

Franklin County Community Development Corporation's Community Investment Plan - 2020

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

This year the Franklin County Community Development Corporation (FCCDC) is celebrating 40 years of working 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. 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 thousands of jobs, and the retention of even more. The FCCDC has lent over \$12 million directly and has helped leverage and package at least another \$30 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 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 and utilize offices at our collaborators in Orange and Northampton.

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, 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 per capita income. 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.

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, including the Flagship campus of the University of Massachusetts. 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, agriculture and sustainable construction and clean energy. There is an emerging cluster of gaming and other technology-based businesses.

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 in our 61 town area by supporting the economic development needs of the community. However, the target constituents fall into the following four 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. We also target older business owners and assist them with succession plans so the businesses will continue to be healthy after their retirements. We have worked with several business owners to sell to their employees and/become a cooperative.
- 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 required before and after taking the leap. In addition to product development, marketing and financing we help with health and safety issues as well.

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 10-20 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. This past year we conducted a Digital Marketing course in multiple locations using our new video conferencing equipment.

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, Moldovans 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.

Our rural region is not very racially diverse. Over the past two years the FCCDC Board and Staff have been looking at issues regarding implicit bias, structural racism, power dynamics and other racial equity issues to determine how we can change to be more welcoming to more people of color and underserved populations that we have not engaged with as much as we could. This work will continue and the FCCDC is taking a lead role in the larger community to make Franklin County more welcoming to all people.

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 7 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

We started our new Strategic Planning process in the summer 2019. The first part of that consisted of interviewing 25 community members, conducting 4 focus groups and reaching out to our 3,000 contacts via email and asking for their input. On November 1, 2019 we held a day-long Board and Staff Retreat and will continue developing our Strategic Plan over the next couple of months. We will be seeking more input from our constituents over the next few months to incorporate into our next 5-year Plan. We look forward to sending our Strategic Plan to DHCD in spring 2020.

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.

At the end of each year, the FCCDC sends out a survey and 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 CIRC 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 is evidence that they are enthusiastic about our work. The fact that the CIRC program is set up to hold us accountable to our community members is one of our best selling points to donors. We let 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 15 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 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 December 3, 2019 meeting.

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.

Each year at the FCCDC's Annual Meeting for community members we reflect on the past year's 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 21, 2019 had about 100 attendees and we distributed the 2019 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 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. At the outset of our current Strategic Planning Process the Board and Staff once again decided not to adjust the Mission Statement. We did add some Guiding Principles about 10 years ago that 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. (see Attachment).

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 30 entrepreneurs and small businesses with financing;
- assisting 50 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. In 2018, the FCCDC was selected to co-administer the MA Food Trust Program and we expect to continue doing that for the foreseeable future.

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. The FCCDC is also engaged in state-wide food systems work by being the fiscal sponsor of the MA Food System

Collaborative, and being on the MA Food Policy Council and MA Farm to School Advisory Board.

Venture Center: The FCCDC owns and operates a small business incubator, which provides space, six light industrial spaces and seven 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.

The FCCDC has worked with thousands of small businesses, provided over 450 loans amounting to more than \$12 million and leveraged more than \$30 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 10 – 20 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 take advantage of 1-1 counseling from FCCDC staff and others are connected to mentors who have more knowledge of the given field.

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 \$5 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 400 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 125 gallons, one 100 gallons and three 60 gallons steam jacketed kettles, a 49 gallons tilt skillet, convention ovens, mixers, fillers, labelers, robocoupe choppers, vegetable steamers, numerous sinks and stainless steel tables. There is also 3,500 sq. ft. of dry storage, loading docks, forklift and other small equipment. Five 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. In Dec. 2017 we completed the construction of a Cold Storage facility that holds 90 pallets in the freezer and 90 on the refrigerated space.

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. This year we processed over 115,000 lbs. of local vegetables.

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 12 regional farmers and we know the supply is available from them and others in the region.

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 client's 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 have a more meaningful impact on how we serve small businesses.

Below are examples of recent collaborations:

- FCCDC continues to team up with Valley and Hilltown CDC 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 the Franklin/Hampshire Regional Employment Board team up to evaluate the needs of the region's industry clusters to determine lending, employment and facility needs. We are investigating the creation of a Makers Space for current and aspiring entrepreneurs.
- Together with the Franklin Regional Council of Governments we have received grants from 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 climate change and 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.
- We are the lead applicant on a successful grant with Just Roots Community Farm from

USDA's National Institute of Food & Agriculture (NIFA) to support community agricultural education and improve the regional food system. This includes the Community Health Center of Franklin County and works with 3 affordable housing developments to deliver more healthy food.

