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**Legislature Sends Economic Development Bill to Governor**

*Focuses on emerging industries, invests in workforce and regional development*

(BOSTON) – The House and Senate today finalized comprehensive economic development and jobs legislation that aims to further strengthen Massachusetts’ innovation industries and position the state as a global leader both economically and culturally. The bill focuses on emerging industries, investments in workforce development and education, and promoting targeted regional growth.

“Since becoming Speaker in 2009, growing our economy has been my top priority,” said **House** **Speaker** **Robert A. DeLeo (D-Winthrop)**. “We’ve worked to strengthen all areas of our economy – from blue collar jobs to the innovation economy. Thanks to our efforts, we’ve made unprecedented gains. This bill extends that focus to ensure that residents, businesses and communities are able to compete and excel in a dynamic, global economy. I’m particularly proud and encouraged by the initiatives that will broaden the circle of economic prosperity beyond Greater Boston to all regions of the Commonwealth.”

"If the Commonwealth is to remain competitive in the world economy, then it is important that we capitalize on our state's existing and developing industries," **Senate President Therese Murray (D-Plymouth)** said. "This bill makes many investments in our emerging industries, like Big Data and advanced manufacturing, as well as programs to strengthen our growing educated workforce. Through our efforts to build a cutting-edge economy, we are directly helping many residents to succeed."

"This bill demonstrates a commitment by the Legislature to a robust economy that stretches across Massachusetts,” said **Representative Joseph F. Wagner**, **Chair of the Committee on Economic Development & Emerging Technologies (D-Chicopee)**. “Through strategic investments and policy initiatives, we aim to encourage private sector investment, strengthen the innovation economy, support the manufacturing sector, and provide workforce training to help meet the critical needs of Massachusetts employers."

“I immensely proud of this bill,” said **Senator Gale D. Candaras (D-Wilbraham), Senate Chair of the Joint Committee on Economic Development and Emerging Technologies**. “It reflects a holistic and forward thinking view of our state's economy in two important ways. It supports growth in communities outside of 495 because the fiscal health of the Commonwealth depends on the success of all of our regions. Additionally, the bill includes skill-based training in IT and precision manufacturing yet can nimbly adapt to changing sectors, unique to each region. Our collective future will certainly be brighter.”

“The economic development bill will undoubtedly create more jobs and expand business growth across Massachusetts,” said **Representative Ann-Margaret Ferrante (D-Gloucester), Vice-Chair of the Committee on Economic Development & Emerging Technologies.** “With major investments in the Tech Sector, such as Big Data, innovation and an Angel Investor Tax Credit, this bill ensures that Massachusetts will be a leader in Technology. Further, with tax incentives for research and development, building materials in Designated Port Areas, a Middle Skills Job Training Bill, and investment in the manufacturing sector, this bill sets the table for a strong economy moving forward.”

“Job creation, at this point in recovery from the Great Recession, is of the utmost importance to maintaining an economically healthy Commonwealth,” said **Senator Stephen M. Brewer (D-Barre)**. “Provisions in this bill—from economic feasibility studies to workforce training—will expand businesses and provide necessary, high-paying jobs to our communities.”

“There is a lot to like about this bill, said **Senator Don Humason (R-Westfield)**. “We worked to strengthen vital programs in job training, small business development, the cultural economy, tools for municipalities, the life sciences, and other areas critical to the Massachusetts economy.”

The legislation invests $1.5 million in MassCAN, a partnership founded by a coalition including Google, Microsoft, Mass Business Roundtable, Mass Tech Collaborative, Massachusetts Competitive Partnership and Mass Tech Leadership Council, to establish widespread, progressive computer science education in public schools. Upon implementation, Massachusetts will be the first state in the nation to offer a dollar-for-dollar match with private industry for computer science education.

It also creates and provides $2.15 million for the Big Data Innovation & Workforce Fund to promote the big data and analytics industries, provide tools for related career development and explore how analytics can help address problems of public concern like transportation, energy and public health.

The legislation takes multiple steps to further develop talent and keep students, employees and companies in Massachusetts, including a $2 million investment in the Talent Pipeline initiative. The program, which has won national praise since its creation through the 2012 economic development law, encourages students and young innovators to get a head start on their futures by matching stipends for interns at innovation start-ups, and providing mentoring opportunities for new entrepreneurs. The bill also establishes a 3-year global entrepreneur-in-residence program at UMass Lowell and UMass Boston administered by the Massachusetts Technology Collaborative to help start and grow businesses and jobs that will stay in Massachusetts.

