

WASHINGTON COUNTY
LOCAL DEVELOPMENT CORPORATION
2013 ANNUAL REPORT



www.wcldc.org

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LOCAL DEVELOPMENT CORPORATION				2013					
TOWN	SUPERVISOR	DESIGNEE	OFFICER (5)	SIGNATORY (5)	LBC (7)	Proxy	Audit & Finance	Governance	Nominate
Argyle	Robert Honka								
Cambridge	William Watkins		Secretary	William Watkins					William Watkins
Dresden	Robert Banks				Bob Banks			Bob Banks	
Easton	John Hymph	Chic Wilson			Chic Wilson	John Hymph			
Fort Ann	Darlene Dumas								
Fort Edward	Mitchell Supernant	Terry Middleton							
Granville	Matt Hicks	Jay Niles			Jay Niles		Jay Niles	Jay Niles	
Greenwich	Sara Idelman	Hich Norman	Treasurer	Hich Norman	Hich Norman	Sara Idelman	Hich Norman (c)		Hich Norman
Hampton	David O'Brien								
Hartford	Dana Haff								
Hebron	Brian Campbell	Barry Miller			Barry Miller	Brian Campbell			
Jackson	Alan Brown								
Kingsbury	James Lindsay		Chair	James Lindsay	James Lindsay (c)		Jim Lindsay		Jim Lindsay
Putnam	John LaPointe		V-Chair	John La Pointe				John La Pointe (c)	John LaPointe
Salem	Seth Pitts			Seth Pitts	Seth Pitts				
White Creek	Robert Shay								
Whitehall	George Armstrong	Stephanie Salka							

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Introduction

2013 was full of opportunities and challenges for the Washington County LDC (WCLDC). Tori Riley, the WCLDC President for the past five years departed for a new job in March; Deanna Derway, the Office Coordinator stepped into the role of Interim President shortly after and was officially appointed to President in December of 2013.

The primary service offered by the WCLDC is lending. Financing entrepreneurs, supporting company expansions, equipment purchases and real estate investments are just a few of the services available. Another priority is partnerships; we frequently work with financial institutions to assist businesses, as well as offer community development investment programs for developers. The WCLDC consistently collaborates and engages with strategic regional economic development agencies and statewide organizations to ensure resources, programs and funding streams to best serve existing businesses and start-ups are available. Whether its equipment for upgrading existing machinery, adding production lines, buying or building a facility, working capital or job creation; the WCLDC has programs with funding options to encourage growth and job creation across all sectors throughout the county.

One prevalent trend noticed during 2013 was the up tick in the number of micro loan funds for spending on equipment and software for small businesses. As expected during the recession, interest in expansion and new investments was marginal and businesses were making do with what they had; fortunately, changes influencing the national economy seemed to have a positive effect in our region and businesses began looking at new investment opportunities and decisions. Despite worries about additional regulations, such as health care reform, the local business climate seems to be improving. The WCLDC is cautiously optimistic that the economy will continue to improve going forward despite changes in national policy that may affect local interests.

Economic Development Loan Program

There were no loan closings in this loan program in 2013.

The portfolio, at year end, included ten loans representing \$1.75 million, with an outstanding principal balance of approximately \$1.2 million. All loans were current.

Intermediary Re-lending Program

There were no loan closings in 2013 in this loan program.

The portfolio, at year end included four businesses representing \$360,000 in loans, with an outstanding principal balance of approximately \$232,000. All loans were current.

Microenterprise Assistance Program

There was one loan closing in 2013 under this program; Abuelo's Café for \$10,000.

The portfolio, at year end, included six businesses representing \$125,000 in loans with an outstanding principal balance of approximately \$47,000. All but one loan was current. The loan that was also noted as delinquent in the 2012 Annual report has worked diligently this year to get caught up on loan payments and should achieve "current" status by 2014 year end.

