

## **2020 ANNUAL MEETING SUMMARY**

The Annual Meeting of the Wyoming County Industrial Development Agency (WCIDA) and the Wyoming County Business Assistance Corporation (WCBAC) Board of Directors is a chance to reflect back on this past year and to recognize and celebrate the accomplishments.

When I look back on this year and the projects we served, there is one that is the most satisfying and that is the Microtel Hotel in Warsaw which is now open. The recruitment of a branded hotel has for many years been a top economic development priority of the WCIDA. With good old-fashioned direct mail marketing we found Indus Hospitality Group out of Pittsford who shared our same interest and vision of a hotel in Warsaw. The \$6 million project will create 15 jobs and it was truly a collaborative project involving local, county, state and WCIDA representatives that collectively put together a very attractive incentive package to get this project to the finish line. Now standing on the former blighted Manor Oak nursing home property is a beautiful 66 room hotel. Congratulations and thanks to everyone involved in this much-needed project.

A second noteworthy project that the WCIDA assisted was JC Equipment (dba as Cole Building Solutions). The WCIDA used their Adaptive Reuse Policy to assist JC Equipment to acquire and demolish the former Broeder Machine Building in South Warsaw that had been vacant and deteriorating for 20 years. The former blighted site will now be home to a brand-new building that will soon be under construction and will house 3 businesses. The project will retain 7 jobs and create 8 new positions.

The WCIDA has also assisted with the growth of renewable energy projects in the County. A 20 MW battery storage project in the Town Orangeville has been approved for WCIDA incentives for Invenergy along with 20 MW solar project by Duke Energy in the Town of Bennington, both have plans for construction for the spring of 2021. Several other solar projects are in the pipeline for this coming year are committing to locations in Towns of Pike, Castile, Warsaw and Sheldon. A wind turbine project is also being proposed in the Town of Arcade for construction in 2021.

The year 2020 also is the year of the COVID-19 pandemic. The WCIDA and our affiliated local development corporations quickly swung into action to help our businesses understand and take the appropriate actions to comply with the myriad of Executive Orders put forth by the Governor and implemented by Empire State Development. In addition, we instituted loan payment deferrals and established a new Re-start Loan program and other resources to help retain and stabilize our existing businesses. The Wyoming County business community is very resilient and we are confident they will weather this storm.

In closing I once again I have to commend WCIDA's Jennifer Tyczka, Program Manager and Robin Marschilok, Director of Operations and Bill Daly Special Project Coordinator for the excellent work they do. Jennifer and Robin's work is vital to all three entities and to the success of economic development in Wyoming County.

Sincerely, James Pierce, Executive Director

## **FINANCIAL ACCOMPLISHMENTS**

In 2020 the WCIDA was met with unprecedented challenges as it pursued the advancement of economic development in the county. While the COVID-19 pandemic changed the way businesses functioned and, in some instances, stopped viability all together, the investment in properties; the management of loan programs and the continued investment in the marketing of Wyoming County to attract new businesses all seemed to be frozen in time. Internally however, the WCIDA followed closely as the Governor's instructions for precautionary closings and then incremented re-openings changed on a daily basis. The WCIDA and the WCBAC have been there to get the information out to the businesses, either directly or indirectly by providing the links and tools businesses needed in order to keep their companies afloat. By providing assistance within the statute of law governing IDA's; and encouraging businesses to look to the future and forge ahead, we are positive the hardships suffered during this pandemic will be extricated and better times are coming for our businesses. In looking ahead, the WCIDA will need to access the business environment throughout the County in order to preserve and diversify where either is called for. The WCIDA will continue 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.

### **WCIDA SUCCESS STORIES**

Even as the Country's economy shut down and uncertainty was felt within the business community, the WCIDA approved financial incentives through tax abatements for new projects in 2020 and previous year's projects moved ahead as they were allowed. Highlights of assisted projects in 2020 and updates on continuing projects include the following:

#### **Projects Continuing From 2019**

##### **❖ Indus 19, LLC – Microtel in Warsaw, N.Y.**

Indus Hospitality Group of Companies ("Indus Group") is owned and operated by the Mehta family in Rochester, New York. Indus 19, LLC demolished the former 31,500 sq. ft., 3-story Manor Oak Nursing Home in the Village of Warsaw and replaced it with a new 3-story 32,000 sq. ft. nationally branded Wyndham Microtel hotel. The hotel is a business class/tourist hotel with 67 guest rooms and amenities. The hotel also features a meeting room, a fitness room, outdoor terrace and sundries market. There were no hotels of this type previously in the Village of Warsaw or Wyoming County. The total project cost \$6,000,000. The Company received abatement of sales tax on construction materials and non-production equipment, a deviated PILOT agreement for temporary abatement of property tax and abatement of Mortgage recording tax on \$4,800,000. Total incentives proposed, over a ten-year period, are estimated to be \$2,000,000. Indus expects to create 15 new jobs over the next 3 years. After the completion of construction Indus 19 began a soft opening in June 2020. There are plans for a Grand Opening in the Fall.



