

HOLYOKE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION

May 25, 2023 Meeting Minutes

City Hall Annex Conference Room 403

Or Via Zoom Meeting ID 840 3456 5611

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

Others present:

1. Call to Order

Acting Chairperson Tessa Murphy-Romboletti called the meeting to order at 5:06 p.m. and stated that the meeting was being recorded. A roll call followed:

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

2. HEDIC Board business

a. HEDIC Board Minutes of March 23, 2023: A motion was made to approve the minutes of March 23, 2023, by Carl Eger and seconded by Joseph McGivern. 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

The motion passed unanimously.

- 3. HEDIC Loan Program Roll-Out:** The Chair asked staff to provide an update on the HEDIC Loan program. Aaron Vega thanked the Board and expressed his excitement for the final stages of rolling out the program. Mr. Vega directed the Board to their packet including the full application materials and the press release to be sent out following any final edits received from the Board tonight. Further, the process for vetting applications shall be as follows; an applicant may submit an online pre application demonstrating that they meet the base requirements, HEDIC staff will review to ensure base requirements are met, applicant will then be invited to submit a full application following a meeting with staff, full applications will be reviewed at the following HEDIC Board meeting. Any Board member may choose to join the pre-application meeting process, pre applications received will be sent to the Board for informational purposes. Mr. Dyjach noted that these pre-applications are free, and applicants only have to pay when submitting a full application. Application fees will be

collected to go towards the cost of application reviews including credit reports. All application materials have been reviewed by the law department. Marketing and promotional plans for the program are being discussed. Mr. Vega stated that one issue of debate legally has been if either loan program would be open to the marijuana industry. One possibility for the marijuana policy that has been discussed internally is that marijuana businesses could only qualify for parts of the business not having any relation to recreational use THC. For example, a manufacturer of CBD oil for medicinal use. Mr. Vega noted that there is no policy listed at this moment, but staff advises the Board to think about how they would like to address this. Mr. McGivern stated that he has faith in staff to review pre applications and has no issue with the process. Mr. McGivern asked that in a scenario where an applicant has received one MakerLoan but then applies for a second MakerLoan before the term of the first loan has concluded, would they then pay interest on the second loan? Would they be able to have a second loan if they are experiencing faster growth than expected? What, if any, policy would be best. Mr. Vega thanked Mr. McGivern for this question and responded that it may be best for an applicant to fully pay off the first loan before receiving a second, yet he can see scenarios where there would be exceptions. It was determined that the Board will evaluate these requests on a case-by-case basis and will alter the policy if necessary. Mr. Quinones inquired if an applicant could apply for both an Equipment Loan and a MakerLoan. Mr. Dyjach responded that the MakerLoan requirements require HEDIC to be the sole lender, and the Equipment Loan requires the applicant to have financing through a bank so an applicant would be most likely be unable to qualify for both at the same time. Mr. Vega noted that an applicant could graduate from the MakerLoan to the Equipment Loan as the business grows. Callie Flanagan asked for clarification in the wording of the Equipment Loan rate, as it should say fixed at 50% of prime lending at the date of closing so it is clear to applicants that the rate is not variable. Staff responded they would make that clear.

4. Whiting Farms Rd. Land

The Chair opened discussion for the Whiting Farms Road land and Jennifer Keitt shared on screen the property viewer. Mr. Dyjach provided the Board with some background on the property and the Economic Development Plan in collaboration with the Holyoke Gas and Electric dating back to 2002. The parcel is about 11-acres in size and abuts the fire station and Universal Plastics on Whiting Farms Road. The mission of this Economic Development Plan has been to partner in the marketing and sale of this land for industrial use and development. This original agreement with the HG&E has expired. Due to recent interest in the land the renewal of this agreement has been broached. Mr. Dyjach requested that the Board consider and vote on the agreement. Mr. McGivern added that when the HG&E purchased land from the HWP for the dam they had to also purchase this land as a package, they did not have an intended use for this land which led to the partnership with HEDIC. Mr. Vega noted that the property is zoned IP (Industrial Park) which is a zone with a lot of opportunity for investment. As far as marketing the property, Mr. Vega has been contacting some brokers working in Holyoke who have noted interest in the property. If this agreement with the HG&E moves forward working with a broker and the HG&E to sell the property will be brought to the Board. Mr. Vega also noted that as HEDIC has not been involved in the purchase and sale of property for some years now, he would be interested to know which 30b (procurement law) exemptions apply to HEDIC. Mr. McGivern stated that HEDIC may sell property without falling under 30b, similar to the Redevelopment Authority, but must be limited to industrial properties. Mr. McGivern also asked staff to clarify that the HEDIC has already bought into this project and asked for clarification in the HEDICs financial requirements under this new agreement. Mr. Dyjach said that HEDIC will be receiving money upon the sale of the property and that the only costs that the HEDIC will contribute to would be the marketing expenses but that those would also be reimbursed upon the sale. Mr. Eger asked if HEDIC or the HG&E is responsible for the signage on the property, as the current signage needs to be replaced. Staff concurred and said they would discuss with the HG&E replacing the sign and doing some general maintenance on the property. Mr. Vega noted that the purchase price is currently being determined and it will be important to note that the purchase price will only be reflecting the 6-7 acres of the property that are developable.

A motion was made to approve the extension agreement for the Whiting Farms Road parcels was made by Carl Eger and seconded by Joseph McGivern. 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

The motion passed unanimously.

5. Other Business:

The Chair asked if there was any other business on the floor. Mr. Vega said he has general project updates going on in the city for the Board. He noted while not all these updates are related to the Board's purview, he feels keeping our Boards informed on all types of city developments is important. Staff has received inquiries from hydrogen fuel cell companies that are interested in bringing business to Holyoke. If discussions with this field move forward the HEDIC may be brought in to discuss supporting incentives for this industry or the possible development of the 11-acre parcels. Staff will inform the Board of any further updates. Mr. Vega informed the Board that there are other exciting developments happening in Holyoke such as the 216 Appleton development moving forward in the near future. A property sale of note for the Board is 111 Mosher which sold to a Broker who has already started work on the property. Mr. Dyjach added that Water Street is seeing interest from a couple companies and that it appears Quantum is moving forward with the sale. Mr. Dyjach the Parsons Paper Redevelopment project with Aegis Energy was successful but there have been some changes at the company which staff is monitoring, and which may affect the tax incentive that was awarded.

Mr. Vega announced that the Mayor will be making Board appointments for HEDICs vacancy and for Chair and Vice Chair which will be discussed more at the next meeting. Tessa Murphy- Romboletti announced to the Board that her term expires at the end of June, and she will not be seeking reappointment. She expressed her thanks to the entire Board and the staff for her positive experience in her time on the Board. Mr. McGivern expressed his congratulations and appreciation for her time as acting Chair which was echoed by the rest of the Board and staff.

6. Adjournment

A motion was made by Carl Eger 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 6:08pm.

Sincerely,



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