

Franklin County Community Development Corporation's Community Investment Plan - 2017

Section 1 - Community or Constituency (ies) to be served by the organization

Characteristics of the communities to be served:

Franklin County Community Development Corporation (FCCDC) has 37 years of experience assisting local residents. In particular, we work with low and moderate-income entrepreneurs and small business owners by providing business assistance, work space and financing that helps create and retain jobs. We have assisted in the creation of over 2,000 jobs, and the retention of even more. The FCCDC has lent \$10 million directly and has helped leverage and package another \$25 million in loans from other lenders.

Our years of service demonstrate an understanding of our community, the ability to connect with the underserved, and the sensitivity to provide appropriate assistance that leads to starting and growing a business and obtaining financing. Almost all of our clients began with fewer than 10 employees (often with just one), and some of them have far exceeded 100 employees since the beginning of our assistance.

The FCCDC By-laws state that the Corporation's service area includes the twenty-six towns of Franklin County, the North Quabbin and those towns within Western Massachusetts that can be appropriately served by the Corporation. Currently, the area that we can serve appropriately consists of 61 towns. Of those 61 towns, 50 have populations of less than 7,500. **This calculates to 82% of the communities we serve are rural so we would like to continue to be considered as a participant in the rural set-aside category.** A full list of the towns with their populations and a map are included in Section IV.

We work in all 26 towns in Franklin County, 16 towns in Hampshire County, 15 towns in northern Berkshire County and the 4 towns in northern Worcester County that are part of the North Quabbin region. Although they are in different counties these towns are all part of a rural area. They are connected by the main highways of Route 91, which runs north-south, and Route 2 that runs east-west. The Connecticut River, its tributaries and the Berkshires hills and valleys are the major geographic features of the region. FCCDC's main office is in Greenfield which is situated at the intersection of routes 91 and 2. We have a satellite office in North Adams.

The 26 towns in Franklin County have a population of 70,601 and the population has remained stagnant for decades. County-wide incomes are below the national averages, and significantly less than the statewide average. 2015 ACS five-year per capita income for Franklin County was \$30,584, while the statewide average was \$36,895. According to the US Bureau of Economic Analysis, Franklin County had the lowest average wage per job of all counties in the state in 2011, with \$35,895 while the state was \$56,882, the New England region was \$53,053 and the national average was \$47,046.

Census Tracts in Greenfield, Montague and Orange each had per capita incomes of less than 80% of the national. There are nine Franklin County towns with qualifying census tracts eligible for the federal New Market Tax Credit Program. They are: Charlemont, Colrain, Greenfield, Hawley, Heath, Monroe, Montague, Orange, and Rowe. According to the 2006-2008 American Community Survey, 92% of Franklin County residents age 25 years and older were high school

graduates, compared to 90% for the state, but only 35% had a bachelor's degree or higher, while the state had an average of 40%.

The 4 Worcester towns, which are part of a 9 town region called the North Quabbin (the other 5 towns are in Franklin County), have a population of 15,815 and has experienced population loss over the past 10 years. The per capita income for Athol is \$24,184 with 16.8% below the poverty line as stated in the 2011-2015 US. Census.

The 15 towns in northern Berkshire County have a population of 95,603 and has experienced a population loss over the past 10 years. County-wide incomes are below the national averages, and significantly less than the statewide average. 2015 ACS five-year per capita income for Berkshire County was \$30,469, while the statewide average was \$36,895. According to the US Bureau of Economic Analysis, Berkshire County had the third lowest average wage per job of all counties in the state in 2011 with \$38,433, while the state was \$56,882, the New England region was \$53,053 and the national average was \$47,046. Census Tracts in Adams and North Adams each had per capita incomes less than 80% of the national.

The 16 towns in Hampshire County have a population of 110,489. This region has several Colleges and Universities and the students, with low incomes, and the faculty, with high incomes, makes the average incomes less meaningful, however our target market in this region is similar to that in neighboring Franklin County and farming and farm-related businesses are an important part of the economy.

The loss of private sector jobs, particularly in manufacturing, is another critical factor in the economic depression of this region. According to US County Business Patterns, Berkshire and Franklin Counties lost over 7,500 jobs from 2006 to 2010, which is 13% of its private sector employer workforce compared to a loss of 5% for the state and 2% for the nation. Of those jobs lost, 2,500 of them were in manufacturing.

Franklin County has a significant proportion of its workers serving in the education sector. This is primarily due to the presence of several private schools located in Franklin County as well as higher educational institutions located in nearby Hampshire County. There are several smaller economic clusters in Franklin County that play an important role in diversifying the regional economy and are anticipated to have continued growth. These clusters include: specialty food product manufacturing, outdoor recreation tourism, creative arts (specifically, photography, glassblowing and pottery), agriculture and sustainable construction and clean energy.

The region, although economically distressed, possesses a rich abundance of natural and cultural resources and has historic town centers with compact mixed use development patterns that could be revitalized to support sustainable development. The region also has a very limited amount of residential sprawl and commercial strip development.

The above statistics demonstrate the tremendous need and opportunities to grow secure, living wage jobs, which the FCCDC has been helping with by supporting the growth and resiliency of local small businesses.

