

HOLYOKE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION

March 23, 2023 Meeting Minutes

City Hall Annex Conference Room 403

Or Via Zoom Meeting ID 859 84341647

Members Present:

Tessa Murphy-Romboletti
Joseph McGiverin
Antonio Quinones
Carl Eger
Mark Cutting
Callie Flanagan

Staff Present:

Aaron Vega, Executive Director
John Dyjach, Assistant Director
Jennifer Keitt, Senior Project Manager
Marie Brazeau, Development Specialist

Others present: Attorney Jane Mantolesky (Assistant City Solicitor)

1. Call to Order

Acting Chairperson Tessa Murphy-Romboletti called the meeting to order at 5:02 p.m. and stated that the meeting was being recorded. A roll call followed:

<u>Name</u>	<u>Present</u>	
Carl Eger, Jr.	Y	(attended virtually)
Tessa Murphy-Romboletti	Y	
Joseph McGiverin	Y	
Rosa Pantoja	N	
Antonio Quinones	Y	(attended virtually)
Mark P. Cutting	Y	(attended virtually)
Callie Flanagan	Y	

2. HEDIC Board Business

a. HEDIC Board Minutes of February 23, 2023: A motion was made to approve the minutes of February 23, 2023, by Joseph McGiverin and seconded by Callie Flanagan. A roll call followed.

<u>Name</u>	<u>Vote</u>
Joseph McGiverin	Y
Antonio Quinones	Y
Mark P. Cutting	Y
Callie Flanagan	Y
Carl Eger, Jr.	Y
Tessa Murphy-Romboletti	Y

b. HEDIC Financial Update: John Dyjach provided the Board with a financial update and noted the increased interest rate on the Peoples Bank accounts. Mr. Dyjach explains staff wanted to provide an update for this meeting to help guide the Board later in the discussion as they determine the amount of funds to allocate to the loan programs. He went on to provide some information on the property assets listed in the update and mentioned expanding on this in a future meeting. Most notably, the Board owns the 11-acre parcel on Whiting Farms Road (parcel #120-00-102, parcel #'s 120-00-045, 046 and 047) as part of the Holyoke Gas and Electric Industrial Land Project Economic Development Plan. Joseph McGiverin asked if there have been any recent expressions of interest in this property. Mr. Dyjach responded that yes there has been, about six (6) months ago HG&E issued a request for proposals for this property and did hear from an interested retail party. There have been calls and interested parties over the years but there has not been one to date that evolved to a sale and development.

Joseph McGiverin made a motion to accept the financial update which was seconded by Mark Cutting. A roll call followed:

<u>Name</u>	<u>Vote</u>
Callie Flanagan	Y
Carl Eger, Jr.	Y
Tessa Murphy-Romboletti	Y
Joseph McGivern	Y
Antonio Quinones	Y
Mark P. Cutting	Y

3. Quantum Loan Request

Tessa Murphy-Romboletti opened the floor for updates from staff. John Dyjach referred the Board to the email received today from Glenn Shealey of Quantum Properties. He summarized that the message expressed Quantum's intention to propose an Economic Development Plan to HEDIC. Mr. Dyjach stated that Callie Flanagan, Joseph McGivern and staff met with Mayor Garcia to discuss next steps with Quantum. Aaron Vega then explained that in the conversation with the Mayor there was a consensus that to move forward with Quantum the past due real estate taxes would need to be addressed and personal guarantees along with standard loan documentation would need to be provided. He noted that these are requirements for all applicants and that exceptions cannot be entertained. Joseph McGivern said he thought the meeting the Mayor, Law Department and staff went well and provided an understanding of the Mayor's position on the matter. Further, the meeting reinforced the importance of HEDIC's collaboration with the Mayor and City Council, including seeking guidance and input for projects. Mr. McGivern added that should the matter with Quantum be addressed satisfactorily, an Economic Development Plan would require HEDIC to be an active partner in a development project which would allow HEDIC to have more direct involvement in a project. Mark Cutting questioned how to move forward since HEDIC does not have a loan program in place for a request of this size and Quantum needs to address the unpaid taxes to move forward with an Economic Development Project. Mr. Vega responded that if Quantum takes the necessary steps, then an Economic Development Plan can become possible. The Chair stated that the Board should send a communication explaining the requirements as discussed by the Mayor and the Board to Quantum. Mr. McGivern emphasized that it should be explained that this plan would require HEDIC to have a say in how this project goes forward and would require the Board's input along the way. Mr. Dyjach added that it is important to know that while Mr. Shealey may submit for a waiver on these requirements the Mayor is strongly opposed to funding any projects with unpaid taxes. Mr. McGivern stated that entering into a tax agreement with the City Treasurer and maintaining payments would likely be a way for a developer to resolve this.

