



# IN CITY COUNCIL

MAY 4, 2015

Marlborough, Mass.,

## ORDERED:

That the Marlborough Economic Development Corporation transfer request in the amount of \$731,875.00 which moves funds from Economic Development to MEDC Funding, be and is herewith refer to **FINANCE COMMITTEE**.

CITY OF MARLBOROUGH BUDGET TRANSFERS --									
DEPT:		Mayor				FISCAL YEAR:		2015	
Available Balance		FROM ACCOUNT:				TO ACCOUNT:		Available Balance	
Amount	Org Code	Object	Account Description:	Amount	Org Code	Object	Account Description:	Amount	Balance
\$919,689.52	27000099	42440	Economic Development	\$631,875.00	11740006	53950	MEDC Funding	\$0.00	\$0.00
Reason:		To allow the MEDC to continue it's work in promoting the economic development of the City for FY16							
\$919,689.52	27000099	42440	Economic Development	\$100,000.00	11740006	53950	MEDC Funding	\$0.00	\$0.00
Reason:		To capitalize a Revolving Loan Fund Program							
\$731,875.00	Total			\$731,875.00	Total				

ADOPTED

ORDER NO. 15-1006198



RECEIVED  
CLERK'S OFFICE  
MARLBOROUGH

APR 30 A 11: 26

*City of Marlborough*  
*Office of the Mayor*

140 Main Street, Marlborough, Massachusetts 01752  
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*Arthur G. Vigeant*  
MAYOR

*Michael C. Berry*  
EXECUTIVE AIDE

*Patricia Bernard*  
EXECUTIVE SECRETARY

April 30, 2015

City Council President Patricia Pope  
Marlborough City Council  
140 Main Street  
Marlborough, MA 01752

Re: Transfer Request – Marlborough Economic Development Corp.

Honorable President Pope and Councilors:

Respectfully submitted for your approval is a transfer request on behalf of the Marlborough Economic Development Corp (MEDC) to fully fund their Fiscal Year 2016 operations:

- 1) Transfer in the amount of \$731,875.00 from 27000099-42440 (Economic Development) to 11740006-53950 (MEDC Funding).

Since coming to office in 2012 I have seen firsthand how hard the MEDC staff has worked to build a reputation as an effective, reliable organization that not only builds new relationships with potential commercial tenants but strengthens the ones we have with many of our long term businesses. From GE Healthcare to IPG Photonics Corp, the MEDC has earned my trust and proven worthy of our investment.

From a revenue standpoint, the local option hotels tax is up 8.7% for the year ending March 31, 2015. I am very confident that we will continue to have a sustainable revenue stream to fund continued operations.

I have enclosed for your benefit a summary prepared by City Auditor Diane Smith that details the revenues taken since 2011, the pertinent transfer sheet and the detailed budget submittal prepared by MEDC Director Tim Cummings.

Thank you in advanced for your consideration.

Sincerely,

Arthur G. Vigeant  
Mayor

Enclosures

## ECONOMIC DEVELOPMENT FUNDING

9/30/2011 State Aid	\$165,166.12
12/31/2011 State Aid	\$190,224.55
3/31/2012 State Aid	\$132,447.82
6/29/2012 State Aid	\$146,495.56
9/30/2012 State Aid	\$185,400.20
12/31/2012 State Aid	\$182,736.99
3/31/2013 State Aid	\$123,837.95
6/28/2013 State Aid	\$152,429.69
9/20/2013 State Aid	\$196,053.08
12/30/2013 State Aid	\$204,331.94
3/31/2014 State Aid	\$134,171.82
6/30/2014 State Aid	\$165,392.81
9/30/2014 State Aid	\$225,891.57
12/31/2014 State Aid	\$215,368.61
3/31/2015 State Aid	\$139,754.81

Total Funding	<u>\$2,559,703.52</u>
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12/5/2011 CO# 11-1003048	-\$146,837.00
12/19/2011 CO# 11-1004004	-\$3,163.00
5/21/2012 CO# 12-1005008	-\$200,000.00
12/17/2012 CO# 12-1005205	-\$277,099.00
6/3/2013 CO# 13-1005418A	-\$499,000.00
6/30/2014 CO# 14-1005840	-\$513,915.00

Total Transfers	<u>-\$1,640,014.00</u>
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Available for future transfers	\$919,689.52
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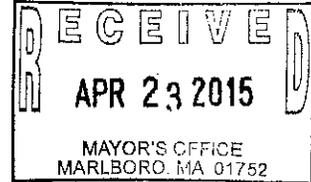


**Marlborough**  
ECONOMIC DEVELOPMENT CORPORATION

*Building on a Common Vision*

April 21, 2015

Honorable Arthur G. Vigeant, Mayor  
City Hall, 4<sup>th</sup> Floor  
140 Main Street  
Marlborough, MA 01752



**RE: FY'16 Operating Budget Transfer Request & Capitalization of a Revolving Loan Fund Program**

Dear Mayor Vigeant:

I am writing seeking a transfer request.

