

HOLYOKE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION
April 7, 2022 - Meeting Minutes
City Hall Annex Conference Room 403 and Zoom (meeting ID: 832 1053 9713)

Members Present:

Tessa Murphy-Romboletti
Joseph McGiverin
Antonio Quinones
Carl Eger, Jr.
Rosa Pantoja

Staff Present:

Aaron Vega, Executive Director
John Dyjach, Assistant Director
Jennifer Keitt, Development Specialist
Marie Brazeau, Head Clerk

Others Present: Attorney Michael Bissonnette (Law Department), Jazzy Smith

1. Call to Order

Vice-Chairperson Tessa Murphy-Romboletti called the meeting to order at 5:03 p.m. and stated that the meeting was being recorded. A roll call followed:

<u>Name</u>	<u>Present</u>
Carl Eger, Jr.	X
Tessa Murphy Romboletti	X (virtual)
Joseph McGiverin	X (virtual)
Rosa Pantoja	X (virtual)
Antonio Quinones	X (virtual)
Mark P. Cutting	

2. Welcome and introduction - Aaron Vega, Executive Director

Vice-Chairperson Tessa Murphy-Romboletti welcomed and thanked everyone for attending and asked Executive Director Aaron Vega for opening remarks. Aaron Vega thanked the Board members for their commitment especially since meetings have not occurred regularly over the last few years. He introduced new staff members Jennifer Keitt, Development Specialist and Marie Brazeau, Head Clerk. Mr. Vega then discussed key initiatives of HEDIC including development of industrial areas of the City and supporting business development. He said that re-establishing the loan program to include funding for small businesses is something that he would like to promote. Mr. Vega said that the consultant's report in 2020 outlined a revised loan program and that more recently there have been discussions with area banks to explore a partnership. He also explained that staff is exploring options for development of HEDIC owned properties.

Tessa Murphy-Romboletti thanked Mr. Vega and asked about the vacancy on the Board. John Dyjach said that there is one vacancy on the Board and that there are a few Board positions coming up for renewal. He explained the composition of the Board as required per Massachusetts law and said the open business is under the finance category. Tessa Murphy-Romboletti mentioned a person that may be considered. Joseph McGivern explained that the protocol is for the Mayor to appoint a candidate and then for the City Council to consider confirming the appointment. Aaron Vega said he would discuss the vacancy and appointment with the Mayor and welcomed any referrals that Board members may have.

3. HEDIC Overview

John Dyjach presented a slide with information on the general purpose of an Economic Development and Industrial Corporation, information on the composition and status of the Board and a page summarizing HEDIC's assets. He stated that HEDIC's assets have remained stable over the last several years and grown slightly due to limited expenditures and income from bank interest as well as fees from the two companies participating in the HEDIC sponsored Foreign

Trade Zone program. Mr. Dyjach also summarized the land that owned by HEDIC that is available for development.

Rosa Pantoja asked about the potential of using HEDIC funds for small business development. Aaron Vega said this has been an on-going effort in the office and small business funding program through HEDIC would be brought forward. He added that providing permitting assistance is also an ongoing effort with the office and other City departments.

Regarding HEDIC expenditures, Joseph McGivern asked if the by-laws or state law still require that two HEDIC officers sign checks. John Dyjach said that is a requirement of the by-laws but that no check has been written for some time. He added that several years ago the Board authorized a credit card with a limit of \$1,000 that can be used for small expenditures by the Executive Director. He said the credit card carries no balance and used sparingly for such things as annual property insurance payments.

