



Testimony on House Bill 3983
An Act to Create Economic Opportunities for All

Joint Committee on Economic Development and Emerging
Technologies

North Central Massachusetts Chamber of Commerce

Tuesday, April 5, 2016

Madame Chairwoman, Mister Chairman, and members of the Committee, thank you for the opportunity to comment on this important bill. My name is Roy Nascimento and I am President and CEO of the North Central Massachusetts Chamber of Commerce. In my role as President of the Chamber, I also serve as the President of the North Central Massachusetts Development Corporation and for the Johnny Appleseed Trail Association – a Regional Tourism Council.

I am here before you today representing 26 communities of North Central Massachusetts in Worcester County and parts of Middlesex and Franklin Counties. Through our organizations, we are a regional economic development organization – or REDO – a small business micro-lender and a regional tourism council. We act as a connector, facilitator and partner in the region. Our work through all these critical economic development ventures places us in a unique position to see and experience the Commonwealth's economy in several different ways.

We appreciate the Administration's robust economic development plan. There are many good items in the bill that we support, especially their generous focus on manufacturing – an industry that accounts for one in four jobs in North Central Massachusetts. We feel however, that the bill does not go far enough at ensuring regional equity in Massachusetts. We know how passionate the Secretary of Housing and Economic Development is about serving the entire Commonwealth. However, we feel the bill lacks specific language that addresses regional equity – supporting the parts of Massachusetts outside of Greater Boston and beyond Route 128. I know the members of this committee share the sentiment that more resources need to be devoted to the central and

western part of the state so that we can thrive as one Massachusetts. As a regional economic development organization, we have worked hard to promote and support our critical industries - we have built partnerships with our manufacturers to build awareness to millennials about careers in manufacturing – and we provide dedicated resources and assistance to businesses of all kinds who are looking to grow or just keep their doors open. We feel that divestments in the REDO program hit our region harder, because our economy more heavily relies on that public/private partnership in order to remain competitive.

I mentioned earlier that the North Central Massachusetts Development Corporation is a micro-lender. Through our status as a certified community development financial institution we are able to provide non-traditional financing for businesses that cannot obtain capital from a bank or a credit union. This program has been a tremendous success in North Central Massachusetts. Since our inception we have created nearly 900 jobs, and helped to retain thousands. We take a chance on small businesses, because like them, we are passionate about North Central Massachusetts – and like them, we know that small business is the lifeblood of our economy. We would like to see greater investments in micro-lending in this bill – something that would directly benefit small business and truly create opportunities for all. Investment and incentives to large companies are crucial, but the Commonwealth also needs to recognize that small businesses support the economy outside of Boston. We hope the legislature will consider increasing support and investment for this critical tool for small businesses.

One thing we hear from businesses of all kinds in North Central Massachusetts – whether it is the downtown restaurant or the manufacturer in an industrial park, reliable and affordable high speed internet is hard to come by. We have restaurants opening that cannot operate their point of sale systems, because the infrastructure of high speed internet is lacking. And we have large manufacturers that pay hand and foot for slow, outdated service. We are working with our local communities and service providers to try and find affordable solutions. The current internet capacity in our part of the state would not be acceptable in Metro West and Greater Boston. In order for us to attract – and just as important – retain businesses and prepare our children and future generations to have a competitive edge, we need to take a serious approach at bridging this gap. We hope the legislature will make this a priority to ensure that there are opportunities for all of us to compete in the 21st century.

Finally, we were disappointed there was not a single mention of tourism in this economic development bill. As the third largest industry in Massachusetts, tourism deserves more attention and more investment. I mentioned how important public/private partnerships are earlier. Regional Tourism Councils are the essence of a successful partnership. In North Central, we leverage state

grant dollars for tourism three to one. We have seen tremendous growth in tourism in our region and throughout Massachusetts. When we decrease spending in public tourism promotion, we lose market share. In an industry that generates \$2.8 billion in tax revenue and supports over 132,000 jobs, it's irresponsible not to adequately support tourism. The legislature has been a big champion of tourism. We hope that you will continue to support these efforts and enact the tourism trust fund formula you and your colleagues worked hard to study in 2014, and drive support towards the Massachusetts Office of Travel and Tourism, as well as Regional Tourism Councils – two critical drivers of the economy. Our neighboring states are hungry for the jobs and tax dollars generated by tourism – and show that through increasing investments in their tourism marketing efforts. Enacting the tourism trust fund formula will go a long way in providing more predictability with funding and a consistent marketing message that can help us grow our market share in a very competitive landscape.

I thank you very much for your time and thoughtful approach to smart, equitable economic development in Massachusetts.