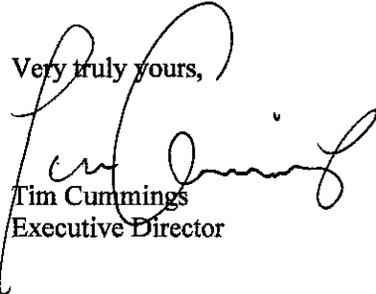
On behalf of the Marlborough Economic Development Corporation (MEDC), I am herewith submitting this letter requesting a transfer of funds to the Marlborough Economic Development Corporation in the amount of \$631,875.00 to fund operations and special projects for FY'16 as approved by the MEDC Board of Directors on March 11, 2015.

Additionally, the MEDC is requesting a separate appropriation from the City in the amount of \$100,000.00 to capitalize a Revolving Loan Fund Program which we have been working towards creating the past few months in conjunction with some committed local financial institutions. Their participation is contingent upon the City's participation. And we have developed a public/private partnership to promote this great community benefit and resource.

I would appreciate your approving this transfer request as soon as possible and forwarding on to the City Council allowing MEDC an opportunity to update the City Council on the progress made thus far in implementing the City's Economic Development Master Plan and addressing the Revolving Loan Fund Program in further detail.

Thank you for your kind attention to this matter.

Very truly yours,

  
Tim Cummings  
Executive Director

**Attachments**

- A: FY'16 Operational Budget
- B: Revolving Loan Fund Backup

Cc: Diane Smith, Marlborough City Auditor  
Brian Doherty, Marlborough City Comptroller/Treasurer

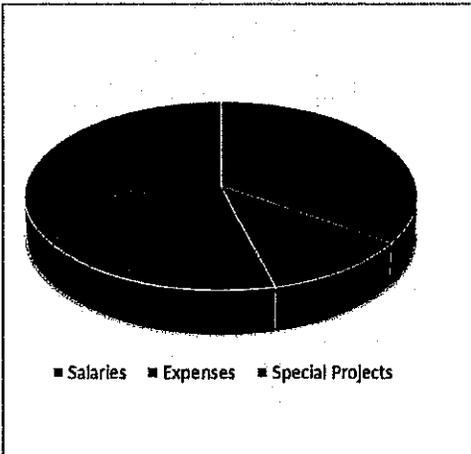
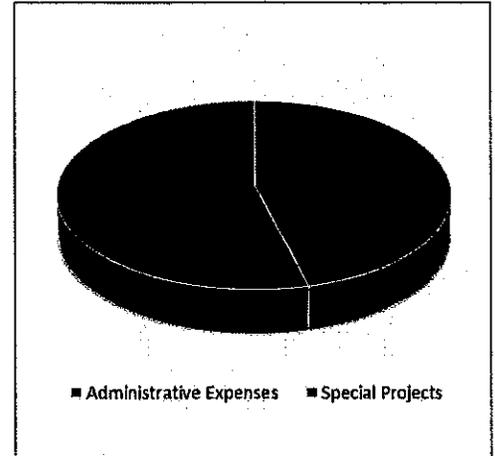
# **Attachment A**

*FY'16 Operational Budget*

**Mission:** The Marlborough Economic Development Corporation (MEDC) is the state-chartered economic development arm of the City of Marlborough. It is our mission to stabilize the residential tax base by increasing the commercial tax revenue, in order to secure the future stability of our city and allow for higher quality of life for all its residents. We do this by working with municipal leaders and private investors to foster economic development, job growth, and community revitalization and expansion.

**Overview:** The Marlborough Economic Development Corporation (MEDC) requests a total budget of \$631,875 to fund its' operations and special projects. Administrative Expenses are allocated \$290,975 which represents 46% of the total budget while Special Projects represents 54% at an allocation of \$340,900.

We are the sales and promotional arm for the City of Marlborough and this maintenance budget request will allow the MEDC to continue to advocate for infrastructure that supports economic development, promote and implement economic development policies and projects, to continue to promote and support hospitality and tourism and to maximize our efforts in business outreach, retention, expansion and attraction for the city.



**Summary:** The budget is divided into 3 categories which represent salaries, expenses and special projects. Salaries account for 35% of the budget and 11% accounts for the operations and administrative expenses of the office. Special projects represent 54% of the total budget with allocations spread over 4 specific areas. The following is a synopsis of budget line item allocations for the above listed categories.

**Salaries and Benefits**

\$219,650 in personnel, employer taxes and fringe benefits is allocated to 5 employees. The staffing schedule identifies 2 permanent full-time employees at \$151,100 including benefits, 2 permanent part-time employees at \$42,100 and 1 temporary summer part-time intern at \$3,200. Employer payroll taxes are allocated at \$23,250 based on the above staff schedule.

