

Town of Southbridge

Study on Downtown Buildings

**Prepared under:
The Department of Housing and Community
Development
Downtown Initiative Program**



Southbridge Evening News Building

PREPARED BY:

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Newton, MA 02464
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Overview

LDS was hired by the Commonwealth of Massachusetts under its Downtown Initiative Program to work with the Town of Southbridge to identify tools to stimulate investment in downtown buildings. LDS worked was assisted by Marc Older on this work. We were informed that the main concern of the community is the number of buildings with upper floor vacancies, empty storefronts and lack of upkeep to building facades. Our main contact is Cassandra Acly who is with the Southbridge Department of Economic Development and Planning.

We took a four step approach as follows:

1. LDS met with Sandy Acly to tour the downtown area and identify sites that were in need of improvement. In addition, we collected existing study data on the downtown area including a report prepared by OKM Associates and the draft Urban Renewal Plan prepared by BSC. – Page 3.
2. LDS created a cover letter and survey to distribute to down town property owners to solicit feedback on issues to property improvement.- Page 10, 25 and 26
3. LDS contacted recipients of the downtown façade program for feedback about the program. – Page 11
4. LDS examined real estate and small business lending programs. – Page 15

The following is a report on our results.

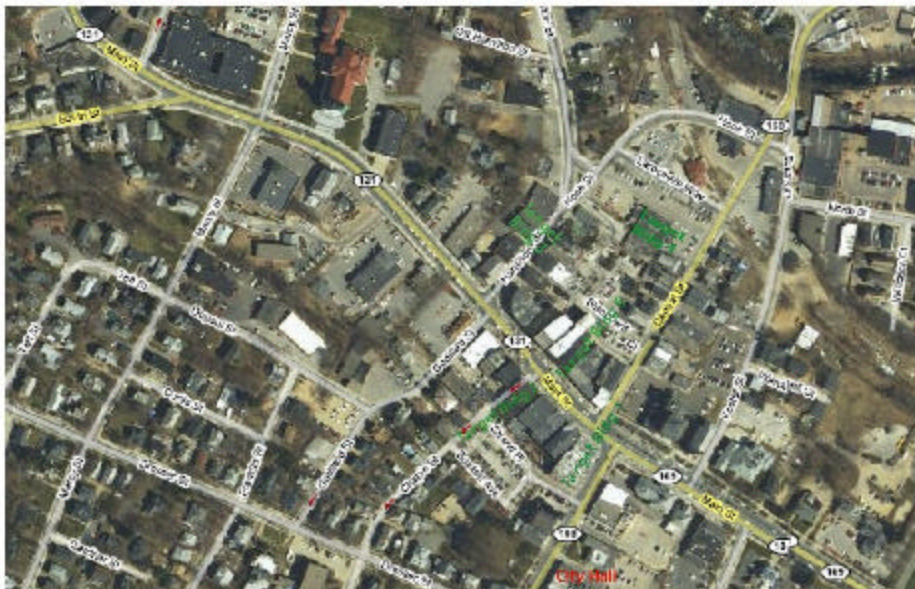
1. Site Tour

Marc Older met with Cassandra Acly and toured the downtown area. The Town of Southbridge provided assessor's plans as well as assessors' information on 25 properties in the downtown area that they believed might need physical improvement. The properties range in size and type of building materials from brick to clapboard and one story to five stories tall. While many of the storefronts have local businesses as tenants, much of the upper floors remain vacant. A number of the buildings are for sale, and a number of the buildings have recently been purchased.

According to the OKM study, in the downtown area, there are over 20 restaurants and bars, 13 personal services including hair and nail salons, three major banks and a credit union, several legal and real estate businesses and many health care establishments. Other service businesses include two lodging facilities - the Southbridge Conference Center, a 203-room hotel and the historic Vienna Bed and Breakfast. Downtown fitness, entertainment and function facilities include the YMCA, bowling lanes, and VFW. There is a strong presence of community institutions including the Post Office and Town Hall, several churches, and social services (e.g., mental health center, Catholic Charities). The area also houses many contractors, manufacturers and other miscellaneous businesses that do not generate "walk-in customers". These businesses typically go to customers rather than having customers come to them or they produce a product for wholesaling. There are 23 of these businesses in the downtown. There are a number of businesses owned and catering to the Hispanic Population.

According to the Urban Renewal Plan, 45% of the downtown area is under utilized and could benefit from infrastructure improvements.

