

**WASHINGTON COUNTY**  
**LOCAL DEVELOPMENT CORPORATION**  
**2009 ANNUAL REPORT**



**www.wcldc.org**  
383 Broadway  
Fort Edward, NY 12828  
(518) 746-2292

**LOCAL DEVELOPMENT CORPORATION**

**2009**

<u>TOWN</u>	<u>SUPERVISOR</u>	<u>DESIGNEE</u>	<u>OFFICER (5)</u>	<u>SIGNATORY (5)</u>	<u>LRC (7)</u>	<u>Proxy</u>	<u>Audit &amp; Finance</u>	<u>Governance</u>	<u>Nominate</u>
Argyle	Robert Henke	Rick McClenning				Robert Henke			
Cambridge	JoAnn Trinkle			JoAnn Trinkle	JoAnn Trinkle (VC)	Ray McKinney			JoAnn Trinkle ( C )
Dresden	Robert Banks				Bob Banks			Bob Banks	
Easton	John Rymph	Chic Wilson			Chic Wilson	John Rymph			
Fort Ann	Gayle Hall								
Fort Edward	Mitchell Supernant	Terry Middleton							
Granville	Rodger Hurley							Rodger Hurley	
Greenwich	Donald Wilbur		Don Wilbur (VC)	Don Wilbur	Don Wilbur		Don Wilbur		Don Wilbur
Hampton	Don Sady							Don Sady	
Hartford	Nancy Hall								
Hebron	Brian Campbell	Barry Miller							
Jackson	Alan Brown								
Kingsbury	James Lindsay		James Lindsay (S)	James Lindsay	James Lindsay			James Lindsay( C)	Jim Lindsay
Putnam	John LaPointe								
Salem	Steven Alexander	Ron Crepeau			Ron Crepeau ( C)	Steve Alexander	Ron Crepeau		
White Creek	Robert Shay	Ray McKinney	Ray McKinney ( C)	Ray McKinney	Ray McKinney	Robert Shay	Ray McKinney ( C)	Ray McKinney	Ray McKinney
Whitehall	Vernon Scribner								
<u>Staff</u>	<u>Position</u>		<u>Officer</u>	<u>Signatory</u>					
Tori Riley	Executive Director		President					Tori Riley	
Kevin Hayes	County Administrator		Treasurer	Kevin Hayes					

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## **Introduction**

We started 2009 with caution as we quickly identified the probability of our loan programs receiving more inquiries. With the national economy still reeling from 2008, the stings of the recession combined with uncertainty had our attention. We took advantage of every opportunity to become well versed in any program that we could collaborate with to weave a network of resources for the businesses in our county. We watched the market continue to flail, we continued to see the sub-prime housing markets falter and businesses began experiencing unexpected decreases in their pre-established lines of credit. Credit card companies began charging exorbitant rates. As we started into the second quarter, the flood gates opened and businesses began looking at all their options.

## **Economic Development Loan Program**

There were two new loan closings in 2009 to Adirondack Plastics and Recycling for \$150,000 and Queensbury 400 Properties for \$210,000.

As of 12/31, the portfolio included 18 loans representing \$2.82 million, with an outstanding balance principal balance of approximately 1.63 million. All but two loans were current. We were able to work with the two businesses to get them back on track.

## **Intermediary Relending Program**

There was one new loan closing in 2009 to Center Road Enterprises for \$100,000.

The 2009 portfolio included six businesses representing \$400,000 in loans, with an outstanding principal balance of approximately \$206,000. All loans were current.

## **Microenterprise Assistance Program**

During 2009, two loans were closed: Express Computer Restore for \$20,000 and Sentinel Graphics who was approved for \$6,000.

The portfolio, at year end, included seven businesses representing \$131,000 in loans with an outstanding principal balance of approximately \$83,400. We were able to rectify the delinquent loan mentioned in our Annual Report of '08.

One 10-week cycle class was completed in the spring, with a total of 35 individuals enrolled, including 24 existing businesses. We received close to 60 inquiries overall. We reserved fifteen of the participants for the fall 2009 class; however, when contacted for confirmation, they were exploring other endeavors at that time. At that point, the decision to not host a fall session was based on the overall number of participants interested in committing to the entire program.

