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BERKSHIRE CEDS MEETING #6 MINUTES
THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY FOR THE BERKSHIRES

DATE: Thursday, July 8, 2004
TIME: 8:30 AM
PLACE: Berkshire Regional Planning Commission Offices
1 Fenn Street, Suite 201
Pittsfield, MA

I. Call to Order

Mr. Vinette called the meeting to order at approximately 8:34 a.m.

The following Committee members were present:

Blair Benjamin	Bill Mulholland
David Bissaillon	Sharon Palma
Donna Cesan	Ed Perlak
Tim Geller (arrived at 8:39 a.m.)	Richard Rilla
Sam Haupt	Richard Scullin
Mike Hoffman	Vicky Singer
Matt. Kerwood (arrived at 8:46 a.m.)	Rich Vinette

Also present were Nat Karns (BRPC Executive Director), Kate McNulty-Vaughan (BRPC staff), and Peter Falcier (BRPC staff).

II. Approval of CEDS Meeting #5 Minutes of June 17, 2004

Mr. Haupt moved to approve the minutes of the June 17, 2004 meeting. Ms. Singer seconded the motion. The motion was approved unanimously.

III. Review of Economic Development Funding Sources

Mr. Karns reviewed a BRPC-prepared matrix of economic development funding sources handed out at this meeting. He explained that the chart is not a comprehensive list, but it does summarize the programs BRPC and other agencies in the region have used successfully for economic development projects.

Mr. Vinette noted that a recommendation from State Senator Andrea Nuciforo and State Representative Smitty Pignatelli to add \$10 million to the Public Works Economic Development Program (PWED) funding had survived both the state House and Senate transportation bill deliberations. Mr. Karns explained that the state transportation bond bill deals mostly with road projects, but Rep. Pignatelli was able to get two of the projects submitted to the 2004 CEDS Committee—the utilities study along Rt. 102 in Lee and a feasibility study of the truck plaza site in West Stockbridge—into the bill this time. Mr. Karns explained that there is a separate economic stimulus bill going through the state legislature; at least one of the CEDS projects, the MacDermids Mill reuse/feasibility project, is on the bill, along with two additional projects from Sen.

Nuciforo's district, including a regional wireless communications study. Mr. Karns noted that the economic stimulus bill had yet to be introduced in the House.

Mr. Vinette asked if the CEDS Committee should monitor the legislative financial support as part of its ongoing process. Mr. Karns said yes, and added that the CEDS staff should probably draft a letter for the Committee's signature alerting the Berkshire legislative representatives to the CEDS Committee's top priority projects. He added that the trend for funding of economic development projects recently has been through earmarks; he suggested that the CEDS project prioritization could provide the region's representatives with a focused list of projects, well-vetted by a regional economic development body, which should receive such earmarks first.

Ms. Singer asked for clarification about the Berkshire region's eligibility for USDA rural business enterprise grants. She said that the USDA website does not show the Berkshire region as "rural." Mr. Karns told the committee that 31 of the region's 32 municipalities *are* eligible for the rural technical assistance funds from the USDA. Only Pittsfield is not because its population is more than 25,000, the maximum threshold for USDA "rural" classification.

Mr. Karns explained that, although the U.S. EDA is the legal *raison d'être* for the CEDS Committee, the CEDS staff felt it was important to provide the Committee with a matrix of available funding resources because the projects submitted to the CEDS Committee will most likely be eligible for several other sources of funding, whether it be from the Commonwealth or from other federal agencies.

Mr. Vinette asked the Committee to review the matrix and to respond to the CEDS staff with any additional funding sources in order to keep the list as comprehensive and effective as possible. Mr. Karns noted that the available funding programs change with every budget cycle, so the matrix will require some monitoring.

