

By Mr. Costa of Adams, petition of Frank N. Costa and Peter C. Webber for legislation to establish a program of financial assistance to regional and local industrial development agencies and commissions. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Five.

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: —

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

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

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

20 first mortgage on the land, or the leasehold, building, and appur-
21 tenances financed by such funds. Loans by the department to local
22 agencies for the construction of speculative buildings shall be
23 repaid in full, including interest and other charges, within ninety
24 days after the building is occupied.

25 Issuance of Loans for Speculative Buildings.

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

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

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

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

39 4. The project plans comply with all applicable environmental,
40 zoning, planning and sanitary laws and regulations of the munici-
41 pality where it is to be located and of the state of Massachusetts;

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

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

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

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

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

51 3. Amount of matching funds from non-state governmental
52 sources;

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

56 5. Demonstrated effectiveness of agency;

57 6. The lack of significant private development in the area. The
58 department shall not put funds into an area where the building will

59 | be in competition with similar buildings available from private
60 | owners.

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

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

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

70 | Issuance of Notes and Purchases by the State Treasurer

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

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

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

96 | Taxes

97 | While a speculative building or industrial park remains unoccu-
98 | pied, and a first mortgage is held by the department or by the

99 commonwealth, it is declared to be public property and shall be
100 exempt from all taxes and special assessments of the state or any
101 political subdivision thereof.

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

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

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

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

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

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