

***WYOMING COUNTY INDUSTRIAL
DEVELOPMENT AGENCY***

2006 ANNUAL MEETING

September 13, 2006

EXECUTIVE DIRECTOR'S SUMMARY REPORT

2006 WCIDA Executive Director's Summary

At this time a year ago, I reported that the WCIDA was experiencing a soft year with regard to revenue. But collectively we looked ahead to 2006 as several key projects were coming into fruition. Today, I am proud to report that the investments made in 2005 are bringing about positive results in 2006.

The year began with a challenge as Amy Roth left to begin a new assignment in the County Treasurer's office. Amy had created an incredible record system for WCIDA loans, PILOTs and other projects. Her preparations for our annual audits and NYS Comptroller's reports provided ease in fulfilling statutory requirements. While Amy is still missed, the WCIDA is fortunate to utilize the services of Robin Marchilok. Through our shared employee arrangement with the Chamber of Commerce, Robin has quickly become a part of our team and continues the quality work established by Amy.

GOSC grants, land acquisition, and Empire Zone designation are a few of this year's highlights. The following pages contain a summary of this year's activities. It is compiled in an outline format for brevity; however, complete project files are available to you upon request.

FINANCIAL

The agency's annual audit by Freed, Maxick & Bataglia showed that during the past year the WCIDA end of year fund balance grew by more than \$100,000 despite a decline in fees earned from the previous year. The good news is that we have moved several projects forward and will produce substantial fees in the current year. The year's financial highlights include:

- Receipt of two GOSC grants. This will increase the WCIDA loan fund by \$494,000 during the next ten years.
- Reorganizing bank accounts will double the agency's interest income from the previous year. During this year we have also invested in short term CDs.

FINANCIAL CONTINUED

- The WCIDA completed its first property acquisition and has begun development of the first county business park. The WCIDA received a \$150,000 conditional grant from Wyoming County to assist with this project.
- Received nearly \$5,000 in fees from Old School Development that had been owed since 2004.
- Earned \$15,000 from Olympic Management for refinancing of bonds.
- Earned \$2,800 from NYBDC through the Community Partner Agreement that was signed in 2005.
- WCIDA loan portfolio is now greater than \$1.7 million.

SUCCESS STORIES

- Empire Distributing: WCIDA incentives were utilized to facilitate the company's relocation and expansion into Wyoming County. Empire Distributing expects to complete construction of a 75,000 sq. ft. distribution center by the end of 2006.
- Koike Aronson: The company recently broke ground on a \$1.8 million dollar expansion of its Arcade manufacturing facility by utilizing WCIDA incentives. This expansion will help secure the company's status as a major employer in Wyoming County.
- M&T Trucking: The Company has completed construction of its new facility and has won a new contract and has already added more than 20 jobs to its workforce.

MORE SUCCESS STORIES

- Mille Fabricators: The WCIDA has facilitated a financing deal that will allow Mille to gain ownership of the building it occupies in Arcade rather than have it go into foreclosure. We will utilize a mortgage from First Niagara Bank and GOSC grant / loan program. Mille recently won a contract for a new product line and expects to create 15 new jobs in the next three years.
- McCormick Farms, Inc: Completed the construction of a new potato storage facility and the installation of a potato washing system. This \$1.7 million project is expected to create 20 new jobs and protect 30 other jobs.
- Hillcrest Industries: The WCIDA, along with the entire economic development team, has worked extensively with Hillcrest to obtain financing for a new rail siding, installation of a second production line, and the creation of 40 new jobs. We also worked for a county land transaction that will help create a 28-acre industrial park in Attica.
- Hidden Valley Animal Adventure: although the project is still working through DEC issues, the WCIDA has approved an incentive package to assist this \$1.5 million project.
- Drasgow, Inc.: The WCIDA is preparing an incentive and financing package to assist with the expansion of a local manufacturer. Total project is \$605,000.
- There are three more projects that will be presented to the WCIDA Board in the near future but cannot be disclosed at this time.
- Wyoming County Planning & Development: Richard Tindell was successful in obtaining a \$400,000 grant to replenish the Micro enterprise loan fund. Several new micro loans were approved in this past year.

