

Fiscal Year 2017
Annual Report



Collaborative
Workspace
Program



MASSDEVELOPMENT



Apollinaire Theatre Company, Chelsea

Collaborative Workspace Program Annual Report FY17

The Collaborative Workspace Program, which MassDevelopment administers, is part of a strategy the Executive Office of Housing & Economic Development is implementing to foster community-based innovation and creativity across Massachusetts. Spaces that receive support through the program include innovation centers, makerspaces, artist spaces, collaborative kitchens and coworking spaces. These spaces catalyze community and inspire collaboration, exploration, and experimentation among members. Simultaneously, they provide programs to further facilitate these activities, all of which support the growth and maturation of users within the spaces. Collaborative workspaces often feature open floor plans, community meeting spaces, and shared tools or equipment. These projects have been evolving in the Commonwealth for the past several years, starting in more traditional innovation hubs but quickly expanding outside of these centers.

For the past five years, MassDevelopment has been a part of this evolution. The Collaborative Workspace Program builds on MassDevelopment's experience in community development, real estate, and business finance. The program took root after the release of MassDevelopment's "Maker Spaces" report in 2013 and the launch of the Commonwealth's Transformative Development Initiative, including the TDI Cowork program.

To understand the broader needs of the coworking community within Massachusetts, EOHED and MassDevelopment surveyed the field of emerging and developed collaborative workspaces in November 2015. The results showed that there were at least 104 collaborative spaces starting or growing across the Commonwealth at the time of the survey. In order to realize their full potential, these spaces reported they needed about \$9 million to \$11 million in facility improvements and equipment purchases.

MassDevelopment's investment strategy includes three key components for success. First, the strategy emphasizes engagement with the community of innovators and creatives. These individuals and organizations are often the competitive advantage within a given city and embody the energy and enthusiasm that drives change. Second, this strategy requires commitment from municipal leaders, economic development organizations, cultural and social institutions, and other key support systems. This approach brings stakeholders to the table to better understand how to cultivate the creative and innovative communities within their city. Third, the Agency's requirement that all applicants match funding one-to-

one encourages fiscal responsibility. Matches may include in-kind donations, local funding from foundations, community philanthropy, rent subsidy and grassroots crowdfunding campaigns. These grants help to empower collaborative workspaces to create sustainable operations, increase creative output and pursue long-term planning.

Through the TDI Cowork pilot program from fiscal year 2014 through fiscal year 2016, MassDevelopment provided grants to spaces in Gateway Cities for building improvements, equipment acquisition and feasibility studies. The program supported both establishing new spaces and expanding existing ones. MassDevelopment disbursed these matching funds either as early-stage seed grants or larger fit-out grants:

- Seed grants are capped at \$25,000 and can fund third-party costs of feasibility studies, design work and construction estimates, marketing costs, and leasing of temporary space to incubate and grow a collaborative workspace before it is ready to move into permanent space.
- Fit-out grants are capped at \$250,000 and can fund labor and materials for building improvements including interior fit-out costs, soft costs, and the purchase of equipment.

At the conclusion of FY16, MassDevelopment and EOHED created and launched a statewide program to support collaborative workspaces, expanding the offerings beyond Gateway Cities. This multiyear effort addresses the needs of communities, creatives, and entrepreneurs. These investments were made possible through a \$500,000 recapitalization of the TDI Cowork program in Gateway Cities, and through \$500,000 to create and capitalize the Innovation Infrastructure Program for all cities and towns in Massachusetts. Combined, the programs were rebranded as the Collaborative Workspace Program.

For the FY17 round, after a competitive solicitation, the MassDevelopment Board of Directors in November 2016 approved 23 new collaborative workspace grants, including 10 fit-out grants and 13 seed grants, totaling \$952,725. The projects for this fiscal year are the first 23 listed on the included spreadsheet, which lists all approved grants since inception. Twenty-one of the projects recommended for grants this fiscal year entered into a grant agreement with MassDevelopment and completed their projects by June 30, 2017.

