



2012 Year in Review

I know you have seen a number of press accounts of the various activities going on at PEDA during this past year but in an effort to ensure we stay connected on all activities, I have prepared the following year end summary.

2012 was a very productive year with two significant milestones that highlighted a variety of accomplishments. Early in the year, PEDA received title to the final parcel of the remediated GE property assigned to it in the DEDA. Commonly referred to as the “Teens”, this 16 acre site along Woodlawn Avenue comprises one third of the total William Stanley Business Park property. A couple of months later, we celebrated the Grand Opening of the Mountain One Financial Center, our second tenant in the William Stanley Business Park and the first to occupy a newly constructed building.

The PEDA team continued to work on infrastructure improvements and finalizing a number of open issues. We have negotiated new agreements with CSX and the State DOT for the replacement of the Woodlawn Avenue bridge, worked on development strategies with a few potential prospects and began laying the ground work for a new Life Sciences initiative. As a result of legislation filed by the Mayor, the Board was expanded from 7 to 11 members. The new members were appointed in the fall and the expanded PEDA team has been very actively engaged ever since. We now have a working subcommittee structure that focuses on Marketing - Community outreach, Finance and Special Projects.

Additional detail on our various accomplishments in 2012, is outlined on the following pages.

1. Transfer Status of Additional Property to PEDDA

The final 16 acres was transferred to PEDDA in February of 2012. The William Stanley Business Park is now complete with 52 acres, of developable remediated brownfield property, available for redevelopment in the heart of downtown Pittsfield.

With the land transfers complete, PEDDA will begin a more focused marketing and sales effort.

2. New Tenant

In April of last year, PEDDA celebrated the Grand Opening of the Mountain One Financial Center on lot #2 of the William Stanley Business Park. This 1.83 acre site, located on the corner of Silver Lake Blvd and East St., is home to a lovely, LEED constructed, 7,000 sq. ft. building with offices for Insurance, Banking and Financial Management. Employing 28 people, this new facility is the second tenant in the William Stanley Business Park and the first occupied structure. Built by a private developer and leased to Hoosac Bank, the financial center generates about \$50k in new annual tax revenue for the City of Pittsfield.

3. Woodlawn Avenue Bridge

In December of 2011, the transfer of the private portion (southern portion) of Woodlawn Ave which includes the bridge over the CSX rail line was completed. As the New Year began, PEDDA began negotiations with the State of Massachusetts Department of Transportation and the CSX railroad for the removal and reconstruction of that span to allow for the unobstructed movement of double stacked container freight through the City. This project had been long on the planning board but until the transfer from private (GE) hands to the public domain, the project remained stalled. A new bridge and easement agreement was settled and executed, among the parties, the old bridge span has been removed and a new design and engineering plans for the new bridge are on the fast track. PEDDA anticipates the start of construction in the late summer of 2013 and completed by late 2014. At that time, PEDDA will provide a permanent easement to the City of Pittsfield and Woodlawn Ave, a crucial north/south link, will reopen as a public street. As a foot note, double stack containers are now moving freely across the CSX line from Worcester, MA to Selkirk, NY, a big economic and transportation enhancement for the entire region.

4. Massachusetts State Revolving Loan Fund (“SRF”)

In 2009 PEDDA closed a SRF loan through the MWPAT for \$3.2 million to pay for the costs of a new storm water retention basin along Silver Lake Blvd. Although this loan required 100% cash collateral, the spread between interest income and interest expense was in PEDDA’s favor. The tables turned in 2011 and in June of this past year PEDDA paid off this debt.

5. Life Sciences Initiative

In 2009, the City of Pittsfield was one of a few selected cities in the Commonwealth to receive an earmark in the Life Sciences Center bond bill for the development and construction of a life sciences facility in the William Stanley Business Park Campus. This project has taken on new clarity in 2012 and PEDDA is actively involved with the City to take advantage of this opportunity. Collectively, we have enlisted two core anchor businesses, established a number of new research partnerships and an educational collaborative to support this effort. We have developed a creative vision for the concept and enlisted the support of community stakeholders in its design and scope. We have discussed the project with others in the field and those with similar visions in Western Massachusetts to ensure our project is complimentary to and not competitive with the other active or contemplated projects in the region or in the state. Our effort to date is evidenced by some very positive feedback from the Life Sciences Center's CEO. We have received some helpful guidance for applying for some necessary planning funds to complete a business model. And we are optimistic that we will move this project up a level by mid-2013. We are quite enthused at the prospect of stimulating economic development in Pittsfield and Berkshire County as an accelerator for startup Life Sciences companies. This will remain a top priority for the coming years.

6. Marketing Efforts

During the year, we have energized our branding of the William Stanley Business Park with a more modern and active web presence and have made a concerted effort to ensure these web sites are appropriately linked to all our local, regional and state partners and are optimized for appropriate "key word" searches by prospective tenants, site selectors, etc. We have engaged in a more aggressive outreach and public relations strategy both locally and regionally that includes personal visits, newspaper stories, radio talk shows, social media circles and through generally accepted real estate publication and web sites. We have entertained discussions with 12 qualified inquiries and continue work with 3 of those in addition to two carry overs from 2011's efforts. To supplement this, these basic marketing channels, we're planning a special campaign, focused on our life science initiative, to attract interested startup companies to our region.

7. Environmental

PEDDA has processed new and amended Environmental Restrictions and Easements (ERE's) for the 20's and 30's following construction of the new Mountain One Financial Center. We have also proposed an amended ERE for the newly acquired, "teens" acreage. In August, PEDDA completed a review of our major Environmental Insurance Policy and a new 5year policy was purchased from XL Insurance. We also began negotiations with the EPA and the State DEP on a new NPDES permit for PEDDA's storm water discharge into Silver Lake.

8. Silver Lake

As promised in the consent Decree, GE began a 2 year plan for the shoreline remediation and bottom capping of Silver Lake. In the original scope of work, the remediated shoreline was to be replanted and a pedestrian walkway was to be constructed around half of the lake shore. This land had been perceived as being owned by the City, however, title work discovered that the proposed recreational properties were actually owned privately. PEDDA was asked to step in and secure ownership of the land for the public domain. Once complete, the potential liability issues would be resolved and the walkway could be built as proposed.

PEDA has successfully negotiated an amendment to our "Covenant Not to Sue" agreement with the EPA to extend those provisions of the DEDA to the Silver Lake shoreline property. With these protections in hand, PEDDA successfully negotiated a pro bono transfer of a portion of shoreline from WMECO and has secured two other parcels through eminent domain taking. A plan to transfer the final parcel, owned by GE, has been formulated and the transfer will occur upon the completion of the work. A permanent easement with the City of Pittsfield, for the recreational area and walkway, has been granted by the City Council and will take effect when the projects final completion report is approved.

Thank you for your time and attention to our progress here at PEDDA on behalf of the City of Pittsfield. I am always happy to answer any questions or listen to your suggestions. Please don't hesitate to email or call at any time.

Sincerely,

A handwritten signature in blue ink, appearing to read "Corydon L. Thurston". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Corydon L Thurston
Executive Director, PEDDA