

Pittsfield Economic Development Authority
December 10, 2013

Meeting Minutes

In attendance were Board Members, Mick Callahan, Mike Filpi, Pam Green, Patrick Reuss, Christina Barrett, Doug Crane, Dan Bianchi, George Whaling, and Larry Tallman.

Also in attendance was Rod Jané, Consultant, Beth Goodman, Legal Counsel, Doug Clark, Director of Community Development, Tony Dobrowolski, Berkshire Eagle, Cory Thurston, Executive Director, and Colleen Hunter-Mullett, Clerk.

I. Administration

Call to Order – Chairman Callahan called the meeting to order at 8:00 AM, reminding all those present that the meeting was being both audio and video recorded.

Approval of October 30, 2013 Minutes – **There was a motion to approve the minutes of the October 30, 2013 Board meeting as presented, seconded and carried.**

II. Committee Reports

Executive Committee – Chairman Callahan informed the Board that the executive committee had met and reviewed the budget, determining that PEDDA's budget is in good shape. Chairman Callahan also informed the Board that the Mayor had four (4) Board re-appointments on the City Council agenda for this evening. He encouraged all newly appointed members to volunteer to work on sub-committees.

Budget – Mr. Thurston submitted a proposed 2014 Budget for Board review. He stated that the budget has is an approximate one percent increase over last year's budget, which is directly related to anticipated increases in engineering and marketing costs. He stressed that the proposed budget is a working document and that the actual budget will be submitted at the February Board meeting.

Chairman Callahan reminded the Board that the GE draw down fund has been depleted and that PEDDA is operating with existing funds, interest on those funds and any revenue generated through leases.

There was a motion to approve the 2014 Preliminary Budget, seconded and carried.

Special Projects - Ms. Green informed the Board that she and Mr. Thurston had attended a strategy meeting with the team. Some of the strategies involved getting DEP not to view PEDDA as a corporate entity, capping the teens to stop any outflow, transferring the property to the City to be treated as a municipal entity instead of a corporate one. Ms.

Green also informed the Board that they are exploring funding sources to assist in cost of continued monitoring. Mr. Thurston informed the Board that the issue is still a work in progress.

Pittsfield Life Sciences Initiative – Mayor Bianchi asked Mr. Jané to bring the Board up to date. Mr. Jané informed the Board that the final draft of his report will be submitted to the City this week, which will include thirty (30) letters of support. He also informed the Board that he had met with seventy organizations in Berkshire County, the Albany area and the Springfield region, as well as the MLSC, stating that the focus will be on small to medium sized companies. He stated that Phase II will drill down deep for partnership agreements, as well as the development of a detailed financial plan.

Chairman Callahan asked what the time frame for Phase II is. Mr. Jané informed him that it is approximately three (3) months.

Ms. Barrett asked what Mr. Jané's take was on the reality of commitments. Mr. Jané stated that there are no current commitments, but he is having serious conversations and believes they are real.

Mr. Whaling asked what a commitment might be. Mr. Jané stated that there are many types of commitments, such as a lease commitment or an on-site tenant commitment. Mr. Jané informed the Board that Phase II will generate Memorandum's of Understanding (MOU) or Letters of Intent (LOI).

Mr. Thurston stated that the original vision has been modified through this process and that the Center has slowly been remodeled to enable local companies as a technical resource and attract start-up companies in the life sciences field. He further stated that MLSC wants to assist PEDDA in development of the Berkshire Innovation Center (BIC). Mr. Thurston stated that Mr. Jané had submitted a response to the City RFP for Phase II of this project and he will be awarded the contract once the funding is determined.

Mr. Thurston informed the Board that MLSC has recommended that the City and/or PEDDA fund Phase II in order to keep the project's momentum. Mr. Thurston stated that the City would be going before MLSC in May or June with a request for the entire earmark. Mr. Thurston recommended that PEDDA advance the City the funds, which can be reimbursed by the City following receipt of MLSC funding for the project. Mr. Clark informed the Board that this model has been used on other projects and demonstrates the City's belief in and commitment to the project. Mayor Bianchi stated that he believes having PEDDA advance the money to the City is the correct approach to take. He stated that the approval process at the City level takes some time and he did not want to delay this project. He reiterated the fact that MLSC has been very supportive of this project.

Mr. Whaling asked what would happen if PEDDA does not get reimbursed and wondered if the City would share that cost with PEDDA. Mr. Thurston stated that if the City does not receive funding for the project, PEDDA will be out the Phase II cost. Chairman Callahan assured the Board that Mr. Thurston would be working closely with both the City and MLSC and that Mr. Jané would complete Phase II by March 31, 2014, in preparation for the May MLSC meeting.

