

WASHINGTON COUNTY
LOCAL DEVELOPMENT CORPORATION
2015 ANNUAL REPORT



www.wcldc.org

383 Broadway
Fort Edward, NY 12828
(518) 746-2292

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Mission Statement

The Mission of the Washington County Local Development Corporation, a not-for-profit entity, is to stimulate economic development activities that encourage investment in Washington County, NY. The WCLDC will serve as a resource to retain and increase employment opportunities, encourage the expansion and growth of existing businesses, and attract new businesses to Washington County, NY. Fostering employment opportunities for Washington County residents while expanding and increasing the tax base are key objectives of the WCLDC. The WCLDC will seek to further its mission through the provisions of low interest loans to businesses.

Introduction

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.

Economic Development Loan Program

There was one loan closing in 2015 under this program; Dry Town Hops, LLC for \$80,000.

At year end, the portfolio included ten loans representing \$1.68 million, with an outstanding principal balance of approximately \$1 million. All loans were current.

Intermediary Re-lending Program

There were no loan closings in 2015 in this loan program.

At year end, the portfolio included three businesses representing \$285,000 in loans, with an outstanding principal balance of approximately \$170,000. All loans were current.

Microenterprise Assistance Program

There was one loan closing in 2015 under this program; A B&B On The Green for \$25,000.

At year end, the portfolio included four businesses representing \$85,000 in loans with an outstanding principal balance of approximately \$37,000.

Together with Warren County LDC and SUNY Adirondack Continuing Education we hosted one 10-week session of the Microenterprise Assistance Program. Approximately 15 individuals enrolled in the course in 2015, 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 qualifies individuals interested in going into business, or expanding operations for a Micro loan up to \$25,000. 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 an expansion project.

Community Development Loan Fund

There were five loan closings in this loan program in 2015. The LDC assisted the following businesses: 209 Broadway Whitehall, LLC, with \$150,000. Battlehill Brewing Company, LLC. with \$150,000. Harrington's Care A Lot, LLC with \$125,000. Schoony's Country Market, LLC. With 235,000. Simply Grazin' with \$150,000.

The portfolio, at year end, included twenty businesses representing approximately \$2 million in loans and an outstanding balance of approximately \$1.57 million. All loans in this program were current except for one which is engaged in a payment plan at year end.

Loan Program Overview

The WCLDC ended the year closing about \$1.1 million in loans to seven businesses in a variety of industries. An eighth and ninth loan for J. Euber Energy and Quaker Bay were approved, but will not close until the beginning of 2016. The loans processed throughout the year were for a myriad of projects ranging from new start-up businesses to equipment upgrades and expansions of existing businesses. As of December 31, 2015, the total portfolio included 39 loans representing over \$4 million, with a principal balance of approximately \$2.8 million. During 2015, eight businesses paid off their loans in full and no loans were written off.

Overall, we were presented with thirteen 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 2015 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, Empire Zone program, permit requirements and socio-economic data. Our organizations effect was felt throughout the county as we met with over 150 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 eleventh (11th) annual Washington County Small Business of the Year Awards luncheon at the Kingsbury Fire Department in Hudson Falls on December 4th.

The 2015 Winners are: Battenkill Fibers, Parker Machine, and Pattie's Patch.
Special Recognition Award for Commitment to Community: Hudson River Music Hall

The 2015 Nominees are: The Flower Shop @ Laura's Garden, Historic Grounds, Just Because, Lake George Distilling Company, Log Village & Grist Mill, and The Pennywise Shop and Wilson Homestead.

Each winner received a plaque engraved by Engravings by George; the beautiful green slate was donated by Evergreen Slate Company to accent the plaque and Creative Woodworking and Stone Tops created and

assembled the awards. 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 Small Business Awards Selection Committee Chair. The remaining Committee members for 2015 were Peter Aust, Adirondack Regional Chamber of Commerce; Joe Melucci, Al Cioffi and Marcy Smith of Glens Falls National Bank and Trust; Tim Jansen, Wel-Dun and Deanna Derway, President of the Washington County LDC.

A huge thank you to the Kingsbury Fire Department; especially the Women’s Auxiliary for all the hard work. Thank you to all of our generous sponsors: Platinum Level Sponsors – Adirondack Technical Solutions and Glens Falls National Bank and Trust Company. Gold Level Sponsors- Four Corners Energy. Silver Level Sponsors –Fort Hudson Health System and Robinson & Son, LLC. Also, thank you to the following business for donating goods or services: Media - Adirondack Broadcasting, Flowers - Adirondack Flowers, Awards - Creative Woodworking, Slate – Evergreen Slate Company.

