ECONOMIC DEVELOPMENT TRANSITION TEAM
SECOND REPORT TO MAYOR CORREIA
JANUARY 8, 2008

OVERVIEW:

This report is focused on three inter-related sets of issues: the organizational structure of municipal government, boards and commissions, and performance measures for department heads. The transition team held meetings on December 6th, 13th, 20th, and 27th and January 3rd that included a review of material provided to the transition team as well as personal interviews with various department heads and directors of quasi-municipal agencies or non-profit organizations. In addition, there was independent research conducted by members of the transition team that informed the discussion.

ORGANIZATIONAL ISSUES:

It was clear to the team that municipal services are provided via a combination of city departments and a network of non-profit organizations. Financial resources include a combination of revenues derived from local taxes, as well as a significant dependence on state and federal subsidies. There does not appear to be any revenues from local taxes allocated directly to support "economic development". FROED revenues are derived from a combination of Community Development Block Grant funds, loan repayments, rental & services fees and other miscellaneous project fees.

The City also has a network of "agents" and "paper agencies" such as the Redevelopment Authority, Industrial Development Commission, and the Industrial Development Financing Authority which have appointed boards or commissions, and clear statutory authorities. Staffing is currently provided by FROED. The public purpose for which each of these entities was created remains relevant in some and appears less obvious/relevant for some in today's economy.

Observation -- This is an opportunity for the City to consider and evaluate the possible merger, consolidation and/or elimination of these "quasi-municipal" entities.

All department heads and agency directors described a financial environment of scarcity, and in many cases decline. Some departments have creatively adapted to this scarce resources environment by learning how to "work smarter" through the use of technology to increase productivity, and by co-location of related functional divisions. Still others have initiated cross-training for a limited number of employees to assure "back-up and coverage" during periods when other that a full complement of staffing is available.

Unfortunately, other departments are more traditional and organized compartmentally, often operating in independent "administrative silos." In certain cases, some department personnel adhere rigidly to "the small print" in municipal labor agreements and refuse to engage in work tasks that are "not in their job description."

Observations -- There are opportunities to achieve significant productivity improvements through the introduction of and increased use of technology. Absent an increase in revenues, municipal departments must identify areas where administrative efficiencies can be achieved through increased use of technology, co-location of related functional divisions, employee cross-training and through use of on-line capabilities for applications, licenses and petitions.

Certain of these issues could be construed as a "change of working conditions" and subject to collective bargaining. If so, the upcoming round of negotiations provides the Mayor with an opportunity to utilize that process to effectuate any changes.
The transition team spent a considerable amount of time focusing on the Planning department. It remains unclear why the planning department and building department are administratively separated. The team is conducting additional research to determine if there is a specific statutory reason for the separation and to determine whether a recommendation about consolidation is appropriate.

One opportunity area is collaboration with UMass Dartmouth for internships with the Planning department related to the GIS projects.

**Observation ~ The City should pursue establishing a relationship with UMass Dartmouth to create an internship program within the Planning department for implementation and updating the city's GIS capacity.**

**Boards and Commissions:**

The transition team reviewed the following boards and commissions:

- Board of Appeals
- Conservation Commissions
- Industrial Development Finance Authority
- Industrial Commissions
- Licensing Board
- Planning Board
- Port Authority
- Redevelopment Authority
- Tax Increment Financing Board

As you are aware, most of the members of these boards and commissions were appointed with terms that have now expired. Most continue to serve despite that fact.

**Observation ~ It may be appropriate to secure a legal opinion whether the City is exposed to any legal risks by having members serving of boards and commissions beyond their terms of appointment.**

**Observation ~ Wherever practical, the Mayor should immediately appoint individuals to serve as the Chairperson of these key boards and commissions.**

The team is not currently prepared to advance the names of any particular individuals to serve on these boards and commissions. However, there was considerable discussion about the professional expertise and personal qualities that would result in appointees that are best suited for each board or commission. It should also be noted that the time commitment required of the appointee varies considerably depending upon the board.