FY17 Funded and Closed Fit-out Grants Proposal Summaries

Artisan's Asylum – Somerville

Artisan's Asylum, one of the largest and most renowned makerspaces on the East Coast, maintains shared shop areas for 400 active members who work in bicycle building and maintenance, computer-aided design and manufacturing, electronics and robotics, digital fabrication, fiber arts, jewelry, metal casting, precision machining, prop and costume making, screen printing, welding and woodworking. The organization requested grant funds to replace computer equipment it needed to continue teaching digital design, expand digital fabrication capabilities, and improve visibility and accessibility of the space.

Franklin County Community Development Corporation/Greylock WORKS - Greenfield, North Adams

Cook, Test + Launch is a collaborative project to create new ideas that support local food systems, leveraging the experience and user base of the Franklin County Community Development Corporation (FCCDC) alongside the public event capacity of Greylock WORKS (gWorks). Fifteen years ago, FCCDC established the Western Massachusetts Food Processing Center in Greenfield, a shared-use commercial kitchen that has incubated 300 food businesses and has 49 active members. gWorks owns a 240,000-square-foot former fine cotton spinning mill in North Adams, which is positioned to become a nexus of established trends in the region: culture, education, and local food. In tandem with a technological investment that will connect the resources of both sites, each partner will use grant funds to invest in strategic upgrades to their respective commercial kitchens. FCCDC is installing an adjustable loading dock to support a wide variety of incubator tenants and community members who rely on deliveries and shipments related to manufacturing. gWorks is installing a demonstration cooking island to facilitate food workshop classes that guest chefs teach. In rural western Massachusetts, this collaboration gives entrepreneurs the best of both gWorks and the FCCDC's food processing capacity to accelerate the innovation and growth of businesses in the Berkshires and Pioneer Valley.

Greater Gardner Business Incubator Network - Gardner

The Greater Gardner Business Institute will provide the region's first home to incubate early- and mid-stage technology development and creative collaboration. Disciplines include academia, financial services, nonprofit, technology, a variety of engineering disciplines, and health sciences. With a legacy of more than 150 years of furniture making and precision tooling, Gardner has a concentration of skilled, experienced craftsman and engineers with an interest in GGBI. GGBI will also focus on recently-incubated businesses that either cannot find space in the Boston market or choose to live and work in the greater Gardner area. The institute will use grant funds for fit-out and upgrades.

Maker Innovation Lab Lawrence - Lawrence

The Maker Innovation Lab Lawrence will reinforce both the historical and current impact that manufacturing and "making" have on Lawrence. Through workshops, hands-on forums and events, THE MILL will share with residents, businesses and budding entrepreneurs how local makers are expanding creative expression, and will encourage community growth and overall economic development. Currently, the proposed space for THE MILL is undeveloped, with basic restroom facilities. The grant funding will help build out another 10,000 square feet.

MassDiGI New Ventures Center – *Worcester*

Since its establishment in 2011, the Massachusetts Digital Games Institute (MassDiGI) at Becker College has fostered new interactive media and game development concepts, growth of new technology ventures, and new jobs in the sector. Becker College is renovating 80 William Street in Worcester at a cost of about \$5.8 million to house MassDiGI's community-facing New Ventures Center. The grant will fund state-of-the art computer networking equipment.

Stock Pot Malden - *Malden*

Stock Pot has operated a shared commercial kitchen for the past two years, providing production equipment and workspace, incubator and development services, and programming support to small food businesses like local product retail and wholesalers, caterers, and meal delivery services. Stock Pot has between 35 and 50 entrepreneurs in residence, and boasts 12 successful graduates who opened their own successful brick-and-mortar spaces. The grant is funding a project that includes expanding capacity for all kinds of food production and creating capacity for mass production and contract packaging.