Particular Constituencies to be served:

The FCCDC serves the whole population by supporting the economic development needs of the community but the target constituent's fall into the following three main categories:

- Residents exploring a business idea – people with skills and experience but still with low and moderate incomes fit into the category, as well as dislocated workers having trouble getting back into the traditional workforce.
- Existing business owners having trouble – We help these businesses stabilize and retain employees, often by exploring new markets and revenue streams and more efficient operations.
- Existing businesses seeking to grow - These are the businesses that tend to require financing and have the potential to create new stable jobs. Beginning in 2015, we started targeting older business owners and assisting them with succession plans so the businesses will continue to be healthy after their retirements.
- Food and Farm businesses – Through our Western MA Food Processing Center and our Pioneer Valley Grows Community Investment Fund we have the resources needed by a wide array of food and farm businesses.

Since the region has a large number of small businesses there is no shortage of entrepreneurs and businesses that fit into one of these categories. Our niche is the small business owner who is poised for the assistance and resources we provide to help them be sustainable. For example, the Food Processing Center facility attracts many people who want to understand how to bring a product to market and with our support they work through the many steps needed before and after taking the leap.

FCCDC is well known and respected in the region and most of our constituents hear about us through word of mouth and then come to us through phone inquiries, walk-ins, attendance at our monthly introduction sessions or attend another workshop. Although we work in the most rural part of the Commonwealth our annual service population of more than 300 clients speaks to the significant role that FCCDC plays in the development of small businesses in region. Our monthly information sessions typically draw 20 people interested in learning about business planning and/or bringing a food product to market. Current and past clients continue to follow-up and receive assistance by telephone, email, individual counseling, and trainings.

Collaborations with other community and governmental organizations, business associations and commercial lenders provide a steady stream of inquiries about FCCDC financial products and services and development services. Often a business association will alert the FCCDC that certain members are struggling and would benefit from development or financial products offered by the FCCDC. Frequently trainings are cosponsored with business associations as a member benefit enhancing the technical assistance available. Demand for financial products remains consistent from small business owners seeking debt consolidation, new capital, working capital, and for new ventures.

In order to ensure we are reaching a wide variety of constituents we examine customer profiles and how they found out about our organization and services. Identifying and tracking where customers are from, income levels, business sector and business stage provides insight to opportunities in reaching more people in our target markets.

Transportation is not always available or accessible to our rural low income residents and potential entrepreneurs are often isolated from the array of services that are available in more populated areas. The FCCDC serves as a bridge for those living in the smaller communities and these entrepreneurs who have less access to transportation.

For those potential or actual entrepreneurs in the area for whom English is not their first language, the service gap is even greater. The region has small populations of Latinos, Koreans, Tibetans, Pakistanis and Russians. While all of these communities have successful entrepreneurs within them, the populations are often spread among several towns. It is, therefore, difficult for these groups to create entrepreneurial support mechanisms among themselves. Once again, although interested in providing loans to these communities, most local banks do not have the staffing to provide the full range of services that may be necessary to deal with linguistic and cultural issues as well as concerns around the business itself. To bridge this gap, the FCCDC works with organizations, such as the Center for New Americans, which serves non-English speaking people to provide counseling that meets their needs. We each understand our niche in meeting customer needs and work collaboratively.

This service area overlaps with 2 other CDCs. Valley CDC in Hampshire County and Hilltown CDC in part of Hampshire and part of Berkshire County. In those areas we collaborate with the other CDC's since we have the strong Business Development and Lending Program. We do not duplicate any activities in these area. For the past 5 years we have been the lead applicant on the MA Growth Capital Corporation (MGCC) funding for this region and sub-contract with Valley and Hilltown CDC.

Section 2 - Involvement of community residents and stakeholders

The FCCDC was closely involved with developing the HUD Sustainability Plan for the Franklin County region along with 3 other regional organizations - Franklin Regional Council of Governments, Community Action (the Regional CAP Agency) and the Franklin Regional Housing and Redevelopment Authority. A major goal of this project that was achieved was to have a high level of public participation. More than 416 residents were involved in that planning process.

The Sustainability Plan has many different Chapters and we were most involved with the sections on Economic Development. This demonstrated that community members participated in telling the FCCDC what programs and services they need and expect from us.

We also examined the Berkshire County Regional Plan that included a community survey for business development services.

The FCCDC asks everyone that participates in our programs do to an evaluation. We use these evaluations to improve the way we deliver services and to alter our programs and services. This has been used to develop our Plan and to continue monitoring progress.

We also have good relationships and a high level of engagement with our donors and funders and seek and use their input. Their continued desire to fund the FCCDC and our programs is good evidence that they value our work. In particular our larger CITC donors have been paying more attention to our activities, attending our events and giving us feedback. The high level of repeat

donors we have been getting it evidence that they are enthusiastic about our work. The fact that the CITC program is set up to hold us accountable to our community members is one of our best selling points to donors. We let me know them know that they should only donate to us if they think we are doing good work in the community. Our clients also provide direct feedback about our services but it is often our funders that more closely monitor our activities, including the impact we are having toward goals.

Many of our clients are referred to us from other organizations such as the Chambers and Business Associations, MA Small Business Development Center Network, Banks and other professionals in the region. Their confidence in sending people to us assures us that we are delivering the right program and services and that our quality is high.

