Pittsfield Economic Revitalization Corporation (PERC)

Annual Report
2017-2018
LETTER FROM THE PRESIDENT

November 30, 2018

Dear Friends,

PERC experienced continued progression in fulfilling and broadening its mission during the fiscal year ending June 30, 2018. PERC’s purpose is to assist small businesses, foster capital investment and create jobs using funds provided by local, state and federal sources. PERC continued to promote and assist the growth of small businesses and successfully worked with other lenders and organizations that share similar goals.

That progression continues into fiscal year 2019 through expanded collaboration with other organizations which allow PERC to reach more small businesses and expand the impact of its programs.

The City of Pittsfield’s Community Development Block Grant (CDBG) Small Business Loan, Technical Assistance Grant (TAG) Programs and Microloans are core components of PERC’s small business assistance activities.

Since the last report, technical assistance grants were awarded to 15 small businesses to assist them with starting, stabilizing and growing their businesses. Funding from the Massachusetts Growth Capital Corporation (MGCC) supplemented the City of Pittsfield’s CDBG TAG program allowed PERC to expand activity in this area.

PERC continued to assist the City of Pittsfield with implementation of the Pittsfield Small Business Fund. We monitored loans that were made in the prior year. PERC conducted financial evaluations on three new applicants and recommended the loan structure to help these small businesses expand in Pittsfield.

PERC looks forward to exploring new opportunities, creating new synergies and continuing to build relationships with other Pittsfield and Berkshire County economic development organizations, including 1Berkshire, Berkshire Taconic Foundation and the regional office of the Massachusetts Small Business Development Center.

Our Board of Directors are professionals who volunteer their valuable time and provide guidance and mentoring assistance to small business owners. Without them PERC would not be able to achieve its goal of fostering small business growth and change. I thank them for their commitment and support.

As we approach a new year, I look forward to working with you to strengthen the small business community in Pittsfield and throughout Berkshire County.

J. Jay Anderson
President
Pittsfield Economic Revitalization Corporation (PERC)

BOARD OF DIRECTORS
(As of June 20, 2018)

<table>
<thead>
<tr>
<th>DIRECTORS</th>
<th>COMMUNITY</th>
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</thead>
<tbody>
<tr>
<td>Jay Anderson, President</td>
<td>Lanesboro</td>
</tr>
<tr>
<td>Mark McKenna, Vice President</td>
<td>Lenox</td>
</tr>
<tr>
<td>Barry Clairmont, Treasurer</td>
<td>Pittsfield</td>
</tr>
<tr>
<td>Laurie Green</td>
<td>Pittsfield</td>
</tr>
<tr>
<td>Warren Dews, Jr.</td>
<td>Hinsdale</td>
</tr>
<tr>
<td>Marshall Raser</td>
<td>Pittsfield</td>
</tr>
<tr>
<td>Matthew Scarafoni</td>
<td>Pittsfield</td>
</tr>
<tr>
<td>Deanna Ruffer</td>
<td>Pittsfield</td>
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</tbody>
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STAFF

The City of Pittsfield’s Department of Community Development provides staff to the Corporation. Laura Mick serves as the day-to-day administrator and is responsible for marketing, packaging and servicing loans and technical assistance grants, and also is responsible for the management of Westwood Center. Theodore Kozlowski serves as Clerk of the Corporation and oversees meeting schedules, agendas and minutes. Christina Botz, Community Development Accountant, provides bookkeeping, accounting, and portfolio management services for PERC.

MEMBERSHIP

(As of June 30, 2018)

Jay Anderson                Ronald Griffin
Richard Bordeau            Brian Johnson
Christina Botz             Nathaniel Karns
Christine Burke            Mark McKenna
Barry Clairmont            Michelle Moore
Michael Coakley            William Mullholland
Robert Cohen               Thomas Patton
Dalton Couig               Janet Pumphrey
Gwen Davis                 Jeffrey Rose
Warren Dews, Jr.           Matthew Scarafoni
George Diehl               Will Singleton
Steven Fogel               Deanna Ruffer
John Gilliotti             Cory Thurston
Laurie Green
GRANTEES IN 2017 – 2018

TOWNSHIP FOUR FLORIST AND HOME
419 North Street, Pittsfield, MA
Jedidiah Thompson and Nathan Hanford
(2 new jobs created)

SHIRE CITY HERBALS
Commercial Street, Pittsfield, MA
Amy Huebner and Dana St. Pierre
(19 new jobs created)

GALLERY CO-WORKING SPACE
FRAMEWORKS
433 North Street, Pittsfield, MA
Tim Burke and Scott Moraes
(1 new job created)
GRANTEES IN 2017 – 2018

BIG DADDY’S PHILLY CHEESESTEAKS
137 North Street, Pittsfield, MA
Xavier Jones
(5 new jobs created)

KLARA’S GOURMET COOKIES
18 Railroad Street, Lee, MA
Klara Austin & Jefferson Diller
(2 new jobs created)

MOUNTAIN STREAM FURNITURE
Benedict Road, Pittsfield, MA
Steven Stockmal
(2 new jobs created)

Green Apple
A new commercial Linen Service in the heart of the Berkshires in Western Massachusetts
Full service for Resorts, Spas, Fine Inns, Restaurants
And retail customers with special wash and ironing needs

GREEN APPLE LINEN
316 Housatonic Street, Pittsfield, MA
Tim Burke and Steve Oakes
(6 new jobs created)

Modern Mold & Tool sold for $1.2 million; joins East Longmeadow-based group

1995 East Street, Pittsfield, MA
Anthony DellaVope
(25 new jobs created)
TECHNICAL ASSISTANCE FOR SMALL BUSINESSES

PERC provides technical assistance to new and growing businesses for financial planning, accounting and other professional guidance. PERC coordinates with the Small Business Development Center and other professional technical assistance providers to direct businesses to appropriate consulting services and financing sources.