IV. Discussion of Project Evaluation Criteria

Ms. McNulty-Vaughan introduced a second handout, a preliminary sorting of the projects submitted to the 2004 CEDS Committee, as a first attempt to relate those projects to the 2004 CEDS Goals and Objectives. She noted that, in the first sort, no project met Goal #3, as set out in the 2004 CEDS Goals and Objectives. Ms. McNulty-Vaughan explained how the staff developed a scoring system for projects based on the Commonwealth's 10 sustainability principles. In the first sort, a project received a point for each principle it met. She noted that not all the submission forms made it clear whether a project complied with some of the sustainability principles, so that method of evaluation could be up for discussion. For readiness, the staff used a scoring system of 1, 3 or 5, with higher points for projects further along in the development process. The next phase of the sort was an assessment of the impact for the region—that is, the regional costs and benefits. The assessment, said Ms. McNulty-Vaughan, is an attempt to identify the core submitted economic development projects. The last parameter in the handout was a "philosophical" index based on EDA questions pertinent to all economic development discussions.

Mr. Vinette clarified whether or not the project sort would result in a ranking of the submitted projects that could then be compared to EDA funding eligibility criteria. Mr. Karns and Ms. McNulty-Vaughan said that many of the projects may not meet the strict EDA funding requirements but may be very significant in the economic development of the region. Mr. Karns explained that the goal of the Committee's evaluation is to lay out all of the reasonably measured economic development factors, including but not exclusive to EDA funding eligibility, and identify the projects that rate most significantly among those factors and that would contribute most significantly to the region's economy. He added that if the staff and Committee were to do a purely mathematical scoring of the projects, it would be best to measure the "dollars-per-expected-job" for each project, but the vast majority of project proponents did not submit enough information to determine such a measure.

Mr. Scullin posed a question to the Committee: should the CEDS process at this stage aim to determine a prioritized project for each community, or for each sub-region, in order to satisfy both the economic development needs of the Berkshires *and* the political agendas of Committee members and others in the region. He suggested looking for the projects with the greatest economic benefit in each sub-region of the

Berkshires (e.g. Adams/North Adams/Northern Berkshires, Pittsfield/Central Berkshires, Great Barrington/Southern Berkshires) and then laying them out together on a map as the prioritized CEDS projects for the entire region. Both Ms. McNulty-Vaughan and Mr. Vinette agreed that that was a valuable and forthright piece of advice. They suggested combining a sub-regional prioritization with some form of quantitative analysis of the projects.

Mr. Vinette suggested that improvement in the Stanley Business Park, for example, and other employment in Pittsfield will improve the economic development prospects in surrounding communities. He suggested that local job creation with regional impacts should be the main criteria for high priority amongst the CEDS projects. Ms. McNulty-Vaughan explained that regional and local impacts did indeed form a principal layer of assessment in her preliminary project sort.

Mr. Kerwood said that job numbers are clearly part of the equation in considering the “best bang for the buck” amongst projects. He suggested that the preliminary staff evaluation (the handout) may be much more complicated than the Committee really requires. He thought it best to start by sorting the EDA eligible projects from the ineligible projects. Mr. Bissaillon echoed this sentiment. Mr. Karns and Ms. McNulty-Vaughan said that from the staff’s perspective—and from the standpoint of creating a useful regional economic development strategy—EDA eligibility should be the final stage of evaluation. Ms. McNulty-Vaughan pointed out that EDA’s CEDS Guidelines advise CEDS Committees to consider projects and programs that will have the greatest impact for their regions, whether or not they comply with EDA funding requirements.

Mr. Vinette explained that before differentiating EDA eligible from ineligible projects, the Committee should simply agree on precisely what the range of project evaluation criteria should be. He suggested that the staff evaluation may serve more as a guide for the Committee; Mr. Karns agreed that this is what the staff intended.

Mr. Kerwood said that just because a project is ready to go does not mean it is reflective of the Goals and Objectives. He said that many of the projects will simply fall away in the prioritization because they do not meet the Goals and Objectives. Mr. Karns replied that that is precisely the reason the staff made compliance with the Goals and Objectives the first layer of evaluation in the preliminary project sort.

Mr. Vinette reminded the Committee that one part of the CEDS process is the document (i.e. meeting the federal requirements and so forth), and the second is for each of the parties at the CEDS Committee table to help each other advance various “parochial” economic development goals in the interest of achieving overall regional economic development success.

Ms. Cesan proposed a two-tier evaluation: 1) rate how projects meet the region’s own CEDS Goals and Objectives, the state sustainability principles, the EDA requirements, etc. and 2) rate the implementation feasibility and a project’s ready-to-go status. She suggested that a numerical index, with scores on a 1-5 scale (with 5 being favorable), would serve as a useful tool for the Committee, at least to help lay the ground work for the Committee’s assessment of project prioritization and implementation scheduling.