The following plan shows an aerial view of the study area:



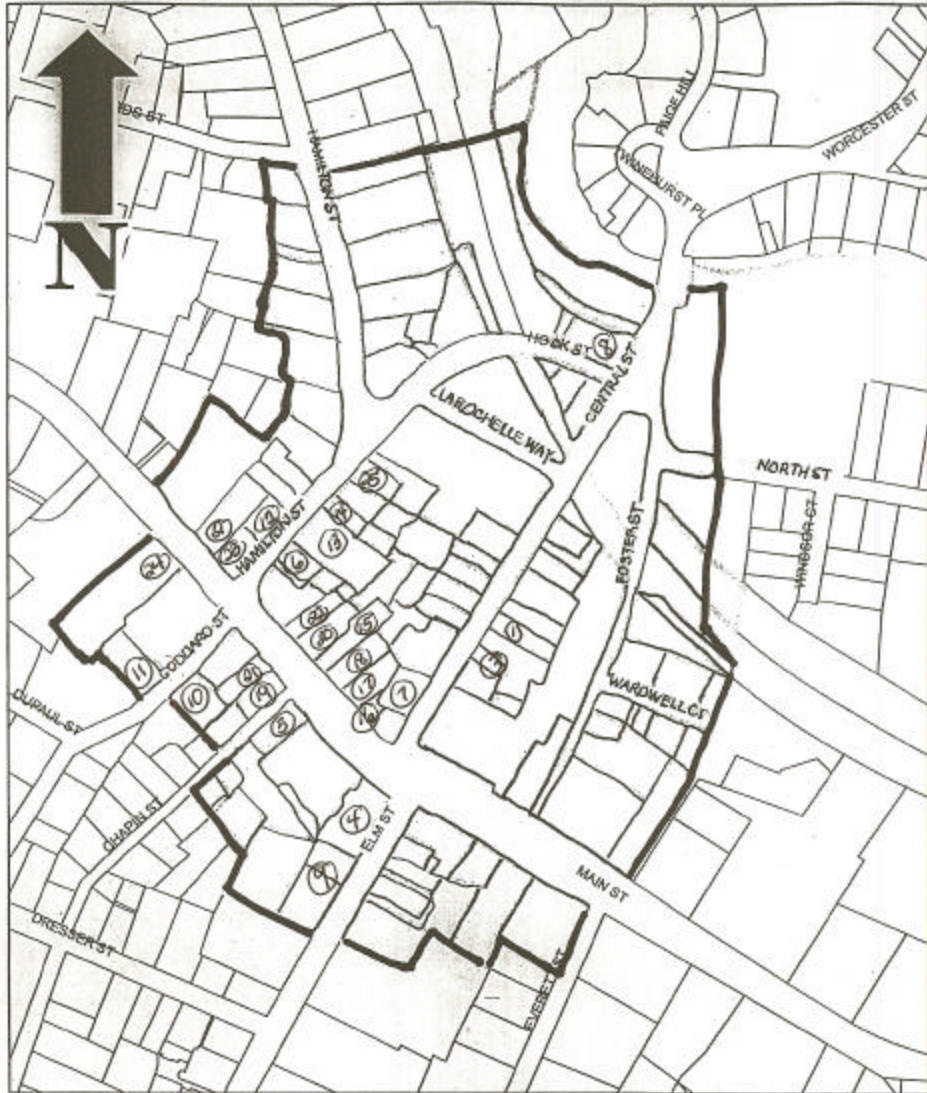
<https://www.google.com/maps/@42.1111111,-71.5111111,15z>

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Source Google Maps

The following is the central core overlay district which encompasses roughly the same area of study and is also the area covered by the Façade Program discussed later in the study. Some buildings have been identified by numbers to indicate that they may be benefited by this study. Properties located in the Central Core Overlay Zone require a special permit from the planning board. It is flexible zoning which allows the planning board to allow for looser dimensional requirements such as set backs and parking. The district also encourages mixed use properties.

Proposed Downtown Target Area



Town of Southbridge

Map for Reference Only
NOT A LEGAL DOCUMENT
Because of different update schedules
current property assessments may not
reflect recent changes in property
boundaries. Check with the Board of
Assessors to confirm boundaries used at
time of assessment.



January, 2007





Street View

The following pictures are a representation of buildings in the study area that may have vacancies and/or are in need of physical improvements:











2. Community Survey

LDS created a cover letter and survey form, which forms are attached, and sent the forms to 25 downtown property owners to solicit feedback about their properties and to learn about impediments to physical improvements. Due to a variety of issues including lack of publicity, the response rate was low with a total of five responses or 20%. However, the information in the responses was fairly consistent. Three of the responders have owned their properties less than five years and two have owned their property more than 10 years. All responders purchased their property. The following is a summary of the survey results:

Occupancy:

First floor office, two upper floor vacant.

First floor manufacturing business and storage.

First floor pub, retail space vacant, 13 apartments being renovated.

One office, four retail and 3 apartments

Church, 1st floor retail under construction and two apartments.

Rents:

Most spaces did not include electricity in rent, some included heat and hot water.

Apartment rents ranged from \$.63 a square foot to \$.88 a square foot (averaged \$750).

Office was reported at \$.53 a square foot (\$750).

Retail ranged from \$.61-\$.88 a square foot (\$550-\$1,450).

Repair Issues:

Lack of second floor egress or elevator.

Lack of parking to add apartments.

Facade Improvements (2).

Roof Repair (3)

HVAC

Need to update apartments.

Constraints:

Lack of Funds (4)

Most respondents indicated a familiarity with the Tri County Chamber of Commerce, The Downtown Southbridge Partnership and the Downtown Streetscape facade program.

