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

TDI is currently active in 17 Gateway Cities
TDI Comprehensive Toolkit

City Building Expertise

TDI Fellows

Technical Assistance

MassDevelopment
Real Estate Services, ULI TAP

Partner Agency Programs

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)

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)

TDI Peer to Peer
TDI Cowork

2014-2015
- 2016: Statewide Cowork awards of $1 million statewide
- 3-year $1.9 million Barr Foundation Funding for program expansion

2015-2016
- 2016 Statewide Commonwealth Places
- Placemaking Working Group (MA Creative, MA Smart Growth, MAPC)

Collaborative Workspace

2016-2017
- MassDevelopment flexible financing
- Mass Growth Capital Corporation Pilot Micro Finance
- Kresge Foundation investment: Boston Community Capital

Commonwealth Places

2017-2018
- Increased small business support offerings
- New partnerships formed

TDI Local
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.
TDI Toolkit

City Building Expertise

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

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 Equity Investments
Strategic and District-focused

TDI Strategic Assistance for Investments
Public and Private

MassDevelopment Development Financing

Partner Co-Investment
(Ex: Kresge Foundation)
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 3 years $10.5M of program funds have influenced over $38M and assisted over $82M 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.
Building a culture with anchors + community.

Freight Farms, Holyoke

With a TDI Equity Investment and year one operations supported by the City and Holyoke Community College, college students and community farmers are working side by side to grow produce inside two 40-foot shipping containers set up on a vacant downtown lot.
Building a culture with **anchors + community**.

Creative Community Campus, New Bedford

Supported by the Fellow and a TDI Cohort Project grant, “C3” has resulted in new, place-based anchor engagement with **strong participation in district activities** and projects from faculty, students, and leadership at UMass and Bristol Community College.
Attracting a restaurant to downtown Brockton is a priority of the TDI Partnership. After a restaurant incubator feasibility study indicated need to prove the market, Brockton launched PROVA! **Average of 170 attendees per night with $40,000+ in food and beverage sales overall.**
Building a culture with proof of market.

Nosh Expansion, Springfield

TDI Fellow initiated the Holiday Market and Shops at the Marketplace; One month pop-up to test the viability of retail has resulted in a cluster of women-owned businesses that are expanding and continuing to drive retail downtown, including Nosh restaurant and café.
Building a culture with capacity building.

The Theatre District BID, Worcester

The Business Improvement District was studied and supported through TDI Technical Assistance and staff. The City Council unanimously approved the BID November 20, 2018.
Make-it Springfield Board

Make-it is a community workshop space that launched 2.5 years ago as a 30-day pop-up supported by the Fellow and a TDI Cohort Project grant. Following strategic planning funded by the Collaborative Workspace grant, Make-It established a board, created multiple membership levels, and created a new retail program.
Building a culture with capacity building.

Tyler Street Lab, Pittsfield

The lab evolved out of the Tyler Street Better Block. Activities within the lab, supported by a TDI Cohort project grant and Fellow, will focus on providing community-based enrichment programming and programming focused on entrepreneurship, with an emphasis on worker-owned cooperatives.
Building a culture with capacity building.

Beyond Walls, Lynn

The 2017 Beyond Walls mural festival was launched by a community champion in response to a TDI TA project. With the help of the Fellow, the effort grew to reach thousands of community members and support 4 new fulltime positions. The 2018 Mural Festival included over 50 community events.
**Small business micro-lending**
- Support local restaurant
  - Rooftop gardens
- Equity investment
  - Building acquisition + renovation

**Equity investment**
- Acquire retail condo
- Site control
- Retail master lease

**Business finance**
- Facade improvement
- Placemaking
- MassWorks streetscape

**Coworking space**
- MassTech Collaborative
- Mentoring Initiative