



ANNUAL REPORT

2017

Counsel, Capital, Connections

Your community business partner since 1979

fccdc.org

Dear Members and Friends:

Thank you to everyone that supports and cares about our local and regional economy. It's difficult for us as individuals to influence the national and global economy, but we each play a vital role close to home. Small businesses are the backbone of our community, creating jobs, paying taxes and providing us with goods and services. By supporting them we are supporting ourselves.

The FCCDC's fiscal year 2017 was busy and some big projects have come to fruition!

- ✓ After many years of planning and fundraising, we have constructed a large freezer and cooler that will be used by hundreds of farms and food businesses throughout our region to grow their operations.
- ✓ We transferred ownership of the First National Bank Building to the Greenfield Redevelopment Authority. We are very proud that our work on this project allowed others to renovate the neighboring buildings and help revitalize downtown Greenfield.
- ✓ We continue providing business assistance and financing to small businesses that cannot obtain traditional financing.
- ✓ We completed the second year of the Pioneer Valley Grows Community Investment Fund. We have received almost \$1 Million from investors and are lending it out to farm and food businesses that are starting and growing here in our region.

These are just a few of the many ways that the Franklin County CDC takes risks and makes investments that benefit the residents and businesses in our region. Our work has been noticed and rewarded by state and federal government as well as private foundations that have provided financial support.

Massachusetts continues to offer the Community Investment Tax Credit program so our contributors that give \$1,000 or more 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 to 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 client, a mentor, a collaborator, a donor or in a variety of other ways.

Sincerely,

John Waite
Executive Director

Business Lending Program

The Franklin County 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 as our Credit Analyst. Our focus is always on businesses that create jobs and benefit the community.

As of 6/30/17, the Franklin County CDC was servicing a total of 85 loans outstanding with an aggregate principal balance outstanding of approximately \$2.7 million – versus 92 active loans and a principal balance of \$2.7 million the year before.

During FY '17, a total of 18 loans were approved and extended representing an aggregate principal balance of approximately \$712.4k. During the past fiscal year, two loans aggregating to approximately \$137.4k were paid off well ahead of their, respective amortization schedules via commercial bank re-financings.

Subsequent to 6/30/17 a total of six loans were funded totaling approximately \$197k, with three additional loans committed and as of yet unfunded totaling \$135.5k.

Loan Funds: The FCCDC continues to revolve loans from the following sources:

U.S. Economic Development Administration's SSED Fund

U.S. Dept. of Agriculture, Rural Development – Intermediary Relending Program

U.S. Dept. of Agriculture. Rural Micro-Enterprise Assistance Program

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

Pioneer Valley Grows Investment Fund, Inc is a supporting organization of the FCCDC. The PVGrows Fund is managed by **Rebecca Busansky** and supports farm and food businesses that have a positive impact on our regional food system. From inception on October 1, 2015 to June 30, 2017, the PVGrows Fund had received \$887,000 from Community Investors and we had disbursed thirteen loans with several more in the pipeline.

List of New Borrowers during FY '17 (Borrower/Business Name – Town):

(Asterisks denotes PVGrows loans funded through the PVGrows Investment Fund, Inc.)

* Stasinus Farm – Haverhill, MA	Wood & Barrel – Greenfield, MA
*Appalachian Naturals – Goshen, MA	Grace Paint & Tile – Florence, MA
*Wellspring Harvest Corp. – Springfield, MA	New England Wound Care – Montague, MA
*Heart Beets Farm – Bristol, MA	Native Lumber Co. – Belchertown, MA
*Mycoterra Farms – Deerfield, MA	Great Spirit Tattoo – Greenfield, MA
Bread Euphoria – Williamsburg, MA	Old Maps – Greenfield, MA

JH Hardwood Flooring – Shutesbury, MA
Wood & Barrel – Greenfield, MA

Bread Euphoria – Williamsburg, MA
Vent Works – Greenfield, MA
Atlantic Furniture – Deerfield, MA

Business Development

Business development activities continued in Franklin, Hampshire and Northern Berkshire counties with an office at 85 Main Street, North Adams. Counseling and trainings were delivered by **Amy Shapiro**, Business Development Director and **Anita Eliason**, Business Development Specialist. This year there was additional effort to share information with business owners on succession planning, and social media marketing.

FY 2016 Activities and outcomes were focused on counsel, capital and connections.

Counsel: 2016-17 Results – The FCCDC served a total of 332 people, of which 77 clients received more than 5 hours of services (71 individual counseling, 6 trained). Of those 77:

- 45 women, 7 minorities, 6 immigrants, 5 starting a business due to unemployment, 2 veterans
- 16 clients created or acquired a new business
- 24 businesses were stabilized
- 17 businesses grew or increased revenue
- 20 businesses continue to receive technical assistance
- 26 jobs created
- 198 jobs preserved
- 9 were assisted with financing from a source other than the FCCDC valued at \$340,000

Trainings:

- Free Monthly Information Sessions continue to be offered the first Wednesday of the month.
- Launching a Food Product Information Sessions continue to be offered the third Tuesday of the month.