- In the northern Berkshires we work with Lever, Inc. to support entrepreneurship, especially among youth and recent graduates from the area colleges.
- We have been the fiscal sponsor of the MA Food System Collaborative and continue to work with them on projects throughout the state.

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 Regional Planning Commission
- Business associations (at least 4)
- Center for New Americans
- Chambers of Commerce (5)
- Commercial banks
- Common Capital
- Community Action of Pioneer Valley
- 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
- Pioneer Valley Grows Network
- Pioneer Valley Creative Economy Network
- Pioneer Valley Plan for Progress
- Rural LISC
- SCORE
- University of Massachusetts: Business Library, Food Science Dept. Business Dept., 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 is a member of the CEDS and is heavily involved in the development of the plan and the implementation of the strategy. The new CEDS plan is under development and will be completed by June 2020.

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 \$1.6 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. The PVGrows Fund is almost \$2M which generates significant interest revenue as well, although we pay 2 – 4% interest to our investors in that fund. Interest revenue in FY19 was \$129,000.
- **Rent from the Venture Center** - The FCCDC owns and operates a 36,000 sq. ft. small business incubator, the Venture Center, which generates approximately \$191,000 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 generated \$448,000 in FY19.

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:

- \$175,000 from MA Growth Community Capital for our Western MA Means Business project;
- \$73,000 from USDA Rural Microenterprise Assistance Program for business assistance to potential small business borrowers.
- \$35,000 of operating funds and \$500,000 in loan funds to administer the MA Food Trust Program for a second year in a row, in conjunction with our partner Local Enterprise Assistance Fund (LEAF).
- \$18,000 for business technical assistance from USDA Rural Business Development
- \$100,000 of capital from the MA Micro-lending-CDFI program.

- \$61,000 grant in conjunction with UMASS Food Science Dept.
- \$446,000 award over 3-years from the USDA Local Food Promotion Program. This is for equipment and operations of the Food Processing Center.
- \$375,000 award over 3-years from USDA Community Food Projects.
- We have also secured several grants from private foundations, in particular for our work at the Food Processing Center.

In 2019 we hired a Communication Coordinator. This is the first time we have had someone directly assisting the Executive Director in outreach and stewardship. Even without any dedicated staff person for fundraising we have consistently raised \$200,000 annually and in the past years have increased it to \$300,000 from about 250 community residents and businesses. Given this past success and the lessons we have learned and the additional staff person, we are confident we can increase donations to over \$400,000 per year. When reviewing our donors list over the past few years we have retained approximately 80% of our donors over the years.

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 40 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 well over 2,000 jobs, and the retention of even more. The FCCDC has lent \$12 million directly and has helped leverage and package another \$30 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. This past year, our two new hires are young people who have already added a great deal to the organization and keep us forward thinking.

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.

