

WYOMING COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

RETAIN * EXPAND * CREATE

EXECUTIVE DIRECTOR'S SUMMARY REPORT



**PRESENTED TO THE
WYOMING COUNTY
BOARD OF SUPERVISORS
OCTOBER 28, 2009**

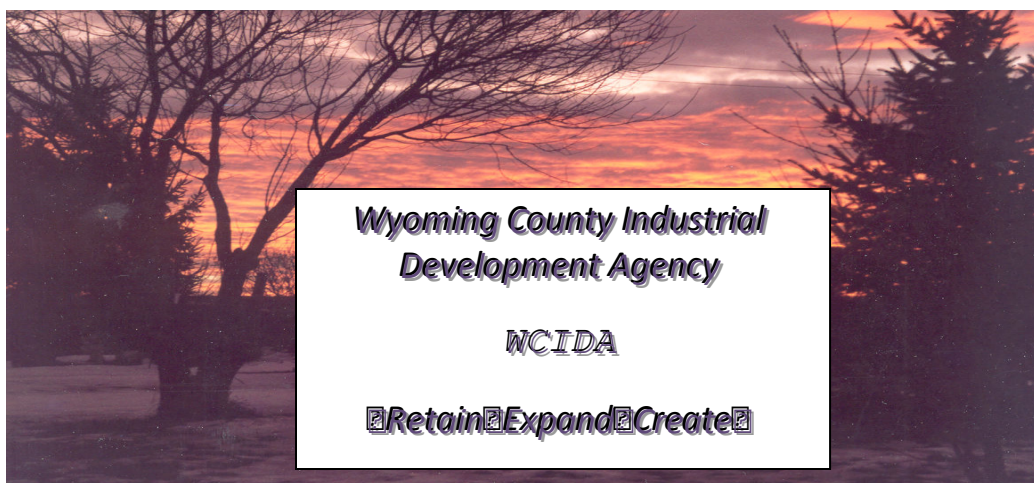
2009 EXECUTIVE DIRECTOR'S SUMMARY

If this report were intended to be a novel I could easily start by writing, “It was the best of times; it was the worst of times.” Clearly this past year contained many exciting highlights for the WCIDA; from the long awaited announcement of State funding for the Wyoming County Rail Initiative to the completed construction of the first company to call the Arcade Business Park home; from the award of a \$200,000 NYS Office of Community Renewal grant, to the invitation to apply to OCR for hundreds of thousands of dollars more; and from the final pieces of the WCIDA Strategic Plan to the establishment of the “Loan Corp.”, this has certainly been a year of accomplishment.

But as the economy struggled across the United States and in particular in Wyoming County, each accomplishment was replaced with a new challenge; and each new challenge created new opportunities for the WCIDA. When local businesses began experiencing cash flow issues; we created the Business Stabilization Program. When milk prices put dairy farms in precarious positions, we procured more OCR economic development dollars for agriculture than any other county in New York State. When new wind turbines began producing electricity; the WCIDA began making substantial investments in projects that are important the economic health of Wyoming County. In general, when the national economy showed Western New York its worst; the Wyoming County IDA showed Western New York its best.

As is our custom, the following pages contain a summary of the past year’s activities. It is compiled in an outline format for brevity; however complete project files are available to you upon request.

FINANCIAL



The WCIDA made several very significant, positive changes to its financial position in the past year by utilizing the Agency fees earned through the wind projects. The Agency's annual audit conducted by Freed, Maxick & Bataglia demonstrates continued financial growth and a complete level of accountability. The year's financial highlights include:

- ❖ Wyoming County Line of Credit – PAID IN FULL. On July 16, 2009 a check for \$225,000 was presented to the County Treasurer.
- ❖ Wyoming County Rail Initiative – Gov. David Patterson announced an award of \$1.3 million to complete the rail project that will provide expansion opportunities for Koike Aronson in Arcade and Hillcrest Industries in Attica.