**Expenses**

\$71,325 is allocated to operating and administrative expenses. Materials and supplies covers collectively all operating supplies and services, which are defined as consumable commodities, necessary to conduct business: for example, office and custodial supplies, printing and reproducing general marketing collateral, subscriptions, postage, repairs and office maintenance. Contracted services covers operating services obtained by contract with the outsourced vendor. For example, agreements with our accountant, marketing & communications manager and our payroll service provider. Occupancy covers office rent, insurance, utility expenses and capital outlay covers operating expenditures of significant amounts resulting in the acquisition or replacement for extending life of fixed assets such as computers, copiers, etc.

The FY'16 expenditure breakdown is as follows:

- Materials & Supplies 17,525
- Contracted Services 24,400
- Occupancy 28,900
- Capital Outlay 500
- Total Expenses \$71,325



**Special Projects**

\$340,900 is allocated to special projects in order for MEDC to carry out the goals and objectives of the organization. The following goals were approved by the MEDC Board of Directors on January 21, 2015 (for a complete listing of the objectives please see the *Goals & Objectives of MEDC for FY16 Attachment*).

We believe these goals are important, achievable and reflect the values of our community and organization.

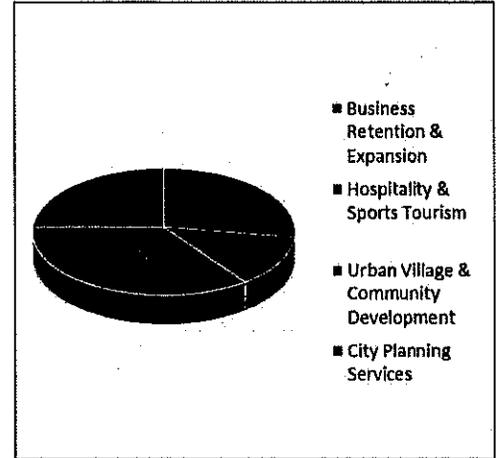
**Goals:**

- Renewed Commitment to the MEDC Mission Statement
- Continue to focus on the implementation of the Economic Development Master Plan
- Reduce Marlborough's vacancy rate

The FY'16 expenditure breakdown is as follows:

- Business Retention & Expansion 94,000
- Hospitality & Sports Tourism 42,500
- Urban Village & Community Development 119,400
- City Planning Services 85,000
- Total Special Projects \$340,900

(For a complete listing of the FY'16 Special Projects, please see the *Special Accounts Attachment*)



**Conclusion:** The FY'16 Budget Narrative was created with the main goal of making the budget process more transparent to all stakeholders – by outlining the detailed budget in the following pages.

## Marlborough Economic Development Corporation

## FY'16 Budget Overview

July 2015 through June 2016

Jul '15 - Jun 16

## Ordinary Income/Expense

## Expense

## Insurance

5080 · Director's Insurance	1,300.00
5085 · General Liability	600.00
5090 · Pocket Park Ins. - Main Street	0.00
5095 · Workers' Comp	600.00
5096 · Short Term Disability	400.00
<b>Total Insurance</b>	<b>2,900.00</b>

## Payroll Expenses

5145 · Bonus	10,000.00
5150 · Dental Insurance	400.00
5160 · ER Taxes	23,250.00
5165 · Health Insurance	3,300.00
5170 · Salaries	177,000.00
5253 · Temporary Help	3,200.00
<b>Total Payroll Expenses</b>	<b>217,150.00</b>

5005 · Advertising/Marketing	1,500.00
5010 · Annual Report	15.00
5015 · Business Travel	500.00
5030 · Computer Services & Licenses	1,400.00
5035 · Conferences/Meetings	600.00
5060 · Dues and Subscriptions	9,200.00
5065 · Events	400.00
5070 · Gifts and Promotions	600.00
5100 · Internet service	720.00
5105 · Maintenance & Repair	600.00
5135 · Media Contractor	20,000.00
5140 · Office Supplies	2,000.00
5180 · Payroll Fees	2,000.00
5185 · Phone	2,900.00
5190 · Postage and Delivery	400.00
5195 · Printing and Reproduction	500.00
5200 · Professional Development	2,500.00
5205 · Professional Fees	1,500.00
5235 · Rent	21,500.00
5240 · Service Charges	10.00
5250 · Special Projects/Consultant	340,900.00
5260 · Utilities	1,600.00
5265 · Web design and maintenance	480.00
<b>Total Expense</b>	<b>631,875.00</b>

<b>Net Ordinary Income</b>	<b>-631,875.00</b>
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<b>Net Income</b>	<b>-631,875.00</b>
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\*FY' 16 Budget shown in QuickBooks Accountant 2013