Mr. Filpi made a motion to authorize the Executive Director to advance the City of Pittsfield a sum of money not to exceed \$64,500 as bridge financing to expedite the Phase II feasibility study for the City's Life Sciences initiative. These funds will be drawn down as required for the payment of invoices from New England Expansion Strategies, the company selected by the City as the result of a recent RFP. It is further agreed that the Executive Director is authorized, with the approval of the Executive Committee, to establish the terms for the disbursement of funds toward this contract and for the reimbursement of funds, at the earliest opportunity, to PEDDA from the City's economic development funds or from funds recouped by the City from the Mass Life Sciences Center and earmarked for this Pittsfield project. The motion was seconded by Mr. Tallman was passed unanimously.

III. Executive Director's Report

Rail Car – MBTA Initiative – Mr. Thurston informed the Board that the Massachusetts issued an RFP for new rail cars with a total cost of over 800 million dollars, with a requirement that the final assembly must be done somewhere in Massachusetts. He stated that all rail car suppliers are looking for somewhere in Massachusetts to assemble these cars and he, with the assistance of 1Berkshire, Doug Clark and the areas legislators, put together a campaign to gets the prospects to locate in Berkshire County after identifying eight (8) manufacturers.

Mr. Thurston stated that “Build in the Berkshires” is the motto that they are working with and he informed the Board that Regina Burgio has developed some graphic promotional materials advertising the four (4) sites in Berkshire County that had been quickly identified, in an attempt to attract these businesses to locate in the Berkshires.

Mr. Thurston informed the Board that he had made face to face contract with five (5) of the eight companies and handed out the promotional materials. He stated that his discussions concluded that new construction will not meet the time frame for the project, but he felt that the 3 acre slab on 40's, which also has a rail siding, has potential because the 40% of new construction costs is in the foundation. He told the Board that these manufacturers will be coming to visit in the near future.

Mr. Thurston informed the Board that he is doing some engineering and hopes to do some core sampling to know more about what can be located on this slab. He stated that

even if the rail car construction project can't be located here, the information derived from these samplings will be valuable in the future.

Mr. Filpi stated that the Board should get the federal delegation on board since there will clearly be federal dollars involved in the project. Mayor Bianchi stated that he has spoken to the Governor and the Secretary of Transportation, who are both supportive of the Berkshires. Mr. Clark stated that in his opinion, the location selected will boil down to the cost of doing business. There was some discussion regarding the competitive landscape of this project.

Chairman Callahan stated that he believes these companies will be looking toward the future and their decision will go beyond the estimated ten year rail car construction project. Chairman Callahan recommended that PEDDA offer a one million dollar incentive to the successful manufacturer to locate at the William Stanley Business Park.

Mr. Thurston informed the Board that he would like to be able to offer the incentive now to entice them here. He stated that he believed there will be additional incentives forthcoming from the City as well.

Mr. Reuss made a motion to offer a one million dollar incentive package to the company selected by the Commonwealth of Massachusetts, for the contract as outlined in RFP#CAP27-10, to build new Red line and Orange Line Cars for the MBTA, who's bid specifies the final assembly of those railcars be in a facility constructed on PEDDA property, for that purpose. And Furthermore, the Executive Committee is hereby charged with the task of developing the specific incentive guidelines, performance benchmarks, disbursement requirements and claw back provisions which are to be presented to the Board for final approval at its February meeting. The motion was seconded by Mr. Filpi and passed unanimously.

Mr. Crane stated that the Board is convinced that this is the best site, now the manufacturers need to be convinced of that. He also stated that the community needs to understand that the economic benefits will be substantial.

Mr. Thurston informed the Board that every Board member's expertise will be beneficial to this process and that expertise will be tapped in the next few months.

Mayor Bianchi stated that he felt it was important to put incentives forward that the community understands. He stated that he felt PEDDA and the City are in a great place.

Woodlawn Avenue Bridge – Mr. Thurston informed the Board that this project has stalled due to some unforeseen right of way issues. He stated that the details have been verbally worked out with GE for a friendly eminent domain taking, which requires City Council approval. Once the approval has been obtained, the project will be advertised for bidding with a spring construction start.

Silver Lake ERE's – Mr. Thurston informed the Board that the ERE is on the Commissioners desk waiting for his signature and once it's signed the transfer will occur. He stated that he believes there will be some kind of ribbon cutting ceremony in the spring. He also informed the Board repairs to the spillway will begin soon, with an estimated completion by the end of the year. He informed the Board that the inspection of the paved areas went well too.

Northeast Utilities Lease – Mr. Thurston informed the Board that there is a draft lease with Northeast Utilities to use a piece of land for pole storage, but they're still working on it. He estimated that the lease would be in effect on January 1, 2014.

Year End Review – Mr. Thurston informed the Board that he is currently working on the year end documents and anticipates submitting them to the state with the annual audit.

IV. 2014 Meeting Calendar

Chairman Callahan informed the Board that the next meeting is scheduled for January 15, 2014 and that the entire 2014 meeting schedule was distributed for their review. He stated that the new schedule only has eight (8) full Board meetings because he plans do have many sub-committee meetings in between.

There was a motion to adjourn at 9:10 AM, seconded and carried.

Respectfully submitted,



Colleen Hunter-Mullett
Clerk