

HOLYOKE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION

December 12, 2023 Meeting Minutes

via Zoom Meeting ID 836 3175 3977

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Holyoke City Clerk's  
Holyoke, MA

**Members Present:**

Carl Eger  
Joseph McGivern  
Mark Cutting  
Callie Flanagan  
Michael Sullivan

**Staff Present:**

Aaron Vega, Executive Director  
John Dyjach, Assistant Director  
Marie Brazeau, Development Specialist  
Kimberly Casiano, Head Clerk

Others present: Crystal Headley (Raw Beauty Brand LLC)

**1. Call to Order**

Chairperson Carl Eger called the meeting to order at 5:02 p.m. and stated that the meeting was being recorded and was being held remotely. A roll call followed:

<u>Name</u>	<u>Present</u>
Carl Eger, Jr.	Y
Joseph McGivern	Y
Rosa Pantoja	N
Antonio Quinones	N
Mark P. Cutting	Y
Callie Flanagan	Y
Michael Sullivan	Y

**2. HEDIC Board Business**

a. **HEDIC Board Minutes of October 26, 2023:** A motion was made to approve the minutes of October 26, 2023 by Mark Cutting and seconded by Joseph McGivern.

<u>Name</u>	<u>Vote</u>
Joseph McGivern	Y
Callie Flanagan	Y
Michael Sullivan	Y
Carl Eger, Jr.	Y
Mark P. Cutting	Y

The motion passed unanimously.

b. **Real Estate Updates:** John Dyjach turned the Boards attention to the information in the packet regarding the Request for Proposals (RFP) put out by the Holyoke Gas and Electric (HG&E) for the HEDIC owned land on Whiting Farm Road. The RFP was rereleased following multiple inquiries concerning the land for potential commercial development. The Economic Development Plan does, however, prioritize industrial development but they will entertain other offers if they substantial community development potential. Requests for proposals are due the 22<sup>nd</sup> of this month. Should viable proposals be received, the HEDIC can expect to have some involvement in the review process in collaboration with the HG&E. Mr. Dyjach concluded saying that there will be further real estate updates to discuss in executive session regarding the land on Bobala Road.

**3. HEDIC Loan Program Update:**

a. **MakerLoan Program Application:** Marie Brazeau introduced Crystal Headley of Raw Beauty Brand LLC (RBB) and turned the Boards attention to the application for the MakerLoan Program in the packet. Ms. Brazeau added that certain private financial details such as bank statements

and credit statements were not included in the regular session packet for privacy reasons but will be discussed in executive session. Ms. Headley thanked staff and the Board for their time and provided background on her business. RBB creates skincare products with a focus on natural ingredients and making products safe for those with sensitive skin conditions. They are seeking a loan for \$25,000.00 to increase wholesale inventory, purchase industrial equipment such as an oil pouring machine, and hire more staff. This would allow the company to increase their capacity and allow them to obtain larger store contracts they have not been able to accept in the past as they have made all products by hand. Ms. Headley went on to describe her background as an EForAll alum which created strong roots and connections to Holyoke, prompting Ms. Headley to now officially be moving her business to Holyoke. RBB has also been working with MassHire Holyoke to hire local youth and train them in creating the products. Since the summer of 2023 they have employed 7 Holyoke youths. In 2024 Crystal hopes to expand to more stores and prioritize expanding consignment agreements. The Chair thanked Ms. Headley for her presentation and asked staff if they had anything to add before the Board made comments. Ms. Brazeau noted that in the packet the Board can see the draft lease agreement for Raw Beauty's Brands new space in Holyoke and as part of the loan closing they will require this to be fully executed before disbursement of funds. Mr. Vega thanked the Board and staff and noted having seen the products at two recent fairs and witnessed the strong demand for products like these. Mr. McGivern asked staff for clarification on discussing financial details in executive session as that is allowed to be discussed in open session and is not an allowed reason for executive session. Staff proceeded to discuss financial details. Michael Sullivan asked Ms. Headley if she is seeing consistent growth in sales, Ms. Headley responded that though there is variation between event seasons but over the past six months there has been steady growth. Mr. Sullivan asked if she feels these trends will support the investment in the equipment, Ms. Headley explained this equipment would be supported through consignment agreements that are in the works in Holyoke and Northampton. She has an option through these agreements to expand to being a wholesale supplier should these consignment agreements succeed and allow for further growth. Mark Cutting asked what marketing strategies are in place for the brand, Ms. Headley said the company has a website with an online shop, as well as an Etsy and has a presence on the Feel Good Shop Local website. Beyond web presence the brand markets through events such as vending at the Big E where this year they made 1,000 sales. The brand averages 20 events a month including farmers markets and pop-up events. Callie Flanagan asked what the shelf life of the product is, Ms. Headley said the average product has a shelf life of 2 years, so the products increased inventory will last when stored or on shelves at stores. The Chair asked staff if action is required tonight, Ms. Brazeau responded that staff will defer to the Board and if the Board has no further question and needs no further information from the applicant they could move to vote tonight but the decision is there's and staff is happy to get any information they deem appropriate to comfortably make a vote. Mr. Vega seconded Ms. Brazeau's sentiment and said that ultimately all financial decisions are in the Board's hands and staff will follow their lead. Mr. Vega added that the MakerLoan program is designed for those who do not qualify for traditional lending and is for startup small businesses so all of these applications will be high risk loans with this application being exactly that. He went on to say that there are credit history issues in the applicants' past and that while the business is debt free, Ms. Headley has been upfront that she herself has experienced debt in her financial history. Ultimately, he concluded saying how much the Board is comfortable lending is up to their discretion. Mark Cutting asked what the lead time on the equipment is, Ms. Headley said the equipment is standard and not customized so upon receiving funding she can have it shipped within 48 hours. Mr. Cutting asked for timeline of the businesses busy season, Ms. Headley responded that spring is the start of the busy season as farmers markets and events pick up. Mr. Cutting expressed his full support for the project and the loan request immediately. Callie Flanagan also expressed support and added that she would recommend approving in the full amount of \$25,000 so that the business can have working capital. Mr. McGivern asked if there is a personal guarantee attached to the loan and what security guarantees are included. Ms. Brazeau responded that yes there will be a personal guarantee as part of the loan agreement and Ms. Headley has listed all