**FY16**

	Expended & Encumbered	Expended & Encumbered as of 4/8/15	Original Appropriation	Expenditures	Request	Supervising Authority	City Council
Marlborough Economic Development Corporation	FY14	FY15	FY15	FY16	FY16	FY16	Approval
<b>Salaries</b>							
<b>Fulltime (1)</b>	\$159,966	\$128,064		<b>\$174,350</b>		<b>\$174,350</b>	
Executive Director			\$78,500		\$87,700		
Executive Administrative Assistant			\$45,800		\$47,200		
Employee Benefits	\$6,820	\$5,891	\$6,000		\$39,450		
Bonus	\$4,770	\$7,545					
Employer Taxes	\$18,861	\$14,190	\$25,000				
<b>Parttime (2)</b>	\$0	\$0		<b>\$45,300</b>		<b>\$45,300</b>	
Hospitality Sports Tourism Coordinator			\$19,500		\$19,800		
Temporary Help/Internship	\$3,221	\$1,157	\$2,500		\$3,200		
Business Outreach Coordinator			\$17,000		\$22,300		
<b>Salaries Total (Lines 1-2)</b>	<b>\$190,416</b>	<b>\$156,847</b>	<b>\$194,300</b>	<b>\$219,650</b>	<b>\$219,650</b>	<b>\$219,650</b>	<b>\$0</b>
<b>Expenses</b>							
<b>Materials &amp; Supplies (3)</b>	\$0	\$0		<b>\$17,525</b>		<b>\$17,525</b>	
Advertising/Marketing	\$28,885	\$2,041	\$1,700		\$1,500		
Annual Report	\$15	\$15	\$15		\$15		
Business Travel	\$8,645	\$743			\$500		
Conferences/Meetings	\$13,188	\$3,812	\$1,500		\$600		
Contribution/Sponsorship	\$500						
Events	\$21,803	\$316			\$400		
Gifts & Promotions	\$2,391	\$1,777			\$800		
Grants Awarded							
Maintenance & Repair	\$7,842	\$395	\$600		\$600		
Media Contractor	\$19,776	\$23,025					
Membership Fees/Subscriptions	\$10,862	\$13,781	\$9,600		\$9,200		
Office Supplies	\$9,832	\$2,030	\$2,500		\$2,000		
Postage & Delivery	\$2,217	\$456	\$400		\$400		
Printing & Reproduction	\$6,228	\$1,106	\$400		\$500		
Reimbursable Expenses							
Service Charges	\$30	\$10			\$10		
Software	\$2,213	(\$140)					
Website/Internet	\$1,334	\$689	\$1,500		\$1,200		
<b>Contracted Services (4)</b>	\$45,242	\$0		<b>\$24,400</b>		<b>\$24,400</b>	
Accounting/Book Keeping			\$2,000		\$1,500		
Professional/Consultant Fees	\$25,860	\$8,162	\$22,000		\$20,000		
IT Maintenance Services			\$1,200		\$900		
ADP Payroll Services	\$2,074	\$1,551	\$2,000		\$2,000		
<b>Occupancy (5)</b>				<b>\$28,900</b>		<b>\$28,900</b>	
Lease Agreement	\$23,075	\$17,360	\$21,500		\$21,500		
Office Insurance	\$489	\$417	\$600		\$600		
Directors/Officers Liability Insurance	\$1,174	\$1,020	\$1,200		\$1,300		
Park Insurance - Main Street	\$1,007						
Workers' Comp	\$551				\$600		
Short Term Disability		\$150			\$400		
Utilities	\$4,571.00	\$4,404	\$3,400		\$4,500		
<b>Capital Outlay (6)</b>	\$0			<b>\$500</b>		<b>\$500</b>	
Computer Equip & Licenses	\$3,630	\$2,125	\$2,000		\$500		
<b>Expenses Total (Lines 3-6)</b>	<b>\$243,429</b>	<b>\$85,224</b>	<b>\$74,115</b>	<b>\$71,325</b>	<b>\$71,325</b>	<b>\$71,325</b>	<b>\$0</b>
<b>Special Accounts</b>							
<b>Special Projects (7)</b>	\$4,095			<b>\$340,900</b>		<b>\$340,900</b>	
Business Retention & Expansion		\$52,735	\$101,000		\$94,000		
Hospitality & Sports Tourism		\$36,944	\$44,500		\$42,500		
Urban Village & Community Development		\$3,211	\$15,000		\$119,400		
City Planning Services		\$18,342	\$85,000		\$85,000		
<b>Special Accts. Total (Line 7)</b>	<b>\$4,095</b>	<b>\$111,232</b>	<b>\$245,500</b>	<b>\$340,900</b>	<b>\$340,900</b>	<b>\$340,900</b>	<b>\$0</b>
<b>THE GRAND TOTAL</b>	<b>\$437,940</b>	<b>\$353,303</b>	<b>\$813,915</b>	<b>\$631,875</b>	<b>\$631,875</b>	<b>\$631,875</b>	<b>\$0</b>



