

ANNUAL REPORT 2019



Counsel, Capital, Connections
Your community business partner since 1979

fccdc.org

Dear Members and Friends:

Forty years ago a group of caring and forward looking residents incorporated the Franklin County Community Development Corporation. The mission was positive and bold at a time when so many large companies were closing and moving south and overseas. The belief that many local small businesses were better than a few large companies gave rise to the FCCDC focusing on supporting entrepreneurs with business assistance and capital. This has certainly paid off. For example, the majority of businesses in the industrial parks in Greenfield, Montague and Orange were started by local people and the FCCDC supplied capital to many of them. Over the past 40 years, the FCCDC has provided counseling and capital to hundreds of small businesses – small businesses that are the backbone of the region.

At our 40th Annual Meeting, we are honoring all of the Board and Staff members who have worked so hard over the years to keep the mission central to our work - to maximize community control over our future economic destiny. We are also working harder on the other part of our mission – to provide opportunities to low and moderate-income people. We are in the middle of our five-year Strategic Plan and are developing new initiatives to ensure our services are welcoming and available to everyone regardless of income or wealth. We have started working on issues of structural racism, implicit bias, equity and power. And we will continue to expand our programs and geographic area throughout western MA to contribute in a positive way to all the residents of our region, in particular people who have been underserved.

The FCCDC's fiscal year 2019 was busy and had many major accomplishments including:

- ✓ The investment in the large cold storage facility has been paying off – it remains more than 90% full with new innovative food businesses growing in the Food Processing Center.
- ✓ Selected by the State to co-administer the new \$1M Mass Food Trust Program because of our solid Lending Program and Food Systems work at the local and state level.
- ✓ We continue to provide business assistance and financing to small businesses that cannot obtain traditional financing.

We are so grateful to everyone that supports the mission and work of the FCCDC. 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 contributors get half back from the state.

We invite you to read more in the following pages about how we are working to have a positive impact on the economic health of our region. This Community Economic Development organization is owned and controlled by the people of our region and we encourage you to participate as a client, a mentor, a collaborator, and a donor.

Sincerely,



John Waite - Executive Director



Andrea Nathanson

Business Lending Program

The Franklin County CDC's Lending Program continues to make loans up to \$250,000 to businesses that cannot obtain financing either in whole or in part from traditional financial institutions. We currently operate 8 loan funds with combined lending capacity of almost \$5.0 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 6/30/19, the Franklin County CDC was servicing a total of 103 loans with an aggregate principal balance outstanding of approximately \$3.7 million – versus 92 active loans and a principal balance of \$3.1 million the year before.

During FY '19, a total of 21 loans were approved and extended representing an aggregate principal balance of approximately \$1.4m. During the past fiscal year, six loans aggregating to approximately \$309k were paid off well ahead of their, respective amortization schedules and mostly via commercial bank re-financings.

As of 6/30/19, two additional loans aggregating to \$77k were committed and unfunded.

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, 2019, the PVGrows Investment Fund had received \$1.8M from Community Investors and we had disbursed thirty-two loans with several more in the pipeline.

The MA Food Trust Program is our newest loan fund that was capitalized during this past fiscal year through the MA Dept. of Agricultural Resources in the initial amount of \$500k. We are partnering with LEAF as the eastern MA administrator

List of New Borrowers during FY '19

Business Name	Town/County
Abercrombie Partners	Greenfield/Franklin
Quabbin Harvest Co-Op	Orange/Franklin
Wellspring Harvest	Springfield/Hampden
Adams Hometown Market	Adams/Berkshire
The Gill Tavern	Gill/Franklin
Carson's Cans	Deerfield/Franklin
Shire City Herbals	Pittsfield/Berkshire
Berkshire Food Co-Op	G. Barrington/Berkshire
Simple Gifts Farm	Amherst/Hampshire
Hosta Hill	Pittsfield/Berkshire
Bardwell Farm	Hatfield/Hampshire
Garbiel Farm	Montague/Franklin
Morning Dew Farm	Worthington/Hampshire
LaSalle Florists	Whately/Franklin
Bolduc Farm	Westfield/Hampden
New England Wound Care	Turners Falls/Franklin
Hillside Catering	Bernardston/Franklin
Chamutka Farm (2)	Whately/Franklin
Pioneer Valley Indoor Karting	Hatfield/Hampshire
Nova Real Estate	Turners Falls/Franklin

The FCCDC extends a deep appreciation for the years of support that
Harold Swift
provided as a long-time member of the Loan Committee and Friend of the FCCDC.

Business Development

Business development activities continued in Franklin, Hampshire and Northern Berkshire counties. Counseling and trainings were delivered by **Amy Shapiro**, Business Development Director.

A special project included a collaboration with the Creative Economy Network to develop an implementation plan for an on-line Arts Hub that has been funded by the Western MA Community Foundation and Bar Foundation. The implementation will begin in 2020.

