

**WASHINGTON COUNTY**  
**LOCAL DEVELOPMENT CORPORATION**  
**2016 ANNUAL REPORT**



[www.wcldc.org](http://www.wcldc.org)

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LOCAL DEVELOPMENT CORPORATION				2016		Audit & Finance (5)	Governance (5)
TOWN	SUPERVISOR	DESIGNEE	OFFICER (4)	SIGNATORY (5)	LRC (7)	Proxy	
Argyle	Robert Henke	Jared Humiston			Jared Humiston	Robert Henke	Jared Humiston
Cambridge	Cassie Fedler						Cassie Fedler
Dresden	George Gang						<b>George Gang (c)</b>
Easton	Daniel Shaw						Daniel Shaw
Fort Ann	Richard Moore						
Fort Edward	Mitchell Supernant			Mitchell Supernant			
Granville	Matt Hicks	Jay Niles			Jay Niles	Matt Hicks	Jay Niles
Greenwich	Sara Idleman	Rich Norman	<b>Treasurer</b>		Rich Norman	Sara Idleman	<b>Rich Norman (c)</b>
Hampton	David O'Brien		<b>Secretary</b>	David O'Brien	David O'Brien		David O'Brien
Hartford	Dana Haff		<b>V-Chair</b>	Dana Haff	Dana Haff		
Hebron	Brian Campbell			Brian Campbell	Brian Campbell		
Jackson	Jay Skellie						
Kingsbury	Dana Hogan						
Putnam	John LaPointe						
Salem	Seth Pitts		<b>Chair</b>	Seth Pitts	<b>Seth Pitts (c)</b>		Seth Pitts
White Creek	Robert Shay	Marion Watkins				Robert Shay	
Whitehall	George Armstrong						
<u>Staff</u>	<u>Position</u>						
Deanna Derway	President						

## Table of Contents

Mission Statement.....	1
Introduction.....	1
Economic Development Loan Program.....	1
Intermediary Re-lending Program.....	1
Microenterprise Loan Fund and MAP Course Outline.....	1
Community Development Loan Fund.....	2
Loan Program Overview.....	2
Business Activity.....	2
Congratulations.....	2-3
Empire Zone Program.....	4
Warren-Washington Airport Industrial Park.....	4-5
Grants Administration.....	5
Financial Situation.....	6
What to expect in 2017?.....	6

## **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 were no loan closings in 2016 under this program.

At year end, the portfolio included nine loans representing \$1.64 million, with an outstanding principal balance of approximately \$900,000. All loans were current.

## **Intermediary Re-lending Program**

There was one loan closings in 2016 under this loan program; Locust Grove Farm, Inc. for \$150,000.

At year end, the portfolio included four businesses representing \$435,000 in loans, with an outstanding principal balance of approximately \$287,000. All loans were current.

## **Microenterprise Assistance Program**

There were no loan closings in 2016 under this program.

At year end, the portfolio included three businesses representing \$60,000 in loans with an outstanding principal balance of approximately \$31,000.

Together with Warren County LDC and SUNY Adirondack Continuing Education we hosted two 10-week session of the Microenterprise Assistance Program. 40 individuals enrolled in the course in 2016, including new and expanding 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 seven loan closings in this loan program in 2016. The LDC assisted the following businesses: J. Euber Energy with \$50,000; J Donnelly Transport, LLC with \$55,000; 209-217 Main Street, LLC with \$65,000; Hogwash Cleaning Solutions with \$110,000; QBI, LLC with \$150,000; Dancing Ewe Farms, LLC with \$77,000; BDO Pizza, Inc. with \$50,000 (one other was approved in 2016 but, expected to close in 2017).

The portfolio, at year end, included twenty-five businesses representing approximately \$2.4 million in loans and an outstanding balance of approximately \$1.9 million. There are a three loans under this program that are behind on payments at year end, they are: South Hartford Equipment Co. (waiting for a refinance loan to come through to pay this debt off), Renaissance Grants & Planning (they are working on a payment plan for 2017), 209 Broadway Whitehall, LLC (they filed bankruptcy so we are working with the second mortgagee to market the building in hopes of selling it before pursuing foreclosure).

### **Loan Program Overview**

The WCLDC ended the year closing about \$750,000 in loans to nine 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 and expansions of existing businesses. As of December 31, 2016, the total portfolio included forty-one loans representing over \$4 million, with a principal balance of approximately \$3.1 million. During 2016, four 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 2016 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 100 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 twelfth (12<sup>th</sup>) annual Washington County Small Business of the Year Awards luncheon at the Kingsbury Fire Department in Hudson Falls on December 2nd.

