

50 Projects – 50 States: Massachusetts

Hot Mama's Foods Springfield, MA

Springfield, Massachusetts has seen more than its share of hard times. The condition of the City's finances required intervention by the state. Unemployment is high and a number of neighborhoods in the city have high levels of economic distress. Springfield was a community ripe to benefit from a New Markets Tax Credit (NMTC) project.

Lansal, Inc. (d/b/a Hot Mama's) is a leader in the manufacturing of fresh, high end, natural food products while promoting sustainable business practices and environmental consciousness. Founded in 1984, the company manufactures and packages fresh and fresh-to-frozen organic food products including salsa, hummus, pasta sauces, and spreads. The firm's latest expansion in Springfield will allow the company to market new products including burritos, tacos and other popular international fare. In February 2006, Hot Mama's received a gold certificate of recognition from Sillikan, Inc., the leading international network of accredited food testing and consulting laboratories.

The CDE, MassDevelopment New Markets LLC saw a unique opportunity and provided a \$313,000 loan to Hot Mama's Foods of Northampton to support relocation and expansion to Springfield. This loan leveraged an additional \$730,000 loan from the Bank of Western Massachusetts. MassDevelopment also provided a \$162,400 mortgage insurance guarantee to support the bank's investment. With the aid of the total \$1.2 million financing package, Hot Mama's purchased a larger USDA certified food production facility located at 134 Avocado Street and will add ten new jobs to its existing 50-person workforce.

In Springfield's case, the NMTC scorecard indicates not only increased private sector investment in an extremely distressed area but also increased jobs and business opportunity -- essential to jump starting the local economy and revitalizing the City.

NMTC Allocatee

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An Affiliate of MassDevelopment

Community Profile

- 51.5% poverty rate
- Unemployment rate 1.86 times national average
- Federal HUB Zone
- Economic Development Hot Zone



Project Highlights

- Real Estate: Organic Foods Company
- Total Project Cost: \$1.45 million
- NMTC: \$313,000
- Other Financing: Bank of Western Massachusetts; mortgage insurance guarantee from MassDevelopment
- Jobs: 59 retained, 10 new