

2013 EXECUTIVE DIRECTOR'S SUMMARY

It has been a couple of years since the WCIDA and WCBAC Board members have gathered for a traditional annual meeting and review of accomplishments. A great deal of transition has taken place since the last Annual Meeting. The unfortunate passing of former Executive Director Michael Heftka and the hiring of James Pierce in March of this year brought new opportunities for the alignment of economic development services from the Wyoming County Business Center to support the work of the WCIDA. This new alignment went a long way in streamlining services and programs and creating a truly one stop shop for economic development services for businesses.

In order to administer the additional work from this new alliance and free up time for the Executive Director to bring in more project activity, the IDA Board stepped up their investment in economic development by propelling Robin Marschlok from a Program Manager into a management position and naming her Director of Operations. A new administrative support position was created and was filled by Jennifer Tyczka. These expanded roles and additional staffing were important steps in positioning the WCIDA for additional growth of business services and project development.

In 2013 there were numerous and more onerous regulatory changes forcing WCIDA staff to educate ourselves on new reporting requirements and to develop new policies and internal controls in order to remain in compliance. Critics of IDAs were once again on the forefront casting a negative view on place public benefit corporations and the important work that we do. Governor Andrew Cuomo's establishment of regional councils and a Consolidated Funding Application has diminished the WCIDA's ability to assist business with applying for a state grant to support economic development projects. While conceptually this model seems to make sense, in reality it has significantly reduced the number of grants that have been traditionally awarded for small rural projects. Much of the state offerings are targeted for larger or regional projects that are located in and around Monroe County. This reality has brought us to the realization that the IDA has to do more locally to induce and invest in projects. Fortunately the fees from the wind turbine project have enabled the WCIDA to do just that.

Getting back to the Annual Meeting and its purpose, it is a chance to reflect back on the year that has past and recognize and celebrate in the WCIDA's accomplishment. The following pages contain a summary of a number of projects and other WCIDA activity. It is compiled in an outline format for brevity; however complete project files are available for review upon request.

FINANCIAL ACCOMPLISHMENTS:

The financial position of the WCIDA continues to remain strong. The WCIDA has received the bulk of the annual installment payments from the Wind Projects. These funds have allowed the WCIDA to provide supplemental financing to many business projects throughout the County. The availability of these funds enables the WCIDA to implement its mission to encourage and increase private investment that creates new job opportunities, retains and stabilizes the existing employment base, and generates added tax revenues through increased economic activity in Wyoming County.

The WCBAC Loan Portfolio continues to grow. Currently we have 35 loans with a balance of \$3,482,285.

Significant financial projects in the past 2 years include:

- ✚ Prestolite Electric expansion, loaned \$250,000 for the purchase of a die cast machine and dies in order to keep the die cast line in Arcade and create 17 jobs.
- ✚ Invested \$120,000 into the move and reconstruction project for Lisaenal-D, LLC, owners of New York Pizzeria in Warsaw, enabling them to expand their dining area, add a Sports Bar and create a larger parking area to accommodate patrons. The move created 5-10 new jobs.



- ✚ Provided \$80,000 in gap financing for Yogi Bears Jellystone Park in Java for the purchase of new cabins and golf carts. In addition to the earlier 6,000 sq ft water park completion, the entire project created 15 jobs.



- ✚ Invested \$50,000 into the reconstruction of the former dilapidated “Robeson Building” in Castile to allow Toy Storage Inc., to utilize the space for a boat storage business and other tenants.
- ✚ Loaned \$53,000 to Athletica, Inc. for the purchase of a sequin machine to fill new item orders at the Perry site and create 3 new jobs.
- ✚ Provided gap financing package for LVM Materials in the Town of Eagle to construct a 21,000 sq. ft. building to house a wood pallet recycling facility and create 6 jobs.
- ✚ Completed the financing needs of Byrnclyff Resort and Conference Center in the Town of Sheldon for the renovation at its existing club and the conversion of a house into a bed and breakfast. Invested \$175,000 into this \$1,100,000 project.



- ✚ Provided a \$150,000 loan to help facilitate the expansion at Drasgow, Inc. in Gainesville. The project included a 6,000 sq. ft. addition to the shop and raw storage area and a 4,000 sq. ft. addition for office and administrative updates. The project created 12 new jobs to date.
- ✚ Invested \$200,000 in participation with the Bank of Castile for the construction of an \$837,000 heifer raising facility at the Burly Brothers Cattle Company in Attica.
- ✚ Provided a \$43,000 loan to Caring Hart Transport, Inc. in Java for the replacement of a roof and overhead door on their commercial building. The company projects 4 new jobs over the next two years.