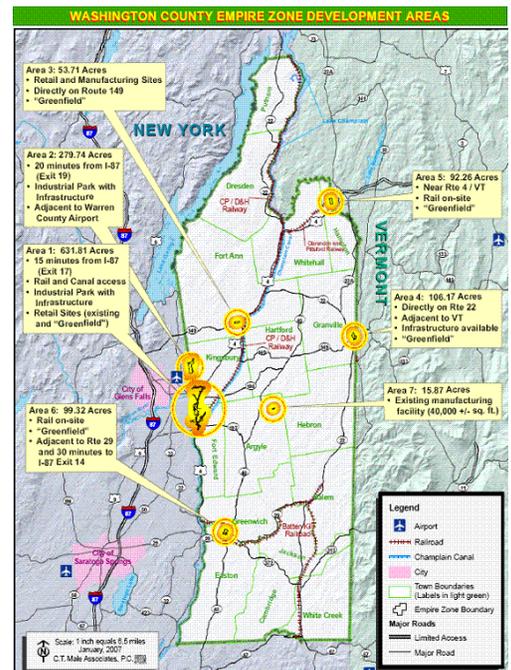


2015 Small Business of the Year Recipients and WCLDC officials. From left to right: Tim Jansen, Adirondack Regional Chamber of Commerce; Deanna Derway, President of Washington County LDC; Jonathan Newell, Hudson River Music Hall; Mary Jeanne Packer, Battkenkill Fibers; Pattie and Dennis Sbardella, Pattie’s Patch; Tammy Aust, Parker Machine; Peter Aust, Adirondack Regional Chamber of Commerce

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
2012	55	2,068	\$19.5
2013	51	2027	\$19.0



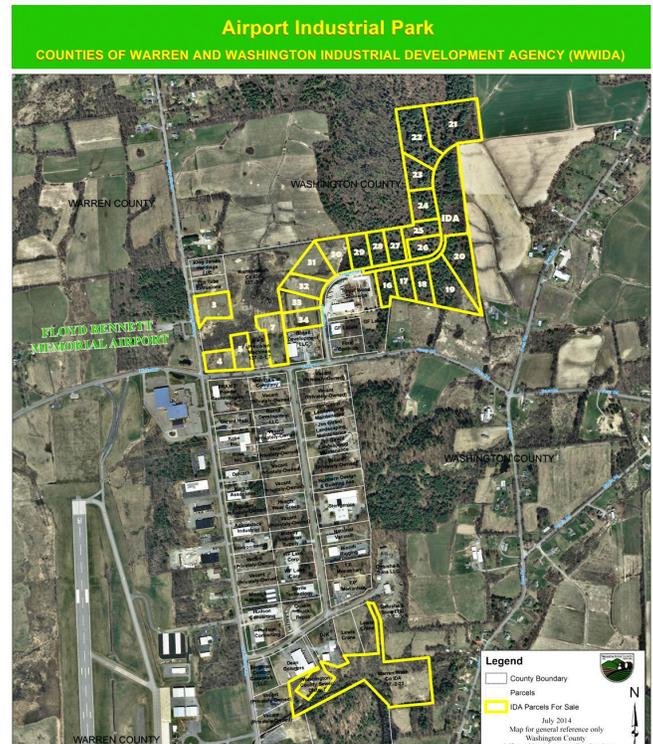
In order to retain certification for the businesses already certified in our zone, WCLDC continues to provide administrative services and required documentation for the program.

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.

Warren-Washington Airport Industrial Park

Located on the border of Warren and Washington Counties in Northeastern New York, the Warren-Washington County IDA (WWIDA) is proud to announce that Phase II in Kingsbury, Washington County has been designated as "shovel ready" through New York State's Shovel Ready Certification Program. The 66-acre site on County Line Road is now pre-qualified for future development as a multi-tenant business and technology park. By accomplishing Shovel Ready Certification for this site in Washington County, the potential to attract developers and/or business interest is increased substantially, and the time to complete any project is significantly reduced.

Obtaining this Shovel Ready certification for the sites in Washington County couldn't come at a better time. With the increased volume of investment interests our County is receiving, having this valuable inventory with the process streamlined is certainly an advantage when competing to secure business expansions and/or a potential business re-location. We look forward to utilizing this certification to the fullest extent. If you're looking for a world-class setting within four hours of the Canadian, Boston and New York City Markets, the Airport Industrial Park is the place to be.



An hour north of Albany NY, the Industrial Park is adjacent to Floyd Bennett Memorial Airport; offering business customers a 5000' Primary and 4000' Secondary ILS runway, shuttle and limo services, hangar space that accommodate up to a Gulfstream IV; as well as concierge services. Nestled between the Adirondack and Green Mountains of New York and Vermont, the Airport Industrial Park is centrally located to serve and distribute throughout the Northeast. The park offers shovel ready sites served by municipal water and sewer, natural gas, fiber optic infrastructure and 3-Phase power. Current tenant operations include high-tech, medical device manufacturing, and custom trade operations.

Add your business to the mix of successful and thriving enterprises at the Airport Industrial Park and watch growth happen.

ECONOMIC DEVELOPMENT INCENTIVES

- 485-b Property Tax Incentive program
- Excelsior Program
- Foreign Trade Zone
- PILOT opportunities
- Sales Tax Exemptions on new buildings and expansions
- Personalized assistance from bi-county economic development professionals
- Private/Public financing information, lending and incentive packages available.

