

Feeding Franklin County

This newsletter is devoted to a topic we all love – Food. The Franklin County CDC is known for helping entrepreneurs start and grow their businesses. Looking over the long list of businesses we’ve assisted we noticed that many of them are about food. Restaurants, grocery stores and food manufacturers have been favorite clients of our Loan Program, the Technical Assistance Program and, of course, the Food Processing Center.

This newsletter highlights several of our more recent food business clients. But even back in the early 1980’s we helped a start-up business that was making tofu. That little business, called Lightlife Foods, went on to employ about 140 in the Montague Industrial Park, and is now recognized as the largest producer of meat alternatives in the country. We also provided a loan to Green Fields Market when they moved to their current location on Main Street in order to serve their expanding customer base.

We have provided business assistance and financing to great restaurants like the Green Emporium, Ashfield Lake House, The People’s Pint, Denny’s Pantry and many more. We also work with the folks that grow the food in the first place, like Our Family Farms, Pioneer Valley Growers Association, Chase Hill Farm, Pine Hill Orchards and CISA. So in addition to helping the economy of Franklin County, you could say that the CDC has been helping the stomachs in Franklin County as well!

The food business is a notoriously difficult industry. Banks tend to shy away from restaurants and food related businesses because there is limited collateral, much of the inventory is perishable and the success depends on individual chefs and managers. Yet the CDC steps in because food businesses are crucial to the success of our economy. We are willing to take risks because we know:

- Adding value to farms helps maintain jobs, the landscape and the rural quality of life here.
- Having a variety of good restaurants encourages more people to come to the area.
- Vibrant downtowns depend on people being able to work there, shop there and of course, eat there.
- Many of the food producers export their products outside of the region, which is a significant inflow to the local economy.

The CDC steps in because food businesses are crucial to the success of our community.

We hope you enjoy reading about some of the food businesses the CDC works with and if these stories make you hungry – please eat local!

Sustainably yours,
John Waite
Executive Director

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Flavors of Franklin County

RESTAURANTS

Restaurants help create the flavor of a community," says FCCDC Technical Assistance Program Manager Amy Shapiro. "They're more than businesses – they're very visible gathering places, they create a wide range of full- and part-time jobs and they help draw people to our communities." At the same time they're very risky ventures with high overhead and numerous legal and regulatory issues to deal with.

As such, traditional lenders are often hesitant to finance restaurant start-ups, and many of these businesses have found FCCDC supportive of their endeavors through loans, courses and workshops, and consulting assistance. FCCDC



The kitchen at Ristorante DiPaolo.

staff have worked with dozens of restaurants over the years, giving them an opportunity to develop a deep and broad understanding of the major concerns and issues facing food service establishments.

Denise DiPaolo used a wide range of the CDC's resources before opening her restaurant, **Ristorante DiPaolo** in Turners Falls (413-863-4441, www.ristorantedipaolo.com). "The technical assistance I received from Amy Shapiro was most valuable," she says. "She met with me many times before I opened my business to help me flesh out my concept and hone in on the nuts and bolts of running the business." Also prior to opening her doors, the CDC provided DiPaolo with gap financing which enabled her to get a loan from Greenfield Cooperative Bank, and the CDC helped pay a graphic designer for a logo, signage, and menu design.

That assistance didn't end when she opened her doors two years ago, says DiPaolo. Shapiro continued to meet with DiPaolo on a monthly basis for a year after the restaurant opened, "assisting me with interpreting my

financial projections and setting goals to move the business forward."

Dozens of other restaurants have participated in FCCDC's workshops, received loans and benefited from the consulting services.

"The best advice I got from the CDC was to get assistance early, before I even opened," said Rosemary O'Hagen, who opened **Sunderland's Bridgeside Grill** (413-397-8101, www.bridgesidegrille.com) last year. Through a grant the CDC secured from the federal government, the

CDC was able to pay for a restaurant consultant to do some financial analysis for her and also connected her with someone to help with branding and developing a logo. Regular contact with Shapiro has been critical as well, says Rosemary. "When I

have any questions, she's who I call."

"FCCDC staff know the joys and pains of starting a new restaurant," said Al Sax, who opened **Bart's Café** in Greenfield last year (www.bartshomemade.com, 413-253-9371). "They relate to your craziness and help you keep on keeping on despite the long hours." The technical support he received from FCCDC on budgeting, setting up computer accounting systems and marketing was vital, he said. "They moved us through the learning curve on new critical pieces of work at times when we felt we could not take on another challenge."

