



## **Patrick outlines measures to ease crush of state's economic slump**

By STEVE LeBLANC

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CAMBRIDGE, Mass. (AP) - Massachusetts will create a \$20 million fund to acquire vacant foreclosed properties so they can be turned over to nonprofit housing developers and kept away from real estate speculators, Gov. Deval Patrick said Wednesday in a sweeping economic address.

The governor also said he would back legislation to protect renters in foreclosed buildings and would seek a \$3.8 billion bond issue to pay for repairs for hundreds of crumbling bridges around the state. Aides said the work was expected to create up to 15,000 construction jobs.

In addition, Patrick said he would tour the state in coming weeks to reveal the location of 16 regional "growth districts" designed to be magnets for new business development. The first will be in the Merrimack Valley community of Haverhill.

The aim of all the programs, outlined in the speech Patrick delivered Wednesday at the Massachusetts Institute of Technology, is to guide the state through a looming national recession with as little pain as possible.

"For all of our people, those who work and those who search for work, opportunity is central to our culture," Patrick told the crowded auditorium. "We cannot stand idly by when this culture of opportunity is at risk."

The bridge plan would let the state borrow \$3.8 billion over the next eight years to speed repairs to about 400 "structurally deficient" bridges.

Administration officials said the plan would cost the state \$32 million in added interest payments, but would ultimately save the state \$1.8 billion in avoided costs by making the repairs sooner than later.

Patrick said the bridge bond bill -- combined with other bills designed to pump money into transportation and other critical needs -- should have an immediate effect once they win the support of lawmakers.

"We mean to launch a massive restoration of our commonwealth, and create thousands of good paying jobs at good wages," he said.

Patrick's proposals won the backing of House Speaker Salvatore DiMasi, who led efforts to kill Patrick's plan to build three resort-style casinos in Massachusetts.

"These are the kinds of proposals, this is the kind of focus, that I thought we should be taking in the last three or four months instead of other issues that were dominating the landscape," DiMasi said after the speech.

Senate Republican Leader Richard Tisei of Wakefield said he was skeptical of Patrick's plan, saying the governor's other economic proposals have produced little. He also noted that Patrick's speech comes a day before the Massachusetts House is expected to vote on a \$500 million tax package that includes tax hikes Patrick favors, including a dollar-a-pack increase on cigarettes and the closing of so-called business tax loopholes.

"You don't need an MIT professor to tell you raising taxes during a recession is like throwing grease on a fire," Tisei said. "It's a poor economic development strategy."

A key to Patrick's long-term strategy is the development of so-called "regional growth districts."

The districts will typically be designated in older mill towns or cities near highways or other transportation. The state will help the city or town clear land, secure needed permits and improve infrastructure in the hopes of luring businesses.

An attempt to create such a district at the former Fort Devens helped convince the New York-based pharmaceutical company [Bristol-Myers Squibb Co.](#) to build a \$750 million biotechnology plant that could create 350 jobs by the time the facility opens in 2010.

Earlier this year, Patrick announced another growth district at a 81.5-acre parcel in Worcester.

While the districts can help, any economic benefit to the state may not be seen for years, according to Michael Widmer, president of the business-backed Massachusetts Taxpayers Foundation.

"These wouldn't be off and running quickly enough to jump-start the economy in any significant way," he said. "It's not a quick fix."

Last month, House lawmakers shot down Patrick plan to allow three resort-style casinos in Massachusetts that he said would have created \$600 million in licensing fees, \$400 million in annual tax revenues and 20,000 permanent jobs.

In his speech, Patrick cautioned there is a limit to what government can do to cushion the effects of a fiscal slump, but remained largely upbeat about the Massachusetts economy.

"I have confidence in the commonwealth, and you should too," Patrick said. "Over its history, Massachusetts has reinvented its economy many times."

Business leaders have complained that Patrick's portrait of the Massachusetts' economy is too rosy. Massachusetts is one of a handful of states yet to recover the jobs lost during the last economic downturn. The state's population growth has also been stagnant.