In addition, all of our Board and Committee members are community residents and they are our eyes and ears in their respective communities and workplaces. They meet regularly and provide constant feedback as to how the FCCDC is seen in the community and closely monitor our activities and provide input for improvement. The FCCDC Board of Directors has 13 members that represent our target market of small business people, people with low and moderate-incomes and geographic diversity from throughout the many rural towns we serve. They meet monthly to review and set policy as well as receive updates and give input on all FCCDC activities. Our board members include former clients, donors, small business businesses people, and collaborators from banks and the public sector. This demonstrates that residents and stakeholders are engaged in our planning and programs.

The Board of Directors has been fully engaged in the development of this Community Investment Plan. The full Board will vote to approve this CIP at the March 7th meeting. (Unfortunately the last meeting scheduled for Feb7th was postponed due to snow).

The FCCDC has committees for all of our programs that include residents. Committees are: Lending, Food Processing Center, Membership, Business Development, Fundraising, and Commercial Real Estate. Committees give input, monitor programs and help staff make decisions about implementing activities.

As a regional organization the FCCDC facilitates collaborations between small businesses, Chambers, business associations, CDC's and organizations to strengthen communities and foster opportunities. Unique to the FCCDC strategy, and a community benefit, is that the FCCDC staff are consistently involved around the region meeting with a wide variety of stakeholders, collaborators and business owners to gather and share information. The staff is involved in many local community groups that are made up of residents and stakeholders. These regular meetings with a wide range of residents provide insight to the current issues and needs of our communities. Outcomes from these meetings create activities, identify needs of business owners who are poised for growth and/or struggling. Program activities also rotate around the region allowing people to be served in their communities.

Further evidence of community engagement extends all the way into our training programs where we involve former clients and current small business people as guest speakers from around the rural region. These business owners report on what they encounter on a daily basis and how others can overcome challenges. Examples include: CPAs, realtors, attorneys, social media and web designers, etc. Clients are counseled to perform market research, which includes interviewing and surveying other business owners and customers to examine business

opportunities and trends. This research directly involves residents who are asked about how they would benefit from a business product or service. Information from these sources provides further insight into the community used for this Plan.

At the FCCDC's Annual Meeting for community members we reflect on the past years activities and present upcoming goals. Any proposed changes to the organization's by-laws are discussed and have to be approved by the Membership at these annual meetings. Our last Annual Meeting on November 18, 2016 had about 120 attendees and we distributed the Annual Report that is attached.

Articles in our newsletter (reaching 2,500 people) and in the local newspapers share plans and activities as well. The FCCDC strives to be transparent in goals and activities so the community can find ways to provide feedback and engage in the work.

Living and working in a small rural region, and being well connected in the community through collaborators, stakeholders, past clients and former Board members, the FCCDC staff is able to learn and respond to the needs of the small business community quickly. Many of our clients tell us that 2, 3 or 4 people told them they should contact the FCCDC before they go further with their business plans.

Section 6, regarding Collaboration, provides more evidence of our involvement with stakeholders.

Section 3 - Plan goals

The goals of our Community Investment Plan are directly related to our Mission Statement which has not changed since inception because it is still relevant. After a Strategic Planning Process about 10 years ago, we added five Guiding Principles to bring more meaning to the overall mission. These Guiding Principles (see Attachment) are instructive of how we operate and they directly relate to how low and moderate income households and other constituencies benefit from our activities and how the entire community benefits.

In the summer of 2016 we started another Strategic Planning process with the Board and Staff and will complete that by June 30, 2017. From the beginning stages of the planning process two areas emerged that the organization wants to focus more on over the next few years. 1. Continue to take a lead on assisting farm and food businesses in Massachusetts. 2. Become more informed and involved about the unmet needs of minority populations in our region regarding entrepreneurship and small business development.

Mission: The Franklin County CDC's overall mission is to stimulate a more vital rural economy, to maximize community control over our future economic destiny and to expand opportunities for low and moderate-income residents

More specifically, we break down our mission into three sections which constitute the goals of our CIP:

To stimulate a more vital rural economy by annually:

- assisting 300 entrepreneurs and small businesses with business assistance;
- assisting 40 entrepreneurs and small businesses with financing;

- assisting 30 food businesses develop new products and get them to market;
- incubating eight businesses and help at least one either move into their own facility or help them grow their business by increasing their revenue or adding employees.

To expand opportunities for low and moderate-income residents by annually:

- assisting with the creation of at least 50 jobs by the businesses that we assist, for people who have low and-moderate incomes.
- training/counseling business owners who train employees where they learn about customer service and business practices, so they can expand their employment opportunities.
- offering our services for free or on a sliding scale allows many residents who are low and moderate to start and or grow their businesses.

To maximize community control over our future economic destiny by:

- facilitating regional collaboration with stakeholders and collaborators who will work together to forge new alliances and activities that begin to overcome the regional challenges that help small businesses start and grow.
- developing sustainable businesses with new and retained jobs and improved commercial real estate properties and downtowns. Providing more goods and services within our region creates a steady flow of money being circulated within the region which strengthens our rural economy. A strong local economic base and additional attractions for visitors makes this a strong tourist area which adds to the local economy.