SUCCESS STORIES

The WCIDA provided financial incentives through tax abatement for 4 projects in 2011, 7 projects in 2012 and 6 projects to date in 2013. Highlights of the combined 17 projects include the following:

- ✚ The last quarter of 2011 brought the release of the promised NYSDOT multi-modal \$1.3m grant funds and the moving of the rail lines in Arcade. This move enabled Koike Aronson Manufacturing to complete a 40,000 sq. ft. high bay addition to its facility to house two 50 ton cranes for their largest projects and allowed them to accept large item orders to be completed at their Arcade, N.Y. facility and created 15 new jobs.



- ✚ EG & JR Miller, LLC completed an expansion to the W. Glen Sedam's facility on Route 246 in Perry. The expansion provided a large truck repair area and more room for storage of need parts. The project was a \$250,000 investment and 2 new jobs were created.



- ✚ Upstate Chevy in Attica completed an upgrade to its façade and expansion to their service center and show room areas as mandated and approved by GM. The improvements cost \$650,000 and projected to create 8 jobs over the next 3 years.
- ✚ Sun Dor, Inc. received incentives for the renovations its facility in Castile. The Company, an affiliate of Upstate Door invested \$1.5m into the Castile building to house machines and materials for a new line of doors acquired from Kansas with the plans to create 20 jobs.
- ✚ LVM Materials invested \$430,000 to construct a new building that will house a wood pallet recycling facility next to the R.S. Maher & Son transportation business in the Town of Eagle. Owner, Lee Maher received a Community Development Block Grant for the expansion of their truck repair business in 2010, the project created an additional 4 jobs.

- Byrncliff, Inc. purchased a residential home, located on the Byrncliff Golf Course in the Town of Sheldon, to convert into a Bed and Breakfast rental, the \$1m investment also included updates to the existing banquet facility at Byrncliff Resort & Conference Center. Ten new jobs were expected to be created.



- Biggest Loser Niagara-Java, N.Y. was chosen as a location for an internationally acclaimed fitness camp. 2012 saw the induction and completion of a \$3.5m expansion to the Beaver Hollow Conference Center to house The Biggest Loser Niagara. The much publicized expansion brought recognition to the assets of Wyoming County and created more than 75 new jobs.



- Dragow Inc. received tax incentives for a 9,200 sq. ft. addition to his machine shop in Gainesville. The project provided additional space for raw materials and finished product storage as well as more office and administrative area. Dragow applied through the new CFA process and was awarded \$125,000 in funding from ESD. This project will create 10 new jobs.
- The WCIDA successfully administered the \$750,000 grant funding from National Grid to the CH₄ Biogas project in the Town of Covington. Synergy Biogas received the grant to fund the connection of its co-digester to the grid. The project is the first of its kind in the Northeast to produce renewable energy from manure, food waste and separated organic waste and sell the excess gas to the power company.



- James Rutowski came a third time to the WCIDA for tax incentives to support his investment into a dilapidated building in Warsaw. The project on South Main Street includes renovation to 8,200 sq. ft. to house a health care service facility.



- Paddock Properties, LLC acquired property from the Village and Town of Warsaw in the Warsaw Industrial Park. Paddock Properties was approved for tax incentives for the construction and equipping of an 11,600 sq. ft. building to house Paddock Breeding Services and Dairy Supplies, LLC. Projecting to create 9 jobs.
- Maple Grove Enterprises in Arcade is expanding its business by building a 7,000 sq. ft. steel structure to allow for needed space for its manufacturing and fabricating shop. The WCIDA has approved tax incentives for the construction materials and non-production equipment. The project proposes to create 12 new jobs.



ADMINISTRATIVE ACCOMPLISHMENTS

The past two years have imposed changes to the WCIDA's administrative structure. Currently the IDA has 3 employees for the first time ever.