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

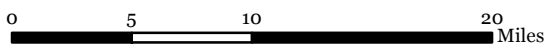
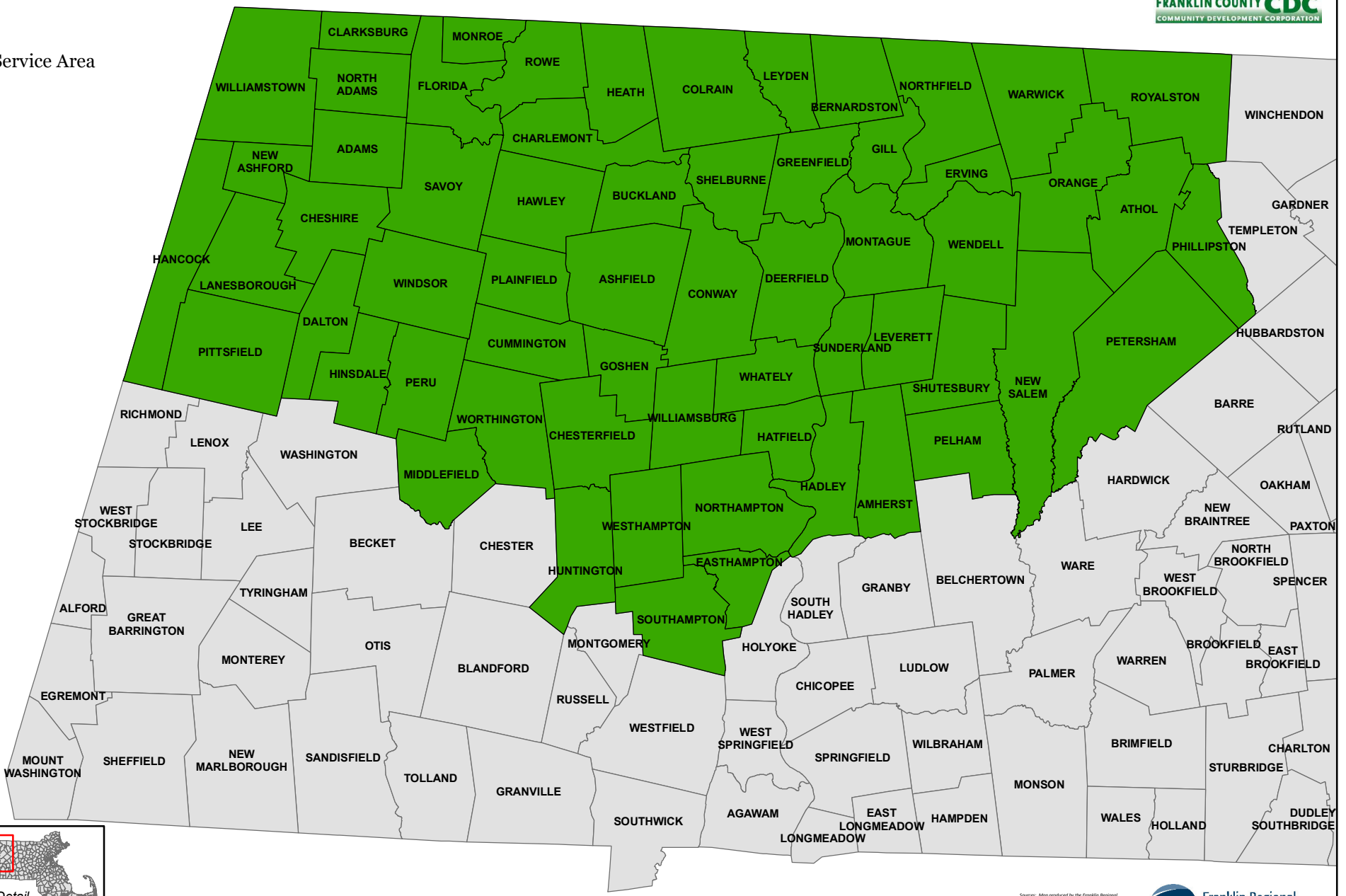
1. Concentrate Development and Mix Uses – We work to strengthen the small businesses that make up the vast majority of the businesses and jobs in our rural towns and commercial centers. We are part of the Brownfields committee of the Franklin Regional Council of Governments and we have made loans to 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 FCCDC saved a historic building in downtown Greenfield several years ago and transferred ownership to the Greenfield Redevelopment Authority who plans to complete the renovation for 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.

Franklin County Community Development Corporation's (FCCDC) Service Area



FRANKLIN COUNTY CDC
COMMUNITY DEVELOPMENT CORPORATION

 Service Area



Sources: Map produced by the Franklin Regional Council of Governments Planning Department. GIS data sources include MASSDOT, MASSGIS and FRCOG. Shaded boundaries are approximate and are intended for planning purposes only, not to be used for survey.

 Franklin Regional Council of Governments

**B01003: TOTAL POPULATION - Universe: Total population
2008-2012 American Community Survey 5-Year Estimates**

County	Geography	Total Population	Towns in FCCDC Service Area	Pop. Over 7500
-	United States	309,138,711		
-	Massachusetts	6,560,595		
-	Berkshire County	130,866		
-	Franklin County	71,489		
-	Hampshire County	158,850		
Berkshire	Adams	8,463	1	1
Berkshire	Alford	469		
Berkshire	Becket	1,882		
Berkshire	Cheshire	3,230	1	
Berkshire	Clarksburg	1,805	1	
Berkshire	Dalton	6,750	1	
Berkshire	Egremont	1,035		
Berkshire	Florida	715	1	
Berkshire	Great Barrington	7,082		
Berkshire	Hancock	718	1	
Berkshire	Hinsdale	2,149	1	
Berkshire	Lanesborough	3,065	1	
Berkshire	Lee	5,925		
Berkshire	Lenox	5,011		
Berkshire	Monterey	783		
Berkshire	Mount Washington	157		
Berkshire	New Ashford	223	1	
Berkshire	New Marlborough	1,513		
Berkshire	North Adams	13,725	1	1
Berkshire	Otis	1,309		
Berkshire	Peru	914	1	
Berkshire	Pittsfield	44,542	1	1
Berkshire	Richmond	1,600		
Berkshire	Sandisfield	886		
Berkshire	Savoy	663	1	
Berkshire	Sheffield	3,245		
Berkshire	Stockbridge	1,934		
Berkshire	Tyringham	365		
Berkshire	Washington	517		
Berkshire	West Stockbridge	1,550		
Berkshire	Williamstown	7,757	1	1
Berkshire	Windsor	884	1	
Franklin	Ashfield	1,609	1	
Franklin	Bernardston	2,122	1	
Franklin	Buckland	2,110	1	
Franklin	Charlemont	1,292	1	
Franklin	Colrain	1,671	1	
Franklin	Conway	1,828	1	
Franklin	Deerfield	5,107	1	
Franklin	Erving	1,737	1	
Franklin	Gill	1,565	1	
Franklin	Greenfield	17,543	1	1
Franklin	Hawley	385	1	
Franklin	Heath	529	1	
Franklin	Leverett	1,812	1	