Section 4 - Activities to be undertaken

The FCCDC accomplishes the organization's mission and goals through the following community development activities:

Business Lending: The Business Lending Program is the CDC's oldest program and continues to remain vital to the mission of providing opportunities to entrepreneurs who cannot obtain financing through private banks. PVGrows Investment Fund is a unique and innovative fund for farm and food businesses.

Business Development: The FCCDC provides business assistance and entrepreneurial training to businesses throughout the region. Expertise in areas such as business planning, finance, marketing, graphic design, computer applications, etc... are provided by staff and outside consultants.

Food Processing Center and Food System Development: This unique Center, opened in October 2001, includes a commercial kitchen, walk-in cooler and freezer, dry storage space and a packaging area. This project is a valuable element in supporting agriculture by adding value to farm products and creating new business opportunities. The Western Massachusetts Food Processing Center (FPC) is an ideal location to launch or expand a specialty food business. In addition to the physical resources, the FPC offers professional development courses, a community of food entrepreneurs with opportunities to provide mutual support to solve problems, and the FCCDC lending and technical assistance programs.

Venture Center: The FCCDC owns and operates a small business incubator, which provides space, four light industrial spaces and six offices, as well as office equipment and a receptionist, for start-up and young businesses. This allows business people to keep their capital costs lower as they get started. While in the Venture Center, tenants receive business assistance as needed on a range of issues.

Rehabilitation of the First National Bank Building: As a way to help revitalize a downtown area and provide quality space for small businesses in Franklin County, the FCCDC accepted a donation of the First National Bank building in downtown Greenfield. The FCCDC has been working with the Town of Greenfield and other organizations and individuals to renovate the building. Currently plans are to transfer the ownership to the Town and the Greenfield Redevelopment Authority and have them determine the final re-use of the property.

The FCCDC has worked with over 2,000 small businesses, provided 400 loans amounting to more than \$10 million and leveraged more than \$25 million, while helping create more than 2,000 jobs in our target market. We have the reputation of the place people go to, to start or grow a business.

While the FCCDC provides services to a wide variety of people, the majority of our clients are low and moderate-income. They come to us because they have been turned down by a bank for a loan or they do not have funds to hire specialized consultants for their business. We are also seen as a safe, comfortable and supportive place to get started and receive ongoing assistance.

The first Wednesday of every month we host an introduction session for people thinking about starting a business or wanting to take their current business to another level. We have been getting 12 – 18 people every month. On the third Tuesday of each month we host a similar session for food businesses and we have been getting about 10 people every month.

If they want to continue their involvement with the FCCDC, an entrepreneur or business owner receives counseling and training featuring but not limited to exploring business ownership, developing business plans, how to secure financing, and topics related to the specific needs of the business in question. If they are further along with their business plan we also provide commercial space for a variety of business opportunities and use of the commercial kitchen for incubating small food businesses.

Training and development counseling is provided by FCCDC staff, industry experts in the field as well as making referrals to other appropriate organizations and network people with others who have been in similar situations. Guest speakers include a wide range of professionals including attorneys, insurance agents, CPAs, experienced business owners, and commercial lenders. A typical service profile includes a needs assessment, business plan counseling, and action steps for going forward. Customers are given homework and opportunities for additional counseling. Many clients begin with 1-1 counseling but quickly realize they prefer the Plan for Success business planning class. Others choose to work at their own pace.

Our Business Development services are often a pre-requisite to our **Financial Services**. At the point in the business planning process where questions of financial options are beginning to become central, clients are introduced to the Business Lending Director who will have an initial discussion with them about their perceived plans and needs. As the client develops plans, the Lending Director periodically checks in on the client's progress. Often the Lending Director will meet with a client to offer insight and ideas regarding the financing needs of the business. The FCCDC staff work together to discuss a client's need for financial products and services to ensure that all appropriate options are made available to each client. The Lending Director then presents the Loan Proposal to our Loan Review Committee, which is made up of a variety of community members. They in turn provide valuable input from their diverse perspectives which

often strengthens the business. FCCDC has almost \$3 million of revolving loan funds with a low delinquency rate of less than 2%.

In 2001, the FCCDC raised \$800,000 and built the **Western MA Food Processing Center (FPC)** in the Venture Center. More than 300 food businesses have used the FPC over the years. The FPC consists of a 2,000 sq. ft. multiple-use FDA and USDA certified commercial kitchen with a wide variety of equipment such as two 100 and three 40 gallon steam jacketed kettles, a 49 gallon skittle, convention ovens, mixers, fillers, labelers, robo-coupe choppers, vegetable steamers, numerous sinks and stainless steel tables. There is also 3,500 sq. ft. of dry storage, two walk-in coolers, a walk-in freezer, loading docks, forklift and other small equipment. Two years ago we added an Individual Quick Freezing (IQF) line which flash freezes vegetables and other products. This is the only IQF operation for local vegetables in New England.

Since the beginning, the FPC has trained food entrepreneurs and leases the facility and equipment to them to make their products. In 2005, we added contract manufacturing for farmers and food business owners that did not want to do the cooking themselves. In 2009, the FCCDC became more involved in larger food systems issues and in particular Farm to School activities. We started purchasing produce from regional growers, lightly processing and freezing it and selling it to schools and institutions. By fall of 2012 we processed over 65,000 lbs. of local vegetables and distributed them to schools in the region.