Several respondents cited the need to pay prevailing wages as a constraint to using the facade program.

All respondents indicated a willingness to meet and discuss the results of the study and a weeknight seemed to be preferable.

3. Façade Program

The façade improvement program is administered and overseen by the Town of Southbridge and it is funded by the Massachusetts Department of Housing and Community Development through a grant from the Community Development Block Grant program. The goal of program is improve downtown buildings to stimulate the downtown economy by making it a more attractive and inviting place to visit and to do business. The funding is available to both landlords and tenants. One of the best ways to demonstrate change early in the downtown revitalization initiative is through building improvement projects. Seeing buildings improved convinces citizens and business owners alike that something exciting and positive is happening downtown. It reverses negative perceptions. Stimulating interest in building improvements helps generate immediate activity and creates momentum for future projects and downtown investment.

A maximum of \$5,000 is available for signs, \$15,000 for awning and \$50,000 for facades. The term for a deferred payment loan for an awning or sign is five years and the term for façade improvements is 5-10 years. The deferred payment loan automatically reduces each year if the owner or tenant stays at the property for the term of the loan. The program requires the applicant to pay for 50% of the project costs for façade improvements. It also requires the contractor to be paid prevailing wages.

To date, the Town has committed approximately \$260,000 in improvements for 25 projects or on average \$10,000 a project. The projects range in price from \$1,700-\$50,000. The majority of the work is for signs and awnings as well as a few façade improvements. The façade work is considerably more expensive than signs and awnings. However, in addition to the way a façade looks once it is improved, it also serves to protect the building.

Marc Older contacted participants in the façade program and spoke to between 12-14 tenants. The feedback was that everyone he spoke to was delighted with the program. They did not find it difficult and received lots of attention and support from the City. They all recommend it to other businesses and in many cases they already have. They agreed that City Hall's strong marketing and support was very important and that there were no serious problems with paper work or payment schedule. Several reported improved business and/or favorable comments from clients.

Comments and/or concerns were as follows:

1. There is an issue with tenants getting owners to meet ADA (accessibility) requirements (a few).
2. Lack of control over the quality of the work done (1)
3. The amount of time it took to get work done (1)

The program also appears to be designed to address accessibility but it does not appear that this has been utilized. The Town may want to consider how to better market this aspect of the program, perhaps by incorporating information into their marketing brochure on accessibility, the amount of loans and the term of the deferred payment loan.

During the process of interviewing the building owner's we determined that many of them were members of a minority group and some were immigrants. Also a significant portion of the businesses were owned and run by women.

This information could be useful in further designing the program and in applying for funding as some programs are designed to assist minority populations and specifically minority and women owned bus inesses. However, none of the owners interviewed had difficult communicating in English.

The pictures below show the results of this program:







4. Southbridge – Downtown Financing Options

You have asked us to provide resources for the Town as well as real estate and business owners for financing downtown building improvements. The feedback that we heard that is most needed with regard to physical improvements to the buildings is outside facades, inside accessibility, building systems, build outs to upper floors and roof improvements. We are recommending a holistic approach whereby the community as well as the business owners and residents work together to find solutions. There is no one solution, but a series of steps that will start the process. The challenges facing buildings owners in obtaining financing lie in the basic economics of not having enough income to support debt service. This is illustrated by the relatively low square footages rents. The rents allow landlords to keep their properties running, but not to have excess funds to improve the properties.

We have provided real estate financing programs. Many of the suggestions below concern avenues for creating affordable housing. The tools help to close the gap between what it costs to produce a new unit of housing and what low and moderate income households can afford to pay. The idea is that many of the upper floors in the downtown could be utilized for affordable housing. The result will be occupied space, serving a community purpose as well as covering basic landlord expenses. It will also bring a 24 hour presence to the downtown area and more retail customers which will benefit business owners. Most real estate financing solutions are complicated with layers of financing and therefore can be a challenge for an owner who is relatively new to the world of real estate ownership and finance.

We have provided programs that the community can apply for and pass on to tenants. We have provided supportive programs for small business. In this case, either the landlord and/or the tenant could be a small business. Some of them are new to business and could benefit from technical support with regard to understanding the basics of business and financing. In order for tenants to afford higher rents, they need basic business tools in order to grow their businesses. In addition, they may be able to take advantage of small business loans to buy inventory and increase sales which would translate in the ability to pay higher rents.

Real Estate Financing Program Basics:

This section provides you with a guide to basic resources for the creation, preservation or purchase of affordable housing as well as real estate development. Our guide contains information on agencies that administer state and federal funds as well as professional organizations that support the affordable housing industry. This group is not all-inclusive as funding sources and amounts change from year to year based in the budget of the original funding source. Some of the sources of funds can be obtained on a rolling basis, and some are awarded in competitive rounds either once or twice a year.

