

WASHINGTON COUNTY
LOCAL DEVELOPMENT CORPORATION
2014 ANNUAL REPORT



www.wcldc.org

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LOCAL DEVELOPMENT CORPORATION							2014		2	1
TOWN	SUPERVISOR	DESIGNEE	OFFICER (5)	SIGNATORY (5)	LRC (7)	Proxy	Audit & Finance	Governance	Nominate	
Argyle	Robert Henke	Jared Humiston								
Cambridge	Cassie Fedler									
Dresden	George Gang									
Easton	Daniel Shaw	Chic Wilson								
Fort Ann	Darlene Dumas									
Fort Edward	Mitchell Supernant	Terry Middleton								
Granville	Matt Hicks	Jay Niles			Jay Niles		Jay Niles	Jay Niles		
Greenwich	Sara Idleman	Rich Norman	Treasurer	Rich Norman	Rich Norman	Sara Idleman	Rich Norman (c)		Rich Norman	
Hampton	David O'Brien		Secretary	David O'Brien	David O'Brien			David O'Brien	David O'Brien	
Hartford	Dana Haff		V-Chair	Dana Haff	Dana Haff				Dana Haff	
Hebron	Brian Campbell	Barry Miller (747-4138-office)			Barry Miller	Brian Campbell				
Jackson	Alan Brown									
Kingsbury	James Lindsay				James Lindsay (c)		Jim Lindsay			
Putnam	John LaPointe							John La Pointe ©		
Salem	Seth Pitts		Chair	Seth Pitts	Seth Pitts				Seth Pitts	
White Creek	Robert Shay			Robert Shay						
Whitehall	George Armstrong	Stephanie Safka								
Staff	Position		Officer							
Deanna Derway	President		President							

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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.

One prevalent trend that began this year and will continue to be an economic driver in terms of investment and job creation in our region is the increase in craft beverage producers (beer, wine and distilled spirits). The prospects for New York agriculture that have been created from this boom continue to expand, in turn providing jobs in our local economy and fueling economic growth throughout Washington County and NYS as a whole. This sector not only creates jobs but also supports our farmers and brings in tourism dollars across the state as well. Statistics show that both the number of farm based businesses manufacturing craft beverages using locally grown ingredients and the total number of manufacturers producing alcoholic beverages have more than doubled since 2011. The efforts of Governor Cuomo and area legislators to provide new support and funding resources to encourage the purchase of locally made products and attract visitors is ultimately expected to lead to continued growth in this sector.

The good news is that exciting things are happening in Washington County and we anticipate another busy year in 2015. Unique new businesses and expansions of current companies are appearing regularly and the WCLDC is committed to helping these employers receive the services they need to be successful.

Economic Development Loan Program

There were no loan closings in this loan program in 2014.

At year end, the portfolio included ten loans representing \$1.75 million, with an outstanding principal balance of approximately \$1 million. All loans were current.

Intermediary Re-lending Program

There were no loan closings in 2014 in this loan program.

At year end, the portfolio included four businesses representing \$360,000 in loans, with an outstanding principal balance of approximately \$200,000. All loans were current.

Microenterprise Assistance Program

There was one loan closing in 2014 under this program; Dinner and Flowers.com for \$15,000.

At year end, the portfolio included six businesses representing \$115,000 in loans with an outstanding principal balance of approximately \$33,000. All but one loan was current. Elizabeth Davis DBA/Abuelo's Café was the only delinquent loan in 2014. Elizabeth made two loan payments at the beginning of 2014 and then stopped making payments altogether despite many attempts throughout the year to come to a payment arrangement. The LDC is taking legal action against Ms. Davis.

Together with Warren County LDC and SUNY Adirondack Continuing Education we hosted two 10-week sessions of the Microenterprise Assistance Program. Approximately 50 individuals enrolled in the course in 2014, 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 2014. The LDC assisted the following businesses: J Donnelly Transport in Hudson Falls with \$45,000 for upgrades to current equipment; Roundhouse Bakery in Cambridge borrowed \$50,000 for startup costs pertaining to the Café and Bakery; Dinner and Flowers.com in Hudson Falls for \$15,000 to assist with startup costs for the online flower business; Shed Stop, Inc. in Fort Ann borrowed \$75,000 to assist in purchasing their new location; Maxwell's Main Street Pub in Hudson Falls borrowed \$40,000 to assist with renovations and sustainability during Route 4 construction; Woodward Equipment Company in Fort Ann borrowed \$40,000 in order to expand at their current location.