Together with EDC Warren County and SUNY Adirondack Continuing Education we hosted two 10-week sessions of the Microenterprise Assistance Program. Over 50 individuals enrolled in the course in 2013, including many existing businesses. We welcomed Warren, Washington and Saratoga County participants in both sessions.

Our Presenters were generous in sharing both their time and professional insight with our participants. The course is as outlined below. The course qualifies individuals interested in going into business, or

expanding operations for a MAP loan. We work with professionals in a variety of fields that volunteer their time to share their expertise, experiences and advice with the individuals interested in learning about what it truly means to go into business, or in some cases, if they're really ready to go into business or take on more than they already have.

MAP Course Outline

<u>Session</u>	<u>Date</u>	<u>Topic</u>
1	9/9/13	~ Seminar Introductions and Overview of Course ~ Business Plan: Why Do You Need One?
2	9/16/13	~ Legal Issues for the Small Business Owner
3	9/23/13	~ Library Business Resources – SUNY Adirondack Library
4	9/30/13	~ Human Resources 101: You're the Boss – now what? ~ Payroll
5	10/7/13	~ Insurance for the Small Business Owner ~ Planning for the Future - Retirement
NO CLASS	10/14/13	NO CLASS – COLUMBUS DAY
6	10/21/13	~ Internet & Website Informational Class ~ Marketing: (1)Planning & (2)Media & Advertising buying
7	10/28/13	~ Bookkeeping & Tax Issues ~ Cash Flow and Budgeting – Do the Numbers Work?
8	11/4/13	~ Business Planning Follow-up
9	11/11/13	~ Product Critique and Graduation
10	11/18/13	~ Small Business Round Table Discussion (Customer Service Representation, Personnel & Reality Check

Community Development Loan Fund

There were three loan closings in this loan program in 2013; Pallets Inc. for \$150,000, Edwards Market LLC for \$37,500 and Schoony's Market for \$12,950

The portfolio, at year end, included fourteen businesses representing approximately \$1.43 million in loans and an outstanding balance of approximately \$978,000. All loans were current with the exception of the loan to Dupuis Landscape (Eric DuPuis) which continues to be delinquent at this time.

Loan Program Overview

The WCLDC ended the year closing about \$210,450 in loans to four businesses in a variety of industries. The loans processed throughout the year were for a myriad of projects ranging from new start-up businesses to equipment upgrades to expansions of existing businesses. As of December 31, 2013, the total portfolio included 34 loans representing over \$3.7 million, with a principal balance of approximately \$2.4 million. During 2013, four businesses paid off their loans in full and no loans were written off.

Overall, we were presented with six loan applications for consideration. Reiterating our mission statements of past, the strategic importance of having locally controlled revolving loan funds cannot be overstated. The loans processed in 2013 created jobs in a multitude of sectors throughout Washington County.

Business Activity

The WCLDC provided assistance to numerous businesses with information on issues such as tax incentives, Broadband expansion, financing programs, labor force training, site selection, utility

incentives, the Empire Zone modifications and updates to the program, permit requirements and socio-economic data. Our organizations effect was felt throughout the county as we met with over 200 businesses in the county and handled numerous re-location inquiries as we strive to strengthen the business climate within the county. Serving the needs of private sector employers throughout the county remains a top priority of the WCLDC. We also assisted with a multitude of support mechanisms to help sustain and grow business operations encouraging additional investment and potential expansions here. Small businesses are the engine driving job growth in our local economy and our organization is here to support the needs of companies doing business here and to ensure that they have the resources necessary to start-up remain successful, expand current capabilities or maximize additional opportunities.