Joseph McGivern asked about the Parsons Paper project financing and if the terms of the agreement are still in line since he learned a marijuana company is planning a move into one of the buildings. He added that the concern is that the project switching to cannabis related industry may not fall within the scope of work originally backed by HEDIC. John Dyjach said that staff had the same concerns. He then explained the ownership restructuring at Aegis and that the repayment of HEDIC's loan by Aegis is up to date and always on time. He said that staff looked into the status of the company as we became aware of the marijuana business leasing space. It was determined that Aegis has met and is exceeding their investment and job creation obligations and that the marijuana company will bring additional investment, jobs and revenue for the City. Joseph McGivern said that this project also relates to the tax incentives approved by the City. Mr. Dyjach said that staff monitors the project and that information related to the tax incentive program will be provided separately to the Council.

Rosa Pantoja asked about the status of HEDIC properties. John Dyjach described the properties and status. He said that the land off Whiting Farms Road has potential for a large development. Antonio Quinones asked if the land could be sold or leased a project is approved. John Dyjach replied that it could be either but that a sale is preferred. Joseph McGivern added background on the Whiting Farms Road land and development of that parcel is in in partnership with the Holyoke Gas & Electric. Aaron Vega said that more marketing of these properties is being considered as there is strong interest in Holyoke real estate.

4. HEDIC Loan Program - Overview and Status

Aaron Vega discusses some of the background on re-establishing a HEDIC loan program to better assist business development through maker/manufacturing loans on a smaller or larger scale. John Dyjach explained that two years ago the Board was receptive to the concepts for a loan program for small and start-up maker businesses as well as an equipment loan for established manufacturers. He said that as a program is developed the Board will be asked to consider how much of HEDIC funds should be allocated for this purpose. Rosa Pantoja asked if funds can be allocated for both, Aaron Vega replied that it could be done this way and it might be the best approach to take. He added that the equipment loan for established manufacturers is similar to what HEDIC previously offered but that staff is seeking the structure of a "maker loan" program for any business that produces products for resale. John Dyjach added that staff is also exploring options of being a direct lender or partnering with a third party such as a local bank to provide administrative support. Rosa Pantoja asked what requirements would be in place for the loans such as a hiring requirement. Aaron Vega responded that the Board would help staff create the requirements and would be the approving body for the loan. He went on to explain that they want to make it as accessible for start-up local businesses as possible but that these would be for maker businesses and could be higher risk loans. He said that some of the program ideas come from the program that Common Capital does, but this would be for Holyoke only businesses. Aaron Vega said that staff's next step is to continue discussion with local banks

about potentially partnering with HEDIC. He said a meeting with Easthampton Savings bank is scheduled next and that staff will prepare more details for the Board to consider at the next meeting.

5. **Executive Session (none)**

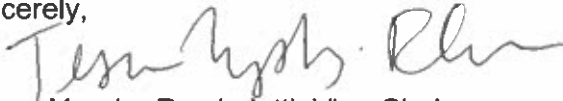
6. **Other Business**

Aaron Vega asked for confirmation that Joseph McGiverin, Antonio Quinones, and Carl Eger are receptive to having their terms renewed to continue serving on the HEDIC Board. All members confirmed. Carl Eger commented that he would be happy to continue serving to help meet the needs of the community. He emphasized the mission of HEDIC and his interest in other ventures beyond its limited scope through collaboration with other entities such as in the past with MIFA. Mr. Eger said that HEDIC needs to make sure its funding is unrestricted and can be used for purposes to improve the City including commercial uses. He offered his assistance to reconstitute the Board if needed as well as what might be needed to expand its service to the community. Aaron Vega thanked Carl and the members for their ongoing support and willingness to continue. Joseph McGiverin said that it would be helpful for staff to prepare a recap of HEDIC projects to the Mayor so that he can be aware of all the good work that has been done. Aaron Vega concurred and said that staff will also process the reappointments with the Mayor's office.

7. **Adjournment**

With no other business, a motion to adjourn the meeting was made by Joseph McGivern and seconded by Rosa Pantoja. All members present concurred, and the meeting adjourned at 5:56 p.m.

Sincerely,



Tessa Murphy-Romboletti, Vice-Chairperson
Holyoke Economic Development
and Industrial Corporation