Indus 19, LLC- Microtel in Warsaw NY- Construction progress and completion.

❖ **JC Equipment Rentals, LLC (Cole Building Solutions) – Warsaw, NY**

Since 2012, Cole Building Solutions, a local contractor, has been constructing pole barns, dairy buildings, equestrian barns, and garages throughout Western New York. The owner of Cole Building Solutions, Jesse Cole, has more than 15 years of experience in the construction industry. JC Equipment Rental purchased the existing building (previously the Broeder Machine Building) in South Warsaw from Warsaw Development Storage, LLC. The building is being demolished and reconstructed as a 50' x 160' solid core panel building to be used as an office, storage and maintenance building for the construction company. Some of the space will be used to manufacture sheds and will allow construction crews to work inside during the winter months. The Company is receiving abatement of sales tax on construction materials and non-production equipment, mortgage tax abatement and a PILOT agreement for temporary abatement of property tax using the Adaptive Reuse Schedule. Cole Business Solutions currently employs 7 people and expects to create 8 new jobs over the next 3 years. The project was approved by our Board in June 2019, construction started June 2020.



JC Equipment Rentals Demolishing the Broeder Machine building, Warsaw, NY

❖ **Java Energy, LLC – Solar Battery Energy Storage- Java, N.Y.**

Java Energy, LLC will build a solar and battery energy storage facility, designed to reduce local blackouts and voltage problems due to aging grid infrastructure in the Town of Java. It will include 5 megawatts (MW) of lead-acid batteries, and 1 MW of lithium-ion batteries, occupying approximately 7.5 acres of land. The project will

include the construction of two 12,000 sq. ft. buildings to house the storage batteries. Java Energy will contract with NYSEG for service provisions. The Company requested IDA incentives for exemption of sales tax on construction materials and non-production equipment, a mortgage recording tax exemption, and a deviated PILOT agreement for abatement of property tax. Due to the nature of the facility one job will be created. The project was approved for incentives in September of 2018 but has been on hold since.



Java Energy LLC- Concept of what facility will look like when complete

### **Projects Approved in 2020**

#### **❖ Duke Energy Renewables, LLC – Niagara Solar Project - Bennington, N.Y.**

Duke Energy Renewables is a leader in developing innovative wind and solar energy solutions for customers across the country. Duke Energy owns and operates more than 2,975 megawatts (MW) of solar and wind projects, and it is adding additional renewable energy solutions such as battery storage and microgrids to its portfolio. The Project involves the acquisition of an interest in approximately 82 acres consisting of a portion of 2 parcels of land; one located west of Alleghany Road/SR 77 and north of Clinton Street/354 and one located east of Alleghany Road/SR 77 and north of Clinton Street/354 in the Town of Bennington and construction and equipping of a 20+/- megawatt (MW) solar photo-voltaic electric generating facility comprised of solar panel arrays, electrical substation improvements and associated appurtenances, equipment and improvements. The proposed capital investment for this project is \$23,799,507. The Company requested IDA incentives for exemption of sales tax on construction materials and non-production equipment and a non-standard IDA PILOT agreement for abatement of property tax. The WCIDA Board approved the incentive request at its February 20, 2020 Board of Directors Meeting. The project has not moved forward at this time.

#### **❖ Orangeville Energy Storage, LLC – Battery Storage Project - Orangeville N.Y.**

Orangeville Energy Storage LLC is owned and operated by Invenergy, the largest clean energy company in the US, located in Chicago, IL. Invenergy, LLC has successfully developed and constructed two wind farm projects in Wyoming County; High Sheldon Wind and Stony Creek Energy, and continues to grow and develop new



technologies to utilize green energy sources in the most efficient way possible. The Orangeville Energy Storage project will include construction and equipping of a 20+/- megawatt (MW) AC battery energy storage facility comprised of multiple storage container buildings, commercial scale lithium-ion batteries, inverters, pad-mount transformers, electrical interconnection facilities and related improvements. The project will be located on Centerline Road in the Town of Orangeville and the total investment for the Project will be \$11,680,00.00. The Company requested IDA incentives which include: sales tax exemption on construction materials and non-production equipment; mortgage recording tax exemption and real property tax abatement pursuant to a customized, non-standard IDA PILOT agreement. The WCIDA Board of Directors approved the request at its March 26, 2020 Board of Directors Meeting. The Project has been on hold since.