TechSandBox - *Hopkinton*

Before it folded in June 2017, TechSandBox attracted and served more than 50 local residents who are the CEOs and startup teams for local tech startups, and had provided educational programming for hundreds of others. In 2014, TechSandBox started a makerspace in support of hardware product developers, which were typically pre-revenue and/or concept stage. The organization sought grant funds to build a lockup room, increase additive manufacturing support onsite to accomplish initial packaging and prototyping, and upgrade broadband connectivity. TechSandBox's unfortunate closure reflects the risks of the industry and the need for sustainable funding such as the Collaborative Workspace Program.

UTEC - *Lowell*

UTEC Community Kitchen used grant proceeds to build a commercial kitchen in its multi-user space at 15 Warren Street in downtown Lowell. The four-story, 21,000-square-foot building houses UTEC's administrative offices and other event and office rental space. In November 2016, UTEC completed its renovation to turn the ground floor into a full-service commercial kitchen with an emphasis on prepared foods and food manufacturing. This project provides rentable space for local food producers and entrepreneurs who need a nearby, affordable certified kitchen facility for small-scale processing and preparation.

Worcester CleanTech Incubator - *Worcester*

By the end of 2015, the Institute for Energy and Sustainability identified the Printer's Building at 44 Portland Street as its new site. With the transition to new leadership and the move to an 11,000-square-foot space on the building's fourth floor, the IES was well-positioned to transform into the Worcester CleanTech Incubator. This transition will allow WCTI to expand economic activity in Worcester by supporting clean-tech business development from early-stage development to product deployment and by encouraging in-state production. WCTI is using grant funds to fit-out the remainder of the floor so as to create event spaces, an additional conference room and workspaces, and a prototyping/lab space.

The WorcShop - *Worcester*

The WorcShop serves central Massachusetts entrepreneurs, inventors, college students and graduates, tradesmen, artists, and hobbyists, and aims to act as a catalyst for launching its hometown of Worcester into the new innovation economy. From its inception, The WorcShop has enabled and inspired the growth of numerous small businesses. Grant proceeds are funding fire safety and HVAC systems, tools, and equipment.

FY17 Funded and Closed Seed Grants Proposal Summaries

Cape Ann Community Foundation - Gloucester

CoWork Gloucester will use grant funds to advance planning on its new collaborative workspace. As the region shifts from a maritime and industrial economy to one integrated with the greater innovation and service industries of the Commonwealth, CoWork Gloucester's goal through this critical transition is to develop community and support local entrepreneurship by removing barriers to collaboration. CoWork Gloucester will house individuals and small enterprises in a typical coworking environment, offering a range of offices for solo practitioners and small teams alongside a well-designed, largely open-office environment. The space will also have business resources such as Wi-Fi, printing and faxing, common meeting and presentation areas, a kitchen, and reception area. CoWork Gloucester plans to partner with local and regional educational organizations to provide business and professional skills development opportunities for its membership and beyond. CoWork Gloucester will also fill another essential community gap as a venue for gatherings up to 150 people.

Creative Hub Worcester - Worcester

Creative Hub Worcester will use grant funds to accelerate development of a visual arts and fine arts makerspace, dedicated to creating a vibrant ecosystem of artists working in a collaborative, dynamic, community-oriented space with high-quality fine arts equipment. Artists will be able to rent space and equipment for affordable weekly or monthly fees, and the community will also be able to access affordable visual arts classes and workshops. The building at 2 Ionic Avenue is on the perimeter of Worcester's urban renewal plan, and on the edge of a largely underserved urban community. The location and affordability of this space will aid in closing a gap between the existing arts community and the rest of the city. The grant will fund predevelopment design and planning costs.