We participated in a survey sent by Adirondack Community Colleges on ways the tri-county regional LDC's might partner with the campus to offer a regional Micro or Small Business Assistance program collaboratively. In comparison to our neighboring counties, we are still the only entity to continue to offer our class at no charge. We will continue to explore these opportunities moving into 2010.

## **Community Development Loan Fund**

During 2009, five loans were closed: Pallets, Inc. for \$150,000., Green Thumb Nursery for \$65,000, Gemini Fitness and Aquatic Club for \$100,000., South Hartford Equipment for \$60,000 and Skene Valley Agency for \$125,000.

The portfolio, at year end, included five businesses representing \$500,000 in loans and an outstanding balance of \$490,000.

In March of 2009, the Board of Directors adopted this fourth loan program, COMMUNITY DEVELOPMENT LOAN FUND; which enabled the LDC to look at loan proposals that hadn't been a fit in one of the three existing programs. Primarily, this allowed us to better serve a broader base of constituent requests as well as their prospective projects being presented. We modified the original terms to better accommodate potential needs that businesses may have due to the current economic climate.



Mike & Robin Dornan of Greenthumb Nursery

### **Loan Program Overview**

The WCLDC ended the year closing just under a million dollars in loans to ten businesses in a variety of industries. Most of the loans processed throughout the year were for expansions of existing businesses. As of December 31, 2009, the total portfolio included 31 loans representing over \$4.1 million, with a principal balance of over 3.9 million. During 2009, two loans were paid in full, prior to maturity.

Overall, we were presented with 15 loan applications for consideration. Reiterating our mission statements of past, the strategic importance of having locally controlled revolving loan funds cannot be overstated. Our predictions became a reality as the requests for funds to support a myriad of businesses in complex industries presented themselves; as did the request for support to retaining jobs; which became as essential as providing funding for creating jobs in 2009.

The loans processed in 2009 created jobs in manufacturing, agri-tourism, agri-manufacturing, cosmetology, automotive, computer services and products, printing and advertising, insurance and food processing plant industries.

### **Business Activity**

The WCLDC provided assistance to numerous businesses with information on issues such as, tax incentives, financing programs, labor force training, site selection, utility incentives, the Empire Zone modifications and updates to the program, permit requirements and socio-economic data. The WCLDC President and Executive Director visited with over 395 businesses throughout the county in 2009. She listened, took notes, implemented action and provided results. We assisted with a multitude of support mechanisms to help sustain business operations.



