Overview of State Programs, Incentives & Tax Credits for Business

December 9, 2008
Business Resource Team (BRT)

What is the BRT?

A one-stop shop for companies who wish to do business in Massachusetts, lead/coordinated by the Massachusetts Office of Business Development

Our Mission:

Assist companies that wish to locate, relocate, expand, grow, or stay in Massachusetts

Web site: www.mass.gov/bizteam
Massachusetts Business Resource Team

Massachusetts Biotechnology Council

Massachusetts Small Business Development Center Network

Massachusetts Alliance for Economic Development

UMASS

UMass Technology Development Corporation

Massachusetts Office of International Trade & Investment

MOBD

MassMEDIC

The Massachusetts Workforce Training Fund

Merrimack Valley Economic Development Council, Inc.

MassDevelopment

Renewable Energy Trust

Manufacturing Extension Partnership

The Economic Stabilization Trust

The Massachusetts Board of Higher Education
## BRT Partners & Roles

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<td>MA Office of Business Development (MOBD)</td>
<td>EDIP, DIF, BRT Coordination</td>
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<td>MA Alliance for Economic Development (MAED)</td>
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<td>Massachusetts Technology Collaborative (MTC)</td>
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<td>Massachusetts Renewable Energy Trust</td>
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<td>MassPort</td>
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<td>MA Manufacturing Extension Partnership (MassMEP)</td>
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### Public Post Secondary Institutions
- University of Massachusetts
- Board of Higher Education

### Trade/Industry Associations
- Massachusetts Biotechnology Council
- MassMEDIC
- Massachusetts Technology Leadership Council (MTLC)

### Regional Economic Development Councils
- Boston Redevelopment Authority (BRA)
- Merrimack Valley EDC
- SouthCoast Development Partnership
- Western Massachusetts EDC
- Berkshire EDC
- Arc of Innovation: 495/MetroWest Corridor Partnership

### Role
- Industry Advocacy
- Network and Relationships with Companies, Universities, Hospitals
- Purchasing Consortium (MBC)
- Regional expertise
- Network with businesses, municipalities, and economic development
- Local site selection expertise
- Research Partnerships
- Workforce Pipeline Partnerships (Internships and Recruiting)
- Workforce Training
- Industry Advocacy
- Network and Relationships with Companies, Universities, Hospitals
- Purchasing Consortium (MBC)
Overview of State Tax Credits, Incentives & Programs

• Tax Incentives
• Workforce Training Grants & Services
• Other State Resources
• Financing Solutions
Tax Incentives

Economic Development Incentive Program

• The Economic Development Incentive Program (EDIP) is the primary economic development tool used to support business expansion and drive job creation in MA.

• The EDIP Program is a three-way partnership between the expanding company, the municipality, and the state of MA:
  – the municipality offers a tax-exemption on the incremental assessed value created from the company investment.
  – the state grants a 5% investment tax credit.
  – the company commits to a job creation schedule.
Tax Incentives

TIF Mechanics

1. Taxes on original valuation
2. Expected growth in tax, with no investment
3. Investment raises property value
4. Added value subject to TIF
5. Taxes available after TIF
Tax Incentives

Economic Development Incentive Program

- Negotiated Agreement between business and host municipality;
- 5 year minimum, 20 year maximum or anything in between;
- Business pays full tax rate on the “base value”;
- Exemption from property taxation on all or part of the increased value accrued as a result of development (the “increment”);
- Percentage of exemption may range from 5% to 100%;
- Personal property tax exemption for both existing and new property;
Workforce Training Grants & Services

Workforce Express Grants
- 50 or fewer employees
- $15,000 or less
- Every other month submission
- Stock off-the-shelf training programs
- Company and State pay 50% each

Workforce Training Fund General Program
- Any number of employees
- Any $ amount
- Every other month submission
- Your choice of training programs
- State pays 100% training, Company pays “in kind” match

Web site: www.mass.gov/wtf
Workforce Training Grants & Services

Hiring Incentive Training Grants
- Training grants up to $2,000 per employee
- $30,000 maximum per company per year
- Newly hired employees that have been unemployed with no call back date
- Applications must be submitted within 30 days of new hire’s starting date
- Web site:  www.mass.gov/wtf

Safety Training Grants
- Purpose to prevent worker injuries and help lower unemployment costs
- $800,000 in funding annually
- Wide array of training programs eligible: i.e. ergonomics, hazardous material handling, heavy lifting techniques
- Applications due April 1, 2008 (Apply once a year).
- Web site:  www.mass.gov/dia
Workforce Training Grants & Services

Small Business Development Centers

Experienced full-time business counselors.

Services:
- Counseling & Training
- Capital Access (SBA loans)
- Business Plan Development
- Cash Flow Analysis
- Marketing & Sales Strategies
- Financial Plan Development
- Government Contracting
- Technology Commercialization
- Web site: www.msbdc.org
Workforce Training Grants & Services

One-Stop Career Centers

Services for employers include:

– Access to qualified applicants
– Applicant pre-screening
– Posting of jobs
– Assistance with small and large-scale recruitment activities
– Help planning job fairs
– Testing and assessment of job candidates
– Targeted mailings
– Rental of conference rooms
– Labor market information

Web site:  www.mass/gov/dwd  (Div. of Career Centers)
Other State Resources

Site Selection

Complimentary service to identify land or industrial, office R&D, distribution/warehouse, flexible space

Customized package prepared

Get an overview of market before engaging a Real Estate Professional

Minimum 10,000 sq ft of space or 20,000 sq ft of land to develop

Web site: www.massecon.com
Other State Resources

Export Promotion

- Export planning, strategy, international business plan development
- International industry-specific trades shows
- International channel development including identification and qualification of overseas customers and partners
- Aid with International payment & financing
- Export logistics and documentation
- Export regulatory compliance

Web sites:  [www.mass.gov/moiti](http://www.mass.gov/moiti) & [www.mass.gov/export](http://www.mass.gov/export)
Other State Resources
MA Energy Initiatives

Renewable Energy Trust (MTC)

Mass Green Energy Fund – invest equity venture capital in MA-based renewable energy companies

Sustainable Energy Economic Development (SEED) – flexible capital for early-stage companies between R&D and commercialization

Commonwealth Solar- rebates for photovoltaic projects

Large Onsite Renewables Initiative – feasibility study grants and design & construction grants

Small Renewable Projects – rebates up to $50,000 for design and construction

Web sites: www.mtpc.org/renewableenergy/
Financing Solutions

Financing Programs Include:

Equipment financing, Tax-Exempt financing for Manufacturers, Real Estate loans and guarantees, Industrial Revenue Bond issuance for manufacturers (MassDevelopment)

Web site:  www.massdevelopment.com
Financing Solutions (continued)

Capital gap financing for early stage/expanding high-tech companies (MTDC)
Web site:  www.mtdc.com

Working Capital (Mfg) – Economic Stabilization Trust (EST)
Web site:  www.commcorp.org/trust

Small Business loans:
- Small Business Administration  www.sba.gov/ma
- Community Development Finance Corp.  www.mcdfc.com
- The Business Development Company  www.mass-business.com
- SEED Corp  www.seedcorp.com (micro loans)
Contact:

Annamarie Kersten
Regional Director, Greater Boston
Massachusetts Office of Business Development
Phone: (617) 788-3637
Email: annamarie.kersten@state.ma.us

www.mass.gov/bizteam  1-877-bizteam
Massachusetts
It’s all here.