

Washington County Local Development Corporation
Mission Statement and Measurement Report 2020

Local Authority Name: Washington County Local Development Corporation

Fiscal Year: January 1, 2020 - December 31, 2020

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.

Date revised Statement Adopted: 3/21/2014

2020 COVID-19 Impact: COVID has obviously had a major impact on the business community and therefore, the LDC as well. It has not only created an unstable and uncertain environment for the businesses on our current loan portfolio but, has also affected the confidence levels of prospective borrowers and lenders. We, therefore, have received fewer loan applications for new financing since the pandemic began. This past year has transitioned from our normal role of financing new businesses into retention and preservation mode for the businesses already in our portfolio.

In March of 2020, at the start of the pandemic, we put a 90-day freeze on our loan portfolio. This gave us time to work diligently with each business individually as they assessed (and continue to assess) what they might need in order to remain in business, retain employees and hopefully recover and once again thrive on the other end of this pandemic.

It is an unprecedented time and we, like everyone else in the world, have worked hard to keep up with the ever-changing climate (economic, political, personal, etc.) around us. Throughout, we have been a resource and partner to support the business community as we all traverse these uncharted waters. The LDC has continually provided information and resources regarding new funding sources and programs (PPP, EIDL, NYFLF, etc.) related to COVID as the Government continues to update and make changes to the various programs.

Impacted especially hard was the restaurant sector in our area. One of the restaurants from our portfolio unfortunately went out of business due to the pandemic and there are some others who are struggling a year into this. We continue to communicate and work with them as this situation and their needs evolve. We have reviewed a few modification requests relating to the effects of the pandemic. At this time, there are some concerns about the longevity of a couple of our loan portfolio businesses if the business climate does not improve soon but, feel that we are properly collateralized in relation to collectability of these accounts.

2020 Measurements:

- Overall, we were presented with four loan applications for consideration. Three applications were approved, and one was denied. The WCLDC ended the year closing \$159,000 on loans to two businesses under the Community Development Loan Fund. The third approved loan will not close until 2021. The loans processed were used for projects including a new start-up business to an expansion of an existing business from Saratoga County. As of December 31, 2020, the total portfolio included forty-six loans representing \$5 million, with a principal balance of approximately \$3.2 million.
- We continue to work with ESD to provide answers, questions and direction to the businesses that are certified in the Empire Zone program. The State took over the processing BAR reports for the remaining certified businesses.
- Together with Warren County LDC and SUNY Adirondack Business Central we successfully hosted two 8-week sessions of Start-up ADK in the spring and fall of 2020. Approximately 25 individuals enrolled in the course in 2020, including new and expanding businesses. We welcome Warren, Washington and Saratoga County participants in both sessions.

- We consistently fed news and community information (especially COVID related updates and information) to our portfolio of loan accounts, our website and Facebook page to keep businesses updated on the many different (and continually changing) programs, funding and resources available to small businesses.
- We will 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. We also collectively partner with and support our local and regional economic developers and collaborate to support each other's' projects and prospects.

Additional questions:

1) Have the board members acknowledged that they have read and understood the mission of the public authority?

Yes.

2) Who has the power to appoint the management of the authority?

The seventeen members of the Board of Directors of the Washington County LDC appoint the management of the LDC. It is at the sole discretion of the Board of Directors to determine staffing levels for the LDC in order to accomplish the stated mission.

3) If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

The seventeen members of the Washington County LDC Board of Directors appoint the management of the LDC.

4) Briefly describe the role of the Board and the role of management in the implementation of the mission:

The LDC staff is responsible for the administration and management of the WCLDC day to day operations pursuant to the authorizing resolution #141 adopted by Washington County on July 19, 1985.

The LDC authorizing resolution and by-laws give the Board of Directors direct oversight and control over the management of the LDC. Thus, the Board members are required to review and monitor financials and management controls as well as the operational activities of the WCLDC. The Board sets policies through its approval of projects and resolutions.

The LDC has established an Audit and Finance Committee, which has the responsibility to oversee all financial operations as well as all reports and governmental disclosures prepared by the WCLDC; a Loan Review Committee review and make decisions on loan applications submitted; and a Governance Committee to ensure that the Corporation follows and adopts best practices with respect to it's procedures, operations and policies

5) Has the Board acknowledged that they have read and understand the responses to each of these questions?

Yes.