**Observations ~ The following is a summary of the professional and personal characteristics thought to be important for each particular board or commission.**

* **Board of Appeal:** This is a very active board and deals with highly visible and important decisions that have significant legal ramifications for the City. It is strongly recommended that the Chairperson be an individual with successful experience running a formal meeting in accordance with strict parliamentary procedure. Professional expertise in real estate or law is very suitable for appointees to this board.

* **Conservation Commission:** This is also a very active board whose decisions have significant legal ramifications for the City. The information reviewed by the Commission is technical and scientific in nature. Therefore, appointees with a
scientific or technical professional background can be very helpful. In addition, appointees with specific professional knowledge or an education background in botany or civil engineering would be very suitable.

Finally, it is important to appoint individuals that “follow the rules” and maintain a level of self-control in conducting business. Too often, some members of conservation commission act independently and sometimes initiate actions that work contrary to the order of conditions issued by the commission.

- Licensing Board: The team observed that it is essential that the Mayor have a high degree of confidence in any appointees to this board. This also is a high visibility position, often dealing with very controversial issues. In addition, appointees should be individuals of impeccable integrity and reputation.

- Planning Board: This is also a board where individuals with a scientific or technical professional background, such as civil engineering or urban planning can be very helpful. The issues before the board are often technical in nature and require a significant time commitment.

- Port Authority: Depending upon the Mayor’s economic development plans for the waterfront, the future use and development of the state pier facility could be a very important factor. It would be important for appointees to this board to have effective political skills and the ability to broker relationships and build consensus.

**Performance Measures:**

The transition team has not yet completed its deliberation regarding performance measures and is conducting additional research prior to finalizing any recommendations to the Mayor.
REPORT OF THE TRANSITION TEAM  
ECONOMIC & WORKFORCE DEVELOPMENT  
DECEMBER 27, 2007

PROCESS OVERVIEW:  
The Transition Team for Economic & Workforce Development held three meetings with various department heads as well as the Directors of the Community Development Agency and the Fall River Office of Economic Development, to discuss short-term and long-term organizational issues. In addition, the team reviewed the materials submitted by each department and organization. The span of review and discussion included the following municipal departments and related non-profit organizations:

Departments ~  
- Conservation Department  
- Planning Department  
- Code Enforcement  
- Zoning Board of Appeals  
- Licensing Board  
- Engineering Department

Agencies & Non-Profits Organizations ~  
- Bristol County Training  
- Bristol County Workforce Investment Board  
- Redevelopment Authority  
- Port Authority  
- Community Development Agency  
- Jobs for Fall River, Inc. (FROED)

ORGANIZATIONAL STRUCTURE:  
All of the municipal departments report to the Mayor through the City Administrator, although several have oversight boards or commissioners to whom they are also accountable. Related agencies and non-profit organizations are accountable to the Mayor through boards of directors that in most cases are appointed by the Mayor. The Director of the Community Development Agency maintains a formal and direct reporting relationship to the Mayor, while the Executive Director of the FROED reports to an appointed board of directors of which the Mayor is Chairman. Several members of the FROED board serve by virtue of their appointment to an existing municipal organization or as organizational stakeholder in the development process.

With the exception of the FROED & the WIB/BCTC systems, none of the departments or agencies has a formally accepted & written strategic or operational plan. The Planning Department does operate in accordance with the existing City Master Plan which was last updated in the mid-1990s.

RESOURCES:  
Each of the municipal departments operates with and manages financial resources that are included within the annual city budget. Several of the related agencies are funded independently from either federal or state grant resources and/or self-generated revenue.
streams. Some of the quasi-public agencies have no municipal revenues and limited outside revenues.

For several years, previous Mayors in Fall River has chosen not to invest local tax revenues generated from property taxes and fees into “economic development”, in part to maintain some degree independence from parochial politics and direct City Council oversight. In addition, the City has limited its participation in newly authorized statutory initiatives which can generate new revenues for economic development, such as “District Improvement Financing Plans” (DIF) or the use of general & special obligation bonding authority.

**Initial Observations:**

**FROED –** The FROED is one of the most sophisticated economic development organizations in the Commonwealth. It functions as the City’s “one-stop-shop” for economic development and manages a multi-million dollar revolving loan program. In addition, it is responsible for marketing and promoting the City to internal and external audiences in an effort to attract new investment to Fall River. It should be noted that the City does not invest any local municipal tax resources in the FROED operation, although there is a substantial commitment of funding from the Community Development Agency.