Congratulations

This year, The Washington County LDC and the Adirondack Regional Chamber of Commerce co-hosted and presented the ninth annual Washington County Small Business of the Year Awards luncheon at Rainer's Gourmet Inspirations in Hudson Falls on December 6th. **This year's winners were: *Agricultural Stewardship Association, Greenwich; Currin Compliance Service, LLC, Greenwich; Adirondack Technical Solutions, Argyle; and a Lifetime Community commitment Award to Putorti's Broadway Market, Whitehall.***

Each winner received a plaque engraved by Engravings by George and the gray slate was donated by Creative Woodworking and Stone Tops to accent the plaque. This event is truly a great time to reflect on the diverse industries operating within our county. It affords the opportunity for community leaders to better educate themselves about the business owners and their teams; their operations and what they have been able to accomplish. Tim Jansen was the Washington County Business Council Task Force Chair this year. The remaining Task Force members for 2013 were Peter Aust, Adirondack Regional Chamber of Commerce; Richard Norman, Al Cioffi and Heather Bala of Glens Falls National Bank and Trust; R. Kent McNairy, Northern Design and Building Associates, LTD and Deanna Derway, President of the Washington County LDC. Other Washington County businesses recognized as nominees were: Ure Hometown Bakery & Sandwich Shoppe, DK Machine, Inc., Lake Lauderdale Campground, Bedlam Corners General Store, What's Cookin? Restaurant & Creative Catering, Pole Valley Players Club, Laura's Flower Shop (Laura's Garden), O'Hearn's Pharmacy, Battenkill Valley Creamery.

Thank you to all of our generous sponsors: Platinum Level Sponsors - Morcon Inc. and Glens Falls National Bank and Trust Company. Gold Level Sponsors - National Grid and EDC Warren County. Silver Level Sponsors - TD Bank, SUNY Adirondack Continuing Education and Robinson & Son, LLC.

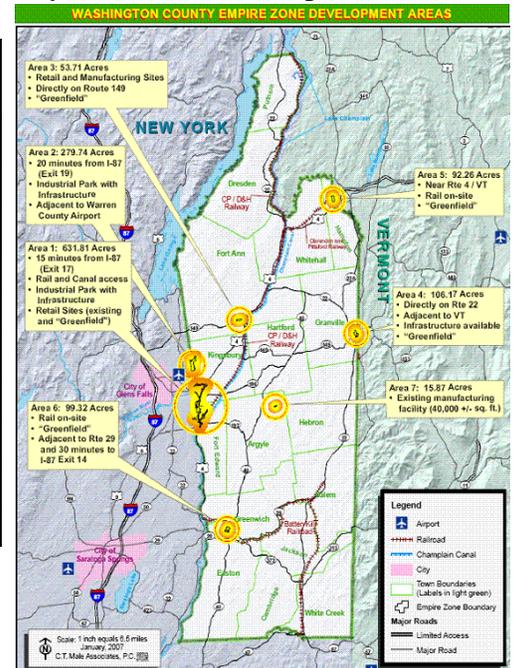


The 2013 Washington County Small Business Award Winners pictured from left to right: Peter Aust President of ARCC; Jared Humiston of Adirondack Technical Solutions; Caille Currin of Currin Compliance Services LLC; Teri Ptacek of Agricultural Stewardship Association; Cheryl and Fra Putorti of Putorti's Broadway Market and Deanna Derway President, WCLDC.

Empire Zone Program

Zone certified businesses continued to invest, despite of the global economy and the climate experienced locally.

Year	#Certified Bus. (as of 12/31/12)	# Full-Time Employees (quarterly average)	\$Capital Investment (millions)
2003	32	2,256	\$29.0
2004	49	2,313	\$24.2
2005	78	2,454	\$18.5
2006	81	2,644	\$22.6
2007	84	2,474	\$21.0
2008	71	2,417	\$54.4
2009	67	2,170	\$87.3
2010	64	2,085	\$86.6
2011	56	2,100	\$18.3



In order to retain certification for the businesses already certified in our zone, we need to continue to provide administrative services and required documentation for the program.