Pre-Development Funds: The following are agencies that provide low cost or no cost pre-development funding and/or technical assistance. This pre-development phase is usually the first step in the process when you are trying to secure land or buildings for

affordable housing, and need resources to pay for such items as market research, zoning review, permitting review, option fees and legal fees for site control. Usually funds are dispersed at pre-determined milestones as the development progresses, and at the time of construction funding, funds are paid back to the funding source. For this reason, these types of funds are sometimes referred to as revolving funds.

www.mhpfund.org (Massachusetts Housing Partnership Fund)
www.cedac.org (Community Economic Development Assistance Corporation)
www.massdevelopment.com (Massachusetts Development Corporation)
www.liscnet.org (Local Initiative Support Corporation)
www.bostoncommunitycapital.org (Boston Community Capital)
www.masshousing.com (MassHousing – Priority Development Funds)

Rental Housing Soft Second and Grant Funding: The following are sources that provide supplemental financing. They are called soft seconds or grants because in most instances that do not need to be repaid if you follow the terms of the loan.

- **Federal Home Loan Bank of Boston (“FHLBB”)**– Affordable Housing Program (“AHP”) www.fhlbboston.com. This program provides both grant funding and also low interest financing through FHLBB member banks.
- **Community Preservation Act (“CPA”) Funds** – Discussed in more detail below. These funds are usually earmarked for specific projects and approved at town meeting.
- **Massachusetts Department of Housing and Community Development (“DHCD”)**–DHCD administers state and federal funds for a variety of housing programs including but not limited to 9% tax credits, HOME Funds, affordable housing trust fund, housing innovation funds, housing stabilization funds and CDBG (“Community Development Block Grant”) Funds.
www.ma.gov/dhcd.
- **MassDevelopment** (Massachusetts Development Corporation) – Provides some funding to municipalities to address environmental matters.
www.massdevelopment.com - brownfields.
- **Massachusetts Housing Partnership Fund** – Soft second program.www.mhpfund.org.

Construction and Permanent Funds: For a development that involves home ownership, one typically obtains financing for constructing the development, and the proceeds from the sale of the units or homes are used to pay off the construction financing. For Apartments, you need to obtain funding for both the construction and the permanent loan once the project has been built. You may go to one source for both, or different sources.

www.mhpfund.com (“Massachusetts Housing Partnership Fund, permanent”)
www.hud.org (“Federal Department of Housing and Community Development”)
www.masshousing.com (“Massachusetts Housing Finance Agency”)
www.massdevelopment.com (“Massachusetts Development Corporation”)

www.mhic.com (Massachusetts Housing Investment Corporation, Construction)

Equity Financing: For projects involving low income tax credits, historic tax credits or New Market Tax Credits, the following is a list of some sources that purchase or syndicate tax credits. The proceeds from the sale of tax credits are used as equity in a development.

www.mhic.com (“Massachusetts Housing Investment Corporation”)

www.enterprisefoundation.org (“The Enterprise Foundation”)

www.bostoncommunitycapital.org (“Boston Community Capital”)

www.michelltd.com (“Michel Associates”)

Home Owner Financing Soft Second Programs: This funding is available to first time homebuyers including a special program for municipal workers, who meet certain income requirements. Local banks work with these funding sources to supplement equity requirements and sometimes waive closing costs.

www.mhpfund.com (“Massachusetts Housing Partnership Fund”)

www.masshousing.com (“Massachusetts Housing Finance Agency”)

Home Ownership Repair Programs: These programs provide low cost, no cost or deferred payments for home repair for income qualifying individuals:

- HOME Program - www.mass.gov/dhcd
- HUD Lead Clearance Testing Grant - www.hud.gov
- Septic Repair Program - www.masshousing.com
- Section 108 Loan Guarantee - www.mass.gov/dhcd

Rental Subsidies - Contact your local housing authority for availability of Section 8 Certificates and Massachusetts Rental Vouchers, and keep your eye on local newspapers for private developments advertising affordable housing.

Specific Real Estate Funding Sources:

1. The Property and Casualty Initiative. In 1999, as the result of state legislation, thirteen Massachusetts-based property and casualty insurance companies established the Property and Casualty Initiative, LLC (PCI) as a state wide community loan fund. PCI's express purpose is to promote economic development by providing loans that improve the health and welfare of low income residents and communities across the Commonwealth. Loans range in size from \$250,000 to \$5,000,000. It provides growth capital and equipment financing for businesses and organizations for community re-investment. Loans are typically 7-10 years, for construction and acquisition. Interest rates run below market rate, currently 7% for housing and 8% for businesses. Its mission is broader than the community re-investment act since it has the ability to fund a mixed use building consisting of retail and residential. www.pcifund.com. Stacy 617-723-7878. This program provides lower cost, longer term financing than most commercial banks.

2. The Massachusetts Housing Partnership small scale rental housing program. This is available to non-profit and for profit borrowers. These loans are earmarked for the new production of rental housing, or the preservation of existing affordable rental housing. Minimum project size is 5 units, and the minimum number of affordable housing units is 3. Loans range from \$250,000 to \$15,000,000. For example, MHP provided funding to the Eddies supermarket development in Worcester. The project involved ground floor retail and three stories of apartments. Eddies supermarket partnered with Worcester Common Ground. Worcester Common Ground served as lead developer and handled the complicated financing including City of Worcester Home Funds, Affordable Housing Trust Funds, Section 8 mobile vouchers and a permanent loan by MHP. The ground floor lease to the supermarket supplements the loan payments to MHP. Although this program is currently not available, MHP is working with the state on a new small deal program. www.mhp.net.