This year we enhanced our partnership with business advisors Dee Dice, Valley CD; Kelly Tiedemann Miller, Common Capital; Anita Eliason, MSBDC; and Michele Kenney, Hilltown CDC. We collaborated on training programs and provided team business assistance to clients throughout the valley.

FY 2018-2019 Activities and outcomes were focused on counsel, capital and connections.

Counsel: 2018-19 Results – The FCCDC served a total of 295 people, of which 85 clients received more than 5 hours of services (71 individual counseling, 14 trained). Of those 85:

- 36 women, 15 minorities, 8 immigrants, 1 veteran
- 25 clients created or acquired a new business
- 17 businesses were stabilized
- 18 businesses grew or increased revenue
- 25 businesses continue to receive technical assistance
- 45 jobs created
- 123 jobs preserved
- 12 were assisted with financing from a source other than the FCCDC valued at \$3,722,210

Trainings:

- Free Monthly Information Sessions continue to be offered the first Wednesday of the month.
- Free Launching a Food Product Information Sessions offered the third Tuesday of the month.
- Digital Marketing, a 16-week video conferencing class in collaboration with Common Capital, Valley CDC, Hilltown CD and MSBDC

Capital:

Collaboration continued with Valley and Hilltown CDCs to secure a Mass Growth Capital Corporation grant for western MA.

Connections:

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

Common Capital
City of North Adams
Creative Economy Network
Economic Development Council of Western MA
Franklin County Chamber of Commerce
Franklin/Hampshire REB
Franklin Regional Council of Governments
Greater Shelburne Falls Area Business Assoc.
Greenfield Community College
Greenfield Business Association
Greylock Works

Hilltown CDC
Lever Inc.
Massachusetts Association of CDCs
MA Small Business Development Center Network
Mass Collage of Liberal Arts
Mass Growth Capital Corp.
Montague Business Association
Northampton Chamber of Commerce
North Adams Chamber of Commerce
Valley CDC

This year's *Haas Entrepreneur of the Year* was awarded to Hope and Olive, a family business owned by siblings Maggie and Jim Zaccara and Evelyn Wufkuhle located in Greenfield.

Previous Haas Entrepreneur of the Year winners:

2019 Hope and Olive		
2018 Hager Farm Market	2017 PV Squared Solar	
2016 Alber Hearing Services	2015 Elmer's Store	2014 Hillside Pizza
2013 Zoar Outdoor	2012 Small Corp	2011 People's Pint

Food Processing Center

2018-2019 was a year of continued growth and expansion for the Western MA Food Processing Center (WMFPC).

Staff updates:

- **Liz Buxton** finished her 6th year as the Director of Operations.
- **Joanna Benoit** transitioned to graduate school in Southern Maine where she is studying policy with a food emphasis.
- We welcome **Kate Venne** as our new Food Business Coordinator. Kate last worked as the Farm to School Coordinator at Food Connects in Vermont

The FPC Crew:

- **Damien Vieu** has continued his role as the operations/production supervisor and **Evan Manning** has continued his role as Shift Leader.
- **John Riggelman, Peter Freisem and Ari Rodriguez** have continued on as operations/production crew.
- We welcome **Jason Noyes** to the production crew this year. Jason had previously worked for Goldthread Herbs before transitioning to our crew.

Having such skilled and dedicated crew members has enabled the WMFPC to continue to grow and allowed us to offer improved services to farm and food businesses.

We continue to work with Franklin County House of Corrections and have had a total of six pre-release inmates working and training with the crew.

We again worked with Harmon Personnel Services this year, and over 30 temporary workers have logged time at the WMFPC. In April of 2018, The FCCDC and the WMFPC were honored to receive the Employer of the Year Award given by Community Action, the owner of Harmon Personnel Services.

Equipment Updates

Through grants we were able to add a dunk tank to aid in blanched vegetables cooling and a Krohn Centrifugal Spinner to de-water the vegetables before IQF freezing them. Both of these pieces of equipment have allowed us to produce an even higher quality of IQF local vegetable.

Our new Tronics wrap labeler has allowed us to label jars at the astonishing speed of over 80 units a minute.

Facility

We were able to obtain grants with assistance of the Massachusetts Department of Energy Resources to install a solar hot water system to pre-heat all the WMPFCs hot water. This system has enabled us to provide a higher volume of hot water while significantly reducing the amount of natural gas it takes to heat the water.

Grants

In partnership with Just Roots and the Community Health Center of Franklin County, our grant through the USDA National Institute of Food and Agriculture aimed at food access year round in low income areas in our communities. We have produced around 750 1-lb bags of local frozen vegetables and 500 16oz jars of local tomato puree to be distributed this winter to low income families.

Our Grant through Sustainable Agriculture Research and Education Programs (SARE) in partnership with UMass Food Science and UMass Resource Economics has reached the trial stages and we have already done data gathering trials on our IQF line. The goal of this grant is to research marketability of local IQF spinach and local IQF blueberries. While specifically geared to these two products, this research will ultimately inform retail decisions for our entire frozen vegetable operation.

In the 2019 growing season, we have processed over 114,522 lbs. of local vegetables. This number is actively increasing as we continue to process later and later.

