



## Bond Financing

As the Massachusetts issuer of private activity tax-exempt bonds, MassDevelopment provides access to below-market interest rates to borrowers such as nonprofits, affordable housing developers, manufacturers, municipal and public entities, and environmental enterprises. The bonds can finance capital project costs including site development, new construction, land, building and equipment purchases, building renovation, and facility expansion. In the case of nonprofits, existing debt can be refinanced at tax-exempt rates. MassDevelopment will work with you to determine project eligibility under the federal tax code, evaluate financing structure, and explore placement options. We can also provide a direct loan solution if that is a better fit.

### Tax-Exempt Bonds for 501(c)(3) Nonprofit Organizations

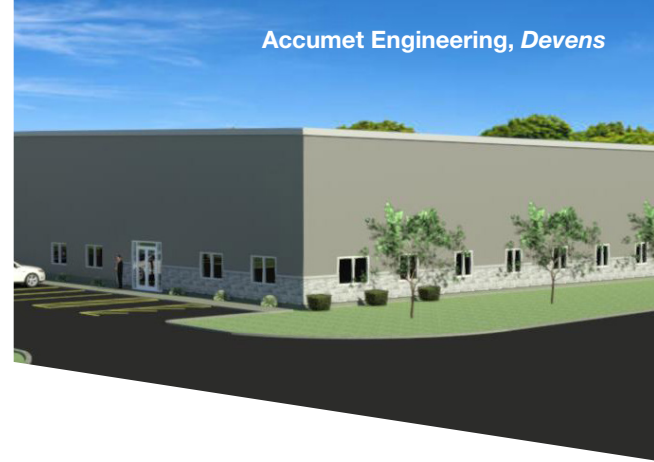
- Borrowers must be a 501(c)(3) entity and can include educational and cultural institutions, hospitals, community health centers, assisted living facilities, research organizations, health and human service providers, and other nonprofits.
- Tax-Exempt 501(c)(3) bond proceeds can be used to purchase land, buildings or new equipment, to construct or renovate buildings, or to refinance existing debt.

### Tax-Exempt Bonds for Housing

- Tax-Exempt bond proceeds can be used for new construction or acquisition/rehabilitation of rental housing with an affordable component.
- 4% Federal Low-Income Housing Tax Credits can be a source of equity for tax-exempt bond financed projects.
- Household income restrictions apply.

### Tax-Exempt Industrial Development Bonds (IDBs)

- Project must be a manufacturing facility.
- Tax-Exempt IDB proceeds can be used to purchase land and buildings or new equipment, to construct or renovate buildings, or to refinance existing tax-exempt IDB's.
- The amount of IDBs for the borrower in the municipality, which can be financed tax-exempt, is limited to \$10 million.
- Total capital expenditures of borrower may not exceed \$20 million within the same municipality, three years prior to and three years after the issuance of the IDB.



## Infrastructure Financing

- Project must be for public improvements supporting a development project in Massachusetts.
- MassDevelopment offers three infrastructure financing programs using municipal real estate taxes, special assessments, and other state revenues: Infrastructure Investment Incentives (I-Cubed), District Improvement Financing (DIF), and Local Infrastructure Development Program.

## Environmental Enterprises

- Other projects may be eligible for tax-exempt financing such as solid waste disposal facilities. This includes landfills and recycling operations.

## Case Studies

### The Food Bank of Western Massachusetts, Chicopee

A \$9.5 million tax-exempt bond was issued on behalf of The Food Bank of Western Massachusetts which will use proceeds to build and equip a 63,000-square-foot building in the Chicopee River Business Park that will serve as the organization's headquarters. Relocating to the new building will more than double the organization's available space to store and distribute healthy food, increasing its capacity to serve community members. PeoplesBank purchased the bond.

### Copley Gardens, Rockland

MassDevelopment issued a \$7 million tax-exempt bond on behalf of NHS Copley Gardens LLC, an affiliate of NeighborWorks Housing Solutions, to renovate Copley Gardens, an 83-unit multifamily rental housing facility in Rockland. Renovations include replacing exterior siding, installing new windows, upgrading common areas and select kitchens and bathrooms, completing masonry repointing, major plumbing repairs, and electrical upgrades, modifying five units to meet accessibility requirements, and replacing the fire alarm protection system. Silicon Valley Bank purchased the bond.

### Accumet Engineering, Devens

MassDevelopment issued a \$4.14 million tax-exempt bond for Accumet Engineering for the purchase of a 3.1-acre parcel in Devens. The industry-leading advanced processing manufacturer will build a new 39,375-square-foot manufacturing facility where it will continue to service customers from the medical, bioscience, RF/microwave, microelectronics, and aerospace and defense industries. Middlesex Savings Bank purchased the bond.

#### Main office:

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#### Regional offices:

Devens | Fall River | Lawrence | Springfield | Worcester