The Rail initiative Grant became a reality

- ❖ Committed a \$350,000 investment toward the WyCo Rail Initiative; combined with a Wyoming County pledge of \$150,000, the local investment was instrumental in obtaining the State funding.
- ❖ Provided \$66,000 to the Wyoming County Business Center, LDC to accomplish environmental review and legal work associated with the restoration of the former A&A Metals Facility in Perry.
- ❖ Extended a \$500,000 loan to the Krog Corporation to help finance the construction of the first building in the Arcade Business Park. It will be the home of Base Technologies



Base Technologies became the first business to occupy the Arcade Business Park

- ❖ A \$125,000 loan was provided to Action Enterprises to acquire the former Champion property on Tempest St. in Perry. The company is a function of Community Action, which has already

been awarded a Federal grant to build new senior housing on the site once the old manufacturing facility is removed.

- ❖ The portfolio of CDBG grants through the NYS Office of Community Renewal continues to grow. In the past year a \$200,000 award was received to assist McCormick Farms with its dairy expansion and fire recovery. The following “invitations to apply” were also received: \$250,000 for Marquart Bros. new potato storage and washing facility and \$300,000 for Pankow Farms new milking facility. Still pending are “initial inquiries” for \$100,000 for Minty Wellness in Bennington, \$100,000 for Sregnuoy Farms in Java and \$ 100,000 for Attica Packaging in Attica. Upon completion, these projects will add more than \$350,000 to the WCIDA revolving loan fund.



Marquart Bros, LLC New Potato Storage Facility



Marquart Harvest Trucks

- ❖ The WCIDA loan portfolio currently has 23 loans with a balance of \$2.49 million. The WCIDA is also responsible for 19 microloans with a current balance of \$318,000.



The Stage made improvements to its façade and interior with help from Microloan and IDA funding

SUCCESS STORIES

- ❖ WyCo Rail Initiative is awarded \$1.3 million by Governor Patterson through the NYS Multi Modal #4 program. This award will allow the WCIDA to complete the project that will relocate the A&A Railroad track the runs behind the Koike Aronson Building in Arcade and also provide a new rail spur on the former Westinghouse site in Attica. This project is a prerequisite for the expansions of two companies that are expected to ultimately add more than 100 manufacturing jobs to Wyoming County.
- ❖ The High Sheldon Wind Farm completed construction and began producing electricity in the past year. The parent company, Invenergy, is working with Orangeville Town officials to construct 40 additional 1.5 megawatt turbines. Wyoming County now has more operating wind turbines than any other county in New York State.



High Sheldon Wind Farms Operation Center on North Sheldon Road

- ❖ Construction is complete and Base Technologies is moving into its new home; becoming the first company in the Arcade Business Park. The WCBC is actively working with developers, the Krog Corporation, to locate other companies in the county's first business park.
- ❖ Yogi Bear's Jellystone Park in Java made big splash by opening its new \$3 million water park. WCIDA assistance helped resolve financing issues for the project. In addition to increased sales tax revenue and job creation for the county, Jellystone Park has also contributed more than \$20,000 in county bed tax this past summer.



- ❖ Hillcrest Industries in Attica has begun production of a new glass bead product that is used in road applications. The company plans to install three furnaces used in this process within the next two years. This will be one of the principle products to use the

new rail loading facility. Hillcrest reports having an order for 200 tons of product that will be filled in the current year.

- ❖ Blue Seal Feeds in Arcade has recently completed its “Small Package” project. This project was designed to be part of the 2007 expansion but was delayed due to financial issues. The WCIDA provided sales tax assistance for this project. Blue Seal is contemplating another expansion in 2010.



Blue Seal Feeds Completed expansion and packaging project

- ❖ Other projects that received WCIDA assistance during the past year include: Agri-Fab in Covington, tax assistance for the construction of a new facility. The Stage in Warsaw, financing assistance to facility the remodeling and opening of the theater. WNY Crop Management in Warsaw, tax assistance for remodeling and relocation into the former Bid-n-Buy facility. Warsaw Chamber of Commerce, advanced grant proceeds so the chamber could create “Liberty Corner.”