Franklin	Leyden	706	1	
Franklin	Monroe	105	1	
Franklin	Montague	8,446	1	1
Franklin	New Salem	1,006	1	
Franklin	Northfield	3,043	1	
Franklin	Orange	7,831	1	1
Franklin	Rowe	452	1	
Franklin	Shelburne	1,910	1	
Franklin	Shutesbury	1,755	1	
Franklin	Sunderland	3,690	1	
Franklin	Warwick	633	1	
Franklin	Wendell	1,040	1	
Franklin	Whately	1,562	1	
Hampshire	Amherst	38,399	1	1
Hampshire	Belchertown	14,593		
Hampshire	Chesterfield	1,112	1	
Hampshire	Cummington	997	1	
Hampshire	Easthampton	16,030	1	1
Hampshire	Goshen	1,121	1	
Hampshire	Granby	6,245		
Hampshire	Hadley	5,239	1	
Hampshire	Hatfield	3,271	1	
Hampshire	Huntington	2,167	1	
Hampshire	Middlefield	403	1	
Hampshire	Northampton	28,642	1	1
Hampshire	Pelham	1,321	1	
Hampshire	Plainfield	536	1	
Hampshire	Southampton	5,828	1	
Hampshire	South Hadley	17,657		
Hampshire	Ware	9,866		
Hampshire	Westhampton	1,592	1	
Hampshire	Williamsburg	2,631	1	
Hampshire	Worthington	1,200	1	
Worcester	Athol	11,591	1	1
Worcester	Petersham	1,232	1	
Worcester	Phillipston	1,941	1	
Worcester	Royalston	1,051	1	
82 towns total		In FCCDC Service Area	61	
		Towns over 7500		11

towns under 7500 pop.

50 of 61 (82%)

Although we may provide services in all 82 towns, we do not focus on the distant communities of south Berkshire County and south Hampshire County. Therefore our main service area consists of 61 towns. Fifty of the 61 towns have populations of less than 7,500 (82%)

FCCDC Board Member Directory (as of Sept 2019)

Name / Home Town	Work Place and Town
Matt Allen Greenfield	Youth Coordinator, Community Action Pioneer Valley, Greenfield
Michelle Barthelemy Northampton	Faculty-Business Department Greenfield Community College, Greenfield
Chuck Bellinger Amherst	Retired, Architectural Components, Inc. Montague
A J Bresciano, Treasurer Montague	VP Commercial Loan Officer Greenfield Savings Bank, Greenfield
Barbara Campbell Northfield	Commercial Loan Officer, Greenfield Co-operative Bank, Greenfield
Margaret Christie, Clerk Whately	Community Involved in Sustaining Ag. - CISA Deerfield
Cheryl Dukes Buckland	Director, Healthcare Outreach & Community Engagement, College of Nursing, UMASS, Amherst
Tom Ewing Leverett	Retired, Ewing Controls Greenfield
Darren Gale Orange	Innovative Design Concepts Orange
Rachel Stoler Montague	Community Health Program Manager Franklin Regional Council of Governments, Greenfield
Philip Silva Sunderland	Affordable Housing Consultant Green Wall Group, Sunderland
Corrine Sysun Montague	VP Commercial Lending, TD Bank Greenfield
Andrea Nathanson, Chairperson Easthampton	Non-profit Consultant Easthampton
Claire Chang, Vice Chairperson Gill	The Solar Store Greenfield

John Waite , Executive Director Deerfield	Franklin County CDC Greenfield
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