ANNUAL REPORT
2015

Counsel, Capital, Connections
Your community business partner since 1979

www.FCCDC.ORG
Dear Members and Friends:

As you see on the cover of this report our revised logo now highlights the Western MA Food Processing Center and our expanded service area of Western Massachusetts. While we still focus on Franklin County, we are supporting businesses throughout western MA, largely due to our great collaborations with organization like Valley and Hilltown CDC, Common Capital, PVGrows, the North Adams Chamber of Commerce and others.

In addition, the Franklin County CDC is helping throughout the state and the region through our work with the MA Food Plan, MA Food Policy Council, MA Small Business Working Group, Farm to Institution New England and our Food Processing Center continues to garner attention with people calling and visiting from around the country. This year we installed the first Individual Quick Freeze (IQF) operation for local vegetables in New England.

We continue take on projects that are innovative and risky. As Tesla Motors CEO Elon Musk was quoted recently in Entrepreneur.com “When something is important enough, you do it even if the odds are not in your favor.” This is also how a lot of entrepreneurs feel. They have a passion for something and they want to see it happen. We believe that by providing assistance and support, the odds get more in their favor.

The FCCDC takes risks too because we know we have the support of our community. State and federal programs support our work as well. For example the Food Processing Center upgrades will cost more than $750,000. We received some grants and are willing to take on some debt, but we are also confident that our community will help out as well.

The state is doing their share by offering state tax credits to our contributors that give $1,000 or more. 50% Tax Credits means the FCCDC can receive more while the donor gets half back from the state.

Going forward we expect to offer more services in Hampshire and northern Berkshire County, we’ll continue to expand the Food Processing Center, we are working with the Town of Greenfield and other partners to renovate the First National Bank Building, and we recently launched the Pioneer Valley Grows Investment Fund, where community members can invest in a fund that goes to regional farm and food businesses. These and other initiatives have a strong impact on the economic health of our region.

We hope you’ll read through this Annual Report and learn more about what the FCCDC has been doing and our plans for the future. This is the community’s economic development organization and we encourage you to participate as a donor, a client, a mentor, a collaborator or in a variety of other ways.

Thank you to all FCCDC supporters as we continue to provide Counsel, Capital and Connections.

Joe Shoenfeld
Chairperson—Board of Directors

John Waite
Executive Director
Business Lending Program

The CDC’s Lending Program continues to make loans up to $200,000 to businesses that cannot obtain financing either in whole or in part from traditional financial institutions. Alan Singer continues to lead this department and works with businesses in all sectors including Food, Agriculture, Manufacturing, Retail and Service. With our expanded work we hired Arthur Haselkorn as our Credit Analyst this past year. Our focus is always on businesses that create jobs and benefit the community.

As of 6/30/15, the Franklin County CDC was servicing a total of 81 loans outstanding with an aggregate principal balance outstanding of approximately $2.7 million – versus 66 active loans and a principal balance of $2.01 million as of the year end before.

During FY ’15 a total of 19 loans were approved and extended representing an aggregate principal balance of approximately $712k. During the past fiscal year, only one loan with an aggregate loan principal balance outstanding of over $26.2k was paid off well ahead of its amortization schedule via commercial bank re-financing. Three other loans during FY ’15 paid off via normal maturity as agreed.

Loan Funds:

SSED Fund - The FCCDC received a grant from the U.S. Economic Development Administration in 1991 and has revolved this fund several times. Target businesses for this fund are manufacturing and businesses that create jobs.

U.S. Dept. of Agriculture, Rural Development – Intermediary Relending Program - The FCCDC received a low interest loan of $1,000,000 from USDA in 1992 and has revolved this fund several times. During November 2008 the FCCDC received another $750k loan which has now been fully committed. Target clients for this fund are small businesses located in rural areas that create jobs and improve the quality of life for people in rural areas.

U.S. Dept of Ag. Rural Micro-Enterprise Assistance Program - During 2013 the FCCDC was awarded a low interest loan of $500k from the USDA to assist both existing and start-up small businesses located in both rural and population centers with up to 50,000 people. Individual loan size is not to exceed $50,000.

Ten Town Loan Fund: Community Development Block Grant funds started this program in 1988 for the towns of Ashfield, Bernardston, Charlemont, Colrain, Erving, Gill, Hawley, Northfield, Warwick and Whately

Four Town Loan Fund: Community Development Block Grant funds started this program in 1988 for the towns of Buckland, Greenfield, Montague and Shelburne

Of final note – during the FY ’15 the FCCDC Board of Directors approved the creation of a new entity wholly-owned by the FCCDC: the Pioneer Valley Grows Investment Fund, Inc. (“PVGrows Fund”). PVGrows Fund, staffed by Coordinator Rebecca Busansky, began accepting investments from community members on October 1, 2015 to be used to invest in farm and food businesses that have a positive impact on our regional food system.