PERMANENT PART TIME												
CALCULATE 52 WEEKS OF PAY HERE - Annual Rate Increase of 3%												
(A) NAME	(B) TITLE	(C) Hours/ week	(D) Hourly rate before anniv.	(E) Anniv. Date	(F) Weeks to Anniv. Date	(G) Long- vity at % or flat rate	(H) Total Salary to Anniv.Date	(I) Hourly rate after Anniv.date	(J) Weeks left in Budget yr.	(K) Long- vity at % or flat rate	(L) Salary from Anniv to End	(M) Total Salary for Budget Yr
Deb Williams	Hospitality Sports Tourism Coordinator	20	18.84	3/20/2016	37	18.84	13,940.42	19.40	15	19.40	5,821.07	19,761.48
CALCULATE 52 WEEKS OF PAY HERE - Annual Rate Increase of 3%												
(A) NAME	(B) TITLE	(C) Hours/ week	(D) Hourly rate before anniv.	(E) Anniv. Date	(F) Weeks to Anniv. Date	(G) Long- vity at % or flat rate	(H) Total Salary to Anniv.Date	(I) Hourly rate after Anniv.date	(J) Weeks left in Budget yr.	(K) Long- vity at % or flat rate	(L) Salary from Anniv to End	(M) Total Salary for Budget Yr
Michael McGuire	Business Outreach Coordinator	28	13.91	7/1/2015	40	13.91	15579.2	14.33	-	-	-	\$ 15,579.20
		40	13.91	7/1/2015	12	13.91	6676.8	14.33	-	-	-	\$ 6,676.80
												\$22,256.00
CALCULATE 52 WEEKS OF PAY HERE - Annual Rate Increase of 3%												
(A) NAME	(B) TITLE	(C) Hours/ week	(D) Hourly rate	(E) Weeks	(F) Long- vity at % or flat rate	(G) Hourly rate	(H) Hourly rate	(I) Hourly rate	(J) Weeks	(K) Long- vity at % or flat rate	(L) Hourly rate	(M) Total Salary for Budget Yr
Michael McGuire	Business Outreach Coordinator	28	13.50	40	13.50	13.50	13.50	13.50	40	13.50	13.50	\$ 10,260
		40	13.50	12	13.50	13.50	13.50	13.50	12	13.50	13.50	\$ 6,480
												\$ 16,740
Temp Part Time												
(A) NAME	(B) TITLE	(C) Hours/ week	(D) Hourly rate	(E) Weeks	(F) Long- vity at % or flat rate	(G) Hourly rate	(H) Hourly rate	(I) Hourly rate	(J) Weeks	(K) Long- vity at % or flat rate	(L) Hourly rate	(M) Total Salary for Budget Yr
Temporary Help	Summer 2015	32	12.50	8								\$ 3,200
Salaries Parttime (2)												
Grand Total FY16												
												\$ 45,217

SUMMARY OF NON-SALARIED EXPENDITURES						
Expenses (3-6)	Expended FY14	Expended FY15 as of 4/6/15	Appropriated FY15	Supervising Authority Request FY16	City Council Approval	
3 M&S	\$ 135,759	\$ 50,036	\$ 18,215	\$ 17,525		
4 Cont.Serv.	\$ 73,176	\$ 9,713	\$ 27,200	\$ 24,400		
5 Occup.	\$ 30,867	\$ 23,351	\$ 26,700	\$ 28,900		
6 Cap.Outlay	\$ 3,630	\$ 2,125	\$ 2,000	\$ 500		
<b>TOTALS</b>	<b>\$ 243,432</b>	<b>\$ 85,225</b>	<b>\$ 74,115</b>	<b>\$ 71,325</b>		
7 Spec.Accts	\$ 4,095	\$ 111,232	\$ 245,500	\$ 340,900		
<b>Expenses (3-7)</b>						
<b>GRAND TOTALS</b>	<b>\$ 247,527</b>	<b>\$ 196,457</b>	<b>\$ 319,615</b>	<b>\$ 412,225</b>		

Expenses (3)	MATERIALS AND SUPPLIES	Amount Requested
This category covers collectively all operating supplies and services, which are defined as consumable commodities, necessary to conduct business: for example, office and custodial supplies, printing and reproducing marketing collateral, subscriptions, postage, repairs and office maintenance, etc.		
Please list any non-consumable item costing over \$100 on the Capital Outlay page. This would include office equipment.		
<b>ITEMIZE AND JUSTIFY</b>		
Advertising/Marketing Supplies & Services (Ex. E-Newsletter & E-Survey Services, Creation of Marketing Flyers such as Retail/Marborough Case Studies, etc.)		\$ 1,500
State of Massachusetts Mandatory - Annual Report Filing		\$ 15
Business Travel - (Ex. Mileage to standard events/mtgs, parking, tolls)		\$ 500
Conferences/Meetings (Ex. Registration Fees for business events, luncheons, receptions & misc. attendance & hosting expenditures)		\$ 600
Events (Ex. Office Mtgs, office luncheons/breakfasts considered an MEDC operating "event")		\$ 400
Gifts & Promotions (Ex. Periodic staff luncheons, holidays, small tokens to clients/constituents)		\$ 600
Maintenance & Repair (Ex. Regular Office Cleaning, Office Fixtures & Dry Cleaning/Carpet Cleaning)		\$ 600
Membership Fees/Subscriptions (Ex. CoStar Realty Services, Yearly Newspaper Subscriptions & Membership Dues)		\$ 9,200
Office Supplies (Ex. Paper, pens, notepads, binders, paper clips, staples, labels, coffee, water, etc. ... - Including small/light office equip <\$100)		\$ 2,000
Postage & Delivery (Ex. USPS Stamps & FedEx Services, Basic Office Mailings - Operational & Outreach)		\$ 400
Printing & Reproduction (Ex. Xerox Services, Re-print Marketing Collateral & Special Article Poster Prints)		\$ 500
Service Charges (Ex. Bank monthly fees)		\$ 10
Website/Internet/Email Services (Ex. Monthly web-hosting fee, internet connection & MS Email Hosted Exchange Server fees)		\$ 1,200
<b>TOTAL MATERIALS &amp; SUPPLIES</b>		\$ 17,525

