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## Shortfall again imperils Valley CDC program

BY MATT PILON STAFF WRITER

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EASTHAMPTON - Fledgling entrepreneurs and small business owners may be left high and dry unless the state awards nearly half a million dollars in community development grant money to the city later this year.

A portion of funding from a similar grant has been used on and off since 2001 to fund the city's contract with the nonprofit Valley Community Development Corp., which offers technical assistance to small businesses and low-income entrepreneurs who want to start their own businesses.

The Valley CDC has kept its small business development office in the Eastworks building open through community development block grant money attained via the city's planning department, as well as a grant from the Department of Business and Technology, which funded the organization through end of June.

But the nonprofit's board of directors was forced to dip into its housing assistance program funds to keep the technical assistance office open through Sept. 30.

The Valley CDC has faced financial woes before. Its board of directors has been forced to close the Easthampton office twice since 1998. The current office has been open since 2005.

Since then, the nonprofit has assisted 50 clients from Easthampton, according to Gene R. Talsky, director of small business development.

City Grants Coordinator Ellen Koteen sent an application this week to the state Department of Housing and Community Development for the \$496,956 grant, but said she did not expect to hear back for several months.

Because the state requires that the contract be bid out, the Valley CDC may not receive the funding, even if the city is successful in obtaining the grant. Koteen said the city would like to maintain a relationship with a firm that offers microenterprise technical assistance to the community.

"It's been very effective to support people who want to either open a business in Easthampton or need help to sustain their business," she said.

Koteen said the program has especially improved Cottage and Pleasant streets.

Several local business owners have spoken positively of the program, including Jill and Rachel Tarr of Back on the Rack and Todd Denis of Pizza Wings & Things.

Valley CDC Executive Director Joanne Campbell acknowledged that the

small business technical assistance program is in a tough spot. She said directors will have a tough decision to make in September.

"We don't really have excess funds, so this is a stretch for us," she said. "We've been up front with the staff that this is a difficult time."

The board of directors has already had to cut one coordinator's full-time position in Easthampton into a half-time job.

Talsky said he is worried about his clients to whom he is providing ongoing technical support.

"What are they going to do if we leave?" he said. "It would break my heart."

As if adding insult to potential injury, Hewlett-Packard in July awarded the business assistance program approximately \$57,000 for computer equipment needed for training seminars. Talsky said his office is planning four series of 10 workshops for the coming year that may have to be canceled.

"We're getting a little frustrated sitting here with all this asset and not being able to take advantage of it," he said.

Campbell said she and her employees are searching for alternate funding sources - private donations and otherwise - should the nonprofit not attain another contract with the city.

But state funds for this year's Department of Business and Technology Grant, which has allowed the Valley CDC to expand its services to larger businesses, have been reduced and the state has not yet sent out a request for bids.

"It's a big maybe," Campbell said.