List of New Borrowers during FY ’15 (Borrower/Business Name – Town):

1. Fisher Express, Inc. – Gill
2. Overwatch Outpost – Charlemont
3. Frosted Bake Shop – Greenfield
5. Shelburne Falls Bowling Alley – Shelburne Falls
6. Second Street Baking Company – Turners Falls
7. Mo’s Fudge Factor – Shelburne Falls
8. The Ashfield LakeHouse – Ashfield
9. Down Right Productions, LLC – So. Deerfield
10. Norseman Audio & Video Systems – N’hampton
11. The Diary Barn – North Adams
12. Elan Hair Salon – Easthampton
13. Kosinski Farms – Westfield
14. Honest Weight Artisan Beer, LLC – Orange
15. Carsons Cans, LLC – Greenfield
16. Simply Serenity @ Franki’s – Florence
17. Wood and Barrel – Greenfield
18. Hager Brothers Farm, LLC – Colrain
19. America-Agro – Montague

As of 6/30/2015 the Lending Program has committed and unfunded five loans to four businesses – all located in Franklin County – aggregating to approximately $285k.
Business Development

We completed the EDA grant funded project, Economic Resiliency Project in the Northern Tier, which focused on businesses in northern Berkshire and Franklin County. We also teamed up with Valley and Hilltown CDC again to secure a Mass Growth Capital Corporation grant for the Western MA Means Business Project to work with businesses in Hampshire and Franklin County. Amy Shapiro, Business Development Director, continued to lead this work by coaching, counseling and teaching classes. Anita Eliason is in her second year as our Business Development Specialist and has had a substantial impact especially being available to work deeply with Hampshire County clients.

2014-2015 Results - FCCDC served:
115 clients who received more than 5 hours of services: (85 individual counseling, 30 trained)
52 women, 12 minorities, 6 immigrants, 7 starting a business due to unemployment, 4 veterans.
54 created or acquired a new business
15 businesses were stabilized
19 grew or increased revenue
18 continue to be served
33 jobs created
19 jobs preserved
22 received financing either directly by the FCCDC or indirectly to another source
Total value of loans closed: $2,478,000
19 direct loans valued at $712,000, 18 indirect loans valued at $1,766,000

We assisted clients in developing business plans and financials, and delivered strategic assistance that helped them answer questions and in some cases receive financing. Low or no cost assistance helped entrepreneurs overcome business issues such as developing assumption on cash flow projections that they could take to a lender, marketing plans that delivered realistic measurable outcomes, and improved connections to the business community.

We reaffirmed that a client from a disadvantage position with a strong business plan takes longer to raise the funds needed to leverage bank financing. A struggling existing business with a long history and employees also has a hard time obtaining financing to reposition their business. Western MA businesses continue to struggle with challenging issues. Our counselors become familiar with each client and we work with them on their unique situation so that expectations are realistic regarding their strategies for success and financing possibilities.

Developing strong collaborations that help build a regionally vibrant community is a major part of our work. The following are some of the partners we have worked with this year:

- Fostering Art and Culture Partnership
- Northampton Chamber of Commerce
- North Adams Chamber of Commerce
- Town of Greenfield
- Franklin County Chamber of Commerce
- Valley Venture Mentors
- Greater Shelburne Falls Area Business Assoc.
- Williamstown Chamber of Commerce
- Town of North Adams
- Franklin Regional Council of Governments
- Berkshire Regional Planning Commission
- Greenfield Community College

In the spring of 2015 we held the 5th Annual Celebrating Entrepreneurs. This year’s Haas Entrepreneur of the Year went to Nan Parati of Elmer’s Store and Restaurant. She exemplifies the community minded, hard-working small business owners that make our region exciting. Previous Haas Entrepreneur of the Year winners are:

- 2014 Hillside Pizza
- 2013 Zoar Outdoor
- 2012 Small Corp
- 2011 People’s Pint
Food Processing Center

2014-2015 was a year of continued expansion for the Western MA Food Processing Center (FPC). We added new equipment, members, and processing staff. We developed our offerings and educational services, and we broadened our reach in the state and region.

Liz Buxton finished her 2nd year as FPC Manager helps clients with recipe development, scale-up and production. Nico Lustig has been our Food Business Development Specialist for 1.5 years and has focused on helping farmers and other clients add value to local food including the vegetable freezing operation. Dan Coblyn continues to supervise production and has taken on duties of equipment and facility repair and maintenance, which has become a bigger job as we expand the facility and purchase more equipment.