The Fairmount Innovation Lab - Dorchester

The Fairmount Innovation Lab provides collaborative office space for startups, creative entrepreneurs, and businesses at various degrees of maturation. Future plans include full- or part- time memberships, work space, fabrication space and equipment, and an open multi-use area that can convert to a venue for entrepreneur workshops, presentations, pitch events and networking gatherings. Fairmount Innovation Lab also plans to incorporate artist display and gallery space into shared areas. The Lab hosts a pilot accelerator in which startups follow an intensive lean business curriculum on topics such as planning, finance, legal, branding and messaging, contracts, intellectual property, market research and funding. At the lab, accelerator members also receive mentoring, technical assistance, networking opportunities, space to host meetings and promotional events, and 24/7 access to coworking and maker space. The feasibility study will seek to determine how to best use the space with these activities and functions, and whether to expand in the building. It will also identify what maker space and equipment will best serve the community. With its move to a larger rent-subsidized space in a building owned by Dorchester Bay Economic Development Corporation, and the availability of significant additional space in the building, Fairmount Innovation Lab has an opportunity to provide the community with requested coworking, meeting, gathering, and maker space, as well as shared equipment.

Framingham State University - Framingham

The Entrepreneur Innovation Center provides the MetroWest community with coworking space and, according to EIC, is the only operator in the Commonwealth to include intern resources for startup or young business members. The EIC's director manages the center's intern pool with academic guidance from Framingham State University, ensuring member companies can hire a skilled intern to further their commercial endeavors. Interns receive hands-on business training in conjunction with a curriculum tailored to entrepreneurship. The Center's reach also extends to FSU classrooms, where the school simultaneously began an entrepreneurship concentration that requires the students work during the semester on member entrepreneurs' projects. Grant funds will support predevelopment work.

Holyoke Creative Arts Center - *Holyoke*

The Holyoke Creative Arts Center (HCAC) first opened in 1917 to assist World War I wives with household repair chores and traditional craft skills training like sewing, quilting, upholstery and painting. Since then, it has existed in many locations throughout Holyoke, but always serves the community as a space to learn and create. HCAC's current building at 207 Elm Street is scheduled for demolition in 2018. HCAC is working with Old Holyoke Development Corporation to identify spaces, and collaborating with Holyoke's Brick Coworkshop on a collaborative maker's village. HCAC and Brick will use grant funds for preconstruction documents - code review, plans and measured drawings – to make their spaces fully compliant for a public assembly occupancy classification, and to know the resources necessary to make adjacent spaces useable as well.

Holyoke Workforce and Innovation Center - *Holyoke*

The Holyoke Workforce and Innovation Center is a partnership between the Greater Holyoke Chamber Centennial Foundation, the City of Holyoke, CareerPoint, the Greater Holyoke Chamber of Commerce, and two of the Chamber Foundation programs, Holyoke Works and the SPARK entrepreneurship program. The GHCCF, in partnership with the City of Holyoke and the Holyoke Innovation District, has been pursuing funds to start a training program for entrepreneurs, offer collaborative workspace to house graduates of the training program, and become a hub of entrepreneurship support for the region. The creation of a collaborative workspace is critical to the partnership's goal of increasing the percentage of Latino-owned small businesses from under 10 percent to at least 25 percent over 10 years, which could also help create more than 300 new businesses in the city's central business district. Seed grant funds will enable space planning, business and marketing plan writing, and other predevelopment costs.

Inc.ubate Coworking - *Winthrop*

Inc.ubate Coworking will use grant funds to assess the feasibility of its planned inspirational coworking environment with a diverse array of services, expertise, and innovation under one roof. The space will include a common work area for up to 35 professionals, a collaborative brainstorming room, a conference room, several private meeting rooms, a lounge, and access to modern technology such as printers, scanners, smartboards, projectors, and video conferencing. Programs will include a monthly art exhibition, a business highlight program, a business mentor program, and educational events for both members and the public.

LaunchSpace - *Orange*

LaunchSpace will be on the third floor of the Orange Innovation Center building. This large industrial space comprises about 10,000 square feet, with additional space into which the makerspace will eventually expand. This industrial space can support all types of making, including processes requiring heat and flame. LaunchSpace will supply all relevant and available safety functionality, from fume control and venting, to 1 micron (HEPA) dust collection, to the use of SawStop table saws that instantly stop when the blade touches flesh. The space has excellent ventilation and natural lighting, three-foot thick concrete floors capable of supporting sufficient amounts of machinery weight, and existing 3-phase electrical service. To minimize noise, LaunchSpace will be sequestered from the professional side of the OIC. Grant funds will support predevelopment planning.