Expenses (4)		CONTRACTED SERVICES					
		Covers operating services obtained by contract with outsourced vendor. For example: accounting services, marketing & communications vendor, payroll services, etc.					
<b>ITEMIZE AND JUSTIFY:</b>						<b>AMOUNT</b>	
Accounting/Book Keeping						\$1,500.00	
- CPA on Retainer/Yearly Filings							
- A/P & Payroll Services							
- Fiscal End Process							
Professional/Consultant Fees						\$20,000.00	
- Communications/Media Vendor							
IT Maintenance Services						\$900.00	
- Tech on Retainer							
- Computer & Licensing Fees							
- Electronics: Maintenance & Repair							
ADP Payroll Services						\$2,000.00	
- Processing Charges							
- Tax Services							
- Year End Processing							
<b>TOTAL</b>						<b>\$24,400.00</b>	

Expenses (5)	OCCUPANCY	Requested Amount
Marlborough Economic Development Corporation (MEDC) 91 Main Street, Suite 203B / 204		
Lease Agreement		\$ 21,500
Office Insurance		\$ 600
Directors & Officers Liability Insurance		\$ 1,300
Workers' Comp Insurance		\$ 600
Short Term Disability Insurance (FT Employees)		\$ 400
Utilities		\$ 4,500
- Phone Services & Voicemail System		
- Electricity Supply		
<b>TOTAL</b>		<b>\$ 28,900</b>



Special Projects (7)	SPECIAL ACCOUNTS	AMOUNT
<b>SPECIAL PROJECTS:</b>		
<b>Business Retention &amp; Expansion</b>		
Founders Reception	Annual Thank You event	\$ 3,000
Marketing Collateral	General MEDC Advertising/Marketing (i.e. RLF Program, Website, Booklets)	\$ 9,000
Professional Mailing(s)	1-2 professional mailing(s)	\$ 1,000
Workshops for the business community	1-2 Free workshops for the business community	\$ 5,000
Hosted Outreach Events (Attraction)	4 Outreach events/trips (i.e. w/ MassEcon & MassBio)	\$ 15,000
Job Fair / Workshops	Annual Workforce event(s)	\$ 9,000
Trade Show Attendance & Participation	4 Trade Shows (1 a qtr.. Specific industries)	\$ 10,000
Focus Group/Event (Retention)	Targeted event (i.e. Commercial Brokers)	\$ 2,500
Media Buy Branding Campaign ("Think Marlborough")	Targeted print/digital campaign - Branding Marlborough	\$ 18,000
Restaurant Initiative	Marketing & Attraction	\$ 1,500
Transportation Shuttle Programs	Provide assistance towards implementation	\$ 20,000
	<b>Total</b>	<b>\$ 94,000</b>
<b>Hospitality &amp; Sports Tourism</b>		
Visit-Marlborough Website	SEO / Marketing	\$ 1,500
Marlborough Restaurant Association - Training	Training Initiative	\$ 9,500
Dine Local Campaign	Dine Local Initiative	\$ 6,500
Hospitality Business Development	Hotel/Restaurant & Sports Tourism	\$ 25,000
	<b>Total</b>	<b>\$ 42,500</b>
<b>Urban Village Development</b>		
Downtown Beautification	Lighting, Landscaping, Signs, etc...	\$ 10,000
Market Downtown - Newly re-zoned	Market the new Downtown Overlay District	\$ 9,400
Downtown Redevelopment	Improving parcels and/or specific areas in the downtown	\$ 100,000
	<b>Total</b>	<b>\$ 119,400</b>
<b>City Services</b>		
City Planning Services - City of Marlborough	Analysis & Technical Assistance	\$ 85,000
	<b>Total</b>	<b>\$ 85,000</b>
	<b>TOTAL SPECIAL ACCOUNTS</b>	<b>\$ 340,900</b>



## **The Goals and Objectives of MEDC for FY'16**

### **Background**

At our meeting of January 21, 2015, the Marlborough Economic Development Corporation (MEDC) Board of Directors approved to continue with the following three (3) goals and the following objectives for FY'16.