3. **New Market Tax Credit Program:** The NMTC program was created specifically to stimulate investment in businesses and commercial projects in eligible low-income communities. Most types of businesses serving low-income communities, such as small technology firms, retail stores, restaurants, manufacturing, and small business centers, could qualify if they are active or located in low-income communities. At least half of the business's gross income must come from the eligible area. Also, a substantial portion of its tangible property and the services performed by employees of the business must be in an eligible community. A mixed-use development with less than 80% of the property's gross income is rental income from housing units, is allowed. The town hall address for Southbridge qualifies as a low income census track but each property will need to be individually qualified. This program would be a very good option for property owners that have a mix of retail, office and residential.

NMTC Providers:

Massachusetts Housing Investment Corporation: MHIC offers permanent first mortgage loans, acquisition loans for both vacant and existing structures, equity investments, and subordinate loans. Based on project characteristics, equity funding can support up to 25% of total development costs. www.mhic.com 617-850-1000. Andrea Daskakis: daskalakis@mhic.com.

Boston Community Capital: Boston Community Loan Fund provides loans to organizations and private developers for projects that provide housing, community facilities, and social services for low-income people and neighborhoods. The Loan Fund lends to community-based development projects that preserve or increase the supply of affordable rental and ownership housing and supports the stabilization of the community. The Loan Fund provides a range of real estate loans including acquisition, bridge, construction and permanent mortgage loans As well as loans within the structure of a New Markets Tax Credit project. The Loan Fund also finances workforce housing development which may also include employee-assisted financing <http://www.bostoncommunitycapital.org/> Rebecca Regan: (617) 933-5852

4. **Rural Housing, Inc./Northeast RCAP.** The mission of RHI, the Northeast RCAP, is to assist disadvantaged areas and residents of the rural Northeast to preserve and build their communities through environmentally sensitive development and programs leading towards greater self-sufficiency and an improved quality of life.

Today, RCAP Solutions is headquartered in Gardner, Massachusetts and has nearly 100 people at work in nine states, Puerto Rico and the U.S. Virgin Islands, providing safe affordable housing; building and managing water and wastewater facilities; helping communities develop the critical infrastructure they need to thrive; advocating on their behalf; and providing the training and education that helps build know-how, expertise, and capacity. In order to best assess a community's needs, RCAP Solutions performs comprehensive surveys, data collection, and analysis. They also use data to project funding needs and sources, information that is necessary for the provision of grants or loans. Their work seems to be geared more towards homeownership. RCAP may be a good resource for a property owner looking to provide condominium home ownership units on upper levels. <http://www.rhircap.org/index.htm>

5. **Low Income Housing Tax Credits** – Low income housing tax credits are a tool to bring equity into a development in order to reduce overall carrying costs. Sometimes they are coupled with state and federal tax credits. The low income credits are based on the owner's commitment to create and preserve affordable housing. The constraint with low income credits is that you can only have a small commercial component, and there are only a few small deal funds. In most instances, the Southbridge developments would be too small for this option. This would also be a case where a landlord would want to partner with a developer that

has experience in this type of complicated transaction and perhaps work with a syndicator such as Michels' to sell the credits.

6. **Get the Lead Out Program**– The program is already offered in Southbridge, It is offered to investor owners if the windows and egress or other elements in the residential apartments of their building test positive for lead paint. It is a 3% loan and it is funded through local banks. The owner obtains a lead paint test and the town works with the owner and a lender to determine the scope and cost of services. The town oversees the work. This would be a great resource for property owners looking to de-lead upper floors for apartment use.

Community Programs:

Southbridge should continue to apply for Grants and/or technical assistance.

1. Community Development Block Grant Program: This funding is for physical building improvements as well as infrastructure improvements. These grants are derived from federal monies and typically used for specific community projects including neighborhood revitalization, renovation, economic development and improvement in the efficiency of delivering municipal services. These grants are geared to projects benefiting people with low and moderate-income levels. National objectives include assisting people with disabilities through the removal of architectural barriers and activities to help communities come into compliance with the goals of the Americans with Disabilities Act (ADA). This is a highly competitive program. However, often times there are strength in numbers. We suggest the Town consider partnering with other towns to demonstrate regional need and/ or apply to additional CDBG funding programs. Currently the town receives home ownership rehabilitation funds which it uses for primary residences only. We suggest that at least one grant a year be given to a downtown business owner for purposes of rehabilitating upper floor units to affordable rental apartments. In addition, the town should consider applying for funds for handicapped sidewalks, walkways, accessible buildings and energy efficiency.