Mr. Vinette asked the committee how it should address the job creation/job retention aspects of the submitted projects. He also asked the Committee how it wanted to score regional and local impacts/benefits and significance. He said that, based on the information available to the staff and Committee, it will most likely be a subjective score applied to each project. Mr. Kerwood suggested that job retention should have equal weight to job creation in the scoring, though he agreed with Mr. Vinette that it would be difficult to assign numbers to employment factors.

Mr. Karns explained that from the staff’s perspective, not all the submitted projects have easily quantifiable employment figures with which to judge job creation/job retention. Ms. McNulty-Vaughan said that she sorted projects by type in the preliminary sorting, as opposed to other criteria such as job creation/retention, regional impact, or ready-to-go status, specifically because different types of projects have different eligibilities and thus will compete for different pools of funding.

Mr. Vinette said that it seems the Committee is suggesting a “two-bites-at-the-apple” scenario where it assigns numbers to economic development parameters and then sets them aside to meet geopolitical schemes.

Mr. Vinette raised the issue of collecting information on regional economic development projects on an ongoing basis. Ms. McNulty-Vaughan said that for the staff to deal with additional projects for the purpose of this year’s CEDS would be next to impossible. She also noted that Franklin County, as an example, only collects projects every 5 years for the CEDS process. But she noted that they also have a formal invitation period when they sit down with project proponents and walk through the CEDS submission process together. Mr. Karns said that it would make sense on a long-term basis to collect projects regularly, including actively reaching out to communities that did not submit projects in this current CEDS round. But he told the Committee that it would be better as a step for next year and the years beyond.

Mr. Kerwood felt that the structure of the regional planning commission, with its knowledge of planning activities throughout the region, is best suited to collecting information on economic development projects as they move through the development process. Mr. Vinette agreed that BRPC would be a suitable agency to collect the projects, but he stipulated that that should be an ongoing activity separate from the collection of projects already done for the 2004 CEDS. Mr. Kerwood noted that such a process fits with 2004 CEDS Goal #3, and Mr. Karns pointed out that it also would advance particular business development initiatives of the Chamber.

Ms. Singer said that one of the outcomes of regularly collecting information on economic development projects could be a grant application for CEDS planning from the EDA. She feared that this Committee would do all of this planning work and then lose its momentum (as happened in 2001) if there is no support for ongoing economic development planning programs, such as a well-maintained clearinghouse of regional economic development projects.

Mr. Vinette asked for the Committee’s consensus on submitting other economic development projects, independent of the current CEDS process, so that the BRPC staff can put them into a larger database for the Committee to review in the future. The Committee agreed that members would encourage communities and other agencies that had missed the current round of CEDS project submission to submit economic development projects to BRPC on an ongoing basis for future CEDS consideration.

Mr. Geller asked the Committee and the staff to suggest a job quality index—not just a job quantity index—for the job creation/job retention criterion. Mr. Perlak agreed, saying that there has to be a way to assess the quality of jobs created by any project. He suggested setting a premium for high-quality jobs. Mr. Scullin said that this is an important thing for developing a success story.

Mr. Karns explained that some projects may add numerous but lower-quality jobs for modest overall project cost, while others may add fewer but higher-quality jobs at an extremely high project cost. He argued that the staff and ultimately the Committee will likely have to make some subjective decisions about the tradeoffs over cost per job created and the prospect of regional impacts for the number and quality of those jobs. Mr. Vinette noted that it would also be difficult for the staff and the Committee to assign job scores to entrepreneurial enterprises.

Mr. Karns agreed that job quantity, job quality, and cost per job are all significant factors, but he explained to the Committee that the information the staff has available for each submitted project are not very good. He suggested that the best the staff could do at this point is to subjectively assign “hi,” “medium,” or “low” designations (or scores of 1, 3 or 5, 5 being favorable) to the job factors for each project.