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

We have worked with over 60 businesses in 2018 - 2019. Many of these businesses are local farms and/or use ingredients sourced from local farms.

Apex Orchards	Real Pickles
Appalachian Naturals	Red Fire Farm
Artisan Beverage	Saw Mill Site Farm
Augmon McQuay Enterprises	Simple Gifts Farm
Austalis Aquaculture	Smokey Divas-
Backyard Food Co.	Jay's Wicked
Barts Snows Nice Cream	Spikers LLC
Bascom Farm	Stillman Farm
Beancake Company	Top This-
Big Picture Beef-	Valley Vegetables
Big Rig BBQ	Vermont Elderberry
Bostrom Farm-	Vermont Salumi
Clarkdale Fruit Farm	West County Cider-
East Coast Kelp Farm	Whole Harmony
Egunsi Foods	World Farmers
Full Moon Ghee	The Yerbary-NC
Gold Thread	Zoni Foods
Herrell's Development Co	Bardwell Farm, Hatfield MA
Hot Harry's	Czajkowski Farm, Hadley MA
Kitchen Garden Farm	David Mokrzecki Farm, Hadley MA
Kringle Farm Table	Harlow Farm, Westminster VT
Kobe Co. Inc.	Harvest Farm, Whately MA
Maple Mama	Long Plain Farm, Whately MA
Maple Craft Foods	Plainville Farm, Hadley MA
Merrimack Valley Foods	Wyscoki Farm, Amherst MA
Nuestras Raices	Savage Farm- Deerfield, MA
New Salem Preserves	Jekanowski Farm- Hadley MA
Vibesman Foods	Dutton Farm New Fane VT
Old Friends Farm*	Park Hill Orchard
Oxen Hill Farm	Phoenix Fruit Farm
Outlook Farm	Plant Colors Group
Wildkind Foods	

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. And this year we were extremely excited to hire **Helen Perham** as our first ever Communication Coordinator.

We had no transitions this year and our tenants are wonderful and operating healthy businesses.

- ✓ 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 Ginger Libation and mead. Their merger three 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.
- ✓ Goldthread www.goldthreadherbs.com/ produces healthy plant-based tonics with nourishing herbs and spices that are impeccably sourced, expertly blended and powerfully transformative. And so delicious!

Board of Directors as of 6/30/19

Andrea Nathanson, Chairperson
Claire Chang, Vice-Chair
A J Bresciano, Treasurer
Margaret Christie, Clerk

Matt Allen	Tom Ewing	<u>Advisory Board</u>
Michelle Barthelemy	Darren Gale	Jessica Atwood
Chuck Bellinger	Rachel Stoler	Denise Coyne
Barbara Campbell	Philip Silva	Gary Gruber
Cheryl Dukes	Corrine (Corky) Sysun	Susan Worgaftik

FCCDC Staff (as of 10/31/19)

Rebecca Busansky	Helen Perham	Jackie Spooner
Liz Buxton	Judy Scherer	Kate Venne
Arthur Haselkorn	Amy Shapiro	John Waite
Vinny Natale	Alan Singer	

FPC Production Staff

Peter Freisem	Jason Noyes	Ari Rodriguez
Evan Manning	John Riggleman	Damien Vieu

CONSOLIDATED STATEMENT OF ACTIVITIES

	As of:			For year ended:	
	6/30/19	6/30/18		6/30/19	6/30/18
Assets			Operations / Grants		
Current Assets			Food Processing Center	\$ 852,476	\$ 748,370
Cash	\$ 267,268	\$ 231,671	Lending	674,833	340,730
Accounts / Pledges Receivable	77,811	104,025	Venture Center	193,811	174,098
Grants Receivable	322,324	228,183	Business Assistance	138,044	53,239
Loans Receivable, Current Portion	423,313	311,000	Other	2,813	2,120
Other	28,706	17,709	Contributions, Net	215,966	258,475
			Fiscal Sponsors	360,608	180,739
Total Current Assets	1,119,422	892,588			
	-	-	Total Operations / Grants	2,438,552	1,757,773
Property, Plant & Equipment, Net	1,917,145	1,908,952			-
Restricted Cash, Lending / Mortgage	736,110	445,895	Operating Expenses		
Loan Receivable, Net	3,098,978	2,581,484	Program	1,664,160	1,281,905
			Fiscal Sponsors	327,663	162,439
Total Assets	\$ 6,871,654	\$ 5,828,919	Administrative	63,665	102,567
	-	-			
Liabilities and Net Assets			Total Expenses	2,055,488	1,546,911
Current Liabilities	\$ 739,906	\$ 655,234		-	-
Long-Term Liabilities	3,950,013	3,375,010	Change in Net Assets Before Other Income (Expense)	383,065	210,861
Net Assets	2,181,737	1,798,675	Other Income (Expense)	-	42,771
Total Liabilities and Net Assets	\$ 6,871,655	\$ 5,828,920			
	-		Change in Net Assets	\$ 383,065	\$ 253,632