It is our understanding that the town is familiar with the Housing Development Support Program (HDSP), a component of the Massachusetts Community Block Grant Program (CDBG). This program is designed to assist project-specific affordable housing incentives with emphasis on creation, preservation or improvement of small-scale public and private projects which may not be cost-effective under other development assistance programs or with conventional financing. Under this program, a town can apply to the state for a building owner for up to 75% of the cost to create an affordable housing unit. The owner is then responsible for investing the additional 25%. The 75% is a deferred payment loan for 15 years. This is an ideal program for creating affordable rental housing units on upper floors.

2. HOME Consortium: Consider joining a HOME consortium and receive annual funding or partner with a HOME recipient. HOME dollars can provide development funding for affordable units in the downtown area. Eligible HOME

funded activities include the construction of new affordable housing units, First Time Homebuyer Downpayment Assistance, Housing Rehabilitation, and tenant-based rental assistance for very low income households. This funding is for physical improvements. The HOME program targets households earning 60% of area median income for rental developments and 80% of median income for homeownership developments.

3. **MASSACHUSETTS PRESERVATION PROJECTS FUND (MPPF)**. The MPPF is a state-funded 50% matching grant program established to support the preservation of properties, landscapes and sites (cultural resources) listed or eligible for listing in the State Register of Historic Places. Applicants must be a municipality or non-profit organization. Requests for pre-development projects can range from \$5,000 to \$30,000; requests for development or acquisition projects may range from \$7,500 to \$100,000. A number of the downtown buildings may be eligible for historic register status. A study of whether or not the downtown area is eligible as a national register district could help property owners in the future access historic tax credits for building improvements. Once a building is designated as historic, it is eligible for historic tax credits. The tax credits can be sold to bring equity into the project.

4. **Form a Community Development Corporation (CDC)**. CDC's provide technical assistance, funding for business and access to funding for physical improvements. CDC's are community-controlled, nonprofit organizations that work throughout the commonwealth to build more inclusive, vibrant, and productive communities. CDC's provide housing, economic and human development and leadership services. The Massachusetts Association of Community Development Corporations ("MACDC") runs a community organizing institute to assist in formation and management. The Community Organizing Institute helps all of MACDC's programs incorporate community organizing values and practices so that organizing becomes an increasingly central element in all of our work. It is a place for learning, networking, research, reflection, debate, and coalition building. By forming a CDC, the community then has a partner for business owners who may wish to develop their upper floors. A CDC has access to low income loans and pre-development funding from organizations such as LISC and the Neighborhood Reinvestment Corp. not available to for profit entities. SouthBridge falls between Worcester and Western MA CDC's. We have provided an example below:

Quaboag Valley CDC

Susan Rutherford, Executive Director For more information see: <http://www.qvcdc.com>

Geographic Target Area: 15 towns in eastern Hampshire and Hampden Counties and western Worcester County

Quaboag Valley CDC seeks to improve the quality of life by addressing the economic, environmental, and social needs of its residents while maintaining the integrity and character of each community in the region. With its partner entity,

the Quaboag Valley Business Assistance Corporation, the organization provides training, technical assistance, and loans for small businesses; offers community-based computer training for small businesses and their employees, and other community residents; and conducts workforce training seminars to improve job readiness skills of unemployed and under-employed residents. Since 1995, the organization has made over \$2 million in loans to small businesses. QVCDC also works in coalition to improve the cultural economy of the region, through the promotion of tourism and tourism based economic development projects.

5. Consider Adopting the Community Preservation Act. The Community Preservation Act is a means to collect money from both the state and the community for historic preservation, preservation of open space and recreation and preservation of affordable housing. It needs to be approved through a town election process. In most cases, each tax payer is charged an additional 1% tax and the state matches funds depending on how many communities participate in the program. CPA funds can then be utilized to supplement affordable housing development in the downtown area. For further information, go to www.communitypreservation.org
6. Form a Housing Trust Fund. A Housing Trust Fund is typically a recipient of Inclusionary Zoning Funds, Community Preservation Funds, linkage or other funds due to the town in connection with development that are earmarked for affordable housing development. They can be charged with overseeing and distributing funding to preserve and create affordable housing. They can also act as a not for profit to assist with developing affordable housing.

Business Funding Programs:

1. The Community Express Program is a collaboration between the Small Business Administration and the National Community Reinvestment Coalition. Its purpose is to increase the flow of cash to new markets. Community Express loan program is designed for small businesses in disadvantaged communities and small businesses owned by women, minorities and veterans. The program partners with SBA approved technical assistance providers to help small business owners succeed. The technical assistance providers are non-profit community based organizations that assist businesses in many aspects; including help with finding a financing solution. The SBA office in Boston has partnered with MACDC to more effectively market the program to technical assistance providers. www.macdc.org.
2. Massachusetts State Treasury-Citizens Bank Small Business Program is a public private partnership offering below-market loans to small businesses located in low- to moderate-income communities. The \$25 million loan pool is designed to encourage small businesses to grow their companies in order to promote an economic resurgence in communities throughout Massachusetts. Loans range from \$10,000 - \$500,000, and they are below market rate. The program provides

technical assistance and the financing to small start up businesses. Local provider:

The Martin Luther King, Jr. Business Empowerment Center
237 Chandler Street
Worcester MA
(508) 756-6330, ext. 222
www.mlkj-bed.org

3. Boston Private Bank and Trust Company Community Partners Small Business Loan Program. Through the Community Partners Program, Boston Private Bank provides reduced-cost loans with flexible underwriting to small businesses. Businesses may be preserving or creating new jobs that are available to lower income individuals or located in low- and moderate-income areas or neighborhoods targeted for economic development by federal, state or local government. The goal of the Program is to improve access to reduced cost loans for small businesses that may have difficulty in obtaining financing from traditional bank lending programs at standard rates. The minimum loan size is \$25,000 but at the banks discretion they considers loans as small as \$5,000. Loans may be up to 5 years and no points and fees are charged. Contacts: Anna Bautista at (617) 912-4252 or abautista@bostonprivatebank.com, or Sarah Lamitie at (617) 912-4312 or slamitie@bostonprivatebank.com.
4. Massachusetts Banking Partners Small Business Loan Program known as Banking Partners – is a new small business loan program designed to improve access to financing by very small businesses that are receiving Participating Banks. Offers loans that are small in size with below-market interest rates and are appropriate for early-stage businesses. Lenders are encouraged to make loans as small as \$5,000. The businesses should have 20 or fewer employees, and they should be located in low or moderate income census tracts.
<http://www.masscommunityandbanking.org/bankingPartners.html>

Local participating institutions:

Center for Women & Enterprise – Worcester
50 Elm Street, 2nd Floor
Worcester MA 01609
(508) 363-2300
www.cweonline.org

The Martin Luther King, Jr. Business Empowerment Center
237 Chandler Street
Worcester MA
(508) 756-6330, ext. 222
www.mlkj-bed.org

Massachusetts Small Business Development Center at Clark University
950 Main Street
Worcester MA 01610
(508) 793-7615
www.clarku.edu/offices/sbdc/

The Massachusetts Small Business Development Center (MSBDC) Network provides free, confidential, one-to-one management and technical assistance counseling and low-cost educational training programs to prospective and existing small businesses throughout the Commonwealth. The Clark University SBDC provides counseling assistance to businesses located Central Massachusetts. Typically, counselors will assist clients in developing their business plans, marketing plans, financials, cash flows and other areas critical to ensure a successful venture. In addition to office hours in Worcester, staff also hold office hours at outreach sites throughout Central Massachusetts.

Market Goods and Services to State and National Government

Massachusetts has programs to assist minority and woman owned businesses to market their goods and services to state government entities and authorities.

1. **Affirmative Market Program (AMP)** assists minority and women owned businesses market to the state and authorities. It also helps them secure subcontracts from contractors with State contracts.

AMP provides information, training, and contact opportunities to these businesses to enhance their ability to obtain state contracts. It specifically helps with programs that have set-asides for minority and women owned businesses. Training helps deal with the state's vendor selection and contracting regulations and practices and provides advice on obtaining bonding and meeting other requirements.

Program Coordinators have focus on specific business types and provide both program and contact information to assist businesses find and win state contracts.

Commonwealth of Mass,
Operational Services Division
Affirmative Market Program
Monserrate Quinones, Executive Director,
Room 1017
1 Ashburton Place,
Boston, MA 02108
Tel: 617-720-3149
Fax: 617-727-4527
amp@osd.state.ma.

- 2. State Office of Women & Minority Businesses Assistance (SOWMBA),** certifies business as meeting the State's requirements for woman or minority ownership and provides directories to agencies, authorities and prim contractors find appropriate minority and women owned businesses to work with.

SOMWBA
10 Park Plaza, Suite 3740
Boston, MA 02116
Phone – (617) 973-8692
Fax - (617) 973-8637
wsomwba@state.ma.us

- 3. Federal Government.** Like the State Government, the Federal Government provides special opportunities for minority and women-owned businesses both directly and by requiring that some contracts have set asides for minority and women-owned business subcontractors/suppliers.

Financing Conclusions:

We have provided multiple types of financing. Since each business owner and real estate property owner is going to have a unique situation of what they are looking to accomplish with regard to improving a property and/or growing their business, we suggest that they put together an outline of what they would like to accomplish. This can then serve as a basis of discussion to approach the different financing sources and see if there is a fit.

Next Steps: Aggressive marketing of a program is essential to its success. Since all of the respondents in the survey were willing to attend a meeting, we suggest the next step be to schedule a meeting to discuss the study. Create a session that is designed to hear their concerns as well offer solutions. It is imperative to heavily publicize the reason and date and time of the meeting. We also suggest inviting local officials and other civic groups to participate.

LYNNE D. SWEET, MANAGING MEMBER
Direct Fax: 617-454-1145

E-mail: ldsweet@ldsconsultinggroup.com
www.ldsconsultinggroup.com

May 23, 2007

Dear Downtown Southbridge Property Owner:

We hope this letter finds you well and enjoying the spring. The Town of Southbridge through its Economic Development and Planning Department is committed to the preservation and advancement of a healthy, vibrant downtown area. They, along with the Southbridge Downtown Partnership, are working hard to bring additional resources to downtown property owners to assist in the revitalization of downtown buildings.

