

Sharry, Sharon

From: Canning, Frank <FCanning@Massdevelopment.com>
Sent: Wednesday, April 2, 2025 1:39 PM
To: Sharry, Sharon
Cc: Lee Edwards; Larson, Nat; Kent Faerber (kwfaerber@gmail.com); Sarat, Austin
Subject: RE: Jones Library - MassDevelopment

Hi Sharon –

Its very nice to hear from you and I'm glad the Jones Library project is still moving forward.

MassDeveopment would be very happy to work with Jones Library to help finance your \$4million share of the renovation project. As a refresher, the 2 possible ways we can work with you are:

1. If the \$4million borrowing will be outstanding for at least 3 years, MassDevelopment could issue a tax-exempt bond on behalf of Jones Library so the library would be able to borrow at a lower interest rate than borrowing through a traditional taxable loan. As we had discussed, we need an investor to buy the bond and the \$4million proceeds from the bond sale are lent to Jones Library to fund your project and you repay the \$4million to the investor under an agreed upon repayment schedule. Banks are very often the bond investor and we have had many local banks purchase bonds (PeopleBank, Greenfield Savings Bank, Florence Bank, Westfield Bank and many others).
2. If the \$4million borrowing will only be outstanding 3 years or less, it would not be economically efficient to pay the upfront closing costs associated with a bond. In this case, the same banks mentioned above could lend Jones Library the \$4million on a short term taxable loan basis and the loan would be paid back as capital campaign monies are received. The easiest, least costly structure for that loan would be for the bank to use the endowment to secure their \$4million loan. As mentioned previously, if no banks were willing to provide the \$4million endowment secured loan, it is possible MassDevelopment could provide that loan to you. Alternatively, depending on the Library's financial position and cash flow, it is possible the bank could lend the Library the \$4million through a more conventional type loan with a set repayment schedule, secured by a mortgage on the building. However, this would create additional costs to the library for appraisal & environmental reports as well as title insurance, recording fees etc.

I hope this is helpful Sharon. I would be happy to discuss in more detail if needed. Thank you.
Frank C.

From: Sharry, Sharon <sharrys@joneslibrary.org>
Sent: Wednesday, April 2, 2025 12:19 PM
To: Canning, Frank <FCanning@Massdevelopment.com>
Cc: Lee Edwards <edwards@umass.edu>; Larson, Nat <nc.larson@gmail.com>; Kent Faerber (kwfaerber@gmail.com) <kwfaerber@gmail.com>; Sarat, Austin <adsarat@amherst.edu>
Subject: RE: Jones Library - MassDevelopment

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Good afternoon, Frank!

I hope this note finds you well.

It is likely this won't surprise you, but the Jones Library expansion/renovation project still isn't a complete certainty. (I am thrilled, however, to report that we have just completed the Section 106 process with the Massachusetts Historical Commission!)

I am hoping that the Town Manager will sign a contract with a General Contractor within the next week for this \$46.1 million project. But before he does, he is asking for an updated reassurance that the Library will be able to pay its share of the project costs.

I have all the forms the Library would need to complete (you sent them to us in December 2022). I think my only question to you is, if the Library needs to borrow approximately \$4,000,000 in order to pay our share of this expansion/renovation project, would MassDevelopment still be willing to work with us? (Our Endowment is currently valued at \$9 million.)

Thank you so much for your time!

Be well.

Sharon



From: Canning, Frank <FCanning@Massdevelopment.com>

Sent: Thursday, March 30, 2023 4:33 PM

To: Sharry, Sharon <sharrys@joneslibrary.org>

Subject: RE: Jones Library - MassDevelopment

Hi Sharon –

So nice to hear from you!

The answer is 501c3s can use tax-exempt bond financing for building improvements, including for a new roof and an HVAC system. The amount of the bond financing generally should be at least \$1,250,000 to generate interest savings that justify the upfront bond closing costs.

If helpful, I would be happy to have a call or meeting to answer any follow up questions.

Thank you Sharon!
Frank c

From: Sharry, Sharon <sharrys@joneslibrary.org>
Sent: Thursday, March 30, 2023 3:21 PM
To: Canning, Frank <FCanning@Massdevelopment.com>
Subject: RE: Jones Library - MassDevelopment

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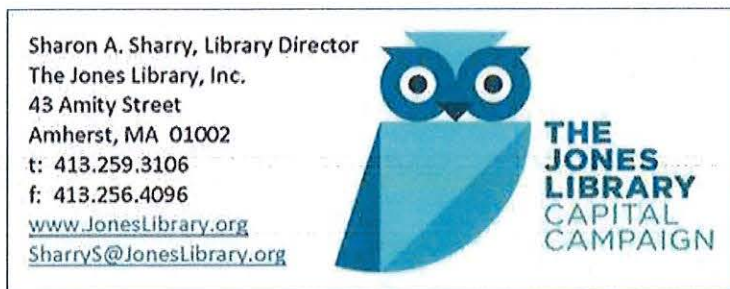
Hi, Frank!

I have what I hope to be a quick clarification question.

If the Library's expansion/renovation project does not move forward (our Town Council needs to approve it one more time this fall due to the COVID cost escalation), and instead the Trustees move forward on a project which replaces our HVAC system and our historic roof, would that much smaller project also be eligible for MassDevelopment tax-exempt bond financing?

Thank you for your help/advice!!!!

Sharon



From: Canning, Frank <FCanning@Massdevelopment.com>
Sent: Tuesday, December 6, 2022 4:38 PM
To: Matthew Blumenfeld <matthew@financialdevelopmentagency.com>; Claudia Canale-Parola <Claudia@financialdevelopmentagency.com>; Lee Edwards <edwards@umass.edu>; Sharry, Sharon <sharrys@joneslibrary.org>; Ginny Hamilton <manager@joneslibrarycapitalcampaign.org>; Pam, Robert <bobpam92@gmail.com>; Kent Faerber <kwfaerber@gmail.com>
Cc: Innocent, Emmanuel <einnocent@Massdevelopment.com>
Subject: Jones Library - MassDevelopment

Good afternoon all –

It was a pleasure meeting and speaking with all of you on Friday and learning more about the Jones Library project.

As discussed, I am sending a list of initial items MassDevelopment will need from Jones Library as well as items required should you decide to pursue tax-exempt bond financing:

Initial Documentation Needed

- 3 years audited financial statements for Jones Library

- Board Reimbursement Resolution for tax-exempt financing (this is a non-binding vote that serves as a placeholder to allow project expenditures that are made using the organization's cash to be eligible to be reimbursed at a later time using proceeds from a tax-exempt bond). (resolution attached)

Application Documentation Needed

- Completed tax-exempt bond application (501c3 application attached)
- Completed Project Notification Form submitted to the Massachusetts Historic Commission (PNF attached)
- Selection of a Bond Counsel firm approved by MassDevelopment (list attached)

I hope this is helpful. Please don't hesitate to contact me with any questions.

Best
Frank C

Frank Canning

Vice President Investment Banking

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