#### ❖ **Hidden Valley Animal Adventure**

Hidden Valley Animal Adventure has determined the need for an additional building to house large animals which live at the Adventure Park and has decided to construct a 226'x 80' animal housing facility to accommodate the animals on site during the winter. The on-site housing will create a more efficient location for managing animal care and provide needed shelter to reduce the potential for health issues and loss of animals during the colder months. The new facility will also allow Hidden Valley to provide a viewing area to attract visitors to the Park in the late Fall and Winter months to enjoy the animals, learn about animal care and increase revenues for the business. The Business has requested sales tax exemption for the purchase of materials and non-production equipment, real property tax abatement, using a Tourism Destination Project Schedule, and Mortgage tax exemption. The total cost of the project is estimated at \$477,351. At the time of application, Hidden Valley had 10 employees and anticipated increasing their employment by 1 FT and 12 PT and seasonal workers over the next 3 years. Hidden Valley Animal Adventure reported employment count during peak season 2019: 6 managers, 7 full-time staff, 75 part-time staff. The WCIDA Board approved the request for incentives at its February 20, 2020 Board of Director's Meeting. The project was subsequently put on hold due to the Covid-19 Pandemic.



## WCIDA PROJECTS ON THE HORIZON

Looking ahead to the completion of 2020 and on into 2021 the WCIDA has the following projects in the pipeline:

- ❖ **Dream Lake Campground** has applied for IDA incentive for a \$1 million expansion project including 45 new cabin sites, 2 bath houses, 1.75-acre pond and septic system upgrades. The project is currently going through the SEQRA process with the Town of Warsaw.
- ❖ **Delaware River Solar** – The Company has proposed 4 separate solar projects totaling 12.6 MW, in the Town of Pike. The WCIDA has received applications and currently the projects are under local review with the Town.
- ❖ **Silver Lake Solar** has proposed a 24.99 MW Solar project in the Town of Castile. The Town has approved the project and the WCIDA anticipates the receipt of an application for incentives.
- ❖ **Big Tree Solar** has proposed a 175 MW project in the Town of Bennington. The WCIDA has not yet received an application for this project.
- ❖ The Land Sale Transaction of the Steele Avenue Parcel “B” is expected to be finalized for a hotel project in Arcade.

## ADMINISTRATIVE ACCOMPLISHMENTS

The NYS General Municipal Law Section 18A, (IDA LAW) is constantly changing and it is the responsibility of the WCIDA Board and Staff to stay updated and follow any new legislation mandated into law. The WCIDA Staff oversees the complete operations of three economic development entities and also provides the administration of other grant and loan fund programs relating to agri-business and rural arts within the County.

In 2019 we saw the largest number of legislative bills regarding IDA reform brought to the Senate for consideration. New regulations which have passed include the requirement to live stream all of the IDA public meetings and public hearings where practical, deviation notices must be sent to all jurisdictions involved in an IDA project by certified mail, return receipt requested, IDA’s are obligated to provide resolutions to all jurisdictions affected by certified mail, return receipt requested, new rules on what is considered “lobbying” and penalties for non-conformance with lobbying laws, ABO suspension statute; giving the ABO the power to suspend Board members and staff for up to 90 days if they knowingly fail to report required information within 6 months of being due and the MWBE program extended until 2024 for contractors participating in state funded projects.

In 2020 the issue of prevailing wage again came to the forefront and was passed into law, to take effect in 2022. With the many changes and new regulations, the WCIDA Staff continues

to work diligently to keep the WCIDA and WCBAC organizations in compliance with the Public Authority Law and Authority Budget Office, (ABO), regulations.