Western NY Crop Management's new home in South Warsaw

ADMINISTRATIVE ACCOMPLISHMENTS

- ❖ Creation of the “Loan Corp.” AKA Wyoming County Business Assistance Corporation. This new LDC will provide the WCIDA more flexibility in expanding the revolving loan fund as well as “defederalizing” CDBG repayments.
- ❖ The WCIDA successfully closed-out its first two “Small Cities” grants. Site visits of M&T Trucking and McCormick Farms, along with thorough review of all records and files associated with these projects resulted in a designation of “successfully completed” status. The WCIDA was also cited as a model for “Best Practices” in the administration of these grants.
- ❖ Creation of the Business Stabilization Program to help companies improve cash flow during the current economic recession found seven borrowers with a combined loan balance of \$538,000 take advantage of the program.
- ❖ The WCIDA hosted a meeting of officials from the taxing jurisdictions affected by the Noble Bliss Windpark to distribute the first PILOT payment from a wind project.
- ❖ In its role as Empire Zone Coordinator, the WCIDA obtain Zone Certification status for TPI Arcade and Base Technologies. The WCIDA and WCBC worked to obtain necessary resolutions from the County, Towns and Villages affected by proposed boundary revisions to the designated zone areas.
- ❖ The WCIDA also advanced a “work plan” for its Five- year Strategic Plan. The plan is designed to guide WCIDA activities as it advances its mission to *RETAIN * EXPAND * CREATE*.



Noble Bliss Wind Park Turbines, some of the 237 wind turbines in Wyoming County

OUTLOOK FOR 2010

- ❖ Complete rail work that will lead to the expansion of Koike Aronson in Arcade and the construction of new facilities at the former Westinghouse site in Attica.
- ❖ Utilize IDA authority of eminent domain to secure the former Robeson Appliance facility in Castile and work with WCBC and private business owner to create a usable structure.
- ❖ Work with Synergy Biogas in Covington for \$7.5 million in bond financing to construct digester project.
- ❖ Utilize new funding sources, especially NYS Blueprint for Upstate Fund to finance projects that will help Wyoming County recover from the recession.
- ❖ Several local manufacturers have begun discussing new projects for 2010. If credit markets continue to open, three or four new projects will likely evolve in the coming year.
- ❖ Collaboration with the WCBC will lead to advancing the rehabilitation of the former A&A Metals site in Perry.
- ❖ PILOT payments will commence for the Noble Wethersfield and High Sheldon wind projects.
- ❖ There will be increased involvement with tourism related projects, primarily due to the intensity of the new director of the Tourism Promotion Agency.



Wyoming County Is the leading Ag County in NY State

CONCLUSION

Well, now that we have reviewed the past year's highlights, a strong argument can be made that these are indeed the "best of times." On the contrary, watching the evening news, reading Business First, or simply reviewing the Department of Labor unemployment numbers reminds us that these are indeed challenging economic times. These are times that require economic development agencies across the United States to re-evaluate and re-invent their methods of operation in order to meet these challenges.

It's clear, by the recognition obtained from Federal and State entities; and more importantly by the recognition from the local business community, that the Wyoming County Industrial Development Agency has become a vital part of the region strives for economic recovery. The WCIDA Board of Directors should be proud of the results obtained through its willingness to make significant investments in challenging projects; through its courage to take on new projects; through its resilience during trying times; and through the support and encouragement it provides to the WCIDA staff.

The words RETAIN * EXPAND * CREATE are used at various sections of this report; and indeed they have become an appropriate motto for the WCIDA. In the coming year, in collaboration with the entire economic development team, the WCIDA will continue to advance the following vision of the WCIDA:

"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, 2009

Respectfully submitted,

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