Makers' Mill - *North Adams*

Makers' Mill received a seed grant to support predevelopment work assessing the feasibility of redeveloping an empty 20,000-square-foot building at 25 Marshall Street, next to the main MassMoCA campus. The redeveloped space would serve as expanded makerspace facilities alongside an expansion of MassMoCA's artist-in-residence studio program, and individually rented studios. MassMoCA owns the building. All of the intended uses generate revenue via membership fees, rent payments or residency fees. The grant will help fund architectural and engineering services to develop conceptual design drawings, building code analysis, and preliminary cost estimates to complete a full business model for the project's feasibility.

The Record Co. - *Boston*

The Record Co. is a nonprofit music incubator at the intersection of Dorchester and Roxbury in the Newmarket Industrial District of Boston. Berklee College of Music graduate Matt McArthur founded TRC in 2011 to build a sustainable, nationally-recognized music scene in Boston through universal access to spaces that artists and consumers need to create and discover music. TRC is working to retain musicians educated at Boston's colleges and universities, who can benefit aspiring artists who need professional mentorship, residents who want a city with vibrant musical arts, and companies that need creative talent to continue Boston's tradition of innovation. The current collaborative workspace functions as an affordable commercial-grade recording studio. TRC is using grant funds to study the feasibility of a small-format, neighborhood-based, multi-purpose music workspace for artists and consumers of all ages to collaborate and stimulate the incubation of art at the community level.

The Revolution Factory - *Maynard*

The Revolution Factory helps people take an idea and turn it into something tangible. It helps would-be entrepreneurs with validating ideas, designing products, building marketing plans, and understanding finances. In 2017, Revolution Factory expanded into its new space at Mill & Main in Maynard, and grant funds will help build out the maker space in this larger footprint. With this expansion comes the opportunity to expand its community reach. Local schools can join classes at TRF, and each month TRF provides open training to the public. The expansion will build out three primary functions: coworking/makerspace, skills and job education, and an innovation hub.



Next Steps

In FY17, MassDevelopment applied to the Barr Foundation for additional funding to support this initiative. The Barr Foundation awarded the Agency a \$1,995,000 grant over a three-year period to support arts-related collaborative workspaces. In FY18, \$645,000 of that award will fund spaces. In addition to the Barr Foundation's targeted arts funding, the Commonwealth reaffirmed its commitment to all types of collaborative workspaces by committing \$500,000 through TDI Cowork and \$1 million through Innovation Infrastructure funding. These funds provide a total of \$2,145,000 available for grants, program administration and technical assistance in FY18.

MassDevelopment has forged a relationship with Workbar, a flexible workspace provider, for technical assistance on a handful of the pilot spaces, and has further commissioned Workbar to develop an assessment protocol that will help develop a deeper understanding of the needs of these spaces. Workbar will assess the FY17 funded fit-out spaces in FY18.

MassDevelopment continues to keep an open dialogue with these spaces and their home communities to understand their evolving needs and opportunities. MassDevelopment collects annual surveys from past grantees to gauge progress. The Agency has also hosted well-attended, quarterly gatherings of grant recipients, offering networking opportunities and expert panels on a range of topics that encourage the sustainability and growth of the coworking ecosystem.

From the inception of the TDI Cowork program and the Collaborative Workspace Program through June 30, 2017, MassDevelopment has approved 47 grants: 23 fit-out grants and 24 seed grants. These grants total \$2,393,620, which grant recipients have matched by at least a one-to-one ratio.