With support from USDA, some loans and some grants, and contributions from our supporters, we added new equipment to the Center. Additional steam jacketed kettles were brought into the facility, enabling a greater focus on the commercial production of sauces and beverage products. Last fall, after years of planning, we got the liquid nitrogen flowing in the center. With the addition of a liquid nitrogen tank, insulated piping and the Individual Quick Freezing (IQF) tunnel, the quality of local frozen food increased. The Pioneer Valley Vegetable Venture serves schools and institutions and many local farms used the equipment to extend the season on their crops. Thousands of pounds of locally grown produce moved through these new machines, keeping thousands of dollars in the local community and growing good jobs.

Staffing at the FPC increased to 3 full-time people plus 3 more production staff were brought on for half the year to facilitate prototypes, vegetable processing and second shift productions. Of the many businesses working at the Center, a few have seen a year of significant growth adding jobs of their own. Thanks to the competent and growing team of skilled workers at the FPC, many of the businesses are able to rely on our team to see to it that the processing aspect of their business is going strong.

Starting and operating a food business requires more than the facility and equipment and we offered workshops and trainings in Greenfield and beyond.

- Collaborating with the UMass Food Science Department, 12 businesses gained in depth training in the food safety for processing procedures.
- Information sessions and tours of the FPC doubled this year, allowing more potential users to learn the steps needed for getting started in the facility.
- Trainings and presentations on food processing took place in many locations throughout New England including Cape Cod, Salem, Springfield and more.

The scope of the FCCDC influence has grown through the year. In both the state and local food policy council we have been engaged in a comprehensive food system planning process. In the MA Food Plan, we play a crucial role, responsible for focusing attention on the needs of food entrepreneurs, processors and food business incubators throughout the state. This has put us in contact with many of the food processors in the state, allowing us to see the similarities in both challenges and accomplishments in the mission to promote and expand local food offerings.
This year we have worked with the following farms and food businesses:
We have supported the commercial manufacturing and product development for 46 businesses in fiscal year 2014-2015 year. Many of these businesses are local farms and/or use ingredients sourced from local farms. Businesses that have joined the FPC this year are highlighted in bold.

Atlas Farm, Deerfield, MA
Backyard Food Company, RI
Bart’s and Snows, Greenfield, MA
The Beancake Co., Sunderland, MA
Book and Plow Farm, Amherst, MA
Boston Burger Co., Somerville, MA
Carol’s dessert toppings, MA
Carribe Beverages, Bloomfield, CT
City of Daughters, NYC, NY
Cheeky Organics, Williamstown, MA
Dahlicious, Leominster, MA
Daniel Victor, NYC, NY
Drew’s, Chester, VT
Feliciano Foods, Springfield, MA
Fortunate Son Hot Sauce, Deerfield, MA
Fruple Ice, Newton, CT
Goldthread Herbal, Florence, MA
Heavenly Blix, Cambridge, MA
Herrell’s Northampton, MA
Horse Listeners Orchard, CT
I Can With salsas, Holyoke, MA
Joe Czajkowski Farm, Hadley, MA
Just Roots, Just Soups, Greenfield, MA
Kim Chii Fusion, Orange, MA
The Kitchen Garden Farm, Sunderland, MA
Long Plain Farm, Whately, MA
Makomas, Revere, MA
Mezae Hummus, Longmeadow, MA
Old Friends Farm, Amherst, MA
Ooma Tesoro, Windsor, MA
Plant Colors, Amherst, MA
Red Fair Farm, Montague, MA
Relish the Harvest, MA
Saw Mill Site Farm, Deerfield, MA
Saw Mill Shrubbery, Montague, MA
Shire City Herbals, Pittsfield, MA
Simple Gifts Farm, Amherst, MA
Steem Peanut Butter, Springfield, MA
Taymullah Honey Water
Tortured Orchard, North Egremont, MA
Try a Taste, Northampton, MA
Wendy’s Salad dressing, CT
Wise Mouth Beverages, MA
Wysocki Farm, Amherst, MA
Yume Foods, Worcester, MA
Yummy Yammy, Norwich, VT

In the coming year, we welcome the construction of 2,600 sq. ft. of additional of cold storage and warehouse space. We recognized the need for increasing food storage infrastructure and we anticipate that the additional space will allow members, food entrepreneurs and local farms alike, to expand their businesses in scale and efficiency. We continue to expect the trend to grow in expanding use of the kitchen towards full time use of the facility, year-round.
Venture Center

The Venture Center remains full and vibrant. Judy Scherer (and Amelio) and Jackie Spooner continue to make sure everything runs efficiently with the Venture Center and all the FCCDC operations. Finance Director, Vinny Natale, continues to keep track of our finances and helps us balance our mission with financial realities. This year we also improved our processes, database and administrative system so we can serve more clients efficiently and effectively.

