

Transformative Development Initiative

Building a Culture of Co-investment in Small Cities



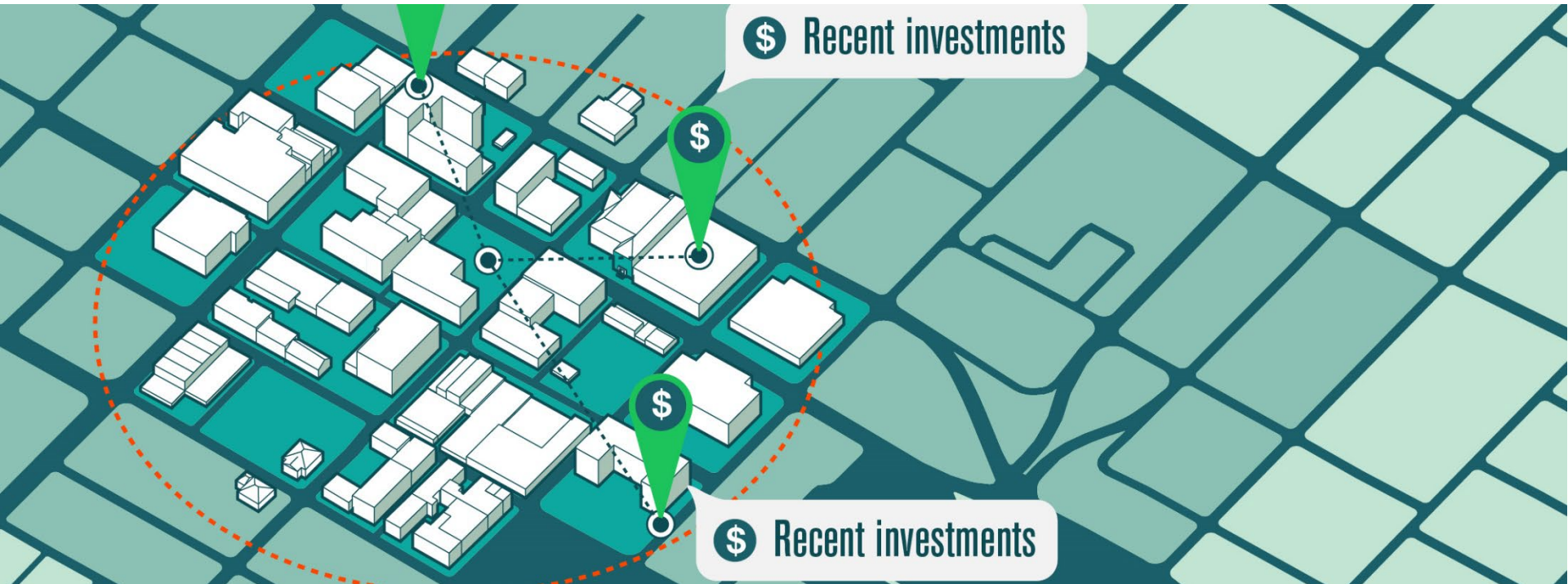
Way to grow, Massachusetts!



As the Commonwealth's quasi-governmental economic development and finance agency, MassDevelopment is committed to achieving three goals:

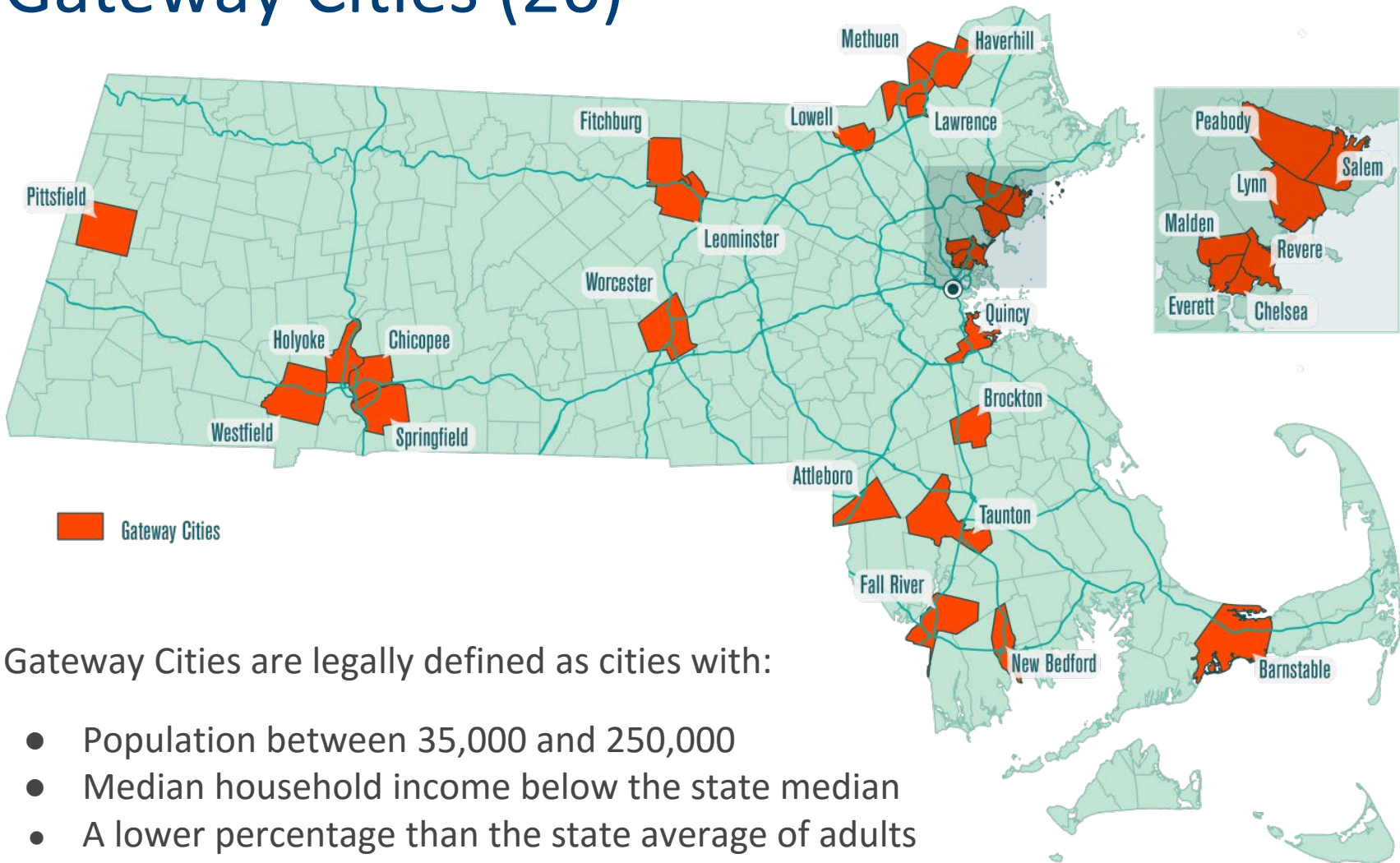
1. Stimulate business
2. Drive economic growth
3. Help communities thrive across Massachusetts

Transformative Development Initiative



TDI is a **program for Gateway Cities** designed to accelerate economic growth within focused districts.

Gateway Cities (26)



Gateway Cities are legally defined as cities with:

- Population between 35,000 and 250,000
- Median household income below the state median
- A lower percentage than the state average of adults with a college degree

Transformative Development is...

“...redevelopment on a scale and character capable of catalyzing significant **follow-on private investment**, leading over time to transformation of an entire downtown or **urban neighborhood**, and **consistent with local plans.**”

Massachusetts General Laws, Chapter 23, Section 46

[tdi] vision



Our vision is a connected network of Gateway Cities in which sustainable, restored market conditions more accurately reflect the promise of the community.

TDI Toolkit

City Building
Expertise



TDI Fellows

Technical Assistance

MassDevelopment
Real Estate Services, ULI TAP

**Partner Agency
Programs**

1 **TDI Fellows** enhance the TDI activities in the Districts, following a workplan designed by TDI Partnerships and MassDevelopment.



TDI Fellows are each based in one district but work together as a cohort to lend expertise across cities.

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Programs

1 Implementation Strategy and Investor Prospectus Springfield, MA



Follow-on Activity

- ✓ Restaurant start-up guide created by City
- ✓ Food truck ordinance enacted

2 Better Block Haverhill, MA



Follow-on Activity

- ✓ Vendors opened new brick and mortar locations in downtown Haverhill

TDI Toolkit

Investments



TDI Equity Investments

Strategic and District-focused

TDI Strategic Assistance for Investments

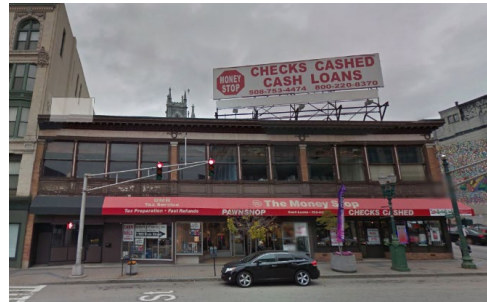
Public and Private

MassDevelopment Development Financing

Partner Co-Investment

(Ex: Kresge Foundation)