With the improvements in the freezing operation efficiency has increased which helps provide fair prices to farmers, affordable prices to schools and institutions and good tasting healthy nutritious locally grown food to students and consumers throughout the year. Our pilot years have been successful and we now know the demand is high from institutions (mainly schools - both k-12 and colleges). We have been working with 8 regional farmers and we know the supply is available from them and others in the region. In order to expand the volume of throughput and increase the operational efficiency we now plan to build a cold storage facility. The FCCDC secured a low interest loan for \$250,000 and a \$50,000 grant from the USDA Rural Development to purchase equipment and expand cold storage capacity. In the fall of 2016 we were awarded a \$250,000 grant for the MA Dept. of Agricultural Resources for this project. This grants plus about \$50,000 of funds we raise with the help of the CITC program we will build the cold storage in the spring of 2017. We also were also awarded a second round grant from a private foundation to continue the position of a full-time Food Business Development Specialist to conduct outreach and help food businesses with their business plans and get their products to market more quickly.

Section 5 - How success will be measured and/or evaluated

Ultimately, the FCCDC measures our impact through the success of our clients and the community's economic health. We continually seek input, feedback and evaluations. Two years ago we invested in substantially improving our tools and methods for collecting relevant data. We switched over to eTapastry and we are able to manage data more efficiently and use it to measure impact.

We also use DownHome Loan software for lending clients and QuickBooks for all our finances. We also utilize Survey Monkey for on-line surveys which is downloaded into our database and we use Constant Contact for our outreach. We are currently in the process of revamping our website and moving it from Joomla to WordPress.

Our data collection begins with the client application intake form that clearly documents business status (pre-start up, new, stable, existing), demographic profile (gender, racial, ethnic, location, income status, immigrant status, etc...) as well as what assistance they are seeking and how they found out about the FCCDC. Client hours and assistance is tracked using the eTapastry database, and we use different indicator depending on the stage of the business.

- Indicators of the creation of a new business include but are not limited to: obtaining working capital, buying existing business, acquiring new equipment, renovation, products or inventory, obtaining a lease, creating a new legal entity, creating marketing/advertising materials, creating a website, refining products, organizing financials, adding employees and customers.
- Indicators of business stabilization include but are not limited to: Improving cash flow, obtaining additional working capital, retaining employees, renegotiating lease/moving to better location, refinancing loan, reducing debt, reducing accounts payable, resolving legal, tax, regulatory, or licensing problems,.
- Indicators of business growth include but are not limited to: increased capital, increased revenue, bought/created another business, increased number of employees, expanded locations or built out location, added products/services, increased inventory/equipment, received new clients/contracts, or expanded into additional markets.

At the end of each year, we survey each client who received 5 or more hours of direct assistance to report quality of assistance received, jobs created or retained, financing and future needs. We continue to improve our outcome measures so that we can better track jobs created and retained, businesses started, stabilized and growing, capital amounts received from all sources, and demographic changes to provide consistent results to measure year to year.

There are a few important benefits of our tracking methods which include 1) streamline data sharing between project collaborators and with funders; 2) developing a more effective data tracking system to assist in creating a mini database to get information from other collaborators around the state as we begin to explore partnering on projects; 3) this enhanced program has all the fields and tables to store information as well as easy to use forms to collect and reports that are compatible with our data import.

Other FCCDC activities measure outcomes through client surveys and client meetings where staff looks at concrete data from the clients that confirms business improvements or change as a result of changes they made in their business planning and implementation.

Participants are involved throughout the evaluation process. Everyone attending workshops and classes receives written evaluations which ask if participant expectations were met, if the instructor was effective, if facilities and the time available for the training were appropriate, what they liked the most and least, and how they heard about this training. Once each year, every client with an email address receives an invitation to complete an online survey about effectiveness of FCCDC Services and Programs. Clients are also asked to identify any future business needs. Results are examined and used for program improvements and yearly service comparison.

More specifically, in order to measure the effectiveness of our work with clients, we review client's financials and/or tax returns to better understand how to assist to develop a strategic plan

for growth. Counselors compare progress which evaluates effectiveness of assistance and clients actions to implement the plans.

The FCCDC strives to meet customer needs whether that involves starting a business or exploring an idea. Success is measured by customers completing business plans, jobs created or retained, loans secured, business started, quality of the training and counseling, tenants in the business incubator who outgrow the space or facilities available, the number and content of the hours used by clients at the FPC and products made at the FPC.

The FCCDC staff determines service need based upon several factors. As an active participant in the broad range of community economic development efforts and events within our service area, we are involved in a variety of discussions about present economic conditions and future plans. These discussions give us a broad overview of trends and areas where there are service gaps.

We maintain close connections with commercial lenders and professionals who refer clients and inform us of economic trends that they are observing. Evaluations of workshops and classes, as well as evaluations and our annual survey of entrepreneurs also provide insights into the skill needs of our target population, the challenges that their businesses are facing and the common questions that are part of their daily operations.

Training programs and individual counseling sessions continue to be well attended confirms that our baseline services continue to meet the needs of our target population. Strong collaborative relationships with past clients around the region continue to refer residents to the FCCDC.