In fiscal year 2017 and 2018, PERC awarded fifteen technical assistance grants using Pittsfield's CDBG funds and grant funds awarded by the MGCC:

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Café Namaste</td>
<td>$5,000</td>
<td>Website development and point of sale system</td>
</tr>
<tr>
<td>Lacy's Healing Hands</td>
<td>$4,000</td>
<td>Specialized training and financial management software</td>
</tr>
<tr>
<td>Red Apple Butchers</td>
<td>$5,000</td>
<td>Architectural design</td>
</tr>
<tr>
<td>Shire City Herbals</td>
<td>$20,000</td>
<td>Engineering services</td>
</tr>
<tr>
<td>Klara's Cookies</td>
<td>$5,000</td>
<td>Architectural design</td>
</tr>
<tr>
<td>ARCADE</td>
<td>$5,000</td>
<td>Legal &amp; consultation for marketing</td>
</tr>
<tr>
<td>Gallery Co-Working</td>
<td>$5,000</td>
<td>Architectural design</td>
</tr>
<tr>
<td>Ioka Valley Farm</td>
<td>$1,800</td>
<td>Marketing consultant</td>
</tr>
<tr>
<td>Mountain Stream Furniture</td>
<td>$10,000</td>
<td>Computer, designs, patterns</td>
</tr>
<tr>
<td>Gallery Co-Working</td>
<td>$5,000</td>
<td>Legal consultation</td>
</tr>
<tr>
<td>Township Four Florist</td>
<td>$5,000</td>
<td>Financial management and website development</td>
</tr>
<tr>
<td>North Street Eats</td>
<td>$5,000</td>
<td>Architectural design</td>
</tr>
<tr>
<td>Bigg Daddy's Cheesesteak</td>
<td>$50,000</td>
<td>Point of Sale system</td>
</tr>
<tr>
<td>Green Apple Linen</td>
<td>$5,000</td>
<td>Architectural design and website development</td>
</tr>
<tr>
<td>Modern Mold</td>
<td>$25,000</td>
<td>Architectural design and engineering</td>
</tr>
</tbody>
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CDBG SMALL BUSINESS LOAN PROGRAM

PERC manages a revolving loan fund that is funded by the City of Pittsfield’s CDBG. Loans are awarded to businesses that are starting up or expanding and creating jobs. Since the inception of the program, PERC has provided more than $3,000,000 in business loans to 52 businesses through the revolving loan fund.

PERC established a microenterprise program that allows income-qualified owners of businesses with five or fewer employees to apply for up to $15,000 and up to 95% financing. Two new microenterprise loans were approved during the 2017-2018.

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Amount</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mountain Stream Furniture</td>
<td>$10,000</td>
<td>Equipment, inventory, materials</td>
</tr>
<tr>
<td>Red Apple Butchers</td>
<td>$49,700</td>
<td>Equipment, inventory and operating capital</td>
</tr>
</tbody>
</table>

PITTSFIELD SMALL BUSINESS FUND

The City of Pittsfield established a Small Business Fund in 2013 for technical assistance, working capital and capital investment loans to growing businesses. PERC was selected by the City of Pittsfield to perform financial reviews of applicants and make loan structure recommendations to the Mayor.

In fiscal year 2018 PERC made a favorable loan recommendation and approved a capital investment loan of $100,000 and technical assistance grant of $25,000 to Modern Mold.

PERC continued to monitor the loans and conduct annual reviews to evaluate performance and make recommendations for loan forgiveness, if the businesses meet job creation benchmarks, or loan modifications as needed to support growth of the businesses.
REGIONAL AND STATE FINANCING PROGRAMS

PERC is also able to guide Berkshire County small businesses to alternative financing sources. PERC coordinates with Common Capital, MGCC, MassDevelopment and other Massachusetts quasi-public agencies that offer business assistance programs.

WESTWOOD CENTER

Westwood Center, a municipal industrial park, is managed by PERC on behalf of the City of Pittsfield. The park is located on Pittsfield Municipal Airport property, off Barker Road. Seven businesses have long-term ground leases and own their buildings. During FY18, the ground lease of Two Westwood Nominee Trust was assigned to Eric Zahn Builders, LLC to facilitate the sale of the building and continued operation of the business located there.
FINANCIAL REPORT SUMMARY

STATEMENT OF REVENUES, EXPENSES
For the Year Ended  June 30, 2017

Total All Funds
Total Revenues $104,260
Total Expenses (96,859)

Excess of Revenue Over (Under) Expenses $7,401

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
As of June 30, 2017

Assets
Cash-Operating Fund $176,216
Cash-Revolving Loan, Technical Assistance, 281,143
Section 108

Fees, Interest & Grants Receivables 37,024
Mortgages & Notes Receivables 795,622
Less Allowance for Uncollectible Loans (403,871)

Total Assets $862,457

Liabilities and Fund Balances
Liabilities $298,548
Fund Balances $563,909
Total Liabilities and Fund Balances $862,457
Pittsfield Economic Revitalization Corporation

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