At long last, we were able to pave the parking lot at the Venture Center! With help from our neighbor Valley Medical Center, which uses several spaces, and our anchor tenant Silver Screen Design, we were able to hire Kocot & Sons Construction from Deerfield to make our lot much more useful and comfortable for employees and visitors to the Venture Center.

Other changes this year include the departure of a longtime friend and tenant Bob Apteker, owner of Daily Nuggets, www.OnlineAuctionGuy.com – everything about eBay. He moved to the Orange Innovation Center which is closer to his home.

Nautilus LLC, www.waterturbine.com, also left their light industrial space in the Venture Center this past year, but Ron MacLeod continues to fabricate amazing water turbines at their new location.

Franklin County Community Meals Program took one of our office spaces. Mary McClintock took over as Interim Director and because of her work with the local food movement we have had a lot of synergies.

Other tenants continue to include:

- **Silver Screen Design**, www.silverscreendesign.com - the best resource for branding your company, organization, or event. They offer hundreds of design options and products. It’s like having your own advertising agency at your fingertips at a fraction of the cost.

- **Artisan Beverage Cooperative** - www.artbev.com. Maker of Katalyst Kombucha, Ginger Libation and Green River Ambrosia’s Mead. Their merger last year and change to a Worker-Owner Cooperative led to growth and it has continued this year so they took over the space vacated by Nautilus.

- **Cellu-Spray**, www.celluspray.net - From a small addition to commercial buildings they can help you use less energy with the highest quality cellulose available today.

- **Our Family Farm**, www.ourfamilyfarms.com – best milk ever;

- **Pioneer Co-op of Franklin County**, Housing Cooperative;

First National Bank Building

The FCCDC continues to work with the Town of Greenfield and others to redevelop the First National Bank Building. This is not a financially profitable venture and that is why no private entity has taken it on. The building’s condition, location, historic nature and new zoning issues complicate the redevelopment. Yet the FCCDC still believes that redeveloping this important property is still the right thing to do for the community.

Hopefully the timing is now right. As the Courthouse is renovated and a parking garage may be coming, the First National Bank Building Bank needs to shine once again. The plan is to make the building into a multi-use community arts and entertainment space. This plan is for performance space, public and private functions, and could also be opened up for farmers markets or a wide variety of other events throughout the year. The lower level could be a safe and fun space for our youth. This idea has lots of support, but securing funding is still a challenge.
## Statement of Financial Position

As of June 30, 2015

### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Current Assets</td>
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<tr>
<td>Cash</td>
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<td>Accounts Receivable</td>
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<td>Loans Receivable</td>
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<td>Grants Receivable</td>
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<td>Other</td>
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<td>Total Current Assets</td>
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<td>Property, Plant &amp; Equipment, Net</td>
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<td>Loans Receivable, Net</td>
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<td><strong>Total Assets</strong></td>
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### Liabilities and Net Position

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<td>Net Position</td>
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<td><strong>Total Liabilities and Net Position</strong></td>
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## Statement of Activities

For year ended June 30, 2015

### Revenue from Operations

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<th>Description</th>
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<tr>
<td>Lending</td>
<td>226,722</td>
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<tr>
<td>Food Processing Center</td>
<td>481,454</td>
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<tr>
<td>Other Grants &amp; Fiscal Sponsors</td>
<td>578,693</td>
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<tr>
<td>Contributions</td>
<td>221,825</td>
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<tr>
<td>Business Assistance</td>
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<td>Venture Center Rent</td>
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<td>Other</td>
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<td><strong>Total Revenue and Support</strong></td>
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### Operating Expenses

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<td>Program</td>
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<tr>
<td>Administrative,</td>
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<td><strong>Total Expenses</strong></td>
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### Change in Net Position

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<tr>
<td><strong>Change in Net Position</strong></td>
<td>89,528</td>
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## Board of Directors

- Amanda Abramson-Clark – Clerk
- Andrea Nathanson - Treasurer
- Jessica Atwood
- Joe Shoenfeld – Chairperson
- Chuck Bellinger
- Tina Trova
- AJ Bresciano – Vice Chair
- Tony Worden
- Tanzi Cannon-Eckerle
- Darren Gale
- Denise Coyne – Advisory Board
- Margaret Christie
- Susan Worgaftik – Advisory Board
- Gary Gruber
- John Waite

## Staff

- Rebecca Busansky
- Arthur Haselkorn
- Amy Shapiro
- Liz Buxton
- Nico Lustig
- Alan Singer
- Dan Coblyn
- Vinny Natale
- Jackie Spooner
- Anita Eliason
- Judy Scherer
- John Waite