



To: Janis Cook, Budget Officer
Jim Brick, Finance Committee Chairman

From: Jim Pierce, Wyoming County Business Center, Inc.

Date: July 20, 2018

Re: The Wyoming County Business Center, Inc. (WCBC) funding request of \$60,000.

Attached: Current and Year End Balance Sheet, Current Income Statement, Audited Financial Statements and Annual Report

The Wyoming County Business Center (WCBC) presents the attached funding request for 2019. The WCBC is requesting \$60,000, which is equal to 2018 budgeted funds.

The WCBC plays a vital role in economic development for Wyoming County especially for the retail and entrepreneurship sectors. The services that it will continue to provide are described in the budget Narrative, attached. The WCBC Board of Directors again, reluctantly authorizes the request of \$60,000 which is the same as 2016, 2017 and 2018's requests. The request is \$15,000 less funding from the County by 20% from the 2015 year's award.

The 20% reduction in funding has substantially affected the WCBC's ability to continue its core responsibilities of Economic Development Services, Business Attraction Marketing, and entrepreneurship training. The funding cuts continue to directly affect the following:

ED Services and Site Development: The WCBC plays an integral role in the development of shovel ready sites of both green sites and environmentally challenged property for expanding businesses and business considering locating in Wyoming County. The continued reduction in funding for this activity hampers the resources the WCBC has available to continue to provide this service.

Business Attraction Marketing: The WCBC's core mission is to attract businesses into and encourage businesses to expand within Wyoming County. In order to stay viable and compete with surrounding counties for prospective businesses looking for areas to relocate or build, the marketing of Wyoming County's economic development features is critical. By cutting the budget for marketing the WCBC is even more limited in what tools it can provide for business attraction marketing of Wyoming County. Continued cuts in funding for marketing will stifle the economic growth in Wyoming County and may limit the growth in the tax base for real property and/or sales tax revenues.

FastTrac Entrepreneurship Development Program: It is vital that we continue to have an entrepreneurship program in the WCBC because it is a core component of economic development and job creation in a rural county. The FastTrac New Venture entrepreneurship training program has been extremely successful. Since the inception of the program (8 years ago), There have been 145 educated participants in the program, 132 graduates, 67 businesses have started, creating 112 jobs and are a great source of new tax base both for real property and sales tax. By reducing the funding the FastTrac program is in jeopardy of not reaching its goals and not being able to continue carrying out the entrepreneurship training program in a way to achieve the most beneficial outcome for our aspiring business owners, as well as increase in tax revenue for the County.

Although we have submitted our request with a continued 20% reduction, we respectfully ask that the Board of Supervisors consider increasing our ask by any available funds bringing our total approved funding back up to the \$75,000 we had been awarded in 2015 in order to fully carry out the mission and core responsibilities of the WCBC and keeping the economic development of Wyoming County a priority.

Thank you for consideration of the WCBC funding request. We look forward to continuing our working relationship with the Board of Supervisors to help grow Wyoming County's economy.

Proposed 2019 Budget Wyoming County Business Center

Revenue	2018 Budget	2019 Requested Budget
Wyoming County Board of Supervisors		
ED Services and Site Development	15,000	15,000
Business Attraction Marketing	15,000	15,000
FastTrac Entrepreneurship Program	10,000	10,000
LDC Administration	<u>20,000</u>	<u>20,000</u>
Total Wyoming County Funding	\$60,000	\$60,000
FastTrac Participant Fee	6,000	6,000
FastTrac Sponsors	4,000	4,500
Micro Loan Interest	2,500	3,000
Fees from activities	0	400
Interest Income	<u>600</u>	<u>2,000</u>
Total Other Funding	\$ 13,200	\$ 15,900
Total Revenue	<u>\$ 73,100</u>	<u>\$ 75,900</u>
Expenses		
Accounting/Audit	9,000	9,500
Insurance	500	500
Postage	200	200
Professional/Consultant Fees	1,000	1,000
Legal Fees	5,000	5,000
Publications/ Subscriptions	200	300
Office Supplies	500	600
Meeting/ Mileage Expense	100	200
Equipment	200	200
Business Attraction Marketing	15,000	15,000
Administration of WCBC	20,000	20,000
Website, Internet and Email Maintenance	250	250
Micro Loan Underwriting	2,150	2,150
FastTrac Delivery and Administration	19,000	21,000
Total Expenses	<u>\$ 73,100</u>	<u>\$75,900</u>
Budget Balance	0	0

Budget Narrative

Revenue

Wyoming County Board of Supervisors – The funding from the Wyoming County Board of Supervisors as in previous years will be used for:

Economic Development Services and Site Development- \$15,000

The WCBC, through its Board of Directors and IDA as administrators will assist with economic development for entrepreneurship development and assisting retail projects looking to grow and expand.

More specifically:

1. Encourage and assist in the establishment and expansion of businesses that will create or retain jobs for county residents and generate additional tax revenues.
2. Promote and encourage the economic development of Wyoming County in cooperation with local governing bodies and other development and business groups.
3. Market the attractiveness of Wyoming County as a place to live, work, and operate a business.
4. Assist with Retail and Community-based Organization Projects.
5. Construct, purchase, acquire, rehabilitate and improve buildings or real estate in the County for use by retail, commercial and industrial businesses. The WCBC's activities may include the acquisition and development and the revitalization of downtown areas, including blighted or contaminated properties.
6. Maintain and improve a healthy county economy and enhance the quality of life for Wyoming County residents.
7. Increase the awareness, knowledge, and support of economic development by the business sector, elected officials, and the general public.
8. Serve as a charitable entity for private donations, gifts and bequests of personal and real property to be used to advance economic development opportunities within the County. Leverage tax credits available through the WCBC to acquire assets, including land, for nominal funds to support economic development programs.

