



# **ANNUAL REPORT 2016**

***Counsel, Capital, Connections***

**Your community business partner since 1979**

[www.FCCDC.ORG](http://www.FCCDC.ORG)

## **Dear Members and Friends:**

The Franklin County CDC continues to believe that helping entrepreneurs and small business strengthens our community. During political campaigns you often hear people highlighting the importance that small business play in job creation and economic development. The FCCDC doesn't just talk about it every 4 years, we do it every day.

Since our incorporation 37 year ago, we have been providing counsel, capital and connections to aspiring entrepreneurs and growing small businesses. This year we highlight the 15<sup>th</sup> Anniversary of the Western MA Food Processing as just one example of the innovative and valuable contribution the FCCDC makes to this region. We continue take on projects and work with businesses that others think are risky. But when you talk to and work with entrepreneurs that are passionate and offer something to the community, we want them to succeed. We believe that by providing assistance and support, the odds of success increase.

The FCCDC is in the process of taking another risk – the construction of a 2,800 sq. ft. cold storage building. We are doing this because farmers and food businesses have been asking for it for several years. And with this building many of our current clients can grow their business and we know that it will help more future businesses start. We are only able to take this risk because we have partners that support this work. MA Dept. of Agricultural Resources and USDA Rural Development are stepping up with grants and loans. We rely on community support for the rest. And we are confident that people in our community will help out as well.

With the state Community Investment Tax Credit program our contributors that give \$1,000 or more will receive 50% Tax Credits. This means the FCCDC receives more, and donors get half back from the state.

Please read more in the following pages about how we are working with more people in Hampshire and northern Berkshire Counties, how we launched the innovative Pioneer Valley Grows Investment Fund, how we're working with the City of Greenfield and other partners to renovate the First National Bank Building. These and other initiatives have a strong impact on the economic health of our region.

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. We currently operate six loan funds with combined lending capacity of almost \$3.2 million. **Alan Singer** continues to lead this department and works with businesses in all sectors including Food, Agriculture, Manufacturing, Retail and Service. **Arthur Haselkorn** continues to work with Alan Singer as our Credit Analyst. Our focus is always on businesses that create jobs and benefit the community.

As of 6/30/16, the Franklin County CDC was servicing a total of 92 loans outstanding with an aggregate principal balance outstanding of approximately \$2.45 million – versus 81 active loans and a principal balance of \$2.7 million as of the year end before.

During FY '16 a total of 15 loans were approved and extended representing an aggregate principal balance of approximately \$776k. During the past fiscal year, nine loans aggregating to approximately \$336k were paid off well ahead of their, respective amortization schedules via commercial bank re-financings. Ten other loans during FY '16 paid off via normal maturity as agreed.

Subsequent to 6/30/16 a total of seven loans were funded totaling approximately \$246k with, one additional loan committed and as of yet unfunded totaling \$200k.

### **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 '16 the FCCDC began administering the **Pioneer Valley Grows Investment Fund, Inc. (“PVGrows Fund”)**. PVGrows Fund is staffed by Coordinator **Rebecca Busansky**. The PV Grows Fund is to be used to invest in farm and food businesses that have a positive impact on our regional food system. Since the October 2015 PV Grows loan fund inception a total of seven loans were extended aggregating to approximately \$191k. Two, other loans were committed and as of yet not funded aggregating to approximately \$126k.

### List of New Borrowers during FY '16 (Borrower/Business Name – Town):

M. Humphries Woodworking–Northfield, MA	Bread Euphoria – Williamsburg, MA
Hillside Pizza – Bernardston, MA	Wood & Barrel – Greenfield, MA
Element Brewing – Millers Falls, MA	Carsons Cans – Greenfield, MA
People's Bread Company – Montague, MA	Real Pickles Cooperative – Greenfield, MA;
Tea Guys – Whately, MA	Artifact Cider Project – Springfield, MA;
SIP Café & Coffee Bar – Northampton, MA	Appalachian Naturals – Goshen, MA;
Shire City Herbals, Inc. – Greenfield, MA	Kosinski Farms – Westfield, MA.
Endeavour Transportation – Deerfield, MA	

## **Business Development**

The business development team continues to meet with clients in Hampshire, Franklin and Northern Berkshire counties with an office at Cloud85, 85 Main Street, North Adams.