The board had also requested for MEDC to add a few more items as metrics to benchmark the success of the City of Marlborough. The metrics have been added and are laid before you for your final review. This document along with the proposed FY'16 Budget will be presented to the City Council for their approval by mid-April.

### **MEDC Goals**

1. Renewed Commitment to the MEDC Mission Statement
2. Continue to focus on the implementation of the Economic Development Master Plan
3. Reduce Marlborough's vacancy rate

### **Objectives**

- The organization shall continue to strengthen relationships with strategic partners for concrete progress in areas that improve the community's quality of life by pursuing issues of mutual benefit to Marlborough and the strategic partners
- Work with a planner (i.e. MAPC) to develop a conceptual plan to re-zone the City's South West Quadrant
- Develop a plan for Route 20E to enhance the assessments of the corridor and develop a Roadway Plan to include complete streets and sidewalks to make the area more pedestrian friendly (long-range plan)
- Market the newly re-zoned downtown to attract developers and prospective businesses
- Identify and pursue attraction of at least one (1) new restaurant to the city (as part of the overall attraction effort)
- Provide assistance towards the implementation of transportation shuttle program(s)
- Maintain the general awareness of Marlborough as a pro-business municipality in the Commonwealth of Massachusetts
- Continue to work toward assisting the City of Marlborough's Conservation & Department of Public Works to ensure the Lake Williams Trail project is completed with a fountain (multi-year objective)
- Continue to investigate options for working with owners/brokers of commercial/industrial space to reduce the commercial vacancy rate. This may include but is not limited to keeping an inventory of vacant space and tracking lease agreements for upcoming terminations
- Attract or absorb 100,000 net positive sq./ft. of commercial space in the City of Marlborough
- Expand the existing employment base by 200 net positive jobs in select areas of the city
- Collaborate with area hotels to improve the experience of company employees and visitors to Marlborough

- Continue to develop a specialized marketing campaign to attract business associations and sports tourism to Marlborough hotels
- Food Truck Outreach effort to see if there is interest as an amenity for our industrial parks
- Market the areas within the city identified for development or redevelopment (43D Expedited Permitting)
- Continue with outreach program to businesses within the city
- Provide a single point of contact for economic development a business ombudsman with clear authority from the city to coordinate all departments in business permitting
- Host 2 retention/targeted events (Annual Founders Reception, Commercial Brokers, etc...)
- Host 2-3 workshops for the business community to help improve and expand their business
- Sponsor 2-3 outreach events/trips (attraction of new development/tenants)
- Continue with job fair and/or workforce development workshops for the community
- Attend 4 trade shows (1 qtr.) in select industries/clusters Marlborough wants to further develop
- Continue with concierge desk at the New England Sports Center
- Continue with Media Buy Branding Campaign – “Think Marlborough”
- Continue with downtown beautification (lighting, landscaping, signs)
- Continue with the Restaurant Training Initiative
- Explore a Revolving Loan Program for small businesses – (separate appropriation from the city)
- Explore a Private Shuttle Bus – (separate appropriation from the city)
- Explore the possibility of creating a small business committee

**Metrics to benchmark success**

The City of Marlborough’s:

- Vacancy Rate
- Local Option
- Meals Revenue
- Rooms Revenue
- Net New Revenue Certification
- Number of Building Permits Pulled
- Number of Permanent Jobs and/or Job Postings
- Number of Meetings with Local Businesses and Consultants

# **Attachment B**

*Revolving Loan Fund Backup*



April 21, 2015

Madam President  
City Council  
Marlborough City Hall  
140 Main Street  
Marlborough, MA 01752

**RE: Support Revolving Loan Fund ("RLF") Program**

Dear Madam President and Distinguished Councilors:

We are writing to express our interest and participation in the capitalization of the Revolving Loan Fund ("RLF") program as outlined in the Marlborough Economic Development Corporation ("MEDC") budget request dated April 21, 2015.

As you may know, a Revolving Loan Fund is a best practice in how public/private resources, which are scarce, can be used for economic development in a positive and beneficial manner.

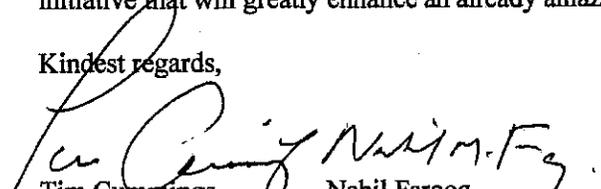
A revolving loan fund (RLF) is a gap financing measure primarily used for development and expansion of small businesses. It is a pool of money loaned with creative financing terms typically not accessible under more conventional lending.

Establishing a revolving loan fund provides access to a flexible source of capital that can be used in combination with more traditional sources. Often the RLF is a bridge between the amount the borrower can obtain on the private market and the amount needed to start or sustain a business. For example, a borrower may obtain 60 to 80 percent of project financing from other sources.

