



## Berkshire Economic Development: CEDS, 2004

### ANOTHER ECONOMIC DEVELOPMENT INITIATIVE?

Over the next few months a group of people representing a wide swath of interests and organizations will meet in committee to develop a Comprehensive Economic Development Strategy (CEDS) for Berkshire County, following guidelines of the federal Economic Development Administration (EDA).

This effort will dovetail with a resurgence of interest in improving economic conditions in regions across the state coming from several directions: from Regional Competitiveness Councils convened by Governor Romney, to the Northern Tier Study spearheaded by Congressman Olver focusing on the economic situation of a “northwestern” strip of communities from Gardner to Williamstown along Route 2, to Mayor Ruberto’s “Jobs for Pittsfield” initiative.

Key partners in the CEDS process are represented in the box at right below. The 2004 CEDS Committee, chaired by Richard Vinette (Director of the Lee Community Development Corporation), will draw upon representatives of the key groups noted and local government, business, industry, finance, agriculture, workforce and labor organizations, neighborhood and downtown groups. At the Committee table will be a diverse group of men and women whose perspective on the region can enrich the discussion of strategies and goals to create jobs, strengthen the regional economy, and improve living conditions in the Berkshires. BRPC will provide staff support and the CEDS document -- outlining regional priorities and an *Action Plan* -- will be submitted to EDA for approval in June of this year.

An online “Summary of EDA Investment Awards” from February to October, 2003 lists numerous projects in New England selected to receive funding including:

- an investment grant of \$258,000 to construct the Holyoke Latino Professional Business Center;
- \$501,360 from EDA to make improvements in a water supply system serving two towns in rural Maine;
- \$432,840 to supplement funding for construction of infrastructure for the Fairfield (Maine) Biotech Park and Research facility;
- \$44,000 to prepare a structural analysis and feasibility study regarding the possible reuse of three industrial facilities in downtown New Haven (CT).

**No Berkshire County projects were eligible** for consideration by EDA for investment funds in 2003 – or have been for the past decade since the South Mountain Technology Park (now Gordon Rose Tech Park) on Dan Fox Drive in Pittsfield received EDA development funding in 1993/4).

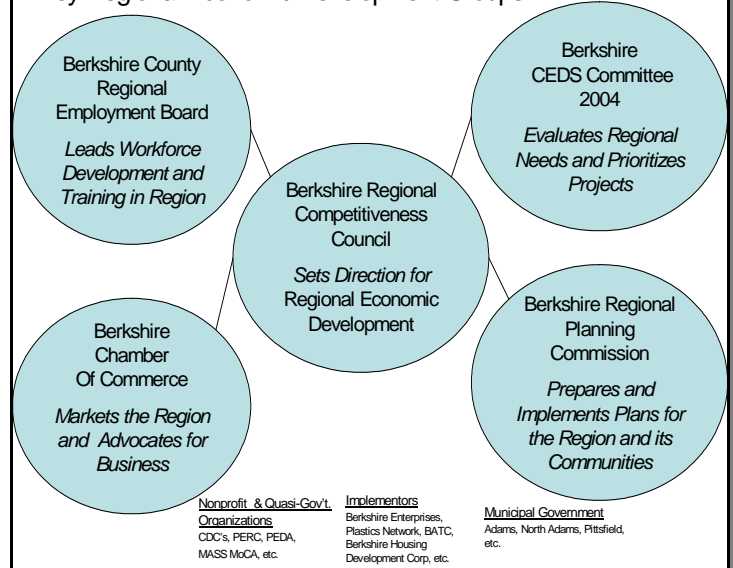
### WHY NOT?

To maintain eligibility to submit projects for funding consideration the EDA requires that a region have:

- A continuous economic development planning **Process**;
- A **CEDS Committee** representing the entire region and diverse in its members’ backgrounds and interests;
- A **Document** detailing the Committee’s planning process with annual updates as the Committee evaluates regional priorities and actions.

Though this region compiled an Overall Economic Development Program in 1993 (predecessor to the CEDS) and its first CEDS in 2001, staying the course has been problematic. Few funds exist to support the Committee’s work on an ongoing basis and to keep the many varied strands of economic development planning together: developing projects; assessing feasibility, financing, and infrastructure; working with and coordinating on projects with other agencies (ex. Berkshire County Regional Employment Board on workforce needs). Many (perhaps 50 or so) public and private individuals and organizations

### Key Regional Economic Development Groups



at the community, regional, and state level are part of the mosaic involved in economic development activity in the Berkshire region – each operating with its own mission and goals.

While great starts, neither the Program in 1993 or the Strategy in 2001 underwent an annual update (as required by EDA) by a regional Committee as part of a “continuous” process.

**THAT IS ABOUT TO CHANGE.**

The 2004 CEDS Committee is committed to jump this hurdle because the region can no longer afford to miss out on funding opportunities at any level from any sources. Failing to maintain the process of strategic planning for regional economic development is — and has been — a *costly* mistake.

As state funding is increasingly pinched by an uncertain economy and communities struggle to maintain vital services, resources for development will be ever more cautiously doled out and distributed. They will be targeted to well-thought-out priority projects backed by regional consensus and a demonstrated ability to carry them out and follow through on a regional Action Plan.

The Berkshire region must have a singular focus to get its priority projects on the table for funding. To do this will require a multi-partner CEDS Committee: a cohesion of economic development interests and regional stakeholders working from consensus on regional goals according to an Action Plan, prioritizing projects for implementation and linking public and private investment with opportunities.

- village and downtown improvements, or commercial infill
- business assistance geared to micro-enterprises,
- establishing a site selection database.

These, as well as infrastructure projects identified in some communities to improve water, sewer, or telecommunications capabilities, and a major interest in housing rehabilitation region-wide provide a base of community ideas and projects for development.