Amy Walker of Walker's Farm, Home & Tack

## Congratulations

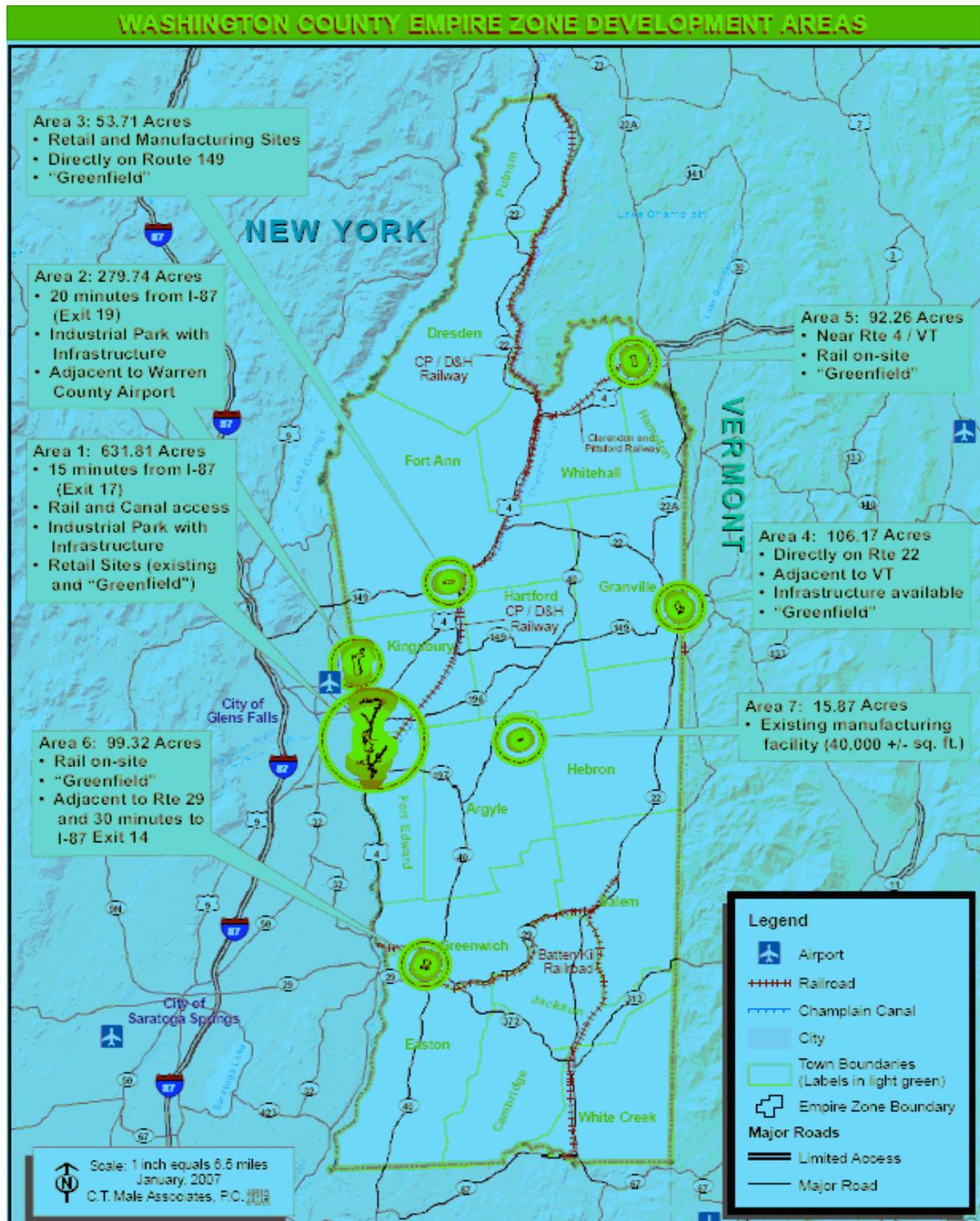
The fifth annual Washington County Small Business of the Year Award luncheon was jointly sponsored by the ARCC and WCLDC at Rainer's Gourmet Inspirations in Hudson Falls on December 4<sup>th</sup>. **This year's winners were: Gore and Laney, CPA's in Hudson Falls, Walkers Farm Home and Tack in Fort Ann, Rathbun's Maple Sugar House in Granville and Battenkill Valley Creamery in Cambridge.** Each winner received a plaque engraved by Pro and Mo's and Mohawk Red International supplied red slate to accent the plaque. This event is truly a great time to reflect 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.

R. Kent McNairy of Northern Design and Building Associates chaired the Washington County Business Council Task Force this year. Todd Shimkus, President and CEO of the ARCC and Tori Riley, Executive Director of the Washington County LDC co-hosted along with Kent to recognize and celebrate the winners and nominees this year. Other Washington County businesses recognized as nominees were: Parker Machine, Ft Salem Theater, Salem Art Works, Beth's Café, Green Pea Market and Café, Sheldon Farms, Eagle Bridge Custom Meat, Skenesborough Gardens, Eddie's Grocery, Praxis Technology and Argyle Cheese Farmer.