*The 2016 Small Business Award Winners were:* M.B. Kilmer Funeral Homes, McCann's Pharmacy & Adirondack Compounding and West Signs

*Innovation & Community Commitment Award:* Zayachek Mechanical

*Special Recognition Award for Community Service to:* Helen Levendos – owner of New 2 U Consignment Shop

*The 2016 Nominees were:* Battle Hill Brewing Company - Cutie Pharma-Care, Inc. - Flynn Bros., Inc. Funeral Home - Hunt Companies, Inc. - Kelly & Sellar Ryan, PLLC - Kingsbury Hops - Lavenlair Farm - Maplewood Ice Co. Inc. - Pooh's Corner Preschool - Slyboro Ciderhouse - V&H Construction, Inc. - Yorkmont Farm

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 2016 were Tori Riley, Adirondack Regional Chamber of Commerce; Joe Melucci, Glens Falls National Bank and Trust; Tim Jansen, Wel-Dun; John Aspland Sr., Adirondack Plastics & Recycling; Jared Humsiton, Adirondack Technical Solutions; Sheridan Aiken, Morcon Tissue; Tom Albrecht, Hilltop Construction Co; Rich Norman, Washington County LDC Treasurer 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 –Glens Falls National Bank and Trust Company. Gold Level Sponsor – Doty Machine Works. Silver Level Sponsors –SUNY Adirondack. Also, thank you to the following business for donating goods or services: Media - Adirondack Broadcasting, Awards - Creative Woodworking & Stone Tops, Slate – Evergreen Slate Company.



**2016 Small Business of the Year Recipients**

*Back Row (L to R):*

Tim Jansen, Wel-Dun; Dan, Gary & Aaron West, West Signs; Jason & Richard McCann, McCann's Pharmacy; Todd & Kyle Kilmer, MB Kilmer Funeral Homes;

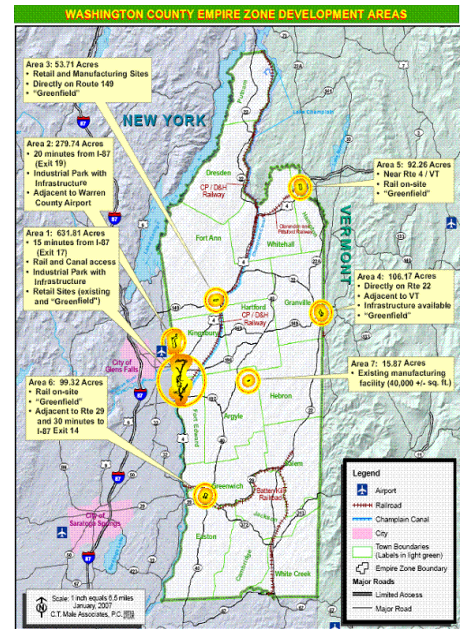
*Front Row (L to R):*

Deanna Derway, President of Washington County LDC; Helen Levendos, New 2 U Consignment; George Kilmer, M.B. Kilmer Funeral Homes; Tori Riley, President of 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 12/31/14)	# 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	50	2,027	\$19.0
2014	49	2,140	\$19.1

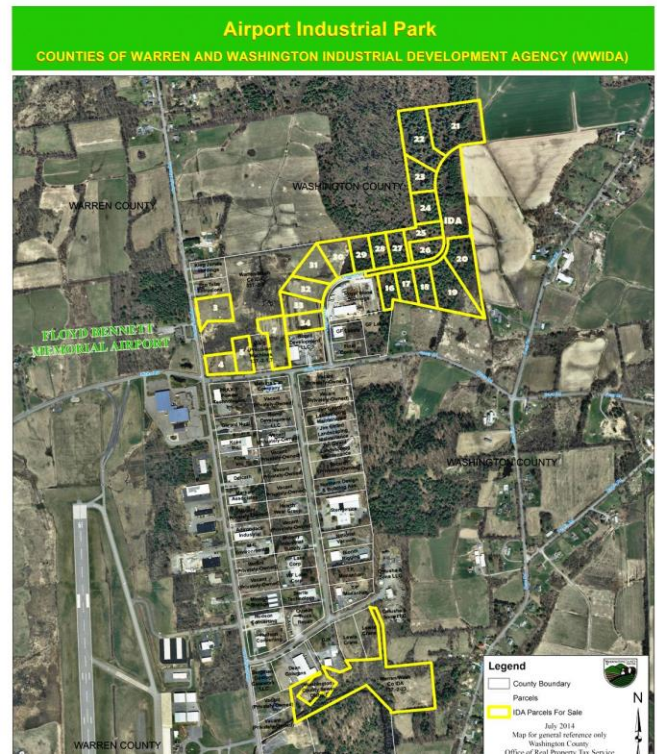


In order to retain certification for the businesses already certified in our zone, WCLDC continues to provide administrative services and required documentation for the program.

