



Franklin Regional Council of Governments

Comprehensive Economic Development Strategy (CEDS) Committee

Date:	May 4, 2017
Time:	3:30 p.m.
Location:	12 Olive Street, Greenfield, MA
Duration:	1.5 hours
Facilitator:	Gary Dillensneider, Chair

CEDS Committee Attendees:

- Jim Basford, FRCOG Executive Committee
- Patricia Crosby, Franklin Hampshire Regional Employment Board
- Gary Dillensneider, Committee Chair, Franklin County Community Development Corporation
- Linda Dunlavy, FRCOG Executive Committee
- Martha Field, FRCOG Executive Committee
- John Lunt, Town of Greenfield
- Michael McCusker, Town of Buckland
- Nan Riebschlaeger, Town of Wendell
- Julie Robinson, Town of Northfield
- Art Schwenger, Town of Heath
- John Waite, Franklin County Community Development Corporation

FRCOG Staff:

- Jessica Atwood, Economic Development Program Manager
- Alyssa Larose, Land Use Planner
- Peggy Sloan, Director of Planning and Development

Guests

- Rich Griffin, MassDevelopment

1 – Welcome and Introductions: Gary Dillensneider, Chair

The meeting was called to order at 3:31 p.m. by Chair G. Dillensneider. A round of introductions followed.

2 – Vote to approve minutes from December 7, 2016

G. Dillensneider asked for a vote to approve the December 7, 2016 meeting minutes. At 3:32p.m., A. Schwenger MOVED to approve the December 7, 2016 minutes. M. Field SECONDED. The motion PASSED unanimously.

3 – Discussion of CEDS Program updates, including but not limited to: 2017 CEDS Annual Update; Business Development Resources Guide; Brownfields Program Projects

J. Atwood presented the CEDS Program updates. The 2017 CEDS Annual Report is the second annual update to the 2015 CEDS Plan. It includes updates to socioeconomic conditions in the region and economic development programs that are part of the CEDS program. Completing an update maintains the region's eligibility for certain federal EDA funding programs. Atwood will take questions, comments, and changes before the June 7, 2017 CEDS meeting. At that meeting, the committee will vote on the report. The update will also be presented and voted on at the June 22, 2017 Franklin Regional Planning Board. It is due to the EDA by June 30.

Atwood presented changes since the last update. Under regional conditions, some trends are continuing, such as population decline, though the CEDS region as a whole had a modest population increase due to Amherst and Athol. Population increases are happening in the eastern part of the state and in areas adjacent to Franklin County. Unemployment rates are 1% lower than last year, though income and earnings per job are still the lowest in Massachusetts.

Atwood presented information on clusters, which are a grouping of businesses that have some commonality but that are not necessarily in the same industry, for example farm and food businesses. Local clusters serve the market of the community; traded clusters provide products/services outside of the community. Particularly strong Traded clusters in Franklin County, that are more prevalent here than in other parts of the country, include recreational goods, including artist products and possibly candle manufacturing, and plastics, paper and packaging.

Also included in the draft Annual Report are project updates within the Green Economy – Building Construction cluster and the Education and Knowledge Creation cluster. The Ecovation Hub is still proceeding even though the grant has ended. The project is promoting the tri-state region as a core area for the green construction cluster. Under the education sector, plans are moving forward for the Thomas Aquinas College to locate at the former Northfield Campus along with the Moody Center.

Additional project updates include the completion of a tri-state comparison of CEDS reports, which showed shared challenges and interesting opportunities to work together. FRCOG had a table at the Western Massachusetts Developers Conference in June 2016 which highlighted development opportunities. Funding related to the Northern Tier Economic Resiliency Project went to the FCCDC after Tropical Storm Irene to help businesses, and an urban agenda grant was recently awarded to the FCCDC, Town of Greenfield, and City of North Adams to continue this work.

Under the section about broadband/IT, the Last Mile Program is now using the MassWorks program as a vehicle to process grant applications from unserved communities. Greenfield's community internet project has been launched and is expanding. A question was asked about MassWorks. Dunlavy answered that it is used for all state infrastructure programs and uses one application process. For the Last Mile Program it is a non-competitive process, and town allocations are guaranteed. Towns have flexibility under the program in regards to the technology and ownership structure they want.

Atwood continued that in Monroe, the clean-up of the Ramage Paper Mill's wood structure will be underway soon. The project was initiated due to concerns about the condition of the structure and its potential impact to the Deerfield River and rafting industry. Funding has been committed through the FRCOG Brownfields Program to do the clean up, and the MA Executive Office of Energy and

Environmental Affairs to fund demolition and design and installation of an overlook park. TransCanada is also contributed funds to the project. A pre-cleanup meeting has been held, and it is hoped that cleanup will start next week, and demolition the following week.

