

By Mr. Webber, petition (accompanied by bill, Senate, No. 116) of Peter C. Webber and Daniel E. Bosley for legislation to establish a program of financial assistance to regional and local industrial development agencies and commissions for the purpose of constructing speculative industrial shell buildings throughout the Commonwealth. Commerce and Labor.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety.

AN ACT ESTABLISHING A PROGRAM OF FINANCIAL ASSISTANCE TO REGIONAL AND LOCAL INDUSTRIAL DEVELOPMENT AGENCIES AND COMMISSIONS FOR THE PURPOSE OF CONSTRUCTING SPECULATIVE INDUSTRIAL SHELL BUILDINGS THROUGH THE COMMONWEALTH.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 40F of the General Laws is hereby amended by adding  
2 the following section: —

3 Section 6. The commissioner is hereby directed, subject to  
4 appropriation or the issuance of bonds for said purpose, to estab-  
5 lish a program for financial assistance to those public or non-profit  
6 agencies (local agencies) which provide industrial development  
7 services to local municipalities in the commonwealth.

8 Funds may be granted to any public or non-profit agency which  
9 has been in operation for two consecutive years prior to applica-  
10 tion for funds under this section.

11 Upon application of the public or non-profit agency, the  
12 department may loan or grant money to that local agency, upon  
13 such terms and conditions as it may prescribe, for the purpose of  
14 industrial park planning and development, if necessary, for con-  
15 structing a speculative building on land owned or held under long  
16 term lease by the local agency and for the purchase of land in  
17 connection with the foregoing. Before the local agency receives  
18 such funds for such purposes from the department it may be  
19 required to give to the department security for the repayment of

20 the funds. The security shall be in such form and amounts as the  
21 commissioner may determine and shall, in each instance, include a  
22 first mortgage on the land, or the leasehold, building, and appur-  
23 tenances financed by such funds. Loans by the department to local  
24 agencies for the construction of speculative buildings shall be  
25 repaid in full, including interest and other charges, within ninety  
26 days after the building is occupied.

27 Issuance of Loans for Speculative Buildings.

28 Before issuing any loan under this section for construction of a  
29 speculative building and the purchase of land in connection there-  
30 with, the department shall determine that: —

31 1. The project is within the scope of this chapter, will be of  
32 public use and benefit, and may reasonably be expected to create  
33 new employment opportunities;

34 2. The proposed site for the speculative building will be located  
35 on adequate land owned or to be acquired by the local agency or  
36 leased by the local agency on terms satisfactory to the authority;

37 3. An adequate access road from a public highway is provided  
38 to the proposed site and that such utilities as water, sewer, and  
39 power facilities are available, or will be available when the specula-  
40 tive building is completed;

41 4. The project plan complies with all applicable environmental,  
42 zoning, planning and sanitary laws and regulations of the municipi-  
43 tality where it is to be located and of the state of Massachusetts;

44 5. The local agency is responsible and has presented evidence to  
45 demonstrate its ability to carry out the project as planned;

46 6. Evidence has been presented demonstrating the feasibility of  
47 the site as a location for industry, and additional evidence has been  
48 presented that an adequate supply of labor is available.

49 The funds received by any one agency also shall be based on but  
50 not limited to the following criteria: —

51 1. Geographical size and population served by such agency;

52 2. Unemployment and wage level history of the area served;

53 3. Amount of matching funds from non-state governmental  
54 sources;

55 4. Assurance that the funded proposal will be in addition to the  
56 work currently being done by the agency and that the agency will  
57 maintain a continued effort of the funded program;

58 5. Demonstrated effectiveness of agency;

59 6. The lack of significant private development in the area. The  
60 department shall not put funds into an area where the building will  
61 be in competition with similar buildings available from private  
62 owners.

63 Loans to local agencies under this section shall be made pro-  
64 vided that if the funds for any such loan are derived from the  
65 issuance of bonds to the state treasurer, the loan shall bear interest  
66 at a rate not less than the rate on notes.

67 In the case of appropriation, such loans shall be interest free.

68 In order to provide monies in the industrial development fund  
69 for loans to local agencies under this section the department may  
70 issue notes for purchase by the state treasurer as provided in this  
71 chapter.

72 Issuance of Notes and Purchases by the State Treasurer.

73 a. The department may issue its notes to the state treasurer in an  
74 amount outstanding at any one time not exceeding five million  
75 dollars to enable the department to make loans to local agencies  
76 under this section. Each obligation shall bear interest at a rate  
77 determined by the state treasurer, taking into consideration the  
78 current average rate on outstanding marketable obligations of the  
79 state as of the last day of the month preceding the issuance of the  
80 obligation of the borrower, provided that if the treasurer borrows  
81 money with which to purchase notes issued by the department he  
82 shall set the interest rate on the notes at not less than the rate the  
83 state is required to pay on the money borrowed. The state treasurer  
84 shall purchase notes of the department issued hereunder and may  
85 borrow money by the issue of bonds or notes and pledge the full  
86 faith and credit of the state, or use any available funds over which  
87 the state has exclusive control for this purpose. Bonds and notes  
88 authorized in the preceding sentence shall be issued pursuant to  
89 the provisions of the appropriate statutes and shall not exceed an  
90 aggregate of five million dollars at any one time outstanding.

91 b. Notes issued to the state treasurer hereunder shall mature not  
92 later than five years from their dates, but may be extended or  
93 renewed for such additional periods as the state treasurer may  
94 approve.

95 c. Notes given by the department to the state treasurer under  
96 the provisions of the section shall be secured by assignment of a  
97 first mortgage given by the local agency to the state.

98 Taxes.

99 While a speculative building or industrial park remains unoccu-  
100 pied, and a first mortgage is held by the department or by the  
101 commonwealth, it is declared to be public property and shall be  
102 exempt from all taxes and special assessments of the state or any  
103 political subdivision thereof.

104 The department is hereby authorized to make grants to assist  
105 such agencies in carrying out planning, including architectural and  
106 other costs approved by the department; provided, that before any  
107 such grant may be made:

108 1. The agency shall have made application to the department for  
109 such grant. The application shall further state, with evidence satis-  
110 factory to the department, the amount of non-state governmental  
111 funds or land held by or committed or subscribed to the agency for  
112 application to the purposes herein described and the amount of the  
113 grant for which application is made;

114 2. The department, after review of the application, is satisfied  
115 that the program of the agency appears to be in accord with the  
116 purposes of this section and shall authorize the making of a grant  
117 to such agency;

118 3. The maximum received by an agency shall be no greater than  
119 three times the amount received by that agency from non-state  
120 governmental sources.

121 Any agency or organization receiving funds under this section  
122 shall prepare and submit a report on the disbursement of said  
123 funds at such time and in such form as the commissioner shall  
124 specify. The commissioner shall establish rules, regulations and  
125 guidelines to regulate and control the dispersal of funds under this  
126 section.

127 A detailed financial report audited by a certified public account-  
128 tant shall be submitted to this department within one hundred  
129 twenty days by any agency or organization receiving funds under  
130 this section.