

## **2010 EXECUTIVE DIRECTOR'S SUMMARY**

A good neighbor is known by an ability to provide relief in challenging times; and as the so-called "Great Recession" continued to torment the U.S. economy during the past year, the Wyoming County Industrial Development Agency (WCIDA) excelled as a good neighbor to many local companies, municipalities and school districts.

The WCIDA received and approved more commercial loans that at any time in its history; bringing the portfolio of the recently established subsidiary "Loan Corp" to more than \$3 million. The ability of the WCIDA to participate at this level of lending is primarily predicated on prudent management of fees generated by the county's three wind projects. The Loan Corp's portfolio was also enhanced by three awards from the NYS Office of Community Renewal that totaled more than \$400,000.

Highlights of the year also include successfully enduring challenges from the NYS Legislature regarding the imposition of a "prevailing wage" requirement on IDA projects; as well as the so called IDA tax that was based on a convoluted assessment formula that would have taken \$140,000 from local economic development projects. The WCIDA partnered with the nine Finger Lakes Region IDAs and IDAs across New York State to protect local discretion when determining the value of potential projects.

At home, the WCIDA received the first PILOT payments for the Noble Wethersfield and High Sheldon wind projects. Earlier in the year "PILOT distribution" meetings were hosted by the WCIDA and the Wyoming County Treasurer, the towns of Wethersfield, Sheldon and Orangeville, along with Letchworth, Pioneer, Warsaw and Attica School Districts accepted checks for their proportionate share of more than \$392,000 of PILOT payments. These payments will continue for another 14 years.

While disbursing cash was a significant part of the year's activities, the WCIDA proved to be a good neighbor through a number of other projects. As is our custom, the following pages contain a summary of these projects and other WCIDA activity. It is compiled in an outline format for brevity; however complete project files are available to you upon request.

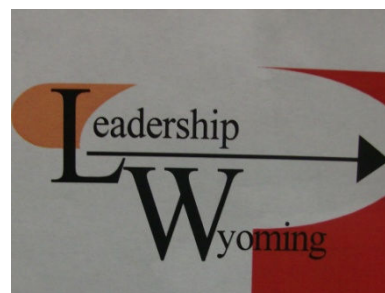
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## FINANCIAL

The financial position of the WCIDA continues to remain strong. The continuing receipt of Agency fees from the wind projects has provided the WCIDA with the financial resources to assist more businesses than at any other time in the Agency's history. The annual audit conducted by Freed, Maxick & Bataglia verifies the Agency's financial growth as well as a complete level of accountability for all its assets.

The year's financial highlights include:

- An accelerated growth of the WCIDA loan portfolio. There are currently 27 loans with a balance of \$3,212,390. There are also three loans that are approved but not yet closed for an additional \$377,000.
- The WCIDA experienced another successful year obtaining awards through the NYS Office of Community Renewal. In the past year four new projects were approved: Marquart Bros., \$256,000 received and funds disbursed; Sregnuoy Farms, \$100,000 received and funds disbursed; Steel & O'Brien Manufacturing, \$105,000 approved, contracts signed, draw-down in process; R.S. Maher & Son, Inc., \$89,000 approved, contracts signed, draw-down in process. The Steel & O'Brien project was achieved in collaboration with the Wyoming County Business Center.
- The WCIDA Board of Directors advocated a concentrated effort to resolve issues concerning "troubled loan accounts" This effort resulted in revisions of promissory notes for seven loan clients; a transfer of ownership and new financing arrangements for the Old School project; and a real estate arrangement that, once closed, will resolve the Mill Fabricators financial situation. The Agency's attorney has commenced court proceedings on two other delinquent loans.
- The \$1.3 million grant promised by Governor Paterson for the Wyoming County Rail Initiative still lingers in Albany with the Department of Budget. Communication continues with the Governor's Regional Representative and a Lobbyist retained by Clark, Patterson, Lee to move the contracts forward. There are assurances that the contracts will be released by the end of the year.
- The WCIDA also made contributions through its Community Investment budget to: the Leadership Wyoming program, the Wyoming County Business Center (WCBC) for a county-wide marketing study, and Wyoming County for a new phone system that is utilized by all the agencies in the building.



## SUCCESS STORIES

- Hans Boxler's Hidden Valley Animal Adventure opened to the public this past May. The project took more than three years to complete; but it has received nothing but rave reviews from visitors. The WCIDA assisted the project with property and sales tax incentives and has recently approved a \$250,000 loan for finishing touches, working capital, and marketing.



- Hillcrest Industries of Attica was provided a \$200,000 loan in order to acquire and install its second glass bead furnace. This is the second of three proposed furnaces to produce a new glass bead product that is used in highway applications.
- In collaboration with the WCBC, the WCIDA utilized its power of “eminent domain” to acquire the former Robeson site in Castile. The court proceedings were completed in August and the property is now owned by Tim Calmes and will become the home of Paradise Boat Works; a storage and repair facility for recreational boats.
- Blue Seal Feeds in Arcade continued its growth by adding a new palletizing system to the recently completed warehouse project. The WCIDA assisted with sales tax incentives for the project.
- The Silver Lake Country Club utilized a sales tax incentive provided by the WCIDA to construct a \$3 million townhouse project.