4. HEDIC Loan Program - Updates and Next Steps

John Dyjach thanked the Board for the feedback on the loan programs received at the last meeting and stated that the staff is fine-tuning the materials. Staff anticipates having all materials in place to roll-out the loan program in May and will prepare a press release and materials for the next meeting.

Mr. Dyjach then asked the Board to consider and determine the amount of funds to allocate to each program. He noted that past conversations with the Board have been to consider allocating \$300,000 to the Equipment Loan and \$200,000 to the MakerLoan. This budget would allow for example up to eight fully funded MakerLoans at the same time. Carl Eger commented that he believes a sliding scale based on project goals i.e. taxes, job creation and industry type to not have a ceiling on the program. The Chair asked staff if for the MakersLoan Program, they expect any jobs to be created on loans of a small scale. Aaron Vega replied that he does not anticipate these loans will produce a high volume of jobs, but to know what the applicant aims for is a helpful metric. He thinks MakerLoans are more to stimulate new business growth and that the job metric is more applicable to the Equipment Loan program. John Dyjach said that the amounts suggested can be adjusted by the Board if needed in the future, but that staff thought these were a good starting point and would allow for a breaking-in period to understand the volume of interest with the program as well as staff capacity. Callie Flanagan stated that she believes that a ceiling for the loan amount can be necessary to allow entrepreneurs to think within a limit and design a plan. She then expressed support for the proposed allocation of funds and asked if this would be a revolving fund that always

has that much in the program. John Dyjach replied that the goal is to be a self-sustaining revolving fund, but it can only revolve with the money that is paid back. He added that MakerLoans are risky as they are financing those businesses that otherwise would not qualify for traditional lending, so caution is advised with the initial funding allocations. Mr. Dyjach explained that the Equipment Loan program is designed to be gap funding, where a bank may have loaned the business only a portion of the ask to limit risk and HEDIC can be the secondary lending source. Joseph McGiverin added that being the secondary lender for the Equipment Loans is fine, but due to the risky nature of the MakerLoan HEDIC should function as the sole lender. The Chair inquired as to staff plans for how frequently these funds will be reevaluated, Mr. Vega responded that it will be as needed and bring any full applications to the Board.

A motion to approve \$300,000 for the HEDIC Equipment Loan Program and \$200,000 for the HEDIC MakerLoan Program was made by Mark Cutting and seconded by Joseph McGiverin. A roll call followed.

<u>Name</u>	<u>Vote</u>
Joseph McGivern	Y
Antonio Quinones	Y
Mark P. Cutting	Y
Callie Flanagan	Y
Carl Eger, Jr.	Y
Tessa Murphy-Romboletti	Y

5. Other Business:

- a. Aaron Vega said that for the upcoming meeting with Mayor Garcia, two HEDIC representatives and two Redevelopment Authority Board members will discuss potential ARPA applications to support the efforts of both organizations. If HEDIC wanted to apply for ARPA funds the Mayor is open to ideas such as the possibility of funding the loan programs more, a site-readiness program, hiring a broker etc. The Board will be updated if anything comes of this discussion at the next meeting. Mr. Vega noted that ARPA applications are due April 14th, so time is limited if an idea comes from this meeting. Mark Cutting and Tessa Murphy-Romboletti will be the HEDIC representatives at this meeting.
- b. John Dyjach also noted the increased participation in the Mayor's bi-monthly Manufacturers Roundtable and asked if the HEDIC Board would like to be represented at these meetings. Mark Cutting volunteered as he has attended in the past.
- c. Mr. Vega announced staff changes in the office with Jennifer Keitt being promoted to Senior Project Manager, and Marie Brazeau being promoted to Development Specialist. The Board expressed congratulations.

6. Adjournment:

With no other business, a motion was made by Joseph McGiverin to adjourn the meeting which was seconded by Callie Flanagan. A roll call followed:

<u>Name</u>	<u>Vote</u>
Carl Eger, Jr.	Y
Mark Cutting	Y
Tessa Murphy-Romboletti	Y
Joseph McGivern	Y
Antonio Quinones	Y
Callie Flanagan	Y

The meeting was adjourned at 5:59pm.

Sincerely,



Tessa Murphy-Romboletti, Vice-Chairperson