The portfolio, at year end, included nineteen businesses representing approximately \$1.5 million in loans and an outstanding balance of approximately \$1.1 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 \$300,000 in loans to six businesses in a variety of industries. A seventh loan for a new brewery was approved in 2014 but, will not close until the beginning of 2015. 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, 2014, the total portfolio included 38 loans representing over \$3.6 million, with a principal balance of approximately \$2.4 million. During 2014, two businesses paid off their loans in full and no loans were written off.

Overall, we were presented with eleven 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 2014 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 tenth annual Washington County Small Business of the Year Awards luncheon at the Kingsbury Fire Department in Hudson Falls on December 12th.

The 2014 Winners are: Granville Veterinary Service, P.C. - Large Animal - Granville; Harrington's Care A Lot Child Care Center – Hudson Falls; Helping Hands Physical Therapy – Greenwich and a Lifetime Community Commitment Award to Salem Hardware & Supply Co. - Salem

The 2014 Nominees are: Argyle Brewing Company LLC; Chippewa Stone; Cormie Insurance Agency; Country Gals Café; Country Peddler Shoppes, Inc.; The Flower Shop @ Laura's Garden and Kelly's Emerald Feeds, LLC.

Each winner received a plaque engraved by Engravings by George; the beautiful green slate was donated by Chris DeBolt 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. Kent McNairy was the Washington County Business Council Task Force Chair this year. The remaining Task Force members for 2014 were Peter Aust, Adirondack Regional Chamber of Commerce; Richard Norman, Al Cioffi and Heather Bala of Glens Falls National Bank and Trust; Chris DeBolt, Washington County Planner, 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. Silver Level Sponsors – Currin Compliance Services, 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, Chairs – Nims Services

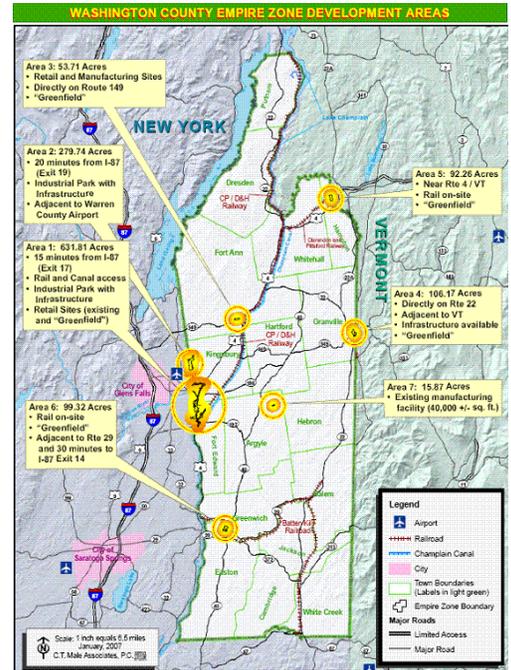


The 2014 Washington County Small Business Award Winners pictured left to right: Peter Aust President of ARCC; Kent McNairy - Northern Design and Building Associates, LTD; Barb Hamel - Helping Hands Physical Therapy; Dave Linendoll and Kyle Hunter - Salem Hardware & Supply Co; Drs. Sarah Jensen and John McDermott - Granville Veterinary Service; Kendra, Lisa and Bill Harrington and Kim Hunt of Harrington's Care a Lot Child Care Center 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
2012	55	2,068	\$19.5



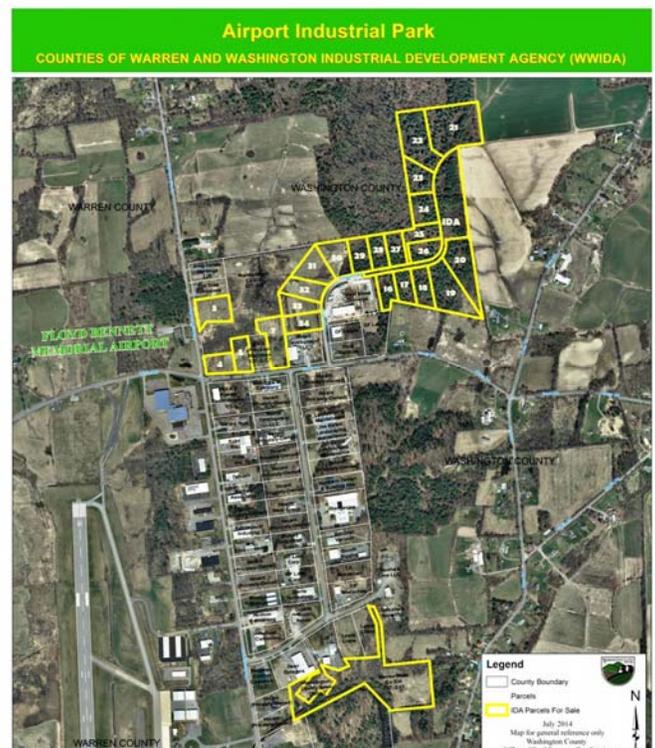
In order to retain certification for the businesses already certified in our zone, WCLDC continues to provide administrative services and required documentation for the program.