When the funding from the State for the program was eliminated, the Washington County Board of Supervisors passed Resolution number 214 in order to reduce the responsibilities of the Empire Zone Administrative Board to local advocacy only. The accounting and operational responsibilities went to the Washington County Local Development Corporation committee’s to oversee and audit as there is no funding moving forward. The remaining balance in the accounts will be used to continue the administrative and operational responsibilities of continuing the administration of the program for the existing businesses able to continue to take their tax credits.

Special Projects

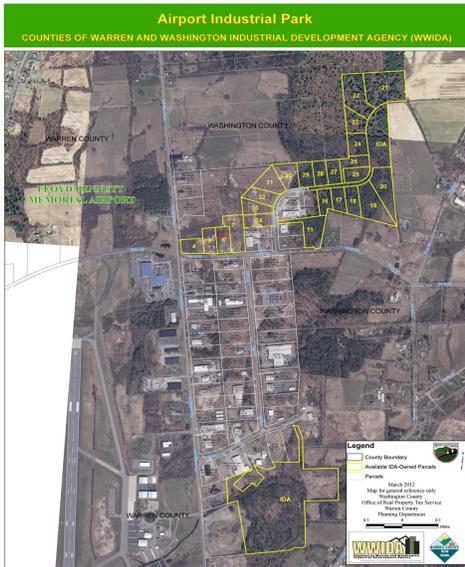
The staff was involved in many regional and county wide initiatives as well as successful, on-going projects.

The WCLDC provided services to the Washington County Business Council, as well as to business, educational and community leaders to outline resources that help drive economic and community development initiatives. In addition, we co-hosted the Washington County Small Business Awards Luncheon with the ARCC.

We spent a lot of time working with towns and villages to see where our resources and assistance might lend some help in their missions. In addition, with the restructuring of economic development programs, funding and entities, the LDC spent much of the year attending meetings and presentations and gathering pertinent information regarding the reorganization of resources.

We collaborated on multiple projects with the Warren and Saratoga Economic Development Corporations, WWIDA, our counterparts from the Rensselaer, Albany, Saratoga, Warren county areas, Empire State Development and Center for Economic Growth.

Warren-Washington Airport Industrial Park



In 2013, the www.airportindustrialpark.org site was updated some more. The WCLDC promoted the shovel ready sites throughout the Industrial Park by incorporating it into many of the articles written about LDC, various interviews and presentations the WCLDC was involved with. We also implemented the site in our Business Journal advertisements. We continued to offer a live blog feed from the LDC site, interactive information for each parcel and an updated version of the lots available.

Utilizing the maps provided to us by the Real Property Department, the WWIDA, WCLDC and EDC Warren County we were able to easily access and distribute pertinent lot dimensions and availability to a broader audience.

Grants Administration

In 2013 the WCLDC staff prepared a few grant applications to support economic development projects throughout the county. We were able to partner with the USDA in order to pull together an application for the purchase of equipment for an Agri-business producer. We also closed out an EIP Grant that was awarded for St. Gobain Performance Plastics in Granville, NY. Their grant was awarded for equipment upgrades that resulted in less waste and better energy efficiencies.

We continued finding opportunities to for our businesses to be awarded grant opportunities for equipment upgrades or even major expansions for their businesses is a priority. We'll be proactively going after funding for Infrastructure and Broadband projects; identifying any and all resources that help us retain existing companies while identifying and securing programs that help us recruit new business.



Marketing

As for our tourism based businesses, we will include the three surrounding destinations, (Lake George, Vermont and Saratoga) to encourage including Washington County as part of their experience while they're in the area.

We consistently update our website www.wcldc.org Blog and Facebook information. We partner with many Organizations and Community groups to give our visitors an idea of what our region is all about. On our site, you'll find links, resources, informational data, etc. Any information a business might need, can easily be found on our site as well. It was created with a business reference manual in mind. In addition, we're fortunate to have regional partners who are seen in our Community Development Partnership video. We felt this gives a business contemplating coming to the area a better regional perspective off all that's available.