2009 Washington County Small Business Award Winners with R. Kent McNairy, Tori Riley and Todd Shimkus

**Empire Zone Program**



**Empire Zone Board**

John LaPointe	Chairman
Robert Miles	Vice-Chairman
Mark Doody	Secretary
Joan Tarantino	Treasurer
Josh Levy	Member
Peter Lehy	Member
Laurie Drake	Member
John Hollister	Member
Scott Martel	Member

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

<u>Year</u>	<u>#Businesses Certified (as of 12/31)</u>	<u># Full-Time Employees (quarterly average)</u>	<u>\$ Capital Investment (\$millions)</u>
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

In 2009, New York State, on a whole, experienced a turbulent start, beginning with many programs in jeopardy of seeing a significant reduction or complete elimination for multiple programs. The Empire Zone was one of these programs. After much deliberation and uncertainty, the WCLDC was notified in May of 2009 that New York State was eliminating all funding for the Empire Zone program. However, in order to retain certification for the businesses already certified in our zone, we needed to retain the EZAB and continue to provide administrative services and required documentation to the program.

We proactively worked with the businesses currently certified and those of which were being decertified based on job creation commitments, investments, etc. Throughout most of 2009, the program experienced challenges in the reconstruction of organizational charts. The staff at ESD, specifically, Judi Tholl, was a tremendous support system for us and provided us with the information their office was receiving.

All in all, the decision to sunset the program a year prior to the original timeline for the program was decided and June 30, 2010 was the date announced.

We received one proposal for certification in 2009. It would have required eliminating a pre-existing and approved zone; (one of four potential areas) in order to consider the application. However, after a presentation given in February by the Zone Coordinator, the EZAB decided they would require more information and evidence the business requesting the zone certification could meet the 2009 program guidelines for investment ratio before they could recommend it for review on the State level. Ultimately, it was decided that based on the information provided, the EZAB was not able recommend it to be reviewed by the State.

**Special Projects**

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

The WCLDC and the ARCC provided services to the Washington County Business Council. In January, a regional meeting was held to convene business, educational and community leaders to outline resources that help drive economic development initiatives.

In March, The Washington County Business Showcase was presented by the ARCC and WCLDC and was once again, a great success. The WCLDC extends many, many thanks to the ARCC for their lead role in organizing this event.