equipment to be purchased under collateral as well as her business trailer which HEDIC is first in line for as there is no other business debt. The collateral listed has a total value that exceeds the total amount of the loan. Callie Flanagan added that she ran an assessment on the value of the collateral should it decrease and that with depreciating value HEDIC will still be 100% secure.

A motion was made by Callie Flanagan to approve the application for Raw Beauty Brands loan in the amount of \$25,000.00 which was seconded by Mark Cutting. A roll call followed:

<u>Name</u>	<u>Vote</u>
Joseph McGivern	Y
Callie Flanagan	Y
Michale Sullivan	Y
Carl Eger, Jr.	Y
Mark P. Cutting	Y

The motion passed unanimously.

The Chair congratulated Ms. Headley on behalf of the Board and staff and thanked her for her time.

**b. Modification to Equipment Loan Program:** Mr. Dyjach turned the Boards attention to the one-page summary outlining the differences between the Equipment Loan Program as it is currently compared to the proposed restructuring. Under the new program the allowed uses would be expanded beyond equipment and allow for direct loans in certain instances. The program would be renamed to the Manufacturing Loan Program and be more flexible to better fit the needs of industry. Mike Sullivan expressed his support for the changes. Callie Flanagan echoed the same sentiments and noted that with these much larger loans she would request that the packet be sent early enough that staff could give the Board an opportunity to email questions or requests for additional information for the applicant in advance of the meeting. Chairperson Eger noted the Board's consensus to move forward with the revised program and recommended that staff proceed to refine the details.

**4. Review of Staff Meeting with Holyoke Gas and Electric Department:** Mr. Vega said staff recently met with HG&E to discuss a variety of topics with a focus on the Whiting Farms Road RFP. The RFP closes next week, and it is unclear at the moment who will take the lead on reviewing any proposals received. They also discussed looking out for any grants that the two entities can collaborate on, OPED alone brought in over \$1.5 million in grants last year and will continue to look for opportunities to include HEDIC. General topics also included changes in developers and industry approach including clean energy and being able to be partners in incoming projects. Mr. Sullivan suggested doing more collaborative projects with the HG&E with a focus on green energy studies.

**5. Other Business:**

**6. Executive Session (if necessary):** A motion was made by Joseph McGivern to enter into executive session for the purpose of discussing real estate was seconded by Callie Flanagan. A roll call followed.

<u>Name</u>	<u>Vote</u>
Michael Sullivan	Y
Joseph McGivern	Y
Callie Flanagan	Y
Carl Eger, Jr.	Y
Mark P. Cutting	Y

The motion passed unanimously, and the Board entered into executive session at 5:49pm.

**7. Adjournment:**

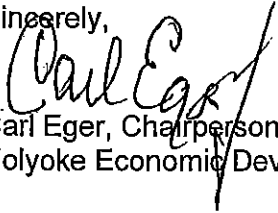
The Board returned to regular session following the adjournment of executive session.

With no other business, a motion was made by Joseph McGivern to adjourn the meeting which was seconded by Mark Cutting. A roll call followed:

<u>Name</u>	<u>Vote</u>
Michael Sullivan	Y
Joseph McGivern	Y
Antonio Quinones	Y
Carl Eger, Jr.	Y
Mark P. Cutting	Y

The meeting was adjourned at 6:49pm.

Sincerely,



Carl Eger, Chairperson  
Holyoke Economic Development and Industrial Corporation