Mr. Hoffman suggested that it may not be worth making this analysis too complicated. He said that from his own experience with plans like this over many years, it’s been rare that a high-tech firm with many high-quality jobs comes from an urban center to the Berkshires. He said that, with the exception of a few “home runs” over the years, most of the projects are expansion or retooling type of development or primarily replacement jobs.

Mr. Scullin asked, then, whether there were some submitted projects the Committee could simply eliminate

from priority contention. He suggested as a first sort eliminating the projects ineligible for federal funding. Ms. McNulty-Vaughan said that no: we'll end up eliminating many of the most meaningful projects in the region. She explained that the Committee needed to do two things: 1) prioritize the projects that will have the greatest economic impact in the region while keeping track of the possible funding streams for them, and then 2) identify a select group of projects (hopefully from among the prioritized projects) that could qualify for EDA funding. Mr. Kerwood gave the example of the Stanley Business Park, which is not federally eligible but is a regional priority, and the New England Log Homes site, which may not be as high a regional economic development priority but is federally eligible.

Mr. Perlak made the point that if he were an project applicant he would want some definitive record of how his project had been evaluated. He argued that the Committee had better produce some systematic documentation of its prioritization analysis in case a project submitter or an elected official or and EDA reviewer or anyone else wanted to know how the Committee arrived at its ranking of regional project priorities.

Ms. Cesan proposed the following criteria for a numerical project evaluation, which would serve both as a tool for the Committee in prioritizing the projects and as a record to anyone curious about how the Committee sorted them: 1) compliance with Goals & Objectives, 2) OCD Sustainable Development principles, 3) job quality, 4) job creation/retention potential, 5) regional impact, 6) local impact, 7) regional capacity impact (how well a project helps the region do further economic development), 8) degree to which project serves as a catalyst for expanded economic development, 9) readiness. She proposed scoring each of the projects in each of these categories on scoring basis of 1-5 (with 5 being favorable).

Mr. Bissaillon asked whether the readiness characterization should be left to the implementation schedule and not included in the project evaluation. Ms. Cesan agreed that that was an equally reasonable way to handle the readiness analysis. Mr. Karns added that readiness to do a feasibility study is different from readiness to do construction; he and Ms. Cesan agreed that a project ready for a feasibility study should get a high readiness score if the submitted project is the feasibility study itself. Ms. McNulty-Vaughan asked whether projects ready for feasibility studies should get a score of 5 *and* projects ready to go for construction should also get a 5. She argued that, under such a system, almost every project would qualify for a 5 in readiness score. She suggested that readiness for construction could be the high score and other degrees of readiness could be lower score.

Mr. Karns noted that it was possible to score certain feasibility study projects higher than other feasibility projects, based, for instance, on whether or not the proponent had possession of a property or not or had even had dealings with the property owner. Mr. Kerwood gave a case in point: the Dalton project proponents have control over the property and have already engaged an engineer to do conceptual designs whereas the Lane Construction site proponents have yet to secure any rights to the property and probably have a decade to go before conceptual designs and construction. He concluded by saying that if the Committee were to consider each project as a feasibility project, Dalton would score much higher than the Lane project.

Mr. Hoffman said that listing all these points and indexing them for 38 projects may be creating too much work if the Committee is charged with simply picking out the handful of priority projects across the region. He seemed to think that project timelines should be the driving factor in prioritizing the projects. Mr. Vinette agreed that the CEDS Committee should consider the timeframes of the projects in the prioritization, but he made the point that the Committee shouldn't lose sight of the importance of planning for the longer-term projects now. He referred again to the Lane Construction site, which is a 200 acre industrial zoned parcel, one of a kind in Berkshire County; if proper economic development planning isn't done for that site sometime in the near future, said Mr. Vinette, it may not be usable for economic development in the more distant future.

Mr. Vinette asked the Committee to come to agreement on how best to evaluate the projects. Mr. Kerwood moved to accept Ms. Cesan's proposal for evaluating the submitted projects. Mr. Haupt seconded the motion. The motion was approved without further discussion.

V. Prospective Project Prioritization

There was no discussion of project prioritization at this meeting.

VI. Next Meeting

The Committee agreed to meet again at 8:30 a.m. Thursday, July 15, 2004 at the Berkshire Regional Planning Commission offices at 1 Fenn Street in Pittsfield.