- ❖ In 2020 the WCIDA continued to work to provide incentives for economic development projects in the County. Using the guideline of the WCIDA Uniform Tax Exemption Policy, the IDA Board has offered incentives to projects that will rehabilitate an old building using the schedule for abatement of adaptive reuse projects and the construction of a hotel was completed using the schedule for tourism destination projects. The WCIDA approved proposed deviations from its standard project schedule to provide assistance to a wind energy battery storage project and provide incentives to allow several companies with plans of bringing commercial solar projects to the county the chance to get their projects up and going.
- ❖ As new State legislation amendments pertaining to General Municipal Law and Public Authorities Law are imposed and new record keeping requirements regarding the monitoring of projects by IDA's are put in place, the WCIDA Staff works diligently to comply with the sometimes-arduous requirements.
- ❖ The WCIDA administers, prepares and submits PARIS reporting, for three entities, 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 Staff provides the administration of the Wyoming County Business Center (WCBC) functions. These include administering the Micro-loan portfolio, the FastTrac Entrepreneurship program; the business attraction marketing plan, website maintenance for the WCBC, PARIS reporting, Board Meeting preparation, bookkeeping, and general daily office duties.
- ❖ During the pandemic the WCBC has created a Re-start Wyoming Loan Program offering loans to small businesses throughout the county to help cover costs incurred because of the COVID-19 restrictions. To date the WCIDA Staff has worked to assist 6 businesses in need with a total of \$59,000 in funding. The generous terms of the program include 6 months no payments, 6 months of principal only payments and 4 years of principal and 2% interest payment to fully repay the notes. The WCBC Board allocated up to \$200,000 for this program.
- ❖ The WCIDA Staff continues to strive to meet the goals of the Agency's Strategic Plan. The plan indicated that the focus of the IDA would be on investing in commercial building sites, attracting new business and developers, and developing tourism destinations and complementary businesses. The WCIDA owns two properties in Arcade and one parcel in Perry. One property in Arcade is currently under contract with a prospective developer. These properties give the WCIDA options to share with site selectors and business prospects looking to expand or start their business in Wyoming County.

- ❖ The Wycoida.com website features the WCIDA as the lead agency for economic development in the county but also provides access to the WCBAC, the Wyoming County Business Center and the FastTrac Entrepreneurship Program. By bringing together all the information from three entities the WCIDA's website makes it easier for visitors to find all the Agency and its affiliates have to offer under one umbrella.

## **LOOKING FORWARD.....**

- ❖ The WCIDA will continue to stay abreast of any new guidance from the Governor and legislative leaders.
- ❖ The WCIDA will continue its due diligence to acquire real estate that can be marketed for business growth or to new businesses coming into Wyoming County.
- ❖ The WCIDA will continue to provide tax incentives to encourage capital investments.
- ❖ Looking ahead the WCIDA will search out new ways to invest resources and continue to improve the economic climate in our County.
- ❖ The WCIDA will continue its administration of the Wyoming County Business Center and the implementation of the economic development marketing plan.

## **CONCLUSION**

Amid the current pandemic which, for the time being, seems to be lingering and causing a stagnant motion amongst the business community, the WCIDA remains an important part of Wyoming County's Economic Development support and growth. While enduring changes to policies, and compliance issues as well as changes in legislature, 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."*



# **The Wyoming County Business Assistance Corporation**

## **2020 Annual Report on Accomplishments**

The Wyoming County Business Assistance Corporation (WCBAC) is the lending agency administered by the WCIDA, handling the revolving loan funds for several programs. As the COVID-19 Pandemic unfolded in early 2020, the WCBAC fell in-line with other Lenders and put a temporary, 6-month, waiver of principal and interest payments on all outstanding loans in the Agency's portfolio. A few of the Borrowers felt the need to continue making their payments as the pandemic had less of an effect on their business activities and some even paid off their obligations during that time. The WCBAC was able to continue the review of loan applications and approved two new GAIN loans. In the first quarter of 2020 the WCBAC completed the grants for two companies awarded funding from the Community Development Block Grant ("CDBG") program income funds.

To say it's been a challenging time for most of our County businesses is an understatement. While looking back at the past 6 months; and even forward to the next six, it is with pride that we recognize how strong our County businesses are. Even through the uncertainty of a pandemic, the Wyoming County Business Community has forged ahead and defied the obstacles that could have been detrimental to the livelihood of our economic backbone, our entrepreneurs. The WCBAC will continue to support the local businesses by offering financing programs and assistance where needed.