A concern was raised about conducting demolition before the rafting season. Atwood answered that the contractors have the Station Dam #5 release schedule, and will be doing their work so as not to conflict with rafting. Under the FRCOG Brownfields Program, in FY17 to date, \$22,858 has been spent on assessment activities in Bernardston and Monroe, and pending in Northfield and Warwick. Petroleum funds are still available, there are specific requirements for a site to be eligible, but anyone interested should contact P. Sloan or J. Atwood.

Under infrastructure, a grant has been awarded to Greenfield to construct a parking structure. FRCOG has pending projects with several towns to support local economic development using District Local Technical Assistance funds. An industrial park inventory update is also pending. In January 2017, a well-attended workshop on new market tax credits was hosted by the Town of Greenfield and co-sponsored by FRCOG. For technical assistance projects, the FCCDC continues to hold workshops on business succession planning, loans have been made to businesses through the new PV Grows investment fund, and the business development resource guide has been updated and sent out to towns, the chamber of commerce, and business associations. A marketing plan to promote bicycle tourism in the region is being developed, along with recommendations on how to increase visitors coming to region by passenger rail. Upcoming events were announced.

P. Crosby announced that the Franklin-Hampshire Regional Employment Board and the Regional Employment Board of Hampden County are working with partners on a regional planning process on workforce development in the Pioneer Valley. This effort is being led by the Governor's Workforce Skills Cabinet, which consists of the Secretaries of Education, Workforce Development, and Housing & Economic Development, working together to align their services and funding programs. The State has been segmented into seven regions, combing some of the regional employment board areas.

She continued that the first step, which is something done in this region already, is to bring these sectors together within the region. This is an opportunity to highlight the region's unique strengths, issues and priorities. The diversity of small business in the region is important. L. Dunlavy added that many of the region's large businesses come from here and started small. She continued that we need to recognize that the region is losing population and growing older, so we need to ask how we can make our region more attractive to younger people to stay or come here. To develop this younger workforce, efforts need to begin to incorporate workforce development in the K-12 system, and to work with employers to create a healthy workspace and allow for a work-life balance.

4 – A presentation of MassDevelopment Programs (including Brownfields) by Rich Griffin, MassDevelopment VP Community Development – Western Region.

At 3:57 p.m. J. Atwood introduced Rich Griffin from MassDevelopment. R. Griffin talked about several new programs from MassDevelopment. He noted that the FCCDC has benefited from a recent collaborative workspace grant. A new program will be coming out in the next couple of weeks, which will include a seed grant component for up to \$25,000 to do studies and small projects related to collaborative workspace. A fit-out grant of up to \$100,000 will be available to build space, purchase additional equipment, or any thing that will benefit users of the space. Each grant is a dollar for dollar

match and applicants must be able to show that they can raise the match. Applicants can apply more than once.

Atwood asked if the collaborative workspace grants include co-working space. Griffin answered yes. The Orange Innovation Center is an example; also Holyoke has a facility that includes space for glass blowing, woodworking, etc. MassDevelopment's Workforce Innovation Center grant had five winners in western Massachusetts. For-profits and non-profits can apply, and do not have to own the space. Towns are not eligible to apply. A question was asked about whether there are restrictions on the match requirement. Griffin answered that match can come from discounted rent, donated items, crowdfunding, etc. Grant rounds are yearly.

Griffin described a predevelopment loan for developers. The loan covers architectural, planning, and zoning work. Developers can apply for up to \$100,000, with a 50% match. Predevelopment money is generally not available. The hope is that it would role into a development loan.

He continued that the Brownfields Redevelopment Loan Fund has changed a little. MassDevelopment used to give grants, but now are trying to recapitalize the fund without appropriation from the state. Right now the program will give loans to towns, with repayment based on 15% of new revenue from the site. MassDevelopment does not start collecting repayment until the Town sells the property and begins receiving tax revenue. This can be 10-15 years down the line. Repayment is up to 30 years or until the loan is paid off, whichever comes first. After 30 years, if there has been no turn around on the property, the loan is written off. MassDevelopment also does loans for property owners, and still has funds for brownfields assessment and remediation. The owner does need to be a non-responsible party in the contamination. Interest on the loan is 4-5%, though for towns there is no interest, just paying off principle.