Grants Administration

There were no new grants awarded to or through the WCLDC in 2015. We continued to maintain and administer previously awarded grants.

We continued finding opportunities 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.

Financial Situation

WASHINGTON COUNTY LOCAL
DEVELOPMENT CORPORATION

Statement of Financial Position

December 31, 2015

	Restricted				Unrestricted	
	Income After Closeout	Intermediary Relending Program	RBEQ Grant	Empire Zone		Total
ASSETS						
Current Assets:						
Cash-checking	\$ -	\$ 126,828	\$ 2,578	\$ 510	\$ 683,752	\$ 813,668
Cash-time deposit	-	22,000	-	-	680,335	702,335
Accounts receivable	-	-	-	-	872	872
Current portion, loans receivable	12,582	29,524	-	-	308,194	350,300
Current portion, lease payments receivable	-	-	5,155	-	-	5,155
USDA receivable	-	-	-	-	90,220	90,220
Interest receivable	-	315	-	-	4,337	4,652
Total Current Assets	12,582	178,667	7,733	510	1,767,710	1,967,202
Other Assets:						
Loans receivable, net of current portion	220,893	141,030	-	-	2,080,144	2,442,067
Allowance for doubtful accounts	(2,712)	(22,000)	-	-	-	(24,712)
Lease payments receivable, net of current portion	-	-	28,355	-	-	28,355
Total Other Assets	218,181	119,030	28,355	-	2,080,144	2,445,710
Total Assets	\$ 230,763	\$ 297,697	\$ 36,088	\$ 510	\$ 3,847,854	\$ 4,412,912
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 101	\$ 101
Current portion of loan payable	-	10,842	-	-	-	10,842
Total Current Liabilities	-	10,842	-	-	101	10,943
Long-Term Liabilities:						
Long-term loan payable, net of current portion	-	138,392	-	-	-	138,392
Total Long-Term Liabilities	-	138,392	-	-	-	138,392
Total Liabilities	-	149,234	-	-	101	149,335
Fund Equity	230,763	148,463	36,088	510	3,847,753	4,263,577
Total Liabilities and Fund Equity	\$ 230,763	\$ 297,697	\$ 36,088	\$ 510	\$ 3,847,854	\$ 4,412,912

WASHINGTON COUNTY LOCAL
DEVELOPMENT CORPORATION

Statement of Activities

Year Ended December 31, 2015

REVENUES	Restricted				Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBE Grant	Empire Zone		
Interest on loans	\$ 1,694	\$ 9,574	\$ -	\$ -	\$ 107,035	\$ 118,303
Interest on time deposits	-	114	-	1	1,615	1,730
Contributions/grants	-	-	-	-	80,000	80,000
Origination fees	-	-	-	-	27,726	27,726
Events	-	-	-	-	8,864	8,864
RBE grant reimbursement	-	-	-	-	90,220	90,220
Lease proceeds-sale of equipment	-	-	36,088	-	-	36,088
Net assets released from unrestricted income	(10,113)	-	-	-	10,113	-
Total Revenues	(8,419)	9,688	36,088	1	325,573	362,931
EXPENDITURES						
Payroll expenses	-	-	-	1,999	67,148	69,147
Professional fees	-	-	-	-	19,405	19,405
Interest expense	-	1,483	-	-	-	1,483
Insurance	-	-	-	-	2,383	2,383
Office expense	-	-	-	-	3,225	3,225
Marketing and advertising	-	-	-	-	15,798	15,798
Meeting expense	-	-	-	-	199	199
Miscellaneous	-	-	-	-	693	693
RBE equipment expense	-	-	-	-	90,220	90,220
Bad debt expense (recovery)	(10,265)	-	-	-	-	(10,265)
Total Expenditures	(10,265)	1,483	-	1,999	199,071	192,288
Excess (Deficit) of Revenues Over Expenditures	1,846	8,205	36,088	(1,998)	126,502	170,643
Fund Equity at Beginning of Year	228,917	140,258	-	2,508	3,721,251	4,092,934
Fund Equity at End of Year	\$ 230,763	\$ 148,463	\$ 36,088	\$ 510	\$ 3,847,753	\$ 4,263,577

What to expect in 2016?

It is anticipated that the following goals for 2016 will be met:

- Continue identifying opportunities to provide services, information and resources to Washington County businesses.
- Continue to collaborate and build relationships with other County agencies and departments to strategize, plan, and work together to utilize the diverse talents and capabilities of individuals between agencies.
- WCLDC will identify and work towards identifying Grants and navigating the CFA process applicable to infrastructure build outs, utility and broadband expansions and monies available to expand loan power.
- Finance at least \$500,000 in loans to prospective business start up's and expansion projects.
- 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".
- WCLDC will host the MicroEnterprise Assistance programs twice annually and continue to develop the curriculum presented.
- Provide networking events such as the Business Showcase and Small Business Awards for Washington County businesses.