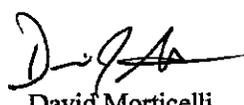
While the majority of RLFs support local businesses, some target specific areas such as healthcare, minority business development, and environmental cleanup. In this instance we will be looking to lend on projects that will increase jobs and enhance property values/assessments in the City of Marlborough. Attached you will find additional information for your review and consideration.

Thank you for your kind attention to this letter and should you have any questions please do not hesitate to contact anyone of us at your earliest convenience. We are looking forward to this new initiative that will greatly enhance an already amazing city!

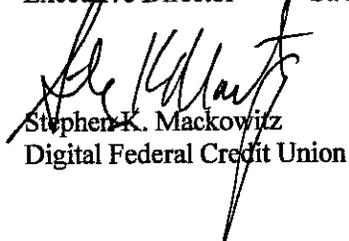
Kindest regards,

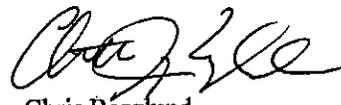
  
Tim Cummings  
Executive Director

Nabil Farooq  
St. Mary's Credit Union

  
David Morticelli  
Avidia Bank

  
Bill Pezzoni  
MEDC Representative

  
Stephen K. Mackowitz  
Digital Federal Credit Union

  
Chris Berglund  
Marlborough Savings Bank



## Memorandum

TO: City of Marlborough City Council  
FROM: T. Cummings  
DATE: April 21, 2015  
SUBJECT: Revolving Loan Fund Program Information

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### Overview

A revolving loan fund (RLF) is a gap financing measure primarily used for development and expansion of small businesses. While the majority of RLFs support local businesses, some target specific areas such as healthcare, minority business development, and environmental cleanup.

Establishing a revolving loan fund provides access to a flexible source of capital that can be used in combination with more conventional sources. Often the RLF is a bridge between the amount the borrower can obtain on the private market and the amount needed to start or sustain a business. For example, a borrower may obtain 60 to 80 percent of project financing from other sources.

Quality RLFs issue loans at market or otherwise competitive and attractive rates. Many RLF studies have shown that access to capital and flexibility in collateral and terms is more important to borrowers over lower than market interest rates. With competitive rates and flexible terms, a RLF provides access to new financing sources for the borrower, while lowering overall risk for participating institutional lenders.

Eligible uses for RLF loans include:

- Operating capital
- Acquisition of land and buildings
- New construction
- Facade and building renovation
- Landscape and property improvements, and
- Machinery and equipment.
- Soft cost expenses related to Real Estate development

### Capitalizing a Revolving Loan Fund

Most revolving loan funds have at least one local public source for capitalization combined with other sources. If capitalization is *exclusively* local, the RLF may have greater flexibility in lending, as state and federal involvement tend to include restrictions that may not fit local business needs.

State and local governments often use one or a combination of the following to capitalize an RLF: tax set-asides, general obligation bonds, direct appropriations from the state legislature, annual dues from participating counties or municipalities, and funds directed from the state lottery.

The federal government is another common source of capitalization. Communities may apply for funding from the United States Department of Agriculture (via the Rural Economic and Community Development Administration), Housing and Urban Development (via Community Development Block Grants), and the Department of Commerce (via the Economic Development Administration).



## **Standards and Results**

While RLFs take on projects with above average risk, borrowers are held to standard financial requirements in loan security. Before a loan is issued, a business or prospective business usually supplies the following documentation:

- Business plan
- Business experience and management information
- Credit history and financial statements
- Sufficient collateral to repay bank and RLF funding
- Other personal or corporate guarantees on the project, and
- Cash flow projections.

As a public investment instrument, revolving loan funds are expected to result in public goods – namely projects contributing to economic growth and community revitalization. Borrowers therefore, must address performance measures established by the loan administrator such as:

- Number and type of jobs created or retained
- Increase in tax revenue
- Private funding relative to public investment, and
- Benefits to low and moderate-income citizens, from business ownership to job opportunities.

## **Administration**

A Loan Review Committee or board of directors takes responsibility for reviewing loan proposals, designating of an administrative body (can be public, nonprofit, or private), and contracting a local bank for the loan fund's portfolio management responsibilities. The committee or board is usually a combination of legal, private lending, business, community development, and local government professionals.

Staffing a revolving loan fund requires a team of financial specialists. In one approach – best for funds issuing a higher volume of loans – each team member is responsible for a different stage of the lending process. For instance, one staff specializes in loan packaging while another specializes in monitoring existing loans. An alternative approach assigns each loan to an individual who monitors it from beginning to end.

## **Next Steps**

To date MEDC has commitments of \$50k each from the following 4 participating financial institutions (contingent upon public participation): Marlborough Savings Bank, Avidia Bank, DCU and St. Mary's Credit Union.

Additionally, MEDC along with the other financial institutions will be meeting regularly to further develop the program.