For the past two years, the FROED engaged a wide range of municipal stakeholders and elected officials in a planning process to identify the City’s economic development strengths, weaknesses, opportunities and challenges. The report generated by Mount Auburn Associates includes information about the City’s economic base, as well as recommendations regarding potential future economic development priorities. Although there are different opinions about whether this document constitutes a real “strategic plan” for economic development, the report does highlight several very important structural imbalances between the existing workforce and the economic sectors in the “emerging innovation economy” upon which the City could focus.

Base financial support for the FROED has been provided from the Community Development Agency since 1978, however, with the reduction in federal support for CDBG block grants, that funding has decreased. Marketing resources to promote the City are secured through linkages with the SouthCoast Development Partnership, a regional economic development entity of which FROED is a founding member. In collaboration with its regional partners, the FROED promotes the City as an attractive and affordable alternative to the high cost and congestion associated with economic development in the greater Boston area. These external promotion tactics include, but are not limited to:

- Print advertisement in targeted trade publications,
- Radio advertisements on WBZ during the “drive-time” hours,
- Strategic alliances with key industry trade councils, such as the Biotechnology Council, and the Massachusetts Medical Device Industry Council (MassMEDIC),
- Participation in key domestic industry-specific trade shows in locations such as Boston, New York, Washington D.C. and California, as well as international trade shows in Europe,
- Briefings for corporate real estate executives,
Hosting site visits in Fall River by “site selection” consultants and corporate executives,

One-on-one calls and presentations to key business prospects.

It should be noted that business recruitment activities target existing Massachusetts companies that have growth plans and are considering relocation to other competitive states, regions and countries and that are being actively recruited by those other locations. The recruitment strategy is not predicated on “stealing companies” from other Massachusetts locations, but rather capturing a larger share of the in-state growth potential associated with the emerging technology clusters.

Marketing messages do not promote Fall River as a community with “high unemployment” or a “cheap but productive labor force”, but rather positions the City as a community with:

- Excellent natural resources, including water,
- A modern infrastructure, including transportation, sewage, & telecommunications,
- Convenient access to Boston and other major markets in the Northeast,
- A deep water port,
- Housing prices that are 50% less than greater Boston and other regions on the Commonwealth,
- Excellent linkages with higher education, and
- Cost structures that are competitive with the alternative locations and substantially more attractive than greater Boston.

FROED manages a loan portfolio that can accommodate requests from a few thousand dollars under its “micro-loan” program to several hundred thousand dollars for larger transactions. It also maintains an active call program and quarterly needs survey targeted on local small businesses in Fall River. Working in close coordination with the Mayor, FROED also packages applications by companies seeking designation as “certified projects” within the state Economic Development Incentive Program (EDIP) for “Tax Increment Financing” associated with large-scale job creation projects.

All lending transactions result in either new job creation or the retention of jobs by existing companies. Job creation & retention is monitored on a quarterly basis. Loans applications are reviewed by a finance committee of FROED comprised of lending professionals from local financial institutions. Loans are provided to fill a financing gap that otherwise would not be financed by a conventional lender. Considering the high risk nature of the clients, FROED maintain a very low default rate on its portfolio.

FROED also provides staff support to several quasi-public agencies, including the Fall River Redevelopment Authority which is currently responsible for development of the former airport, as well as the proposed new 300 acre “Executive Park.” This new business park is tied to the proposed highway ramp on route 24 and abuts the existing “Airport Industrial Park” on Riggenbach Road. This new business park is being positioned and promoted as a “technology-based” corporate location for growing companies in the life science and medical device clusters. The current development plan and practice is to target emerging technology clusters for the “Executive Park” as well as
to negotiate requirements for specific job creation/acre as a prerequisite to any sale or real estate transaction. This is also the preliminary site for locating the UMass biotechnology scale-up facility for which the Legislature has provided $10M in bond funding.

Community Development Agency

The Community Development Agency (CDA) is also an important agency relating to the City’s economic development. The CDA manages the federal Community Development Block Grant program, as well as various other federal and state grants for the City. It supports a wide range of service organizations, including several municipal departments, not the least of which is the Office of the Mayor.