Capital:

- 1) Collaboration continued with Valley and Hilltown CDCs to secure a Mass Growth Capital Corporation grant for western MA (the only collaboration funded). We continued our collaboration with Pittsfield Economic Redevelopment Corporation (PERC) to secure a Mass Growth Capital Corporation grant to assist small businesses in Northern Berkshire County.
- 2) We wrapped up the Urban Agenda Grant that delivered succession planning assistance and social media mentorship to small business owners in the cities of Greenfield and North Adams.
- 3) Completed Cook Test + Launch, a state grant, that provided video conferencing equipment for the classroom, a mobile video unit to use in the FPC in addition to an adjustable loading dock for the new freezer.

Connections:

- 1) We collaborated with the GCC Entrepreneur Club and Business Department to assist 10 local businesses in social media marketing.

2) Our strong collaborations continue to build a vibrant community. The following are some of the partners we have worked with this year:

Greater Shelburne Falls Area Business Assoc.	Greenfield Community College	MA Assoc. of CDCs
Franklin County Chamber of Commerce	Northampton Chamber of Commerce	Cloud85
Mass Collage of Liberal Arts	North Adams Chamber of Commerce	Common Capital
Cities of North Adams & Greenfield	Women Business Owners Alliance	Lever
Franklin Regional Council of Governments	Franklin/Hampshire REB	Valley & Hilltown CDCs

3) The 7th Annual Celebrating Entrepreneurs event was held on May 19, 2017.

This year's *Haas Entrepreneur of the Year* was awarded to **PV Squared Solar**, a worker owned cooperative that has created many good jobs and donated solar systems to low income families.

Previous Haas Entrepreneur of the Year winners are:

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

Western MA Food Processing Center

2016-2017 was a year of continued expansion for the Western MA Food Processing Center (FPC). We added new equipment, members, and processing staff and started construction of the expanded Cold Storage Facility. We developed our offerings and educational services, and we broadened our reach in the state and region.

Liz Buxton finished her 4th year as Director of Operations. She continues to help clients with recipe development, scale-up and production. **Joanna Benoit** finished her 1st year as the Food Business Development Specialist and focused on helping farmers and other clients add value to local food including the vegetable freezing operation. **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. **Evan Manning** continues to be a Team Leader and **Damien Vieu** has taken on more responsibility as our production supervisor. **Justin Atwill, John Riggleman and Peter Freisem** have continued to be reliable and knowledgeable as our kitchen crew through the busy season and with co-packing.

With loans and grants from the USDA, the MA Food Venture Program under the MA Dept. of Ag Resources and contributions from our supporters, we were able to construct the 2,800 sq. ft. freezer and cooler expansion. Over the past 3 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 vital to increase production of frozen vegetables and other products. In fall of 2017, the FPC was awarded the highly competitive USDA's Local Food Promotion Program three-year grant for \$446,210. This grant will be used to purchase equipment and improve operation to make the Pioneer Valley Vegetable Venture, IQF co-packing for farms, and other productions more cost effective, efficient and accessible. We are partnering with CISA and MA Farm to School on this grant.

In 2017, we received estimates for a market of approximately 75,000lb of frozen vegetables for k-12 schools. These estimates were received through the Hampshire Council of Governments, Collaborative for Educational Services and Chartwells, with whom we have a multiyear relationship. We expect to increase this demand and expand to retail markets next year. Processing this locally grown produce will keep thousands of dollars in the local community and will continue to expand economic opportunity in the region.

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, Leominster MA, Sturbridge MA and more.
- A new relationship has developed with the Franklin County House of Corrections, with workshops in food business and business planning taking place. We piloted a work exchange program where inmates in good standing can come to work with us in the kitchen to make money and earn vital work experience.

The FCCDC continued to influence both the state and local food system through our work on Food Policy Councils.

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

We have supported the commercial manufacturing and product development for 45 businesses in 2017. Many of these businesses are local farms and/or use ingredients sourced from local farms. Many businesses returned to the processing center and expanded. Members in **bold** added one or more products to their line, or significantly increased production time at the FPC. An asterisk (*) means a first time user this year.