Collaborative Workspace Program

Approved Deals: Through June 30, 2017

Project Name	City	Agency Amount	Approval Date
*Barnstable Innovation Center	Barnstable	\$25,000.00	11/10/2016
Fairmount Innovation Lab	Boston	\$25,000.00	11/10/2016
The Record Co.	Boston	\$25,000.00	11/10/2016
*Bank Street Armory	Fall River	\$25,000.00	11/10/2016
Framingham State University	Framingham	\$25,000.00	11/10/2016
Greater Gardner Business Incubator Network	Gardner	\$11,095.00	11/10/2016
Cape Ann Community Foundation	Gloucester	\$22,500.00	11/10/2016
Franklin County Community Development Corporation/Greylock WORKS	Greenfield/North Adams	\$100,000.00	11/10/2016
Holyoke Creative Arts Center	Holyoke	\$13,000.00	11/10/2016
Holyoke Workforce and Innovation Center	Holyoke	\$25,000.00	11/10/2016
TechSandBox	Hopkinton	\$55,375.00	11/10/2016
Maker Innovation Lab Lawrence	Lawrence	\$64,850.00	11/10/2016
United Teen Equality Center	Lowell	\$50,000.00	11/10/2016
Stock Pot Malden	Malden	\$100,000.00	11/10/2016
The Revolution Factory	Maynard	\$25,000.00	11/10/2016
Makers' Mill	North Adams	\$5,000.00	11/10/2016
LaunchSpace	Orange	\$25,000.00	11/10/2016
Artisan's Asylum	Somerville	\$100,000.00	11/10/2016
Inc.ubate Coworking	Winthrop	\$25,000.00	11/10/2016
Creative Hub Worcester	Worcester	\$23,500.00	11/10/2016
Eternity Workshop	Worcester	\$100,000.00	11/10/2016
Institute for Energy and Sustainability	Worcester	\$23,500.00	11/10/2016
MassDiGI New Ventures Center	Worcester	\$50,000.00	11/10/2016
South Coast Innovator Labs	Taunton	\$5,000.00	6/14/2016
Cape Cod Chamber of Commerce	Barnstable	\$12,000.00	3/10/2016
Cape Cod Culinary Incubator	Barnstable	\$5,000.00	3/10/2016
Theatre Zone	Chelsea	\$18,500.00	3/10/2016
Gateway City Arts	Holyoke	\$75,000.00	3/10/2016
*Daher CoWorking	Lawrence	\$1,500.00	3/10/2016
Everett Mills Real Estate	Lawrence	\$5,000.00	3/10/2016
United Teen Equality Center	Lowell	\$10,000.00	3/10/2016

Project Name	City	Agency Amount	Approval Date
Groundwork!	New Bedford	\$19,500.00	3/10/2016
Co-Creative Center (CO+)	New Bedford	\$70,000.00	3/10/2016
*CoWork Springfield	Springfield	\$76,500.00	3/10/2016
Technocopia	Worcester	\$84,000.00	3/10/2016
Shire City Sanctuary	Pittsfield	\$80,000.00	9/10/2015
New Vestures	Lowell	\$150,000.00	4/16/2015
Theatre Zone	Chelsea	\$250,000.00	3/12/2015
*1Zero4 Business Academy	Fall River	\$250,000.00	3/12/2015
Lowell Makes	Lowell	\$160,000.00	3/12/2015
Shire City Sanctuary	Pittsfield	\$5,000.00	3/12/2015
Quincy 2000 Collaborative - Innovation Center	Quincy	\$5,000.00	12/18/2014
Springfield Innovation Cafe	Springfield	\$5,000.00	12/18/2014
CoWork Springfield	Springfield	\$3,800.00	11/20/2014
*EforAll	Lawrence	\$4,000.00	11/12/2014
Groundwork!	New Bedford	\$150,000.00	10/9/2014
Gateway City Arts	Holyoke	\$5,000.00	10/9/2014
		\$2,393,620.00	

**Approved but did not close on funding.*

As reported by the 40 unique spaces that make up the 47 approvals, these spaces occupy 291,634 square feet of real estate, have secured 6,768 new members or member companies, and hosted 2,361 events, meetings and classes. Spaces reported 92 businesses started or accelerated in these spaces during this reporting period, as well as 91 internal and external new ventures and partnerships.



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