ADMINISTRATIVE ACCOMPLISHMENTS

- Empire Zone Designation: Through a tremendous collaboration of the Economic Development Team, Wyoming County received its designation in late July. The Wyoming County Board of Supervisors provided valuable assistance with last minute legislative action to secure this designation that is long overdue.
- Extension of Indeck PILOT agreement that provided relief to the county budget.
- Wind Power Policy: Amendment to WCIDA Uniform Tax Exemption Policy to accommodate wind projects that receive approval and support from host town(s).
- Resolved disputed billing on Urban Development loan.
- Payments to DEC for Almor project completed with help of grant from Sen. Volker.
- Extended lease agreement with Arcade & Attica Railroad.
- Tri-County Business Park: provided \$1,000 for engineering studies for this project that is a collaboration with Erie and Cattaraugus Counties.

OPPORTUNITIES

- Empire Zone and LDC: the WCIDA is prepared to provide any and all assistance needed for the successful creation and operation of these new tools for Wyoming County Economic Development.
- Public Authority Accountability Act: this new legislation will require some changes to our traditional methods of operation. New report filing, budget deadlines, and Board Member training are a few changes that are required of every IDA in New York State.

OPPORTUNITIES CONTINUED

- Wind Projects: The WCIDA is likely to act on its first wind PILOT within the next two months, as the Noble Bliss Wind Farm is successfully advancing through the Town of Eagle permitting process.
- The WCIDA will begin a program to steadily retire the county line of credit over the next five years. We will utilize the GOSC program to continue building our loan fund.
- Through the utilization of Ritter and Associates as grant consultants, the following grant applications will be submitted within the next few weeks:
 - NYS Dept. of Transportation Industrial Access Program: Town of Covington, approximately \$100,000 to improve road shoulders and culverts along the roads traveled by trucks from M&T Trucking. Arcade Business Park, up to \$500,000 to build infrastructure to the business park. Town of Attica, up to \$370,000 for relocation of rail track at Hillcrest and improvements to Favor Street.
 - USDA Rural Development Program: Funds to supplement the cost of track relocation, switches and controls at Hillcrest.
 - GOSC: Arcade, \$140,000 to help finance the acquisition of building for Mille Fabricators and creation of 17 jobs. Attica, \$250,000 for a second production line at Hillcrest to create 40 jobs.
 - Restore NY Communities Initiative: Perry, funds to demolish former Champion Building on Tempest St., this application will be submitted in second round. Arcade Business Park, funds to construct a 20,000 sq. ft. spec building to house companies that cannot afford to build their own building.

OUTLOOK FOR 2007

- Ground breaking for Arcade Business Park expected in fall 2006. County, Town and Village have agreed to provide in-kind services and the WCIDA is aggressively seeking grant dollars for infrastructure and construction of a spec building.
- The WCIDA will play a key role in the operation of the Wyoming County Empire Zone. Certification of EZ companies should begin in forth quarter of 2006.
- Continue relationship with Ritter and Associates to aggressively seek grant dollars for various county projects.
- Continue to develop more efficient channels of communication with community leaders.

Clearly, economic development has taken huge steps toward Wyoming County's economic development goals. It took a true team effort to realize the Empire Zone designation, business park development, and our successful grant awards. While this past year has seen a number of accomplishments that are worthy of celebration, it is only the foundation for the work that remains.

Since a business park is nothing without tenants; an Empire Zone is nothing without certified companies; and grant programs are meaningless without eligible projects we must rededicate the WCIDA to continue its investment in Wyoming County. Through our continued work with the Wyoming County Board of Supervisors, the Wyoming County Chamber of Commerce, the Department of Planning and Development, and the new County Business Center, LDC we can and will improve economic opportunity for all Wyoming County residents.

Respectfully submitted,