1 526 Main Worcester, MA [in progress]



District significance

- ✓ Activate highly visible property
- ✓ Influence investment in surrounding properties

2 Container Farm Holyoke, MA [in progress]



District significance

- ✓ Return key site to productive use
- ✓ Serve as a test case for Holyoke's broader urban agriculture vision

TDI Toolkit

Business
Growth



TDI Cowork

Collaborative Workspaces

TDI Local

Pilot programs to catalyze
local market

MassDevelopment

Business Financing

Partner Grants, Loans, Microfinance

(Ex: Barr Foundation MGCC)

1 Create & Escape Peabody, MA

Small Business Need

- ✓ Startup costs: build out and early rent payments



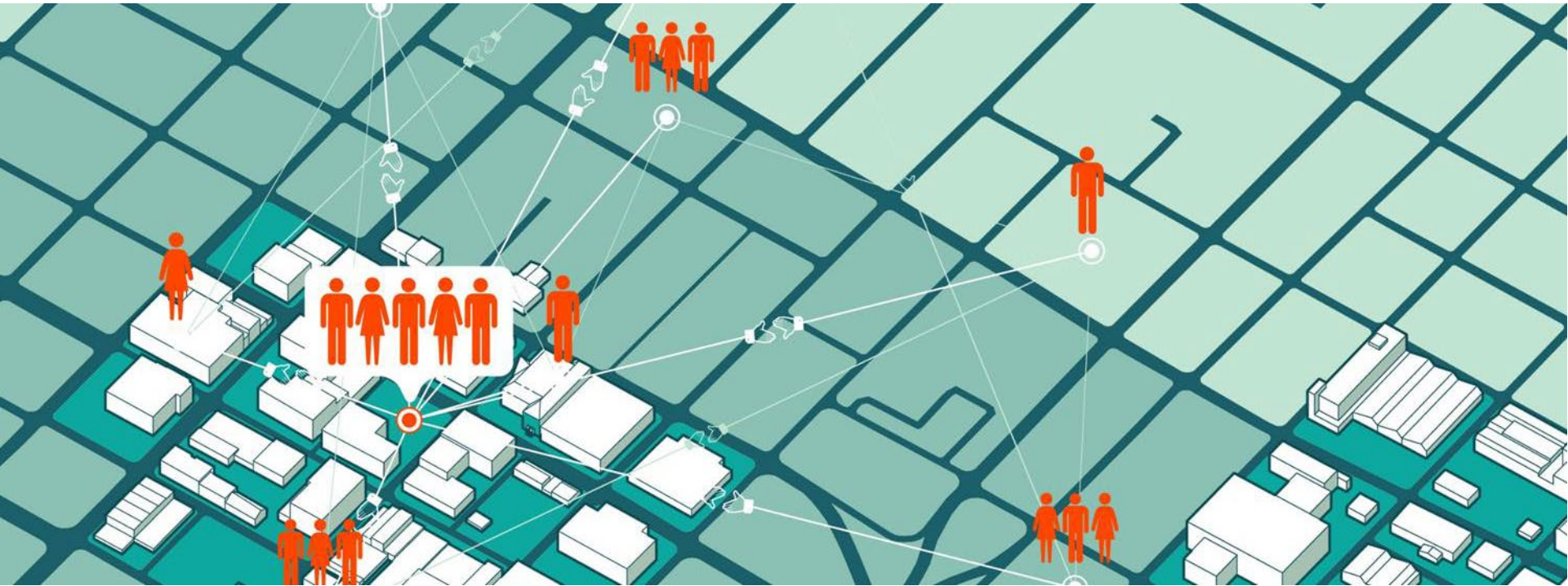
2 La Pizza di Forno Haverhill, MA

Small Business Need

- ✓ Cost of conversion: vacant storefront office to restaurant space that can open to the street



Theory of “Co-investment”



Contributions at multiple scales, from multiple sectors, inspire and are inspired by **collaborative action** and **confidence in place**.

Indicators of Co-investment



TDI-influenced Investment

The investment would not have been made (or at its current scale, location, timing, or use) but for the direct involvement of a TDI resource or in response to specific TDI TA efforts and program activities within the district.



TDI-assisted Investment

The investment was supported in its implementation by significant TDI involvement but was initiated independent of the program.