- ✚ In 2013 the WCIDA welcomed Jennifer Tyczka as a much needed Administrative Assistant. Robin Marschlok was promoted to Director of Operations and has new responsibilities in overseeing IDA projects and daily operations.
- ✚ Executive Director, James Pierce came to the IDA from the Wyoming County Business Center, where he still serves as President. He works daily promoting available sites in the County and reaching out to existing businesses and conducting business attraction marketing.
- ✚ In 2013 the WCIDA staff acquired the administration of the Wyoming County Business Center functions. These include administering the Micro-loan portfolio, the FastTrac New Venture Entrepreneurship program, website maintenance for the WCBC, PARIS reporting, Board Meeting preparation, bookkeeping and general daily office duties.
- ✚ The WCIDA continues to administer the Wyoming County Business Assistance Corporation or "Loan Corp", prepares and submits PARIS reporting as mandated by the New York State ABO and State Comptroller's Office, and coordinates annual reports from businesses for the Empire Zone which sunset in 2010.
- ✚ The WCIDA's Strategic Plan has reached its final year. Moving forward the IDA Board and staff will revisit and update the Plan.
- ✚ The WCIDA developed and launched its first website, www.wycoida.org. The web site serves many purposes including business attraction marketing, complying with the posting of reports for public viewing and explaining the services of the WCIDA.
- ✚ The WCIDA also developed a new more modern logo and slogan for the organization:



LOOKING FORWARD.....

- ✚ The WCIDA currently has two projects waiting final approvals by local municipal planning boards. Once approved the applicants will then receive tax exemption and real property tax abatement. The Perry Holdings Company, LLC and the Center Street Business Center, LLC have projects that have both been approved contingent on obtaining local approval and proper permits.
- ✚ The Perry Holding Company, LLC is investing in a new 7,488 sq. ft. building and renovations to its existing facility to support the growth of the Perry Vet Clinic.
- ✚ The Center Street Business Center, LLC, owned by Jim Rutowski is currently solidifying the floor plans and will be renovating an old knitting mill on Center Street in Warsaw. The 28,000 sq. ft. building will house Wyoming County's proposed Agriculture and Business Center of Excellence. The goal is to enhance inter-agency efficiencies and synergies to stimulate expansion of the Dairy Industry, provide a one stop shop for the agriculture community and promote regional leadership within Wyoming County. The completed project is expected to house 13 agencies. This project will require an investment of more than \$4.5 million.



- ✚ The WCIDA has been diligently trying to complete the second half of the Wyoming County Rail Initiative with the project which was originally scheduled to be constructed on property at the Hillcrest Industries site in Attica. Due to negative publicity surrounding the Hillcrest Industries facility in 2012 it appears the project will not be approved to move forward at the proposed site at this time. The WCIDA Board and staff are investigating alternative locations with the hopes of using the remaining \$650,000 in grant funds from NYSDOT for a rail project that will benefit Wyoming County Businesses.
- ✚ The WCIDA will also continue its due diligence to acquire real estate that can be marketed for business growth or to new businesses coming into the Wyoming County. The WCIDA just recently closed on a 4.28 acre parcel in Arcade zoned for light industrial/highway commercial use. Plans are underway to market the property.
- ✚ The WCIDA will continue to provide tax incentives to encourage capital investments. Looking ahead the IDA will search out new ways to invest resources and continue to improve the economic climate in our County.

- ✚ The WCBAC will continue to work diligently to provide gap financing to complete the financing needs and work in collaboration with local financial institutions serving our local businesses.
- ✚ The WCIDA will be partnering with the Wyoming County Business Center to develop economic development marketing plan. Requests for proposals were sent out recently and responses are currently being evaluated.

CONCLUSION

For several years after the latest recession hit the nation, local companies were hesitant to invest in capital projects. The WCIDA saw a lag in large project incentive requests. However, when business owners and investors were not able to fully fund or take steps to help businesses with their financing needs the IDA became a much needed tool in encouraging economic growth. Whether it was through tax savings incentives which allowed companies to free up cash to invest in projects and cover overhead or through gap financing loans which helped the capital projects come to fruition with the needed funds for completion. The WCIDA saw some of its busiest years for tax incentive and loan projects from 2010-2012. There were a total of 23 business loans and 18 tax incentive projects completed in these three years compared to 12 loans and 15 incentive projects in the three previous years.

The WCIDA remains an important part of Wyoming County's Economic Development efforts. Regardless of changes to policy, and compliance issues; regardless of proposed changes in legislature by those who don't understand the need for IDA's and regardless of those who fail to see the value to our community that the IDA brings. The WCIDA has proven time and again its strength and belief in the service we provide to our County's economic future. The WCIDA will continue to do its part to encourage the growth and investment in our local businesses. Our mission after all is to:

"encourage and increase private investment that creates new job opportunities, retains and stabilizes the existing employment base, and generates added tax revenues through increased economic activity in Wyoming County."