**Amy Shapiro**, Business Development Director; **Anita Eliason**, Business Dev. Specialist  
2016 Activities and outcomes were focused on Counsel, Capital and Connections.

### ***Counsel:***

2015-16 Results - FCCDC served:

95 clients who received more than 5 hours of services: (81 individual counseling, 14 trained)

59 women, 12 minorities, 4 immigrants, 4 starting a business due to unemployment, 3 veterans.

17 clients created or acquired a new business

16 businesses were stabilized

42 businesses grew or increased revenue

20 businesses continue to receive technical assistance be served

59 jobs created

185 jobs preserved

21 received financing either directly by the FCCDC or indirectly to another source

12 direct loans valued at \$521,410, 9 indirect loans valued at \$2,103,500

Total value of loans closed: \$2,624,910

### ***Trainings:***

- 4-Session Business Planning:
- To Launch or Not to Launch: Developed and implemented a one-day workshop designed to help test an idea and develop a business plan.
- Free Monthly Information Sessions continue to be offered the first Wednesday of the month from 3:30-5
- Launching a Food Product Information Session was new this year on the third Tuesday 10:30-noon is a Collaborated with the Women Business Owners Alliance to deliver business workshops.

### ***Capital:***

1) We continued our connection 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. New this year, a collaboration with Pittsfield Economic Redevelopment Corporation (PERC) to secure a Mass Growth Capital Corporation grant to assist small businesses in Northern Berkshire County.

2) Applied and received the Urban Agenda Grant called One Tale of Two Cities: Overcoming economic challenges in northwestern MA that began April 1, 2016 and will go into 2017. The project has four activities: 1) cultivate and assist new and existing businesses by incubating young and first time entrepreneurs and creating symmetrical mentoring between business owners and students to provide cross training, 2) help mature business owners successfully transition their businesses to new owners, 3) launch the Northern Berkshire Loan Program, 4) incentivize downtown property owners to partner with cities, businesses and the arts and culture community to create a more vibrant downtown.

### ***Connection:***

1) Collaborated with Valley Venture Mentors by holding a monthly mentor meeting where businesses pitched business issues and mentors in the room provided strategic questions and assistance so that the business owner left more informed and the mentor left helping someone with an issue.

Outcomes: 7 graduated with 59 mentors who attended

The businesses outcomes included: Doubling income, reorganized operations, clarified business strategy, adjusted product focus, raised funds from crowd funding campaign, expanded marketing opportunities, and expanded marketing opportunities nationally.

2) 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:

Greater Shelburne Falls Area Business Assoc.	Valley Venture Mentors
Franklin County Chamber of Commerce	Cloud85
Northampton Chamber of Commerce	Williamstown Chamber of Commerce
North Adams Chamber of Commerce	Cities of North Adams and Greenfield
Franklin Regional Council of Governments	Women Business Owners Alliance
Common Capital	Greenfield Community College

### **The 6<sup>th</sup> Annual Celebrating Entrepreneurs event May 19.**

This year's Haas Entrepreneur of the Year went to Lisa Alber, Alber Hearing Services. She exemplifies the community minded, hard-working small business owners that make our region exciting.

Previous Haas Entrepreneur of the Year winners are:

2016 Alber Hearing Services	2013 Zoar Outdoor
2015 Elmer's	2012 Small Corp
2014 Hillside Pizza	2011 People's Pint

## **Food Processing Center**

2015-2016 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 3<sup>rd</sup> year as FPC Manager helps clients with recipe development, scale-up and production. **Nico Lustig** continued as the Food Business Development Specialist and focused on helping farmers and other clients add value to local food including the vegetable freezing operation. Nico has enjoyed helping farm and food businesses so much that she decided to pursue a Law Degree in Food Law at Vermont Law School. We will miss her, but we are lucky to have recently hired **Joanna Benoit** who will help food businesses and continue grow the Food Processing Center. **Dan Coblyn** continues to support the FPC and repair and maintain the facility and equipment, which has become a bigger job as we expand operations.