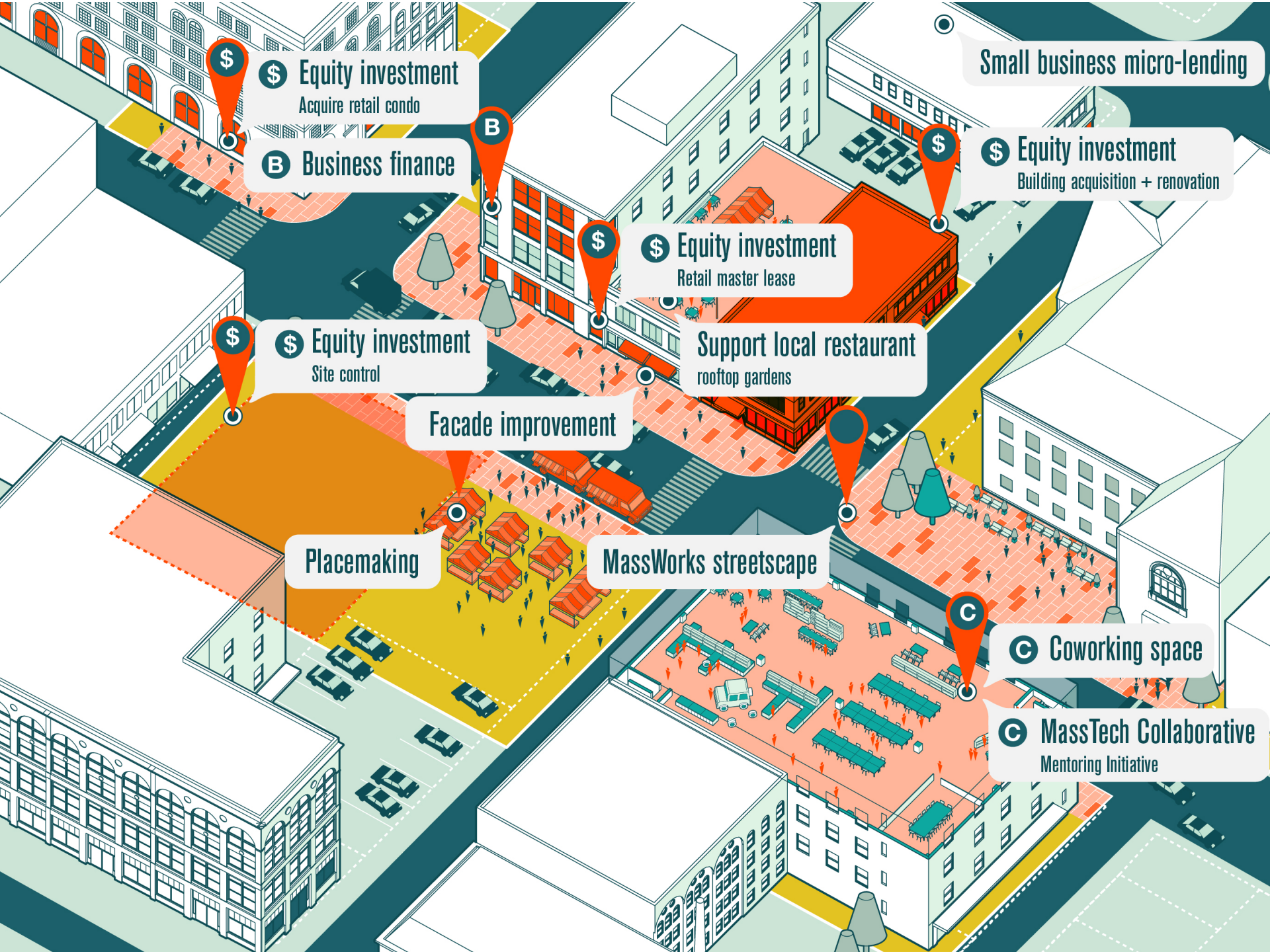
Co-investment at the Program Level



In TDI's first 6 years **\$20M of program funds** have **influenced at least \$100.2M** and **assisted at least \$219.9M** of public and private funds invested in the TDI Districts.



The program is working with each TDI Partnership to build a local culture of co-investment.



\$ Equity investment
Acquire retail condo

B Business finance

\$ Equity investment
Building acquisition + renovation

\$ Equity investment
Retail master lease

Support local restaurant
rooftop gardens

\$ Equity investment
Site control

Facade improvement

Placemaking

MassWorks streetscape

C Coworking space

C MassTech Collaborative
Mentoring Initiative