### **Wyoming County Business Assistance Corporation 2020 projects include:**

- ❖ Currently the WCBAC Loan Portfolio reflects 19 General Loans, 2 CDBG Loans and 4 GAIN Loans with a total outstanding balance of \$ 2,325,049.69
- ❖ The WCBAC administers the awarded Growing the Agricultural Industry Now (GAIN) revolving loan fund. This program originated from the Genesee/Finger Lakes Regional Planning Council ("G/FLRPC") which received a \$3,000,000 grant from New York Empire State Development ("ESD"). The proceeds of which were to be used to provide loans to agricultural and food processing businesses; a portion of the ESD Grant, an approximate amount up to \$595,319.00, was allocated to provide funding for loans in Wyoming County. In 2019 the WCBAC completed the drawdown of allocated funds with the approval of the Keem's Dairy Farm \$115,000 GAIN funds for the purchase and equipping of 2 Lely Robotic Milking Units. The re-payment of the awarded GAIN loans has created a revolving loan fund which will allow the WCBAC to continue the program for diversifying farm projects.



Keem's Dairy Farm – new barn

- ❖ In December 2019 the WCBAC approved a \$120,000 GAIN Loan for Hidden Valley Animal Adventure to complete the \$400,000 financing for a new building for animal housing and a visitor viewing and educational area. Since the current pandemic started the Hidden Valley Project has been put on hold.
- ❖ Most recently the WCBAC approved a request for GAIN funds from Boxler Maple to complete the financing to construct a 40'x70' maple sugar house. The owners have asked for the funds needed in collaboration with The Bank of Castile, and owner equity. The total cost of the project is \$690,125.



Table Rock Farm – Manure Separator Project and Synergy Genetics Calf Raising facility  
and Whispering Brook Farms Maple Syrup Operations

- ❖ The NYS Office of Community Renewal (“OCR”) made notice to the WCBAC in May of 2018 that the Community Development Block Grant (“CDBG”) Program Income funds were to either be used as grants to eligible projects or returned to the State as of March 31, 2019. The WCBAC worked through the process to follow the OCR Compliance requirements, which included pre-approvals from the Wyoming County Board of Supervisors, public hearings for the use of OCR funds and finding eligible projects. As of March 22, 2019, all of the nearly \$1 million in program income funds were awarded to Wyoming County Businesses in the form of grants.
- ❖ Indus 19, LLC received a grant award for its hotel project in Warsaw. The project involved demolition of a former 31,500 sq. ft., 3-story Manor Oak Nursing Home in the Village of

Warsaw and replacement with a new build 3-story 32,000 sq. ft. nationally branded Wyndham Microtel hotel. The hotel which opened in June of 2020 is a business class/tourist hotel with 67 guest rooms and amenities. The hotel features meeting rooms, fitness room, outdoor terrace and sundries market. The \$525,000 grant proceeds were used for furnishings and fixtures associated with the building of the new hotel. The total investment for the project was \$6 million dollars and 15 FTE jobs will be created.

- ❖ API Heat Transfer, Inc. in Arcade received grant funds for its project which included two production weld cells (robotic welders) and upgrades a Brazing Furnace for a new generation (Gen 6) Bobcat heat exchanger. The new machinery is state of the art robotics and more energy efficient overall. Improvements provide up to date safety requirements to ensure long term stability and growth. The grant funding in the amount of \$250,000 was used to help finance the purchase of \$800,000 in equipment and there will be 10 new jobs created.
- ❖ **Josh Rice Projects-** The WCBAC approved Community Development Block Grant (“CDBG”) funding in the amount of \$10,500.00 for Josh Rice dba Josh Rice Projects to be used for Artist Expenses and 2020 New York State Puppet Festival. Due to the COVID Pandemic the 2020 New York State Puppet Festival was postponed, the hopes are that it will resume in 2021.

### **Looking to the future...**

- ❖ The WCBAC will continue to monitor the financing needs of our County Businesses due to the unexpected Covid-19 crisis, and provide resources and lending options where needed.
- ❖ 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 WCBAC will continue to provide needed administration or pass through services for local affiliates and organizations applying for grants in support of their mission.
- ❖ The WCBAC will continue to seek out programs to provide financial assistance to local businesses.

### **The Mission of the Wyoming County Business Assistance Corporation**

***“The Wyoming County BAC’s mission includes the lessening of the burdens of government by undertaking and promoting economic development initiatives in Wyoming County, New York that will include real estate development and management, fundraising, business loan issuance and administration, regional marketing and promotion, and other community-based economic development activities permissible under the Not-For-Profit Corporation Law.”***