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FOR IMMEDIATE RELEASE

**Senator Baddour Gives Approval to Fund
Public Infrastructure Improvements, Create Jobs**
Senate, House Agree to Send "I-Cubed" Bill to Governor

(Boston, MA) – The Senate on Wednesday took final action on legislation that will help municipalities and developers fund necessary public infrastructure projects, including work on streets, sidewalks, water and sewer lines, and street lights, which are all essential to successful economic development.

Both the Senate and the House agreed to final terms of the Infrastructure Investment Incentive legislation, or "I-Cubed" bill, which makes significant changes to the original law passed in 2006, including increased community funding and revenue safeguards. I-Cubed is expected to create thousands of jobs for the Commonwealth.

Senator Steven A. Baddour (D-Methuen) said the bill will benefit communities across Massachusetts in the form of fiscally-prudent investments for economic development.

"This bill will promote public and private partnerships that are essential to the construction of new real estate projects, including housing, retail and mixed-use developments", said Senator Baddour. "By encouraging public and private entities to become partners on important infrastructure initiatives essential to new real estate developments, we could be looking at a significant boost for our housing market and our economy at a time when it is desperately needed,"

The legislation includes built-in safeguards to protect the Commonwealth from any loss of revenue, and ensures that laws relating to the classification of employees, health insurance, workers compensation and unemployment insurance are adhered to by developers.

The bill allows Massachusetts to invest in infrastructure projects by issuing up to \$250 million in bonds – \$50 million more than the original law. This change makes I-Cubed funding more widely available to eligible economically-distressed areas.

The legislation also eliminates the five-project cap and a sunset date instituted by the original law, thereby making I-Cubed funding an option for more projects in more communities.

How I-Cubed works:

- Through the sale of bonds, the state provides the initial capital money to build the project.
- Once a project is approved, the parties (the state, the municipality, and the developer) enter into an agreement that lays out the requirements for special real estate tax assessments and payment of the debt service.
- Project developers are then responsible for the debt service payments. Once the project is up and running, the debt service payments are made through the new revenues generated by the project.
- Bonds are repaid by the tax assessments on development parcels that benefit from the infrastructure improvements.
- This entire concept is dependent upon agreements between the municipality, the developer and the Commonwealth. Studies are conducted to find out how much new revenue a project is expected to generate, and the amount of debt service paid on the bonds is calculated to ensure that all outstanding debts are covered by the new project.

The bill will now go to the Governor's desk for his anticipated signature.

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