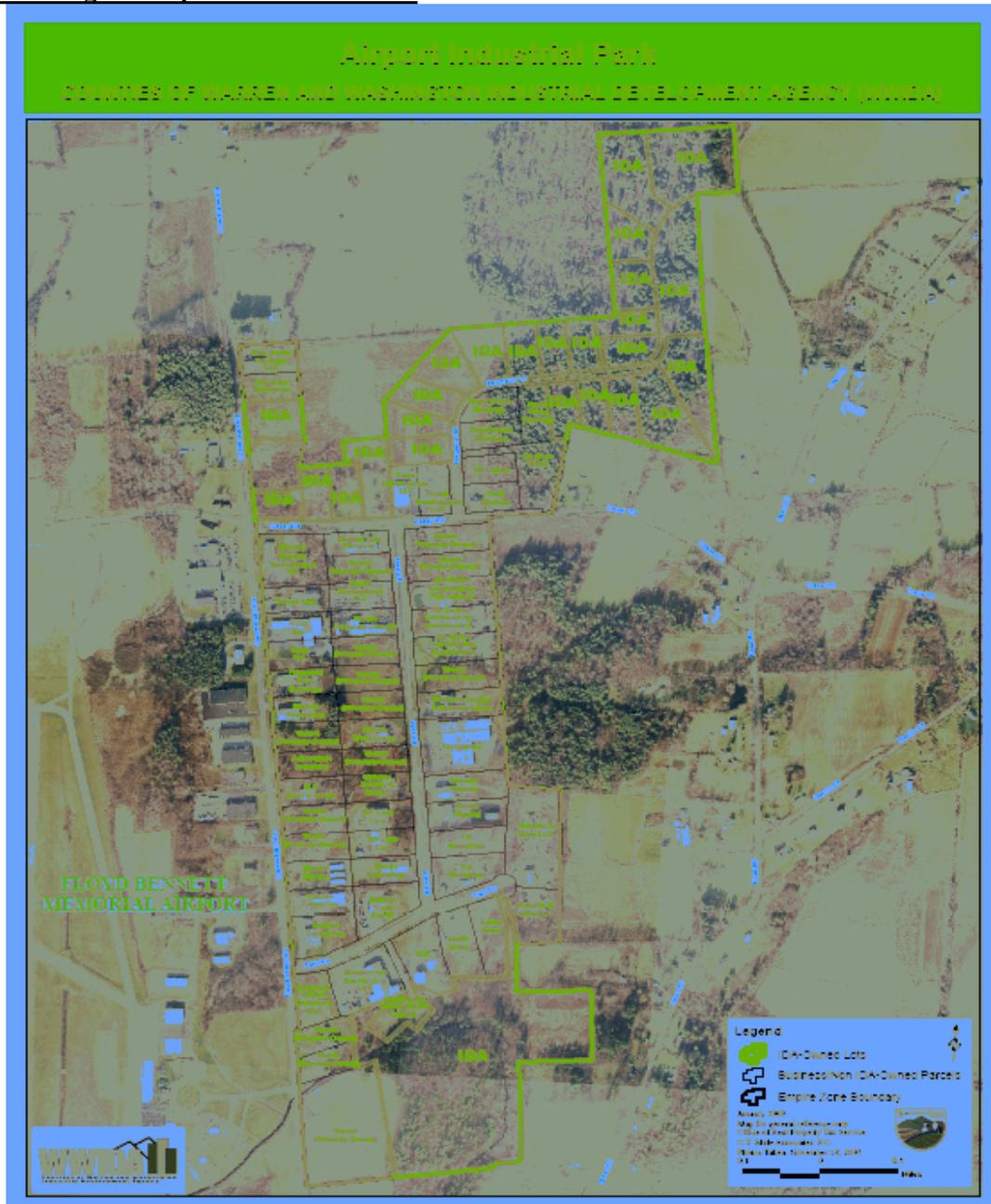
Tori Riley and Karen Pratt

The master listing of businesses throughout the county was overhauled. We dissected the list by town and have been working with each town and village to accurately update the list. We are hopeful that after the bulk of the project has been completed; it will be easier to maintain monthly; in lieu of annually.

Job Discovery was another success this year. Although the WCLDC staff didn't directly work on the committee this year, our Executive Director had in the past and continued to assist with the marketing outreach of the event. KUDOS to Tim Lahey and the staff at SUNY ACC: as well as, the devoted volunteers that make the event such a success.

The WCLDC was asked to do numerous presentations involving economic development. In addition, Tori was invited and involved in many ESD and CEG meetings in Albany, was invited to join forces with Warren and Saratoga counties EDC offices, and spent a lot of time working with towns and villages to see where our resources and assistance might lend some help in their missions. We collaborated with Tourism, Economic Development, and Broadband analysis studies to name a few.

### **Warren-Washington Airport Industrial Park**



In 2009, following a pre-arranged commitment for marketing the available lots, the WCLDC Executive Director worked with the Park committee. Together, we implemented a marketing strategy by purchasing the link [www.airportindustrialpark.org](http://www.airportindustrialpark.org), combining domain banner advertising on Adirondack.com, Saratoga.com and LakeGeorge.com sites. In addition, the WCLDC promoted the shovel ready sites throughout the Industrial Park by incorporating it into many of the articles written about LDC and missions, various interviews and presentations the WCLDC was involved with.

Utilizing the maps provided to us by Heather Baker in the Real Property Department, the WWIDA and the WWLDC were able to easily access and distribute pertinent lot dimensions and availability to a broader audience.

### **Grants Administration**

The WCLDC staff prepared one grant application in 2009 to support an economic development project in Fort Edward. We joined forces with Senator Little's office, Peter Rea as well as Supervisor Suprenant, Washington County Chairman, John Rymph and Superintendent of Public Works, Willy Grimmke. With Willy's leadership, Peter's guidance and our staff's devotion to learn while processing, we were able to partner and pull together the application for consideration.

### **Marketing**

During 2009, the WCLDC Director decided to re-brand and put forth a marketing campaign that doesn't sell the WCLDC services more than it celebrates and identifies the many businesses that make Washington County such a special place to consider doing business. It is with this marketing angle, we'll best promote our region and attract like minded business endeavors.