In fact, the Economic Development and Planning Department applied for and was awarded funding earlier this year from the Commonwealth of Massachusetts under its Downtown Initiative Program. This allowed the Town, through the Commonwealth, to hire LDS Consulting Group, LLC to study ways to stimulate private efforts to make physical improvements to downtown buildings. One outcome of the study will be for LDS to provide information on funding programs that may benefit downtown businesses and property owners. The Downtown Improvement Initiative is a pilot program to provide technical assistance and information to communities that is being tested in Southbridge. If it is successful, the Commonwealth hopes to use the information learned from this study to assist other communities in the Commonwealth, but Southbridge building and business owners would be the first to benefit.

The purpose of this letter is to request that you fill in the enclosed survey to help us understand the issues you face as property owners in the downtown area. The information you provide will be kept confidential within LDS and only reported in summary form to the Commonwealth and the Town of Southbridge. We will not share individual responses. We have provided control numbers so that we can keep track of how many responses we receive and ensure there is no duplication of responses. The survey should take less than ten minutes to complete. If there are questions you can not answer or do not want to answer, please leave the answer space blank. We have enclosed for your convenience a self-addressed return envelope. We would appreciate your response by Friday, June 3, 2007.

If you should have any questions about the survey, please contact Lynne Sweet at LDS at 1-617-454-1144 or Cassandra Acly at the Economic Development and Planning Department at 508-764-5402.

We thank you in advance for your cooperation and participation in this very important matter.

Sincerely,
LDS Consulting Group, LLC

By: _____
Lynne D. Sweet, Managing Member

Property Owner Survey Questionnaire for the Town of Southbridge
Massachusetts Downtown Initiative Program

Control No. _____

ID	Question	Selection, enter all that apply	Response/Comments		
1	When did you acquire the property?	Please enter year			
2	How did you acquire the property?	1) Purchase 2) Inherited 3) Bought at Auction 4) Other - Explain			
3	Do you have experience in property management?	Yes or No If yes, please explain your experience. If no, do you use a management company? Other?			
4	Please provide information on your tenants/occupancy on a floor by floor basis.				
Floor #	Square Feet	Use (i.e. office, retail, apartment)	Rent?	Are utilities included? Yes or no.	Vacant? If so, how long
ID	Question	Selection, enter all that apply	Response/Comments		
5	If you have vacant spaces, do you have a sense as to why the spaces are vacant?	a) Configuration of space. b) Use limitations c) Lack of eligible tenants.			
6	How much money did you spend last year repairing your building?	a) \$ amount spent b) Routine maintenance and/or c) Improve the space?			
7	On a yearly basis, how much time/money do you spend repairing your building?	a) \$ amount spent b) Labor hours c) Routine maintenance and/or d) Improve the space?			
8	Are their repairs / improvements that you	1)yes or no 2) If yes, what type of			

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	would like to make to your building?	improvement?	
9	What are the issues that are keeping you from making the repairs?	1) Lack to time? 2) Lack of expertise? 3) Lack of funds? 4) Permits or Approvals? 5) Concerns over taxes? 6) Other?	
10	If you had additional resources, what types of repairs / improvements would you make to the building?		
ID	Question	Selection, enter all that apply	Response/Comments
11	If their was a source of matching funds for repairs/improvements, how much funding would you be willing to contribute?	1) \$1,000 2) \$2,000 3) \$3,000 4) \$4,000 5) \$5,000 or more	
12	If their was a source of low interest loans, would you be interested in borrowing money to make repairs /improvements?	If yes, how much money would you be interested in borrowing?	
13	Do you think improvements to OTHER buildings in the downtown area would help your building?	If yes, what type of improvements?	
14	Are you familiar with the Tri County Chamber of Commerce?	If yes, do you attend meetings and if so, how many meeting a year?	
15	Would you consider adding apartments in upper floors?	If yes, please describe.	
16	Are you familiar with the Downtown Southbridge Partnership?	If yes, what do you know about the partnership? Have you ever attended a meeting? Have you participated in the Downtown festival?	

Property Owner Survey Questionnaire for the Town of Southbridge
Massachusetts Downtown Initiative Program

17	Are you familiar with the Downtown Streetscape and façade program?	If yes, have you used it? If you are familiar with it and have not used it, why have you not used it?	
18	What other resources do you believe would be helpful to stimulate downtown improvement?	<ul style="list-style-type: none"> a) Building Improvement b) Higher occupancy c) Higher rents d) Economic stability 	
19	Would you be willing to attend a discussion group and or information session on this topic?	If yes, what time would be most convenient? <ul style="list-style-type: none"> a) Weekday b) Weeknight c) Saturday morning d) other 	
20	Is there someone you would like to designate as a contact person for follow up from this study?	If yes, please provide contact information including phone and e-mail.	
21	Is there any other information you would like to share regarding the topic of buildings improvements in the downtown area?		