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

In 2014 the WCLDC staff prepared a few grant applications to support economic development projects throughout the county. We were able to partner with the USDA and the Argyle Cheese Farmer in order to secure an RBEG grant for equipment upgrades as the Argyle Cheese Farmer expands their business operation within the County.

Washington County was also very successful this year in the fourth round of the Regional Economic Development Council. Laura Oswald, Chris DeBolt and the WCLDC staff all coordinated and worked diligently on numerous applications; at awards time, Washington County was awarded \$3.03 million in funding.

The New York State Governor's office has awarded SUNY Adirondack \$65,000 to conduct a study determining the feasibility of a potential Regional Higher Education site in Washington County. The funds granted on December 11, 2014 — secured through competitive bid through the Regional Economic Development Council (REDC) and the Washington County Local Development Corporation (LDC) — will help to determine a strategic location to offer classes, training and workforce development to county residents.

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, 2014

ASSETS	Restricted			Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	Empire Zone		
Current Assets:					
Cash-checking	\$ -	\$ 101,551	\$ 2,508	\$ 1,053,829	\$ 1,157,888
Cash-time deposit	-	22,000	-	679,316	701,316
Accounts receivable	-	-	-	1,100	1,100
Current portion, loans receivable	239,232	27,990	-	278,337	545,559
Interest receivable	-	337	-	3,225	3,562
Total Current Assets	239,232	151,878	2,508	2,015,807	2,409,425
Other Assets:					
Loans receivable, net of current portion	2,662	170,470	-	1,705,536	1,878,668
Allowance for doubtful accounts	(12,977)	(22,000)	-	-	(34,977)
Total Other Assets	(10,315)	148,470	-	1,705,536	1,843,691
Total Assets	\$ 228,917	\$ 300,348	\$ 2,508	\$ 3,721,343	\$ 4,253,116
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 92	\$ 92
Current portion of loan payable	-	10,735	-	-	10,735
Total Current Liabilities	-	10,735	-	92	10,827
Long-Term Liabilities:					
Long-term loan payable, net of current portion	-	149,355	-	-	149,355
Total Long-Term Liabilities	-	149,355	-	-	149,355
Total Liabilities	-	160,090	-	92	160,182
Fund Equity	228,917	140,258	2,508	3,721,251	4,092,934
Total Liabilities and Fund Equity	\$ 228,917	\$ 300,348	\$ 2,508	\$ 3,721,343	\$ 4,253,116

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION

Statement of Activities

Year Ended December 31, 2014

REVENUES	Restricted			Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	Empire Zone		
Interest on loans	\$ 5,768	\$ 11,252	\$ -	\$ 110,129	\$ 127,149
Interest on time deposits	-	101	1	1,640	1,742
Contributions/grants	-	-	-	80,000	80,000
Origination fees	-	-	-	7,989	7,989
Events	-	-	-	10,295	10,295
Net assets released from unrestricted income	(21,388)	42	-	21,346	-
Total Revenues	(15,620)	11,395	1	231,399	227,175
EXPENDITURES					
Payroll expenses	-	-	2,471	58,887	61,358
Professional fees	-	-	-	16,419	16,419
Interest expense	-	1,768	-	-	1,768
Insurance	-	-	-	2,430	2,430
Office expense	-	-	-	2,145	2,145
Marketing and advertising	-	-	-	11,814	11,814
Meeting expense	-	-	-	738	738
Miscellaneous	-	80	-	-	80
Bad debt expense	-	-	-	9,215	9,215
Total Expenditures	-	1,848	2,471	101,648	105,967
Excess (Deficit) of Revenues Over Expenditures	(15,620)	9,547	(2,470)	129,751	121,208
Fund Equity at Beginning of Year	244,537	130,711	4,978	3,591,500	3,971,726
Fund Equity at End of Year	\$ 228,917	\$ 140,258	\$ 2,508	\$ 3,721,251	\$ 4,092,934

What to expect in 2015?

It is anticipated that the following goals for 2015 will be met:

- Continue to identify 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 \$600,000 in loans to prospective business start up's and expansion projects.
- Continually review and utilize the Plan of Economic Development strategies, while also identifying and updating courses of application along the way.
- 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 hold MicroEnterprise Assistance programs two times annually and continue to develop the curriculum presented.
- Provide networking events such as the Business Showcase and Small Business Awards for Washington County businesses.