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 2016. 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 ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

REVENUES	Restricted					Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBEG Grant	Empire Zone	CDBG Grant		
Interest on Loans	\$ 10,128.00	\$ 9,752.00	\$ -	\$ -	\$ 6,825.00	\$ 133,551.00	\$ 160,256.00
Interest on Time Deposits	-	80	-	-	2	1,198	1,280
Contributions/Grants	-	-	-	-	337,000	80,000	417,000
Origination Fees	-	-	-	-	-	18,612	18,612
Events	-	-	-	-	-	2,540	2,540
RBEG Grant Reimbursement	-	-	-	-	-	450	450
Net assets released from Unrestricted Income	(21,650)	-	-	-	-	21,650	-
Total Revenues	(11,522)	9,832	-	-	343,827	258,001	600,138
<b>EXPENDITURES</b>							
Salaries & Wages	-	-	-	-	11,147	51,924	63,071
Payroll Taxes	-	-	-	-	853	4,448	5,301
Fringe Benefits	-	-	-	-	-	20,564	20,564
Professional Fees	-	-	-	-	-	17,889	17,889
Interest Expense	-	1,477	-	-	-	-	1,477
Insurance	-	-	-	-	-	2,152	2,152
Office Expense	-	-	-	-	-	1,588	1,588
Marketing and Advertising	-	-	-	-	-	8,633	8,633
Meeting Expense	-	-	-	-	-	803	803
Miscellaneous	-	-	-	-	-	496	496
CDBG Grant Expenses	-	-	-	-	162,500	-	162,500
Bad Debt Expense (Recovery)	(650)	-	-	-	-	9,887	9,237
Total Expenditures	(650)	1,477	-	-	174,500	118,384	293,711
Excess (Deficit) of Revenue Over Expenditures	(10,872)	8,355	-	-	169,327	139,617	306,427
Fund Equity - Beginning of Year	230,763	148,463	36,088	510	-	3,847,753	4,263,577
Fund Equity - End of Year	219,891	156,818	36,088	510	169,327	3,987,370	4,570,004

WASHINGTON COUNTY LOCAL DEVELOPMENT CORPORATION  
STATEMENT OF FINANCIAL POSITION  
YEAR ENDED DECEMBER 31, 2016

ASSETS	Restricted					Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	RBEG Grant	Empire Zone	CDBG Grant		
<b>Current Assets:</b>							
Cash - Checking	\$ -	\$ 7,074	\$ 7,734	\$ 510	\$ 10,826	\$ 962,315	\$ 988,459
Cash - Time Deposit	-	22,000	-	-	-	400,455	422,455
Accounts Receivable	-	-	-	-	-	1,291	1,291
Current Portion, Loans Receivable	12,580	42,495	-	-	12,572	410,273	477,920
Current Portion, Lease Payments Receivable	-	-	5,155	-	-	-	5,155
USDA Receivable	-	-	-	-	-	-	-
Interest Receivable	950	1,138	-	-	1,934	22,808	26,830
Total Current Assets	13,530	72,707	12,889	510	25,332	1,797,142	1,922,110
<b>Other Assets:</b>							
Loans receivable, net of current portion	208,423	244,483	-	-	143,995	2,200,779	2,797,680
Allowance for Doubtful Accounts	(2,062)	(22,000)	-	-	-	(10,551)	(34,613)
Lease Payments Receivable, net of current portion	-	-	23,199	-	-	-	23,199
Total Assets	206,361	222,483	23,199	-	143,995	2,190,228	2,786,266
	219,891	295,190	36,088	510	169,327	3,987,370	4,708,376
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Current Liabilities:</b>							
Accounts Payable	-	-	-	-	-	-	-
Current Portion of Loan Payable	-	10,951	-	-	-	-	10,951
Total Current Liabilities	-	10,951	-	-	-	-	10,951
<b>Long-Term Liabilities:</b>							
Long Term Loan Payable, net of current portion	-	127,421	-	-	-	-	127,421
Total Long term Liabilities	-	127,421	-	-	-	-	127,421
Total Liabilities	-	138,372	-	-	-	-	138,372
Fund Equity	219,891	156,818	36,088	510	169,327	3,987,370	4,570,004
Total Liabilities and Fund Equity	\$ 219,891	\$ 295,190	\$ 36,088	\$ 510	\$ 169,327	\$ 3,987,370	\$ 4,708,376

### **What to expect in 2017?**

It is anticipated that the following goals for 2017 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 work towards identifying Grant opportunities available to expand lending power.
- Finance at least \$600,000 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 Small Business Awards for Washington County businesses.