

**SENATE . . . . . No. 66**

By Mr. Norton, a petition (accompanied by bill, Senate, No. 66) of Thomas C. Norton for legislation to authorize and direct the Massachusetts Community Development Corporation to establish a program for financial assistance to certain agencies whose projects have been certified by the Economic Assistance Coordinating Council. Commerce and Labor.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-Four

AN ACT TO PROMOTE IMMEDIATE EMPLOYMENT OPPORTUNITIES AND ECONOMIC DEVELOPMENT WITHIN 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 SECTION 1. Chapter 40F of the General Laws is hereby  
2 amended by adding the following section: —

3 Section 6. The corporation is hereby authorized and directed,  
4 subject to appropriation or the issuance of bonds for said purpose,  
5 to establish a program for financial assistance to those public,  
6 quasi-public or nonprofit agencies for projects certified by the  
7 economic assistance coordinating council, established by section  
8 three B of chapter twenty-three A, under the Massachusetts Office  
9 of Business Development which provide industrial development  
10 services to local municipalities in the commonwealth.

11 Funds may be granted to any public, quasi-public or nonprofit  
12 agency which has been in operation for two consecutive years  
13 prior to application for funds under this section.

14 Upon application of the public, quasi-public or nonprofit  
15 agency, the corporation may loan or grant money to that local  
16 agency, upon such terms and conditions as it prescribes, for the  
17 purpose of industrial park planning and development, if necessary,  
18 for constructing a speculative building on land owned or held  
19 under long term lease by the local agency and for the purchase of  
20 land in connection with the foregoing or for the renovation, reha-  
21 bilitation or utilization of existing sites or properties. Before the

22 local agency receives such funds for such purpose from the  
23 department it may be required to give to the department security  
24 for the funds. The security shall be in such form and amounts as  
25 the corporation may determine and shall, in each instance, include  
26 a first mortgage on the land, or the leasehold, building, and appur-  
27 tenances financed by such funds. A loan by the corporation to  
28 local agencies for the construction of speculative buildings or for  
29 the renovation, rehabilitation or utilization of existing sites or  
30 properties shall be repaid in full, including interest and other  
31 charges, within ninety days after the building is occupied.

32 Before issuing any loan under this section for construction of a  
33 speculative building or for renovation, rehabilitation or utilization  
34 of existing sites or properties for projects certified by the  
35 Economic Assistance Coordinating Council and the purchase of  
36 land in connection therewith, the corporation shall determine that:

37 (1) the project is within the scope of this chapter, will be of  
38 public use and benefit, and may reasonably be expected to create  
39 new employment opportunities;

40 (2) the proposed site for a speculative building will be located  
41 on adequate land owned or to be acquired by the local agency or  
42 leased by the local agency on terms satisfactory to the authority;

43 (3) an adequate access road from a public highway is provided  
44 to the proposed site and such utilities as water, sewer, and power  
45 facilities are available, or will be available, or will be available  
46 when the speculative building or the renovation, rehabilitation or  
47 utilization of existing sites or properties is completed;

48 (4) the project plan complies with all applicable environmental,  
49 zoning, planning and sanitary laws and regulations of the municipi-  
50 pality where it is to be located and of the commonwealth;

51 (5) the local agency is responsible and has presented evidence  
52 to demonstrate its ability to carry out the project as planned; and

53 (6) evidence has been presented demonstrating the feasibility of  
54 the site as a location for industry, and additional evidence has  
55 been presented that an adequate supply of labor is available.

56 The funds received by any one agency shall be based on, but  
57 not limited to, the following criteria:

58 (1) geographical size and population served by such agency;

59 (2) unemployment and wage level history of the area served;

60 (3) amount of matching funds from non-state governmental  
61 sources;

62 (4) assurance that the funded proposal will be in addition to the  
63 work currently being done by the agency and that the agency will  
64 maintain a continued effort for the funded program;

65 (5) demonstrated effectiveness of agency;

66 (6) the lack of significant private development in the area; pro-  
67 vided, however, that the corporation shall not put funds into an  
68 area where the building will be in competition with similar build-  
69 ings available from private owners.

70 Loans to local agencies under this section shall be made; pro-  
71 vided, however, that if the funds for any such loan are derived  
72 from the issuance of bonds to the state treasurer, the loan shall  
73 bear interest at a rate not less than the rate on notes and in the case  
74 of appropriation, such loans shall be interest free.

75 In order to provide monies for loans to local agencies under this  
76 section, the corporation may issue notes for purchase by the state  
77 treasurer as provided in this section.

78 The corporation may issue its notes to the state treasurer in an  
79 amount outstanding at any one time not exceeding five million  
80 dollars to enable the corporation to make loans to local agencies  
81 under this section. Such an amount shall be in addition to any  
82 other monetary limits imposed by this chapter. Each obligation  
83 shall bear interest at a rate determined by the state treasurer, tak-  
84 ing into consideration the current average on outstanding mar-  
85 ketable obligations of the state as of the last day of the month pre-  
86 ceding the issuance of the obligation of the borrower, provided  
87 that if the treasurer borrows money with which to purchase notes  
88 issue notes at not less than the rate the state is required to pay on  
89 the money borrowed. The state treasurer shall purchase notes of  
90 the corporation issued hereunder and may borrow money by the  
91 issue of bonds or notes and pledge the full faith and credit of the  
92 commonwealth, or use any available funds over which the com-  
93 monwealth has exclusive control for this purpose. Bonds and  
94 notes authorized in this section shall be issued pursuant to the pro-  
95 visions of the appropriate statutes and shall not exceed an aggre-  
96 gate of five million dollars at any one time outstanding.

97 Notes issued to the state treasurer hereunder shall mature not  
98 later than five years from their dates, but may be extended or  
99 renewed for such additional periods as the state treasurer may  
100 approve.

101 Notes given by the corporation to the state treasurer under the  
102 provisions of sections shall be secured by assignment of a first  
103 mortgage given by the local agency to the commonwealth.

1 SECTION 2. The first paragraph of section 8A of chapter 212  
2 of the acts of 1975, as most recently amended by section 7 of  
3 chapter 130 of the acts of 1987, is hereby further amended by  
4 striking out said first paragraph and inserting the following para-  
5 graph: -

6 To provide for the acquisition, holding, protection, mainte-  
7 nance or use of lands as provided by this act, and to provide for  
8 making loans, loan guarantees and grants as provided by this act,  
9 to be deposited in the emerging technology fund under section  
10 eight C of this act, to provide for personnel and administrative  
11 costs of the bank, and to refinance notes issued as provided in this  
12 act, the state treasurer shall, upon request of the governor, issue  
13 and sell bonds of the commonwealth to an amount not exceeding,  
14 in the aggregate, the sum of ninety million dollars; provided that  
15 fifteen million dollars be deposited into the emerging technology  
16 fund established under section 8C of this act.