The WCLDC's website was consistently updated with pertinent information. The videos incorporated, the testimonials provided and the overall information were updated. We partnered with Pepe Productions and Normandin Marketing to greatly return our investment.

The WCLDC was fortunate that Adirondack Broadcasting continued to offer our President an opportunity to continue a radio campaign that spotlights different businesses and events throughout the

year, on five stations, multiple times a day. Throughout the year, the Adirondack Broadcasting Family helps us do a little “bragging” about Washington County businesses and events. This campaign has been effective for educating listeners about the local businesses and events.

The Glens Falls and Saratoga Business Journals spotlighted the WCLDC in several articles in 2013 even a 2014 Forecast piece that put us in both GF and Saratoga. The Post Star also incorporated the WCLDC in many of the articles outlining the various projects we are involved in including a Q&A regarding an economic forecast for 2014.

Affiliations/Associations

The WCLDC was active with the following organizations in 2012:

- Member, Adirondack Regional Chamber of Commerce
- Affiliations and collaborations with Warren and Saratoga County EDC’s
- Washington County Tourism Association
- A/GFTC
- Lake George/Lake Champlain Regional Planning Board
- Numerous Washington County Departments including: Planning, Cooperative Extension, Data Processing, One-Stop Center, Public Works, County Clerk, IT, Personnel, Real Property Tax Service, Veteran’s Affairs, County Attorney, Clerk of the Board, County Administrator, Treasurer’s Office, Code Enforcement

Financial Situation

WASHINGTON COUNTY LOCAL
DEVELOPMENT CORPORATION
Statement of Activities
Year Ended December 31, 2013

	Income After Closeout	Restricted		Unrestricted	Total
		Intermediary Relending Program	Empire Zone		
REVENUES					
Interest on loans	\$ 2,632	\$ 12,658	\$ -	\$ 117,637	\$ 132,927
Interest on time deposits	-	85	2	1,935	2,022
Contributions/grants	-	-	-	89,125	89,125
Origination fees	-	-	-	5,425	5,425
Loan late charge fee	-	-	-	1,410	1,410
Events	-	-	-	4,915	4,915
Miscellaneous	-	-	-	100	100
Net assets released from unrestricted income	(19,035)	-	-	19,035	-
Total Revenues	(16,403)	12,743	2	239,582	235,924
EXPENDITURES					
Payroll expenses	-	-	-	98,441	98,441
Professional fees	-	-	-	15,938	15,938
Interest expense	-	1,694	-	-	1,694
Insurance	-	-	-	2,414	2,414
Office expense	-	-	-	997	997
Planning expense	-	-	-	26	26
Marketing and advertising	-	-	-	6,338	6,338
Meeting expense	-	-	-	2,531	2,531
Miscellaneous	-	-	-	62	62
Bad debt expense	(526)	-	-	-	(526)
Total Expenditures	(526)	1,694	-	126,747	127,915
Excess (Deficit) of Revenues Over Expenditures	(15,877)	11,049	2	112,835	108,009
Fund Equity at Beginning of Year	260,414	119,662	4,976	3,478,665	3,863,717
Fund Equity at End of Year	\$ 244,537	\$ 130,711	\$ 4,978	\$ 3,591,500	\$ 3,971,726

What to expect in 2014?

It is anticipated that the following goals for 2014 will be realized:

We are continually identifying opportunities to provide services, information and resources to Washington County businesses.

The WCLDC will identify and work towards identifying Grants and navigating the CFA applicable to infrastructure build outs, utility and broadband expansions and monies available to expand loan power.

We will finance at least \$400,000 in loans to prospective business start up's and expansion projects.

We will continually review and utilize the Plan of Economic Development strategies, while also identifying and updating courses of application along the way.

We will continue to work with the committees at the WWIDA to encourage applicable businesses for the existing lots available in the Industrial Park.

Administration will continue to comply with the "Public Authority Accountability Act".

We will hold MicroEnterprise Assistance programs two times annually and continue to develop the curriculum presented.