Section 6 - Collaborative efforts to support implementation

In this rural part of the state we have limited resources and our residents have a variety of needs, so to be efficient, from both the point of view of the organizations and the residents, we need to collaborate. Our region is well known for having organizations that are highly collaborative and the FCCDC is right in the middle of them all. We cross promote our service to inform residents where they should go depending on their needs. With this wide variety of partnerships we are able to increase how we serve small businesses.

Below our examples of recent collaborations:

- FCCDC continues to team up with the other two CDC's in the region and continue to receive grant awards annually from MA Growth Capital Corporation (MGCC). The FCCDC is the lead on this grant, since we have the strong Business Development and Lending Program, but together with Valley and Hilltown CDCs, we develop outreach materials and include information about each other's training and counseling services.
- FCCDC collaborates with Community Involved with Sustaining Agriculture (CISA) to reach out to small business service providers and lenders to share best practices in how to expand agriculture and food related businesses.
- FCCDC and Regional Employment Board team up to evaluate the needs of the region's manufacturing/machine shops to determine lending, employment and facility needs. We are currently working toward the creation of a Makers Space for current and aspiring entrepreneurs.
- Together with the Franklin Regional Council of Governments we are developing a grant application for the U.S. Economic Development Administration to support small

businesses in the Northern Tier (Franklin and northern Berkshire counties). We are working with several Chambers and Business Associations on this.

- FCCDC is the fiscal agent for Greening Greenfield, a community group working on green energy projects. We help them educate the public and secure funds to implement activities such as home energy audits, discounts on solar installations and developing a community solar project.
- Together with Just Roots Community Farm, we have continued to apply for grants from USDA's National Institute of Food & Agriculture (NIFA) to support community agricultural education and improve the regional food system.
- In the northern Berkshires we work with Lever, Inc. to support entrepreneurship, especially among youth and recent graduates from the area colleges.

The following is a partial list of organizations we partner with that are important to the success of our constituents:

- Association of Enterprise Opportunity
- Berkshire Community College
- Berkshire Regional Planning Commission
- Business associations (at least 4)
- Center for New Americans
- Chambers of Commerce (5)
- Commercial banks
- Common Capital
- Community Action of Franklin and Hampshire County
- Community Involved in Sustaining Agriculture (CISA)
- Farm To Institution New England (FINE)
- Fostering Art and Culture Project
- Franklin Hampshire Career Center and Regional Employment Board
- Franklin Regional Housing and Redevelopment Association
- Franklin Regional Council of Governments
- Greenfield Community College
- Greening Greenfield
- Hilltown CDC
- Industry experts
- Just Roots Community Farm
- Lever, Inc.
- MA College of Liberal Arts
- MA Farm to School
- MA Food Policy Council
- MA Small Business Development Center Network
- Mohawk Trail Regional Tourism Council
- Pioneer Valley Grows
- Pioneer Valley Creative Economy Network
- Pioneer Valley Plan for Progress
- Rural LISC
- SCORE
- University of Massachusetts: Business Library, Food Science Dept. MBA Program,

- Center for Food and the Environment
- Valley CDC
- Western MA CDC Collaborative
- Local and state elected officials and economic development planners

Section 7 - Integration of activities/consistency with community strategy and vision

The FCCDC was one of four regional organizations that conducted a HUD Sustainability Plan for our region. The Franklin Regional Council of Governments is the lead and the other two partners are the Community Action (the Regional CAP Agency) and the Franklin Regional Housing and Redevelopment Authority. The Sustainability Plan has many different Chapters including an Economic Development Chapter which clearly demonstrates how the FCCDC's plans and community development activities fits into and is consistent with the larger community and individual towns. The full report can be found at http://frcog.org/pubs/landuse/HUD/Final/Chapter6_EconDevelop.pdf

The top Sustainable Economic Development Goals include:

1. Redevelop vacant or underutilized industrial/commercial buildings or sites.
2. Support sustainable economic development in the region.
3. Promote and invest in specific business sectors including manufacturing, agriculture and clean energy.
4. Support "buy local" efforts
5. Retain local businesses
6. Increase jobs in employment centers or near transit services.

The FCCDC is involved in all these areas.

The Greater Franklin County Region, which includes the 26 towns of Franklin County plus the towns of Amherst, Athol and Phillipston develops a Comprehensive Economic Development Strategy (CEDS) to provide coordinated regional economic development planning. The intention of the CEDS Program is to create a roadmap to diversify and strengthen the regional economy, in a way that benefits its constituents and is in keeping with their values and goals. The CEDS Program is guided by the CEDS Committee which oversee the development of the five-year plan and its annual updates. The FCCDC appoints four people to this committee and is heavily involved in the development of the plan and the implementation of the strategy.

The most recently completed CEDS Action Plan can be found at this link:

http://frcog.org/wp-content/uploads/2015/05/2015_CEDS_Plan.pdf

The FCCDC is involved in almost all the Plan's Strategies and Action Items found in Chapter 4:

1. Respond to market opportunities by ensuring access to basic and sector specific skills training for adults and youth
2. Build collaborations within the region to enhance capacity and better support economic and business development opportunities
3. Build collaborations with neighboring regions to better leverage economic development opportunities
4. Invest in infrastructure that supports business development in appropriate areas that are currently under-utilized.
5. Increase the amount of functional space available to foster the growth of small business.