The CDBG grant requires an extensive annual community input process to determine local priorities and to provide the Mayor with options for the commitment of those resources. In all cases, CDBG funds must be directly related to the provision of services to residents in targeted census tracts or those specific neighborhoods. As new priorities emerge for the potential use of CDBG funds, it will be important to include those projects in the upcoming community hearings for the next (year 34) CDBG plan.

A substantial amount of CDBG funds are committed annually to support the debt service associated with General Obligation bonds issued by previous Mayoral administrations to facilitate large-scale public infrastructure projects.

There are issues raised by the CDA Director regarding the use of CDBG funds to staff various municipal departments, including the office of the Mayor, as well as the continued commitment of CDBG funds for staffing the FROED economic development operations. In addition, there is $100,000 available for “adult basic education” that might be useful for the proposed community learning centers.

Planning

The Planning department provides staff support to both the Planning Board and the Zoning Board of Appeals. In addition to its normal planning and zoning tasks, it is currently involved in a process to update the existing City Master Plan. The department is also working to implement certain “development overlay districts” within the City.

In 2006, the Legislature enacted statutory authority whereby the City can designate certain parcels of land as “Priority Development Sites” in accordance with the provisions outlined in Chapter 43(d). This designation will enable the City to accelerate the development of key parcels and require the state to review all environmental permits within 180 days of submission. At his time, the City is beginning to consider designating the proposed new “Executive Park” as a priority development site.

The planning department is also involved in implementing the Geographic Information System (GIS) to digitalize all planning records and to integrate those data with tax assessment records. There are also some important zoning and licensing issues pending in the short-term. Perhaps the most compelling is a request before the licensing board to authorize an “adult entertainment” license for a prominent waterfront establishment. This issue would have significant impact on the future development of the waterfront for tourism and is directly related to the proposed “arts overlay district” also under review by the planning board.
ISSUES FOR IMMEDIATE ACTION:

1. Appointment of members to key boards - The Mayor has appointing authority of municipal boards and commissions. Immediate attention should be directed to appointing competent citizens to replace individuals whose terms have expired, or where vacancies currently exist. Recommendations about potential appointees are forthcoming. These include:
   - Planning Board
   - Zoning Board of Appeals
   - Licensing Board
   - Conservation Commission
   - Redevelopment Authority
   - Port Authority
   - WIB
   - FROED

2. Develop an immediate strategy for addressing the issue of the license request for adult entertainment in the waterfront district. This would include seeking legal counsel regarding the procedural relationships between this issue and the proposed arts overlay district zoning.

3. Develop an immediate strategy relating to the BFI request for expanded activity at the landfill.

4. Secure state funding for the proposed highway exit ramp on route 24. This project has enormous potential for the City’s future economic development.

5. Identify priorities for use of CDBG Year 34 program funds. Work with the CDA Director to realign staffing in the Mayor’s office, municipal departments and other CDA funded organizations to assure complete compliance with all federal regulations.

6. Work with the Workforce Investment Board to implement the federal grant to initiate “Multiple Education Pathways Blueprint” for youth and adult labor force participants.

7. Review the “Mount Auburn” report and determine the most appropriate and relevant points of focus for future implementation. Encourage FROED to increase the focus on assisting local companies and to increase external business recruitment efforts on growth companies in identified emerging sectors.

8. Expedite the process to designate the new “Executive Park” as a priority development site within chapter 43(d).

9. Consider supporting a joint venture partnership with UMass Dartmouth, the Redevelopment Authority, the Greater Fall River Development Corporation and the Commonwealth to develop a biotechnology scale-up facility as the anchor project for the new “Executive Park”.

10. There are no personnel changes recommended for immediate action.
Economic Development Transition Team
AGENGA

January 10, 2008

1. Review of January 8, 2008 report

2. Follow-up on last meeting
   - IDFA/IDC ~ Peter Bogle
   - Port Authority ~ Fernando Garcia
   - Performance measures ~ Adam Chapdelaine

3. Critical & secondary effectiveness measures

4. Critical & secondary efficiency measures

5. Future role of transition team

6. Other issues