Alicia's Homemade, Worcester, MA

Artisan Beverage Cooperative, Greenfield

Backyard Food Company, RI

Bardwell Farm, Hatfield MA*

Bart's and Snows, Greenfield, MA

The Beancake Co., Sunderland, MA

Dave Mokrzejcki Farm, Hadley MA

Everett and Jones East, MA

The Farm Table at Kringle Candle, Bernardson

Full Moon Ghee, Northampton, MA

Goldthread Herbals, Florence, MA

Harlow Farm, Westminster, VT

Hartsbrook School, Hadley MA

Herrell's Northampton, MA

Holyoke Hummus, Holyoke MA*

Jay's Wicked Sauces, MA

Joe Czajkowski Farm, Hadley, MA

The Kitchen Garden Farm, Sunderland, MA

The Kitchen Table, New Haven, CT

Makomas, Revere MA

Maplecraft Foods, CT

Mezae Foods, Longmeadow MA

Old Friends Farm, Amherst, MA

Outlook Farm, Southampton MA

Oxen Hill Farm, CT*

Pioneer Valley Vegetable Venture

Plainville Farm, Hadley MA

Plant Colors Group, Amherst, MA

Pricklee, Waltham MA*

Red Fire Farm, MA

Relish the Harvest, Sunderland MA

Saw Mill Site Farm, Deerfield, MA

Shire City Herbals, Pittsfield, MA

Simple Gifts Farm, Amherst MA

Steem Peanut Butter, Springfield, MA

Stillman's Farm, New Braintree, MA

Spikers, Greenfield MA*

Tianhe Natural Herbs, Lexington MA

Top This, MA

Unk's Island Blend, CT

Vermont Elderberry, Putney VT*

Vermont Venture Center, Hardwick VT

Whole Harmony, CT

The Yerbary, Holliston, MA*

Yummy Yammy, Norwich, VT

Venture Center

The Venture Center remains full and vibrant. **Judy Scherer** and **Jackie Spooner** (and Amelio, the feline receptionist) 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. **Julia Short**, has been an invaluable intern for special projects, and **Helen Perham** was a star as our summer intern.

This year we had one transition. **PV Squared Solar**, who began at the Venture Center and then expanded and moved across the street with Real Pickles, needed more space so they rented a Venture Center office for a short time while they expanded their offices. Once their expansion was complete, **GoldThread**, one of our growing food business clients, moved in to the office. Goldthread produces healthy tonics with nourishing herbs and spices that are impeccably sourced, expertly blended and powerfully transformative. And so delicious!

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, and Green River Ambrosia's Libation and Mead. Their merger two years ago and formation of a Worker-Owner Cooperative has led to continued growth.
- ✓ **Cellu-Spray** www.celluspray.net -- From small additions 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! a marketing co-op of local dairy farmers working together to offer fresh, local, hormone (rBST*) free milk.
- ✓ **Pioneer Co-op of Franklin County** – a housing cooperative
- ✓ **Franklin County Community Meals Program** fccmp.org -- a wonderful organization that provides community meals (Greenfield, Turners Falls and Orange) and operates the Orange Food Pantry.
- ✓ **Equal Exchange** www.equalexchange.coop. This is their western MA office. 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.

First National Bank Building

The FCCDC worked with the Town of Greenfield and the Greenfield Redevelopment Authority (GRA) to transfer ownership to them so that they could access other funding to redevelop the First National Bank Building. The transfer to the GRA finally occurred on September 22, 2017. The FCCDC has been an excellent steward of the property for almost 15 years and has worked hard to improve and maintain the building. Our efforts led other private developers to purchase and renovate neighboring buildings that are all now vibrant

properties. Downtown Greenfield is better off because the FCCDC took the risk and committed time, energy and resources to improve the building. This is a good time for the GRA and Town 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. The FCCDC will provide support when appropriate and we look forward to the next stage of development of this wonderful property.

FRANKLIN COUNTY COMMUNITY DEVELOPMENT CORPORATION					
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
As of:			For year ended:		
	6/30/17	6/30/16		6/30/17	6/30/16
Assets			Operations / Grants		
Current Assets			Food Processing Center	\$ 663,225	\$ 503,861
Cash	\$ 73,960	\$ 29,155	Lending	264,379	167,131
Accounts / Pledges Receivable	90,612	95,799	Venture Center Rent	165,362	150,932
Grants Receivable	560,236	193,407	Business Assistance	378,518	181,099
Loans Receivable, Current Portion	338,797	359,107	Other	11,410	6,529
Other	22,698	2,528	Contributions, Net	254,759	194,587
			Fiscal Sponsors	211,073	172,083
Total Current Assets	1,086,303	679,996			
	-	-	Total Operations / Grants	1,948,725	1,376,222
Property, Plant & Restricted Cash, Lending / Loan Receivable, Net	1,494,364	1,900,181		-	-
	789,053	1,131,253	Operating Expenses		
	2,086,289	1,772,235	Program	1,240,061	1,309,622
			Fiscal Sponsors	190,473	237,902
Total Assets	\$5,456,009	\$5,483,666	Administrative	108,860	95,527
	-	-			
Liabilities and Net Assets			Total Expenses	1,539,394	1,643,051
Current Liabilities	\$ 836,668	\$ 711,368		-	-
Long-Term Liabilities	3,074,299	3,323,456	Change in Net Assets	409,331	(266,829)
Net Assets	1,545,042	1,448,842			
			Other (Expense)	(313,131)	-
Total Liabilities and Net Assets	\$5,456,009	\$5,483,666			
	-	-	Change in Net Assets	\$ 96,200	\$ (266,829)
				0	-
Note: PVGrows Fund, Inc. financials are included in this consolidated totals					
Note: FCCDC's FY17 Financials have been audited by Whittlesey & Hadley, P.C. and the full audit report can be found on our website www.fccdc.org					

Board of Directors as of 6/30/17

Jessica Atwood
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