Some other restaurants FCCDC has worked with recently include:

- **The Ashfield Lake House**, Ashfield, 413-628-3224
- **Denny's Pantry**, Greenfield, 413-773-3345
- **Café Koko**, Greenfield, 413-774-2772
- **Moca Maya's**, Greenfield, 413-625-6292
- **Hope & Olive**, Greenfield, 413-774-3150
- **Hillside Pizza**, Deerfield. 413-665-5533
- **TOFU A GO-GO**, Greenfield, 413-772-TOFU

FOOD PRODUCTS

It all started with customers asking to buy their restaurant's salad dressings and sauces. Many customers enthusiastically brought their own containers to be filled with Kristin Barry's and Shelly Risinger's homemade concoctions. "You should bottle this stuff!" they were told. When Kristin and Shelly sold their restaurant in southern California to move closer to family in Massachusetts, they discovered the Franklin County CDC's Food Processing Center and started their company, **Appalachian Naturals**. It was the start of something local and something delicious.

The Food Processing Center is an industrial kitchen located next to the CDC's offices in Greenfield. The Center is equipped with production facilities that meet federal, state, and local standards. The Center provides technical assistance, business planning, product development, distribution resources and manufacturing space for specialty and organic food producers. Since opening in 2001, the Center has helped more than 100 companies like Appalachian Naturals successfully bring recipes to market.

While access to the kitchen facility is key to the success of many food producers, the relationship between the Center and the producer goes far beyond simply being handed a key. In 2005, when Steve Nelson was ready to quit his job and start making his salsa full-time, Food Processing Center Manager Herb Heller's job was "to slow me down," he says.

"I was impressed by Herb's thoroughness," says Steve. "His first question to me was did I have a business plan. He refocused me and made me realize that I really had no clue of what it was like to cook on such a large scale. He made me work out a plan and determine if it would really work before I invested heartache and pain." After taking the CDC's 12 week Entrepreneurial Training class and writing up a business plan, Nelson worked with the CDC staff to figure out the plan for manufacturing his salsa.

"I scaled up my 20-quart recipe to make 100 gallons and figured it would take eight hours," says Steve. "It took

twice as long that first day and Herb stayed with me in the kitchen until 2:00 a.m., calming me down and telling me not to get discouraged." Since then the CDC has continued to offer support and guidance.

Steve's salsas, **Hedgie's Hot Stuff** (<http://hedgie.fatcow.com/store/>), are now sold at more than 50 stores and he's shipping at least 60 cases each month. His commitment to using fresh and natural ingredients has led him to form a cooperative partnership with Harvest Farm in Whately, purchasing many of his vegetables from them, including 6,000 lbs of tomatoes last year.

That commitment to using local ingredients and supporting local farmers rings true for many of the Center's

members. Appalachian Naturals is particularly proud of their work with Warm Colors Apiary, for instance, because, according to Shelley, "We could get baker's honey from China and pay literally half the price. But we've made a conscientious decision to not go for what is cheap. We went for what tasted good." But there are good reasons to buy local honey beyond the good flavor. Says Shelley, "Local honey that is

100% from western Massachusetts is more important than supporting beekeepers anywhere else because we have to keep our farms going, and if we don't have honeybees, we don't have farms."

And when Center members do outgrow the facility and "graduate" to their own facilities – as has happened with **Hillside Pizza** and **Katalyst Kombucha**, among others – they maintain their commitment to their community's economy, continuing to hire local residents and use local services.

Additional information about the Center, including a complete listing of all members, is available online at www.fccdc.org, or by calling 413-774-7204 ext. 110.



Herb Heller recently resigned as Manager of the Food Processing Center and took a job at a food company in Springfield. Herb has done a terrific job at the Center over the past 4 ½ years and has been invaluable to many food entrepreneurs. We wish him well.



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NEWS BRIEFS FROM FCCDC

We are in the midst of our Spring Fundraising. For almost 30 years, the Franklin County CDC has been helping improve the quality of life in our area, but we need your help to continue. Please consider a gift of any size to help the CDC provide services to low and moderate income people in our region. Thank You.

On May 12th the CDC held the 3rd Annual Specialty Food Show at the Clarion Hotel in Northampton. More than forty food businesses made important contact with about 100 buyers and distributors.

The CDC was awarded another \$750,000 of loan capital from USDA's Rural Development office to lend to small businesses. In addition, the state recently awarded the Town of Athol a \$425,000 revolving loan fund and the CDC will manage it for the nine towns in North Quabbin. This will allow us to lend to more small businesses.

On May 1 the CDC opened a satellite office in Orange to serve the North Quabbin.

www.fccdc.org

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