6. Accelerate business development and sustainability through direct support.
7. Support the ability of individual establishments and the economy to be resilient in case of future economic disruptions.
8. Enhance specific industry clusters through increased market understanding and asset development.

In addition, as we start doing more work in northern Berkshire County our activities are in line with the Berkshire Regional Planning Commission's Sustainable plan (economic development plan), which can be found at <http://sustainableberkshires.org/plan-topics/economy/>

The FCCDC is also a member of the Pioneer Valley Plan for Progress which was created by community, business, education, and political leaders to develop a plan to move the region to robust economic growth. The purpose of the Plan for Progress was to unite the Valley's various stakeholders around a common agenda for improving the region's economic vitality and sustainability.

Section 8 - Financing strategy

The FCCDC consistently finances a large portion of our operating budget through revenue generated from our community development activities:

- **Interest and fees from our revolving loan fund** - FCCDC has loans of \$1.75 million from the USDA Rural Development with terms of 1% interest for 30 years, and \$732,000 restricted grant from the EDA that we re-lend to small businesses. This generates revenue from interest on the loans and we've had a delinquency rate of less than 2% on our loan portfolio. We also manage another \$800,000 of loan funds for towns in our region generating a fee for administering that is equivalent to the interest earned. Interest revenue in FY16 was \$150,000
- **Rent from the Venture Center** - The FCCDC owns and operates a 36,000 sq. ft. small business incubator, the Venture Center, which generates approximately \$190,000 per year from tenants. We keep our rents a little below market rates so start-up businesses can locate here with less upfront costs during their early years.
- **User Fees and sales revenue from the Food Processing Center** - Since 2001, the FCCDC has owned and operated the Western MA FPC which generates approximately \$275,000 per year.

However, our mission is to provide services to all our residents regardless of income or wealth. This constrains us from raising our interest rates, rents or fees to generate more revenue. Therefore, we also rely on donations and grants in order to provide these important services to everyone in our community that wants and needs them.

Due to our reputation for providing high quality programs and services that are needed by our residents we have been fairly successful when applying for state and federal grants. In recent years we were awarded the following grants/loans:

- \$60,000 from MA Growth Community Capital for our Western MA Means Business project;
- \$200,000 over 18 months from the MA Urban Agenda Grant to assist businesses in North Adams and Greenfield.
- \$100,000 over 2 years from the Kendall Foundation for the expansion of the Food Processing Center.

- \$250,000 for the Mass Food Venture Program to support the cost of building a cold storage facility. Another \$50,000 grant from USDA Community Facilities Program, along with a loan of \$250,000 will also be used for the construction;
- \$85,000 from USDA Rural Microenterprise Assistance Program for business assistance to potential small business borrowers.
- \$25,000 from the Community Foundation of Western MA and \$10,000 from USDA Rural Development Business Grant to provide business assistance to rural small businesses.
- \$750,000 low interest loan from USDA Community Facilities Program for the Venture Center and the Food Processing Center;
- We have also secured several grants from private foundations, in particular for our work at the Food Processing Center.

Without any staff person devoted to fundraising we have consistently raised \$200,000 annually during the past 3 years from about 300 community residents and businesses. Given this past success and the lessons we have learned over the past 3 years, we believe we can increase donations to \$300,000 per year.

These needed funds will allow us to do more economic development projects and work with more people from our rural region that cannot afford these valuable services on their own. As we expand our service we also expect to increase our earned revenues from Lending and the Food Center so our operations will be financially sustainable for the long-term.

Our Business Technical Assistance services do not generate much money but they are often the most important, especially for people with low incomes who do not have the support system needed to start or grow a business. To continue serving all of our residents we need more donations. A substantial portion of our fundraising dollars will continue to be spent on providing trainings and one-on-one assistance to individuals and small businesses so we can continue to build vibrant communities with a variety of jobs and opportunities for everyone. The CITC program is perfect for this because **it is an investment from the community for the community.**

The FCCDC has the strong financial management capacity as well. Our Director of Finance previously worked for a local CPA firm and we have a bookkeeper with years of experience. Our Financial Statements are audited every year and we submit 990s and Form PCs to the state annually. We make all of our financial information transparent as well. It can be found on our website at <http://www.fccdc.org/about> and on the state and non-profit websites. We provide our audited financial statements to all of our funders upon request.

Section 9 – History, Track Record and Sustainable Development

The Franklin County Community Development Corporation has 37 years of experience assisting local residents. In particular, we have worked with low and moderate-income entrepreneurs and small business owners by providing business assistance, work space and financing that helps create and retain jobs. We have assisted in the creation of over 2,000 jobs, and the retention of even more. The FCCDC has lent \$10 million directly and has helped leverage and package another \$25 million in loans from other lenders.

During our years of service we have developed a deep understanding of our community and the ability and sensitivity to provide appropriate assistance that leads to starting and growing a business and building a solid local economy. Almost all of our clients began with fewer than 10 employees (often with just one), and some of them have far exceeded 100 employees since the beginning of our assistance.

Vital to our successful history and track record is the FCCDC staff. Financial resources are critical, but without a strong team to work with our community partners and implement our community development activities we would not have the same impact. The Management Team members have diverse backgrounds and 4 of them have been at the FCCDC for more than 10 years.