- The WCIDA successfully encouraged US Senator Chuck Schumer to challenge a decision by the NBA and Adidas that removed the production of NBA uniforms from American Classic Outfitters in Perry. Senator Schumer held press conferences and interviews with national media; and also held personal meetings with NBA Commissioner David Stern. While Schumer's efforts did not keep the NBA in Perry, ACO reports that the press coverage has led to discussions with five sporting goods companies and new products are likely to be produced at the Perry factory within one year.



- Other projects that received WCIDA assistance during the past year included: Perry New York, LLC, financing and tax assistance for the rehabilitation of a commercial building in Perry.



RS Maher & Son, Inc. received financing assistance to complete its new truck and farm vehicle repair facility in Eagle.



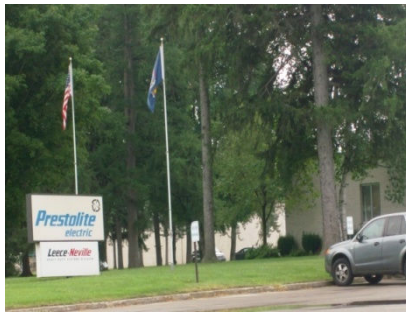
Steel & O'Brien Manufacturing, Inc. was assisted by the WCIDA to receive financing from the NYS Office of Community Renewal. Simultaneously, the WCBC assisted the company in obtaining financing from Empire State Development Corp.



Attica Mill Works received WCIDA financing to become the sole US distributor of special hard wood flooring that is manufactured in Europe. This loan came about as a result of company meeting with the WCBC.

## ADMINISTRATIVE ACCOMPLISHMENTS

- After working through a number of accounting issues and legal documentation, the WCIDA transferred its loan portfolio to its recently created loan corporation. The WCIDA also added more than \$900,000 into the Business Development Revolving Loan Fund, providing the “Loan Corp” with sufficient working capital.
- After a successful run, the Business Stabilization Program concluded. However, the WCIDA Board of Directors agreed to continue the program on a case by case basis.
- The Empire Zone was brought to an end by the New York State Legislature. However, before the program ended, API Heat Transfer and Prestolite Electric were certified by the Wyoming County Zone Administration Board. The WCIDA is now prepared to work with the State’s new Excelsior Jobs Program.



- The WCIDA hosted meetings of officials from the taxing jurisdictions affected by the Noble Wethersfield and High Sheldon Wind projects to distribute the first PILOT payments for each project.



- The WCIDA continues to advance its Five-Year Strategic Plan. Richard Tindell was engaged as an independent consultant to help with specific action steps.
- The WCIDA committed \$250,000 in business loans for the “Plan to Prosper” program. This program is in collaboration with the Tourist Promotion Agency and the WCBC to provide marketing plan assistance to the county’s small tourism businesses. The WCIDA loan funds will be utilized to finance the marketing plans execution of these.

## OUTLOOK FOR NEXT YEAR

- The WCIDA anticipates that the State contracts will finally come through for the \$1.3 million grant promised by Gov. Paterson for the Wyoming County Rail initiative; allowing construction to occur in spring 2011.



- The Stony Creek wind project is expected to be presented to the WCIDA Board in the second or third quarter of next year. Invenergy is currently working with the Orangeville Town Board to construct 59 wind turbines in the town.
- The WCIDA is prepared to continue its financial support of WCBC real estate and entrepreneurial projects.



- The WCIDA will continue to advance its five-year strategic plan, placing particular emphasis on:
  - Communication programs, including a new website.
  - Development of an electronic business library.
  - Exploring an opportunity to create an industrial exhibit for the Wyoming County Fair.
  - Researching the possibility of developing a Wyoming County Center of Higher Education.
- Even though the economic recession has technically ended, the WCIDA can anticipate another year of strong demand for the Business Development Revolving Loan Fund (BDRLF) through its "Loan Corp."

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## CONCLUSION

After reviewing the past year's activities and accomplishments, most people would agree that this was a good year for the Wyoming County IDA. Yet, with the general condition of the economy, we recognize that much work remains; and the WCIDA is ready.

In recent years the WCIDA has positioned itself to be a vital part of Wyoming County's recovery from the "Great Recession." Prudent use of the fees provided by the wind projects has provided the WCIDA with the resources needed to assist a number of Wyoming County companies.

Whether the help came in the form of business loans through the "Loan Corp.;" grant awards through the NYS Office of Community Renewal, especially for Wyoming County farms; financial support for the projects of the WCIDA's economic development partners; Multi-Modal funding for a rail project to create expansion opportunities for two manufacturers; or tax incentive that facilitate economic growth, the WCIDA proved its value as a good neighbor.

RETAIN \* EXPAND \* CREATE is truly an appropriate motto for the WCIDA. Next year may provide unique challenges, but with the continued strong leadership of the WCIDA Board of Directors, the support of the Wyoming County Board of Supervisors, and the collaboration of the Wyoming County economic development team, the Agency will continue to advance its vision:

"In a climate of continually emerging economic challenges, the Wyoming County IDA provides collaborative and visionary leadership in economic development that fosters retention, expansion and creation of businesses and jobs."

- WCIDA Strategic Plan

Respectfully Submitted,

*Michael Heftka, Executive Director*

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