



# Franklin Regional Council of Governments Comprehensive Economic Development Strategy (CEDS) Committee

Date:	April 24, 2019
Time:	3:30 p.m.
Location:	12 Olive Street, Greenfield, MA
Duration:	1.5 hours
Facilitator:	Gary Dillensneider, Chair

### CEDS Committee Attendees:

- MJ Adams, Town of Greenfield
- Jim Basford, FRCOG Executive Committee
- Gary Dillensneider, Committee Chair, Franklin County Community Development Corporation
- Linda Dunlavy, FRCOG Executive Committee
- Martha Field, Greenfield Community College
- Tom Hutcheson, Franklin Regional Planning Board
- Michael McCusker, Town of Buckland
- Glen Ohlund, Franklin County Regional Housing and Redevelopment Authority
- Walter Ramsey, Town of Montague
- Diana Szynal, Franklin County Chamber of Commerce
- Art Schwenger, Town of Heath
- Carolyn Shores-Ness, Town of Deerfield

### FRCOG Staff:

- Jessica Atwood, Economic Development Program Manager

### Guests:

- Teri Anderson, MassHire Franklin-Hampshire Career Center

## **1 – Call the meeting to order, and round of introductions: Gary Dillensneider, Chair**

The meeting was called to order at 3:35 p.m. by Chair G. Dillensneider. A round of introductions followed.

## **2 – Vote to approve minutes from December 6, 2018**

G. Dillensneider asked for a vote to approve the December 6, 2018 meeting minutes. A. Schwenger MOVED to approve the December 6, 2018 minutes. J. Basford SECONDED. The motion PASSED unanimously.

### 3 – CEDS Program Updates

J. Atwood provided a FRCOG Regional Brownfields Program update. She explained that the program's goal is to clean-up and reuse brownfield sites. The Brownfield Steering Committee provides oversight and select sites for inclusion in the program. Through this program environmental site assessments can be done on publicly or privately owned properties, that meet the EPA guidelines for inclusion in the program. An Environmental Site Assessment (ESA) can consist of assessing the potential for contamination, and/or determining presence and impact of contamination, and/or planning for clean-up.

The program's Brownfields Clean-up Revolving Loan Fund was able to provide over \$1.2 million in loans and/or grants to towns and non-profits. These funds led to the clean-up of seven sites located in the towns of Colrain, Erving, Greenfield, Monroe, Montague and Orange. The fund was closed out in 2016. The FRCOG may consider applying for more revolving loan funds in the future. C. Shores Ness asked why the FRCOG may wait to apply for more funds. J. Atwood responded that to administer the fund is labor intensive and different grantees manage it in different ways. Staff want to consider the best way to administer such a grant before applying again and want to pursue another assessment grant first. MJ Adams asked if the subgrant clean-up funds had to be repaid. J. Atwood responded that they did not.

J. Atwood reported that the latest EPA assessment grant was closed out last fall. The grant provided \$200,000 for hazardous substances and \$100,000 for petroleum sites assessments. Over the course of the 4-year grant, 19 sites were assessed in 10 Franklin County towns. A list of the site assessed through the grant was displayed. J. Atwood reviewed photos of properties assessed and responded to Committee member questions. She reported that the FRCOG has applied for another EPA assessment grant in January, and is waiting to hear the outcome of this application.

J. Atwood provided updates on projects that were provided support through the CEDS Program, including the IP Millers Falls Papermill Site in Erving, and LaunchSpace, Inc. at the Orange Innovation Center.

J. Atwood reported on the federal Opportunity Zone Program and the staff's work to assist designated Opportunity Zone (OZ) towns in Franklin County. The new federal program was established in the federal 2017 tax bill. It allows investors to defer capital gains taxes and benefit from other personal tax advantages by investing in businesses or real estate projects in federally designated, economically distressed areas. Staff was part of planning team for an investor and project advocate workshop held in Springfield in April. MJ Adams reported that Greenfield is applying to an Opportunity Zone Academy that will provide technical assistance in how to encourage investment in OZ areas. She noted that they are exploring if there is a potential to a regional application with the Town of Montague. W. Ramsey noted that some communities are exploring the program for infrastructure projects, which would have a private investor construct the infrastructure and lease it to a municipality for a period of time.

J. Atwood reminded members that the composition of the CEDS Committee membership was amended. The new composition has 19 seats that include geographic areas, regional organizations, and at-large seats. Current members will be asked via email if they are interested in being considered for the new Committee.

#### **4 – Review of Economic Conditions of Draft 2019 CEDS Annual Report**

J. Atwood reviewed changes to the economic conditions chapter of the Draft 2019 CEDS Annual Report. This report is the fourth and final update to the 2015 CEDS Plan. The Draft Report will be released on May 10<sup>th</sup> for a 30-day public comment period.

She reported that in the infrastructure section, a new 2020 Regional Transportation Plan will be released in June and that the last mile broadband status map has been updated. The population change has been stagnant with a 0% growth rate for the county and 0.2% for the CEDS Region in the past year. Recently released population projections indicate that there will be 2.7% population decline from 2010 to 2040 for Franklin County.

