

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF HOUSING AND ECONOMIC DEVELOPMENT

American Recovery and Reinvestment Act
RECOVERY ZONE FACILITY BONDS (RZFBs)

To help assist businesses experiencing difficulties in getting funding or competitive funding, the American Recovery and Reinvestment Act of 2009 (ARRA) created Recovery Zone Facility Bonds to support local economic development through privately funded facility investments.

Berkshire County has been allocated \$5,725,000 as its share of these bonds. They are available to qualifying businesses in Sheffield since it is in the Berkshire County Economic Target Area, a designated Recovery Zone.

Program Overview

The Recovery Zone Facility Bonds (RZFBs) are tax-exempt “exempt facility” bonds to be used to finance private capital projects including many that would not have been eligible for tax-exempt bond financing prior to ARRA. A benefit to financing through this bond is a reduction of 1.5-2% from conventional commercial lending programs.

Allowable uses of RZFBs include:

- Construction, renovation, reconstruction of Recovery Zone property defined as depreciable property used in the active conduct of a qualified business (excluding certain prohibited activities such as gambling, golf courses, massage parlors or country clubs)
- Acquisition of property
- Commercial real estate and equipment

An eligible project must show that it:

- Promotes development or economic activity
- Is “shovel ready” and eligible to commence construction within 120 days (i.e. design and permitting are complete or nearly complete)
- Can demonstrate the availability of private capital to purchase or back the bonds
- Supports the creation or retention of fulltime jobs

Preference will be given to projects that:

- Have a significant regional or statewide economic benefit
- Have the support of the municipality in which the project is located
- Further one or more of the following objectives:
- Support job creation in key Massachusetts industry sectors
- Support clean energy production or use
- Reduce energy consumption and/or greenhouse gas emissions
- Promote mobility and/or reduce congestion
- Support development within Growth Districts

CONTACT: In the Town of Sheffield, the first contact on this program is Joseph Kellogg, Town Administrator, 413-229-7000 ext. 152 or jkellogg@sheffieldma.gov

Time is of the essence. Bonds must be issued prior to January 1, 2011. In addition, The Commonwealth has indicated funds may be allocated from one county to another if insufficient applications are received in any one county. This reallocation is estimated to begin in March 2010.

Application Process

Interested parties must submit a preliminary determination application for which the first point of contact in Sheffield is Joseph Kellogg, Town Administrator; 413-229-7000 ext. 152 or jkellogg@sheffieldma.gov. He will then contact the Berkshire Regional Planning Commission. If the project meets qualifying criteria, BRPC may be authorized to help the applicant develop the preliminary determination application at no charge to the applicant.

If the Preliminary Determination Application is successful, bond money will be reserved pending receipt and evaluation of a more detailed Supplemental Application. During this later process, MassDevelopment will work with the applicant and its financing sources to structure and close a tax-exempt bond. The preliminary determination process is designed to let applicants know if they do or do not qualify.

Contact Information

For further information, please contact: Joseph Kellogg, Town Administrator at 413-229-7000 ext. 152 or jkellogg@sheffieldma.gov.

NOTE: For detailed information on the RZFB program, please visit:

Recovery Zone Facility Bonds:

http://www.mass.gov/?pageID=eheadterminal&L=5&L0=Home&L1=Economic+Analysis&L2=Executive+Office+of+Housing+and+Economic+Development&L3=Massachusetts+Permit+Regulatory+Office&L4=Recovery+Zone+Bond+Programs&sid=Ehed&b=terminalcontent&f=permitting_rzfb_page&cid=Ehed

At this website you will find the following helpful documents:

- RZFB Guidelines
- RZFB Preliminary Determination Application
- Exempt Facilities (Final) Application
- Frequently Asked Questions