In October, 2003, the CDP team met with a broad group of potential regional partners to discuss implementation of

**WHERE ARE WE NOW?**  
Indicators of Regional Economic Prosperity and Community Well-Being.

Population Indicators	Status	Trend (vs. MA, US)
Diversity (Race & Ethnicity)	5.9%	Current %; far below MA & US levels
Population Stability (1990-2000)	-3.2%	Only MA region still in decline
Population < 18	-4.9%	Shrinking; MA & US growing
19 to 44 years	-17.0%	Key workforce cohort: sharp decline
65 and over (total)	18%	Current share; sharply above MA & US
85+	+27%	Significant growth in share
Births	-27%	Drop from 1990
Net Migration (2000-02)	-500	Continuing negative trend
Median Age	40.5	10% higher than MA and US

these projects: Berkshire Housing Development Corporation, Berkshire Grown, Berkshire Enterprises, Construct, and the region’s Community Development Corporations and representatives of municipal community development offices.

These projects, initiated at the grassroots level, form a core of economic and community development activity responsive to community and regional needs -- the base on which a comprehensive regional strategy can be formulated.

Community-based economic development initiatives include projects identified by PEDA for redevelopment of the GE site, considered a regional priority for economic development in the 2001 CEDS, or by other of the region’s CDC’s, or other non-profits. Project proposals are also likely to come from the new “Jobs for Pittsfield” task force in addition to the community-defined projects culminating from Executive Order 418 funding of Community Development Planning (economic development, housing, and transportation-related) in 24 of the region’s 32 communities.

The CEDS process will provide the framework for consideration of these and other local and regional projects, and coordination of expertise and resources from

**WHO CAN APPLY FOR EDA ASSISTANCE?**

- Units of state and local government
- Public and private non-profits in cooperation with local government with jurisdiction over the project area

**HOW WILL ECONOMIC DEVELOPMENT PROJECTS GET INTO THE CEDS ACTION PLAN?**

Regional communities which participated in the Community Development Plan (Executive Order 418) process over the past two years have an array of ideas and plans to direct and manage development in their communities. Community-defined potential economic development projects range from

- redevelopment and rehabilitation of former mills or other industrial sites to
- agricultural pursuits and preservation of farming,

Income & Poverty Indicators	Status	Trend
Household Income (2000)	\$39,047	Falling further from MA level
Family Income (2000)	\$50,162	Falling further from MA level
Per Capita Income (2000)	\$21,807	Only 84% of MA per capita income
Households in Poverty	5,688	Increasing share of all households

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***CEDS 2001 GOALS — STILL ON TARGET?***

An important role that the 2004 CEDS Committee will take on is reevaluating the goals set in 2001 and refocusing the region’s Vision: where we want to be in the next 10 to 20 years. Check out the following 6 goals:

Goal 1: Maintain, strengthen, and expand economic base industries in the region, especially manufacturing, and new technology businesses or industries.

Goal 2: Promote and expand workforce development strategies to meet the needs of industries and businesses and to offer diverse and increased opportunities to the workforce.

Goal 3: Increase regional capacity for strategic planning and problem-solving, and for developing partnerships and linkages to develop strategies to meet a wide variety of needs.

Goal 4: Improve the region’s economic competitiveness through site and building development and reuse, and through targeted infrastructure improvements.

Goal 5: Provide adequate/expanded financial support and develop management capacity for a full range of economic development activities from incubator businesses to established industries to promote continuous innovation and expansion.

Goal 6: Strengthen and expand growing regional economic cooperation to serve as the foundation for successful internal and external marketing and outreach.

the region to move them forward by priority. The Committee deliberations and consensus are designed to promote funding partnerships enabling projects to attract funding from sources both public and private, at the local, regional, state, and federal EDA level (if eligible).

The CEDS Committee, working in concert with the regional partners noted, will have the specific responsibility of establishing a prioritized list of key physical projects, and an Action Plan and timeframe for implementation. The Committee will oversee projects through appropriate preliminary stages, guiding projects (as necessary) from concept to feasibility and financial assessments into full development. The Berkshire CEDS Committee will utilize the expertise, analysis, and partnership opportunities of regional stakeholders to forge a vision of where the region wants to be in the future and what it will take to get there. □

***What Types of Projects are funded by EDA?***

**Projects that will create and retain private-sector jobs and leverage public and private investment in distressed areas.**

- Planning and technical assistance to build local capacity for economic development programs, including
  - initial capital for Revolving Loan Funds,
  - grants for feasibility studies
- Public works and development facilities to support industrial, commercial, and technology-based employment in eligible areas experiencing significant economic distress.

Eligibility for project funding from the EDA requires that the project area meet one of two conditions related to unemployment rate or per capita income compared to the national average.

<b>Workforce Indicators</b>	<b>Status</b>	<b>Trend</b>
High School Graduate or above (2000)	85%	On target with state level
College or Professional Degree (2000)	26%	Higher, but further below state rate
Labor Force (2002, DET)	69,022	Increasing from 1990 level
Unemployment Rate, 2003*	4.9%	Lower than MA rate, but also increasing

\*Annual Average -- Not Seasonally Adjusted

<b>Economic Indicators</b>	<b>Status</b>	<b>Trend</b>
Job Gains (1990-2000)	1%	Lowest rate in MA
Real Wage & Salary Gains (1990-2000)	6%	15th of 16 MA SDA's*
Average Annual Wages & Salaries (2000)	\$31,277	12th of 16; Losing ground 1985-2000
% Growth in Exports (among MSA's 1993-99)	184%	Ranked 22nd; far outperforming region's size
Workers Commuting In/Out region (1990-2000)	-9.4%	Ratio of in-commuting dropped from 1990

\* SDA: Service Delivery Area: Berkshire County