With loans and grants from USDA, the MA Food Venture Program under the MA Dept. of Ag Resources and contributions from our supporters, we are about ready to add a large cold storage building. Over the past 2 years we have added kettles for blanching and the Individual Quick Freezing (IQF) tunnel for freezing products, so the need for the cold storage is necessary to increase production of frozen vegetables and other products. Next year we expect to supply hundreds of thousands of pounds of vegetables to schools and institutions as well as some retail markets. Processing this locally grown produce will keep thousands of dollars in the local community and growing good jobs.

In addition to the 3 full-time staff at the FPC, we have 5 production staff that work full-time during the busy harvest months and part-time the rest of the year for co-packing production. Of the many businesses working at the Center, a few have seen a year of significant growth adding jobs of their own.

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, on Product Development and Food Safety training.
- Information sessions and tours of the FPC continued, 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 Boston, Shelburne VT, Hartford CT and more.

The FCCDC continued to influence both the state and local food system through our work on Food Policy Councils. The FPC hosted the public launch of the MA Local Food Action Plan last December and we continue to play a crucial role focusing attention on the needs of food entrepreneurs, processors and food business incubators throughout the state.

**This year we have worked with the following farms and food businesses:**

We have supported the commercial manufacturing and product development for **50 businesses** in fiscal year 2015-2016 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**.

**Alicia's Homemade, Worcester, MA**

**Autumn Hill Orchards, MA**

Backyard Food Company, RI

Bart's and Snows, Greenfield, MA

The Beancake Co., Sunderland, MA

Carribe Beverages, Bloomfield, CT

Cheekie Organics, MA

City of Daughters, NYC, NY

Daniel Ochoa, MA

**Everett and Jones East, MA**

**The Farm Table at Kringle Candle, Bernardston**

Fortunate Son, MA

**Full Moon Ghee, Northampton, MA**

Goldthread Herbals, Florence, MA

**Hartsbrook School, MA**

**Harlow Farm, Westminster, VT**

Herrell's Northampton, MA

Hill Orchards, CT

Horse Listeners Orchard, CT

**Jay's Wicked Sauces, MA**

Joe Czajkowski Farm, Hadley, MA

Just Roots, Just Soups, Greenfield, MA

The Kitchen Garden Farm, Sunderland, MA

**The Kitchen Table, New Haven, CT**

Makomas, Revere, MA

**Maplecraft Foods, CT**

Mezae Hummus, Longmeadow, MA

Old Friends Farm, Amherst, MA

Outlook Farm, Southampton MA

Plainville Farm, Hadley MA

Plant Colors Group, Amherst, MA

Red Fire Farm, MA

Relish the Harvest, MA

**Ron Hess, Blandford, MA**

Saw Mill Site Farm, Deerfield, MA

**Sheffield Farms, MA**

Shire City Herbals, Pittsfield, MA

Stem Peanut Butter, Springfield, MA

**Stillman's Farm, New Braintree, MA**

**Top This, MA**

Try a Taste, Northampton, MA

**Tianhe Natural Herbs, MA**

**Unk's Island Blend, CT**

**Ugly Fruit, MA**

**Vermont Venture Center, Hardwick VT**

**Wise Mouth Teas, MA**

**Whole Harmony, CT**

Yume Foods, MA

Yummy Yammy, Norwich, VT

**Yumelish, CT**

## 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.

The new parking lot at the Venture Center has been terrific and allows our neighbor, Valley Medical Center, to rent several spaces. This year we welcomed two new tenants:

Equal Exchange, [www.equalexchange.coop/](http://www.equalexchange.coop/) Their main office is in West Bridgewater, MA but several of their employees have opened their western MA office at the Venture Center. Equal Exchange's mission is to build long-term trade partnerships that are economically just and environmentally sound, to foster mutually beneficial relationships between farmers and consumers and to demonstrate, through our success, the contribution of worker co-operatives and Fair Trade to a more equitable, democratic and sustainable world.