Throughout this application we have presented evidence of our past practices and activities. The FCCDC is very good at small business and economic development and we focus on doing it well. The activities proposed in this Plan are not that new. This Plan proposes to expand services which will impact more people, in more places, more significantly.

We believe the best way to describe our history and our approaches going forward is to share several of our successes. As we have demonstrated throughout this Plan, our success is measured by the success of our clients and our community.

FootCare By Nurses

Kate Clayton-Jones, of Conway went through personal bankruptcy and has previously owned and operated a tourism business. Her education includes an MBA, Masters in Nursing and is currently working toward a PHD to be completed in 2019. A foot care service was launched by a friend a few years ago who brought Kate into the business to take over during an illness that then caused her death. In July 2015, Kate was supporting the clients and she saw an opportunity to build and grow the business and decided to focus her PHD on the clinical outcomes of patients of food care services. The mission of Foot Care by Nurses is designed for seniors who cannot take care of their own feet due to vision loss, lack of mobility, and other health issues, in particular diabetes.

Kate attended the FCCDC's 4-week business planning class focusing on being the CFO, CEO, COO, CCO. Kate continued to develop the business with individual counseling from FCCDC staff. The FCCDC helped her get a HR consultant who assisted in developing an employee manual, job descriptions, hiring practices and procedures and a graphic designer who helped with marketing material. By the end of 2016, Kate had hired 5 part time Nurses who will be servicing western MA and be credentialed to be Footcare nurses. She also hired an Operations Manager who was formally unemployed. Footcare by Nurses received local investment of \$17,000 from a client to help launch the business with the help of an angel investor. She continues to get more contracts with Healthcare facilities and Senior Centers.

Shelburne Falls Bowling Alley – The FCCDC assisted a father and son team to purchase the oldest candlepin bowling alley in the country. It is small for today's standards but they had a passion to keep it operating because it was a draw for the downtown of historic Shelburne Falls. FCCDC's Amy Shapiro, who is also on the Board of the Shelburne Falls Business Association, spent hours helping them with their business and financing plan. Then FCCDC's Alan Singer worked with them and a local bank to figure out a financing plan with gap financing from FCCDC to purchase the building and business and do the necessary renovations to re-establish this business as an anchor attraction in town.

Sutter Meats – The first butcher shop in downtown Northampton to specialize in local meats. The owners had a great deal of experience as butchers, but not running a business and they were new to the area. We assisted them with their business plan and introduced them to many people and organizations that accelerated their learning curve and have proven valuable in their start-up phase. We also helped finance much of their new equipment, renovation costs and working capital needs.

Great Spirits Tattoo

Ben Reigle came to the Franklin County CDC on the recommendation of another client. Ben is a skilled tattoo artist who decided to launch his business to create a learning space for other artists. His goal was to develop Great Spirits Tattoo as a business operation that could be duplicated in other locations. His operations are being streamlined as is his delivery of service from the custom tattoo renderings designed on high end printing equipment to the ability to provide a 3-D printed template. The studio is open and accessible and is being seen more as an artist's studio than a tattoo parlor.

The FCCDC provided TA as Ben developed his policies and procedures to incorporate best practices of entrepreneurship. FCCDC Technical Assistance was helpful in scouting locations and connecting Ben to professionals that provided legal and accounting expertise. We also helped with sales and marketing evaluation and loan packaging for a \$15,000 loan. The economic impact includes 1 job for Ben, with an assistant moving to full time as business builds. The commercial space he now rents had been vacant for a while and now the street is more vibrant. There is great PR for the city of Greenfield as Great Spirits is enjoying regional media presence like a feature article in Preview Magazine. Ben has moved his family to Greenfield where they are thriving as a business owner, a family and as community members.

Our Plan and activities is consistent with the Commonwealth's **Sustainable Development Principles**.

1. Concentrate Development and Mix Uses – We work to strengthen the small businesses that make up the vast majority of the businesses and jobs in our rural towns and commercial centers. We are part of the Brownfields committee of the Franklin Regional Council of Governments and we have made loans to business properties that underwent remediation.
2. Advance Equity – All of our services are free or have a sliding scale fee so people at all income levels can participate. Our focus is on small businesses that often do not get the resources and support that larger business benefit from.
3. Make Efficient Decisions – All our decisions are made with our mission in mind so they contribute to the good of the community.
4. Protect Land and Ecosystems – Our Food Processing Center helps farmers get better prices for their products so they can continue to farm the high quality land we have in this region so it will be used and preserved.
5. Use Natural Resources Wisely – The First National Bank Building in downtown Greenfield is a historic building that we have saved and will re-use as a community resource.
6. Expand Housing Opportunities – we try to help people have more job opportunities so they can earn wages and afford proper housing.
7. Provide Transportation Choice - Yes
8. Increase Job and Business Opportunities – This is our major area of work and has been described at length in this CIP.

9. Promote Clean Energy – We have assisted many businesses in the clean energy sector including Pioneer Valley Photovoltaic, Co-op Power, The Solar Store, Nautilus (micro hydro company). We have also provided loans for solar and other clean energy projects. We are the fiscal agent of Greening Greenfield who focuses on green energy.
10. Plan Regionally – We continually plan and work with regional organization as described in detail in this CIP.