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**GOVERNOR PATRICK LAUNCHES RECOVERY ZONE PROGRAM FOR ECONOMIC DEVELOPMENT****Signs Executive Order opening federal program to 209 communities across Massachusetts**

BOSTON - Friday, October 16, 2009 - As part of the Patrick-Murray Administration's Massachusetts Recovery Plan to secure the state's economic future, Governor Deval Patrick has signed an Executive Order that will open the state's Recovery Zone Bond Program. The Recovery Zone Bonds, authorized through the American Recovery and Reinvestment Act, support both public and private development efforts by offering favorable borrowing rates for projects within areas designated as "Recovery Zones". The Governor's Executive Order identifies existing state Economic Target Areas (ETAs) as Recovery Zones thereby rendering projects within those 209 communities as eligible for consideration. The Secretary of Housing & Economic Development may designate additional Recovery Zones at his discretion.

"Recovery Zone Bonds are a significant resource to the Commonwealth to stimulate economic activity, increase employment opportunities and mitigate the harmful effects of the national recession in areas with significant poverty, unemployment, rate of home foreclosures or general distress," said Governor Patrick in the Executive Order.

The state's Recovery Zone Bond allocation is split between two programs: Economic Development and Private Facilities, totaling \$222 million and \$334 million respectively. Recovery Zone Economic Development Bonds are taxable bonds that provide 45% interest forgiveness for municipalities to bond for public infrastructure improvements, site remediation or site acquisition to support economic development. Recovery Zone Facilities Bonds are tax-exempt and available to private entities for the construction, renovation and reconstruction of privately held facilities that will create new jobs.

The bonds were allocated directly to counties and cities with greater than 100,000 in population and were based on declines in employment in 2008. Seven of the 14 Massachusetts counties were legislatively abolished in 1998 requiring the state to administer the Recovery Zone Bond Programs in Berkshire, Essex, Franklin, Hampden, Hampshire, Middlesex, and Worcester counties. The seven active counties of Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth, and Suffolk may decide whether to participate in the state program or administer the bonds independently.

The Executive Office of Housing and Economic Development, in concert with the Executive Office for Administration and Finance will be responsible for the allocation of the bonds to all non-active and participating counties. Priority for Economic Development Bonds will be given to municipal projects that are likely to result in private investment.

"This smart investment reflects Governor Patrick and Lieutenant Governor Murray's commitment to putting people back to work, improving our state's infrastructure and keeping Massachusetts on the road to economic recovery," said Senator John Kerry.

"One of the toughest obstacles in getting some of these larger development projects off the ground is the lack of financing at competitive rates. Thanks to Governor Patrick, these Recovery Zone Bonds will allow us to move forward driving economic development and creating jobs," said Congressman Stephen F. Lynch. "I am pleased to see these stimulus funds being used to put people back to work while investing in our communities."

"The Recovery Zone funds will leverage public and private investment to spur economic development initiatives," said Congresswoman Niki Tsongas. "These bonds provide an important tool for communities as they work to attract companies, create jobs, and expand the infrastructure that is critical to the health of our cities."

"The Governor is on track with this program. The benefits are three fold: it will help municipalities move forward with infrastructure projects that were put on hold as a result of the staggering economy, spur private investment and most importantly create new jobs helping to reenergize the economy," said Senator Marc Pacheco, Senate Chair of the Federal Stimulus Oversight

Committee.

"This program is another example of how the Patrick Administration is partnering with the Federal government to help stimulate the Massachusetts economy, rebuild local buildings, invest in the private sector, and create jobs for Massachusetts residents," said Representative David P. Linsky, House Chair of the Federal Stimulus Oversight Committee. "These funds will jump-start the capitol markets and the construction industry."

Investments in cities and towns are critical components of the Patrick-Murray Administration's Massachusetts Recovery Plan, which combines state, federal and, where possible, private efforts to provide immediate and long-term relief and position the Commonwealth for recovery in the following ways:

- Deliver immediate relief by investing in the road, bridge and rail projects that put people to work today and providing safety net services that sustain people who are especially vulnerable during an economic crisis;
- Build a better tomorrow through education and infrastructure investments that strengthen our economic competitiveness, prepare workers for the jobs of the future and support clean energy, broadband and technology projects that cut costs while growing the economy; and
- Reform state government by eliminating the pension and ethics loopholes that discredit the work of government and revitalize the transportation networks that have suffered from decades of neglect and inaction.

To learn more, go to [www.mass.gov/recovery](http://www.mass.gov/recovery). To learn more about Recovery Zone Bonds go to [www.mass.gov/recoverybonds](http://www.mass.gov/recoverybonds).

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