Pioneer Valley PhotoVoltaics, [www.pvsquared.coop](http://www.pvsquared.coop) They have outgrown their space across the street at 311 Wells St. so have moved some of their offices to the Venture Center, which is where they started 13 years ago.

Other tenants continue to include:

- ✓ **Silver Screen Design**, [www.silverscreendesign.com](http://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](http://www.artbev.com). Maker of Katalyst Kombucha, and Green River Ambrosia's Libation and Mead. Their merger 2 years ago and formation of a Worker-Owner Cooperative has led to continued growth.
- ✓ **Cellu-Spray**, [www.celluspray.net](http://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](http://www.ourfamilyfarms.com) – best milk ever;
- ✓ **Pioneer Co-op of Franklin County**, Housing Cooperative;
- ✓ **Franklin County Community Meals Program**.

## First National Bank Building

The FCCDC is presently working with the City of Greenfield and the Greenfield Redevelopment Authority to transfer ownership to them so they can access other funding to redevelop the First National Bank Building. The renovations to the building are extremely costly which is why no private entity has taken it on. The building's condition, location, historic nature and new zoning issues complicate the redevelopment. The FCCDC has worked hard to improve and maintain the building and has been an excellent steward of the property for more than 10 years. We believe this is a good time for the Town and GRA to take over and with the opening of the Courthouse and a new parking garage coming, the time is right to redevelop the First National Bank Building.

**FRANKLIN COUNTY COMMUNITY DEVELOPMENT CORPORATION**

CONSOLIDATED STATEMENT OF NET ASSETS				CONSOLIDATED STATEMENT OF ACTIVITIES			
As of June 30, 2016				For year ended June 30, 2016			
	6/30/2015	6/30/2016	PVGrows 6/30/2016		6/30/2015	6/30/2016	PVGrows 6/30/2016
<b>Assets</b>				<b>Operations / Grants</b>			
Current Assets				Food Processing Center	\$ 481,454	\$ 503,862	
Cash	\$ 479,923	\$1,160,408	\$ 581,365	Lending	321,002	166,017	5,144
Accounts Receivable	46,674	48,799	-	Venture Center Rent	147,167	150,913	
Loans Receivable, Current Portion	227,751	359,107	23,645	Business Assistance	324,190	181,099	
Grants Receivable	336,897	193,407		Other	18,476	7,662	
Other	<u>85,652</u>	<u>49,528</u>		Contributions	205,202	194,587	
				Fiscal Sponsors	<u>679,445</u>	<u>213,083</u>	
Total Current Assets	1,176,897	1,811,249	605,010				
Property, Plant & Equipment, Net	2,009,704	1,900,182	-	<b>Total Revenue &amp; Support</b>	2,176,935	1,417,222	5,144
Loans Receivable, Net of Current Portion and	<u>1,933,115</u>	<u>1,772,235</u>	<u>113,526</u>				
				<b>Operating Expenses</b>			
<b>Total Assets</b>	<b>\$5,119,716</b>	<b>\$5,483,667</b>	<b>\$ 718,536</b>	Program	1,845,128	1,610,351	17,019
				Administrative	<u>46,303</u>	<u>73,700</u>	
<b>Liabilities and Net Assets</b>				<b>Total Expenses</b>	<u>1,891,430</u>	<u>1,684,051</u>	<u>17,019</u>
Current Liabilities	\$ 691,951	\$ 713,807	\$ 10,927				
Long-term Liabilities	2,712,093	3,321,019	719,483	<b>Change in Net Position</b>	\$ 285,505	\$(266,829)	\$(11,875)
Net Assets	<u>1,715,671</u>	<u>1,448,841</u>	<u>(11,875)</u>				
<b>Total Liab. and Net Assets</b>	<b>\$5,119,716</b>	<b>\$5,483,667</b>	<b>\$ 718,536</b>				

Note: All PVGrows amounts included in consolidated totals

Board of Directors as of 6/30/16

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 Jessica Atwood  
 Chuck Bellinger  
 AJ Bresciano – Vice Chair  
 Tanzi Cannon-Eckerle  
 Mary Chicione  
 Margaret Christie  
 Darren Gale

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