To help students prepare for higher education after high school, the bill includes $750,000 for the Early College High School Initiative that encourages partnerships between regional school districts and institutions of public higher education to allow students to work on the completion of a high school diploma while simultaneously earning free college credits towards an associate degree. The bill also funds a statewide college readiness program that includes diagnostic and college placement tests, and implements and promotes stackable credentials programs at public higher education institutions.

Recognizing the unique role that start-ups and early-growth companies have in revitalizing the economy, this bill includes numerous provisions to support the innovation ecosystem including:

* Builds on a successful program that would allow the pension fund (PRIM) to invest at least $150 million in institutions that make capital available to small business and early stage companies;
* Provides $1.5 million for MassVentures, an organization that supports the innovation economy by funding early-stage, high-growth startups in Massachusetts as they move from concept to commercialization;
* Includes $100,000 for the Chief Information Officer in the Division of Information Technology to establish an online business portal, which provides a step-by-step guide to starting a business in the Commonwealth;
* Creates the Angel Investor Tax Credit to incentivize investment and foster growth in newly formed start-ups in Massachusetts. Investors are eligible for a 20 percent credit of the qualifying angel investment, 30 percent if the recipient business is located in a Gateway City;
* Updates the research and development tax credit for businesses. Additionally, it creates an alternative simplified credit as another option to encourage research and development in Massachusetts; and
* Includes $2 million to establish the Innovation Commercialization Seed Fund to provide opportunities to test business ideas in the marketplace. The fund will function as a competitive grant program for researchers and students at the University of Massachusetts and other public and private research universities in Massachusetts.

Since the 2008 economic downturn, the Legislature has strategically targeted economic sectors that will provide sustainable jobs for workers of all skill levels across a variety of industries. The 2014 economic development legislation establishes the Middle Skills Job Training Grant Fund, funded at $12 million, to provide grants to vocational-technical schools and community colleges that will support advanced manufacturing, technology and hospitality training. The fund seeks to train 4,000 workers in the next four years to meet the talent needs of Massachusetts employers. The legislation also funds a matching grant program for small manufacturing companies to provide technical assistance and avert layoffs and closures and provides $2.5 million for the Workforce Competitive Trust Fund.

To support tourism and marketing efforts, the bill includes $5 million for the Massachusetts Office of Travel and Tourism to establish an International Tourism Marketing Campaign and replaces the current Massachusetts Tourism Fund Formula with a new formula at the recommendation of the Tourism Formula Commission, effective July 1, 2016. To support the Commonwealth’s fishing industry, the bill creates a seafood marketing program and establishes a Massachusetts Seafood Marketing Program Fund within the Division of Marine Fisheries to benefit the Commonwealth’s fishing and seafood industry.

While the Greater Boston area has shown strong signs of economic recovery, many regions in the state still face recession-like conditions. This bill lays the groundwork for regional renewal through numerous initiatives, including the creation of the Transformative Development Fund which will support residential, commercial, industrial and institutional development in Gateway Cities. The legislation provides an initial $16 million investment, a portion of which will support the creation of collaborative workspaces in Gateway Cities to spur innovative and creative business growth.

The bill also authorizes increased spending for the Infrastructure Investment Incentive (I-Cubed) Program from $325 million to $600 million, and raises the number of allowed I-Cubed projects within any community from three to eight.

In addition, the bill improves two existing housing programs, the Housing Preservation & Stabilization Trust Fund through a $3 million investment, and the Housing Development Incentive Program (HDIP) which provides developers with tax credits for mixed-income, market rate projects. This bill eliminates the cap on the number of units permitted per HDIP development and doubles the amount of existing tax credits to $10 million for the next four years. Other regional advancement provisions include:

* Invests $1.5 million in the Working Cities Challenge, a public-private initiative in partnership with the Boston Federal Reserve Bank, to advance cross-sector collaboration and create lasting economic improvement;
* Provides $10 million to the Brownfields Redevelopment Fund to encourage development of currently vacant and underutilized properties across the Commonwealth and provides $2.5 million for the Brownfields Redevelopment Access to Capital (BRAC) which offers low-cost environmental insurance to help mitigate risk; and,
* Creates a Job Creation Incentive which will allow businesses to receive a tax credit up to $1,000 per job created, or up to $5,000 per job created in a Gateway City, capped at $1 million per project.

This legislation gives the Mayor of Boston appointment power for the Boston Liquor Licensing Board and allows for 15 new unrestricted licenses and 60 new restricted licenses in areas designated by the Boston Redevelopment authority as Main Street Districts and certain underserved neighborhoods including the zoning districts of Dorchester, East Boston, Hyde Park, Jamaica Plain, Mattapan, Mission Hill and Roxbury.

The bill also creates a sales tax holiday on August 16th and 17th, marking the ninth year the Commonwealth will provide a two-day sales tax exemption.

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