The WCLDC's website was consistently updated with pertinent information. It was decided that we would invest in an overhaul and will be working this year to effectively make the transition. We will be including video testimonials, community leaders discussing our county, etc.

The WCLDC was fortunate that Adirondack Broadcasting continued to offer our Executive Director an opportunity to continue a radio campaign that spotlights three different businesses every month, on five stations, at least 10 times a day.

The Glens Falls and Saratoga Business Journals spotlighted the WCLDC in four articles in 2009. The Post Star also incorporated the WCLDC in many of the articles outlining the various projects we are involved in.

<http://poststar.com/>

<http://www.poststar.com/app/blogs/?cat=268> (The Wash – Blog chronicling local Washington County News)

The WCLDC supported Washington County Tourism Association with funding for a summer radio calendar of events promotion, funding for two DVD's highlighting the Tour of the Battenkill, Bicycling throughout Washington County and the Summer Video highlighting many attractions.

We held one Microenterprise Assistance Program class in 2009. We had 32 graduates complete and receive certifications.

We did two Lakes Region Radio interviews to promote the MAP class and to announce some of the economic development initiatives we were implementing.

### **Affiliations/Associations**

The WCLDC was active with the following organizations in 2009:

- Member, Saratoga-Warren-Washington Workforce Investment Board
- Member, Community Advisory Group and Economic Development Committee

- Member, Adirondack Regional Chamber of Commerce
- Affiliations and collaborations with Warren and Saratoga County EDC's
- Washington County Tourism Association

Washington County Planning, Cooperative Extension, Data Processing, One-Stop Center, Public Works, County Clerk, Information Technology, Personnel, Real Property Tax Service, Veteran's Affairs, County Attorney, Clerk of the Board, County Administrator, Treasurer's Office, Code Enforcement

In addition, the WCLDC engaged in cooperative efforts with or received services from the following:

- \_ New York State: Transportation, Labor, Empire State Development, Health, Canal Corporation.
- \_ TD Banknorth, Glens Falls National, Adirondack Trust, NBT Bank
- \_ National Grid
- \_ Counties of Washington Warren Industrial Development Agency
- \_ Adirondack Regional Chamber of Commerce
- \_ Various Washington County Chambers of Commerce

### **Administration**

Our Executive Director came on board full time in January of 2009. Without a procedural or operational manual in place and coming in six months after the vacancy of the previous Director; the staff went in full swing and got to business. The complexity of adding, modifying and reorganizing staff presented its own challenges while also offering the opportunity to evaluate areas in need of improvement, identifying strengths and weaknesses, implementing effective and efficient outreach strategies and learning the loaning aspect of our organization. The uncertainty of NYS funding for the Empire Zone, in addition to the WCLDC taking on two employees this year reflects in the budget.

With the staffing factors and uncertainty of funding being taken into consideration, the WCLDC decided to partner with two temporary employees who proved to be top-notch professionals with skills our office was blessed to have on the team. Deanna Derway and Kelly Johnston contributed significant administrative and professional skills accented with polished, professional demeanors throughout the transitional period. Without the addition of either one of these candidates, 2009 would have been much more challenging and less productive without as many successes. The WCLDC Board of Directors and Tori Riley, President and Executive Director would like to acknowledge these ladies and thank them, again, for their contributions of the many accomplishments in 2009.

One of the most challenging obstacles for our new Executive Director was clearly the process required in government, especially with all of the sub-committees, committees, Boards, etc. After the first quarter, it became easier to navigate. Tori was fortunate to have colleagues such as Chris DeBolt, Kevin Hayes, Phyllis Cooper, Don Wilbur, JoAnne Trinkle, Jim Lindsay, John LaPointe, Sue Zocchi, Bob Banks, Brian Campbell, Rodger Hurley, Willy Grimmke, Dona Crandall and Gail Pinto (to name a few) and many other county employees who rose to the occasion to assist in numerous capacities.