Atwood asked if there is a cap on funding for a property, if it were to be assessed/cleaned up in phases. Griffin answered no, but it would depend on what is left in the fund. Also, if a company is looking at a property, they don't have to own it to get a loan for an assessment. But for remediation an applicant does have to own the property. Atwood noted that Franklin County has some very small brownfields sites and asked how small a site can be? Griffin answered that generally MassDevelopment likes there to be either job creation or housing development. But the number of jobs is relative, so 3 or 4 jobs could be fine; as long as there is an economic benefit. Atwood noted she will email Griffin's contact information to the committee members, and thanked him for coming.

5 – Update on the Franklin County Community Development Corporation's (FCCDC) Cold Storage and Freezer Project at the Western Mass Food Processing Center by John Waite, FCCDC Executive Director

J. Waite stated that the FCCDC does a lot more than the just the food processing center. The FCCDC has been around 37 years, and has a lending program, technical assistance program and the Venture Center for 20 years. The food processing center started 15 years ago with federal and state funding. Since then they have added storage, where there has been opportunity and the need. Warehousing allows businesses to grow.

Waite continued that for the past five years, there has been an increased need to add cold or dry storage. Shipping containers in parking lot have added 40 pallet spaces for cold storage, but more is

needed. Funding was finally assembled for a cold storage and freezer attached to the food processing center. The project was put out to bid in 2015 with even the lowest bid higher than the funding assembled. Since then further funds have been pursued so that the project can proceed, such as the MassDevelopment Collaborative Workspace grant along with other state, federal and foundation funding. The total project cost is \$750,000.

This past month, construction of the facility began. Once completed, the facility will be able to store 80 pallets in the freezer, and another 35 pallets in dry cold storage. The facility will be in the same footprint as an old part of building but will be taller. There will be a backup generator for the facility. It will be a community asset that can be used in time of emergency.

Other users of this facility will be Real Pickles and Artisan Beverage Cooperative. By having more storage available, these producers will be able to space out their processing, which will keep workers going all year. Waite continued that anchor tenants, like Silver Screen Design in the Venture Center, support the Venture Center even as other tenants come and go. This is the same in the food processing center and the cold storage and freezer facility.

Only other cold storage rental space is in Westfield and Chicopee, so right now Real Pickles are trucking their materials there. This new facility will be competitive and have a per pallet per month charge structure.

Construction will be done by June 30, 2017. There was a question about the break even point. Waite answered that to pay back the financing, the facility will need to maintain about 50 pallets. For the food processing center, the breakeven point is 85 hours of use per week. Multiple users can use the facility at the same time, depending on what is being done. By having the storage facility, seasonal users will be able to spread out their time in the center. This will help support the whole organization.

A current food processing center anchor tenant is Shire City, which makes Fire Cider. The company has broken ground for a new facility in Pittsfield, which allow them to hire more people. It will leave a temporary gap for the food processing center, until other users fill the gap. The new cold storage and freezer facility will also have a loading dock which will improve efficiency, and free other Venture Center areas currently used for storage.

Waite reported that the PV Grows Investment Fund started over a year ago, and allows community members to invest in farm and food businesses seeking to grow. Previously people who want to invest in these businesses didn't know how. It works like a mutual fund for farm and food businesses. The risk is low to the investor and the FCCDC does the underwriting. In first year, the Fund raised \$800,000. The goal is to get it to about \$2.5 million and revolve it.

Waite continued that on May 19th, the Entrepreneur of the Year event will take place at the Arts Block in Greenfield. This year's award recipient is PV Squared Solar. It is a worker-owned cooperative that has been very entrepreneurial and now have 42 employees.

Waite stated that he would like to thank FRCOG and the CEDS Committee. The food processing center has been on CEDS list of priority projects, which has helped get funding. Waite took questions from the CEDS Committee members. A. Schwenger asked that with the announced parking garage project, what is the opportunity for redevelopment of the First National Bank Building. Waite

answered that the FCCDC is working the Greenfield Redevelopment Authority (GRA) to transfer ownership.

J. Lunt stated that the Town of Greenfield is proposing a downtown cultural center with a flexible performance space be developed in the building. Lunt noted that we would not be where we are without the work the FCCDC has put into the building. He continued that the GRA can access different funding sources and they are working on finalizing the transfer. The Town will invest some and will look for additional funds.

Atwood asked about the recent Massachusetts Downtown Initiative grant announcement. Lunt responded that the award is to further design and engineer a public space for entertainment and socializing in front of the Town Hall and close off traffic on Court Square from Main Street.

6 – Other business not reasonably anticipated 48 hours in advance, and adjourn.

G. Dillensneider asked if there is any other business. Hearing none, he asked for a motion to adjourn. A. Schwenger MOVED to adjourn the meeting at 4:48 p.m. P. Crosby SECONDED the motion. The motion PASSED.

Respectfully submitted by:



Gary Dillensneider, Chair