The 2018 unemployment rate remained very low and was 3% for the county and 3.1% for the CEDS Region, compared to 3.3% for the state and 3.9% for the nation. There was a jump in the size of the labor force and in the number of employed from 2017 to 2018. Given there is a stagnant population trend, growth in the labor force and employment may be due to factors such as new job creation and/or more people re-entering or remaining in the workforce.

As for income and wages, the county's figures are still much lower than state and at or slightly above national averages. The average wage per job in Franklin County is still the lowest of all counties in the state. The 2017 U.S. County Business Pattern data will not be released until the fall, so there are no updated private sector employer industry data available in the report. Non-employer data for 2016 indicated there were 6,112 non-employer establishments in the county in 2016. This number is a slight decline from the previous year and less than the peak of 6,224 in 2009. A. Schwenger asked if farmers were included in self-employed. J. Atwood responded that they were if they were their only employee.

The 2017 U.S. Census of Agriculture was recently released. Over the past five years, there was a 6% increase in the number of farms in Franklin County and a 2% decrease in the number of acres in farms in the same period. M. Field asked if the definitions for farms and other categories were the same as the previous census. J. Atwood responded they were. There was a discussion about the types of farms that may or may not be included in the federal Census of Agriculture. T. Hutcheson noted that it would be interesting to know the acreage in farms that had been unused for a period of time and were returned to productive farming use. J. Basford asked agricultural land that had PV solar panels constructed on it would continue to be considered farmland. J. Atwood did not know the answer and said she would look into it. C. Shores Ness asked if there is information on the amount of land that is changing use to grow marijuana. No one knew of any such information.

#### **5 – Review of MassHire Franklin Hampshire Career center services and a discussion on the challenges of serving rural areas**

Teri Anderson, Executive Director of MassHire Franklin Hampshire Career Center (MHFHCC), presented information about the services of the Career Center and the challenges serving a rural region. She explained that the Career center is a quasi-municipal entity created by the cities of Northampton and Greenfield. Its mission is to connect employers and job seekers. The MassHire Franklin Hampshire Career Center serves 50 communities in Franklin County, Hampshire County, and the

North Quabbin area including 4 communities in Worcester County, which is a service area of over 1,400 square miles.

T. Anderson reviewed the economic impact of the Center. In FY2018, they served 3,439 job seekers. The six-year average from FY2013-FY2018 was 5,425 per year. They served 591 employers in FY2018, and had a six-year average of 762 employers per year. The six-year gross earnings from those who entered employment was \$128 million. The estimated local spending from these earnings was \$48 million and the total amount of Massachusetts incomes taxes paid was \$6.5 million.

She explained the unique needs of rural areas. Multiple service access points are needed due to large geography and lack of public transportation. Online and technology based services are limited by lack of internet access in many rural communities. There is a shortage in child care services. There are a small number of training providers and approved programs.

The formula used to fund career centers do not consider the local barriers and costs of infrastructure in an area. The baseline core facility and staffing costs do not expand or contract with the unemployment rate, as the funding formula does. In addition, there are demographic criteria disadvantages to rural areas. She continued that the Career Center is funded 87% by the federal government and 13% by the state government. With a high unemployment right and the addition of federal ARRA workforce funds, the peak funding year was in 2009. The Career Center Line Item peak funding year was \$284,250 in 2007 and is \$147,000 in 2018. The Career Center has lost over \$805,000 in funding or 35% in the last three years.

T. Anderson reported that seven Career Centers across the state have closed, and six have closed full service or downsized to an access point, including in Northampton and Orange. In particular to the MHFHCC, nine staff positions have been lost. The full service Career Center in Northampton closed in August 2017, and was replaced with 15 hours of services provided out of the Forbes Library. The office in Orange that was open 2 days per week closed in June 2017, and was replaced with 1 day a week of services provided out of The Literacy Project Office.

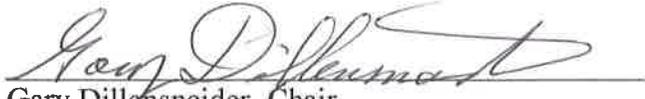
The funding outlook for FY2020 Governor's budget proposes a slight reduction from the previous year. T. Anderson compared the FY2020 budget scenarios assuming the same federal funding reductions as FY2019 and level state funding, and proposed baseline services for staffing and facilities.

There are legislative policy requests proposed to address these concerns. These include: advocating for increased funding of workforce programs at the federal level; considering rural needs and costs, and baseline staffing and facility needs in federal and state funding formulas; considering sparsity funding for rural services; and adequately funding adjunct services such as public transportation, child care and affordable housing. T. Anderson responded to questions from Committee members about veteran programs and minimum wage rate changes. W. Ramsey asked about the case to be made for more funding at a time of low unemployment. T. Anderson responded that often there is a lag in the data, so there can be an increase in services needed before it is reflected in the unemployment rate. She also noted that the segment of the workforce that remains unemployed can be the hardest to serve and need additional assistance. She also noted the economy of scale to provide services in a rural area is particularly challenging.

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

G. Dillensneider asked if there is any other business. There was none. G. Dillensneider asked for a motion to adjourn the meeting. T. Hutcheson MOVED to adjourn the meeting at 5:00 pm. J. Basford SECONDED the motion. The motion PASSED.

Respectfully submitted by:



Gary Dillensneider, Chair