Business Attraction Marketing - \$ 15,000

By the end of 2017, the WCBC will have implemented the Economic Development Marketing Plan that will provide a road map of the best marketing practices that are available to attract new businesses to Wyoming County. Given the strength of Wyoming County's agriculture one of the main industry targets for the marketing efforts will be agribusiness; along with manufacturing and tourism. The comprehensive marketing plan spans over 3 years with additional marketing tools being implemented as funding is available. In 2015 the WCBC was able to fund brochures, white sheets for Ag, industry and green energy, create a marketing video for Manufacturing, and develop a website landing page. The funding for 2016 allowed the Business Center to create additional brochures, white sheets for Ag, industry and green energy, and develop a marketing video for Agriculture, and Tourism. With the reduction in the budget for Marketing the WCBC is even more limited in what tools it can provide for business attraction marketing of Wyoming County.

FastTrac Entrepreneurship Development Program - \$10,000

It is vital that we continue to have an entrepreneurship program in the WCBC because it's a core component of economic development and job creation in a rural county. The FastTrac New Venture entrepreneurship training program has been extremely successful. Since the inception of the program (8 years ago), There have been 145 educated participants in the program, 132 graduates, 67 businesses have started, creating 112 jobs and are a great source of new tax base both for real property and sales tax. By reducing the funding the FastTrac program is in jeopardy of not reaching

its goals and not being able to continue carrying out the entrepreneurship training program in a way to achieve the most beneficial outcome for our aspiring business owners.

Wyoming County Business Center Administration - \$20,000

This represents the cost associated with administering the WCBC. The estimated cost for staff time dedicated to the administration of the WCBC is \$95,000. The Wyoming County IDA provides the Administrative Service at less than half of the actual cost and provides the remaining cost as in kind.

Other Funding

FastTrac Participant Fee

Participants that register for the FastTrac program pay a tuition investment of \$300. Anticipated fees to be collected are \$ 6,000. There have been changes made to the FastTrac Entrepreneurship Program and actual expenses and tuition costs may change for 2019.

Micro Loan Interest Income

Interest from loan repayments is anticipated to be \$3,000.

Interest Income

The WCBC anticipates interest income of \$2,000 based on short term investments of cash. This has increased due to the interest rates rising recently.

Expenses

- **Accounting/Audit** – The WCBC will engage an accounting firm to complete the entity’s audit as required by the PAAA for an amount not to exceed \$9,500.
- **Insurance** – General liability the amount to cover the WCBC is \$500.
Directors, Officers and other insurance needs are covered under the umbrella of the County’s insurance policy since the County is the sole sponsor of the WCBC.
- **Postage** – The WCBC estimates that \$200 will be expended on postage.
- **Professional/Consultant Fees** - This \$1,000 expense represents funds that may be utilized for consultant should the need arise, i.e. a business prospect desires a customized analysis of specific data to assist them in a decision to locate the business in Wyoming County.
- **Legal Fees** – Counsel will be used for general services and compliance issues not to exceed \$5,000 for the WCBC. Counsel is made available to the WCBC directors and President and includes legal advice in regards to compliance with the Public Authority and Accountability Act (PAAA), activities such as property acquisition, redevelopment, property disposal and assisting with retail development projects.
- **Publications / Subscriptions**- \$300 Subscriptions to Economic Development and Marketing Information.
- **Office Supplies** – The WCBC will purchase general office supplies, paper, printer toner, etc. estimated to cost \$600.
- **Meeting and Mileage Expense** – The WCBC holds Board of Director meetings as needed and is required to hold an Annual Meeting. The WCBC estimates meeting and mileage expense will be \$200.

- **Equipment/Equip Maintenance** – The WCBC anticipates the need upgrade equipment at an estimated cost of \$200
- **Marketing** – The WCBC is responsible for business attraction marketing for a budget amount of \$15,000. Anticipated marketing efforts will include:
 1. Participation in trade shows and other events for select industry targets.
 2. Development and distribution of marketing materials to targeted industries.
 3. Collaboration with the Greater Rochester Enterprise and Buffalo Niagara Enterprise (regional business attraction marketing entities)
 4. Implement other marketing components, advertisements, website, social media, etc, that will be identified as the most appropriate current marketing tools scripted from the marketing plan.
- **Administration of WCBC** – \$40,000, Administrative responsibilities of the WCBC are carried out by the IDA and include, but not limited to, administration of micro loan portfolio, processing of new loans, implementation of the business attraction marketing plan, coordination of the FastTrac New Venture program, compliance with the Public Authority and Accountability Act, annual budget and reports, preparation of minutes, coordination of meetings, preparation of monthly financials and work with the accountant on the tax return, annual audit, managing of current loan portfolio and short term investments and reporting to the Wyoming County Board of Supervisors' Planning Committee. The estimated cost for staff time dedicated to the administration of the WCBC is \$95,000. The Wyoming County IDA provides the Administrative Service at less than half of the actual cost and provides the remaining cost as in kind.
- **Website, Internet and Email Maintenance** \$250, upgrades, updates and IT services will need to be conducted on these items.
- **Micro Loan Program Underwriting** – This \$2,150 expense is for consulting services for underwriting and credit analysis of loan applicants.
- **FastTrac Entrepreneurship Program Delivery and Administration-** \$21,000- The FastTrac Entrepreneurship Training Program has been extremely successful. Since the inception of the program (8 years ago), 67 businesses have started, creating 112 jobs and are a great source of new tax base both for real property and sales tax. The plan is to continue with our cycle of two ten week programs in 2019, one in the spring and one in the fall. Administration will include marketing and advertising the program, payment of facilitators and business coaches, office supplies (paper, easels), training manuals, postage and printing. There are changes being made to the program and actual costs have increased.