Ray McKinney, Chairman of the WCLDC, also took initiative to dedicate endless of hours of mentoring, guiding, and providing administrative operational materials to get the WCLDC office in compliance with the PAAA policies. It should be mentioned how grateful and thankful the staff is for his on-going support of their services. Not only has Ray been dedicated to the organization, but to the overall success of the operation moving forward.

The WCLDC Loan Review and Audit and Finance Committees really stepped in this year to assist in the process of newly implemented procedures and policies. In particular, Ron Crepeau as the Chair of our Loan Review Committee was extremely generous in making himself accessible to Tori for all of the loans processed. Without his attention to detail, mentoring and sharing of his wealth of knowledge, we would not have been in a position to handle the influx of inquiries to process such a successful year in lending.

The WCLDC staff and Board of Directors would like to acknowledge Rodger Hurley's contribution to the WCLDC Board for 2009. Rodger was a true advocate for our region, specifically Granville, NY. He was extremely proud to represent his town and it was apparent he considered it a privilege to do so.

The WCLDC staff and Executive Director would like to acknowledge their appreciation and guidance from the Washington County Board of Supervisors, as well as, the dedicated business leaders who volunteer their expertise, wisdom, guidance and time to us. Barry Miller, Rick McClenning, Chic Wilson and Terry Middleton are valued beyond articulation. Thank you, each and every one of you for this opportunity to be part of the Washington County team.

After our 2008 Auditor's visit, we installed QuickBooks which proved to be one of the best moves, administratively. In 2009, the WCLDC began utilizing an operational budget, providing detailed financial reports to the Audit and Finance members and using this software really helped streamline some of the redundancy.

Harris-Beach law firm continues to offer our PAAA to our newest Board members. Each has been issued certifications of completion which we keep on file in the office. Training dates are arranged based on availability. The WCLDC will encourage BOD members to take advantage of the telephone or internet classes Harris Beach offers. This saves our corporation significantly.

### Financial Situation

WASHINGTON COUNTY LOCAL  
DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2009

Restricted and Unrestricted Assets

Receipts, disbursements, and cash balances related to Federal funds which are subject to certain restrictions and unrestricted funds not subject to Federal restrictions are comprised of the following:

	Restricted			Unrestricted	
	Income After Closeout	Intermediary Relending Program	Empire Zone		Total
Cash balances at 12/31/08	\$ 1,129,045	\$ 193,382	\$ 31,993	\$ 963,223	\$ 2,317,643
Receipts:					
Interest in time deposit	-	604	50	5,825	6,479
Principal, interest and late charge payments received	139,421	52,117	-	242,194	433,732
Contributions	-	-	45,000	15,000	60,000
Origination fees	-	1,000	-	8,350	9,350
Miscellaneous	-	-	-	197	197
Total receipts	139,421	53,721	45,050	271,566	509,758
Disbursements:					
New loans	386,000	100,000	-	500,000	986,000
Payroll expense	58,358	-	32,460	26,973	117,791
Professional fees	29,425	80	2,081	-	31,586
Interest expense	-	12,339	-	-	12,339
Office expense	3,209	-	18	-	3,227
Miscellaneous expense	3,452	-	-	35,270	38,722
Total disbursements	480,444	112,419	34,559	562,243	1,189,665
Cash balances at 12/31/09	\$ 788,022	\$ 134,684	\$ 42,484	\$ 672,546	\$ 1,637,736
Cash, checking	\$ 140,921	\$ 112,684	\$ 42,484	\$ 248,577	\$ 544,666
Cash, savings	\$ 647,101	\$ 22,000	\$ -	\$ 423,969	\$ 1,093,070

## **What to expect in 2010?**

It is anticipated that the following goals for 2010 will be realized:

The WCLDC will identify and work towards submitting Grants applicable to infrastructure build outs, corporate expansions, utility and broadband expansions, monies available to expand loan power.

The Empire Zone program sunsets in June of 2010 but, the WCLDC will continue to partner with other EDC's to encourage programs that not only entices new businesses but better serves and encourages current businesses to continue operating in our region and possibly even expand.

We will continue the Marketing strategy using the radio campaign. We will also unveil the new website with video's, current info, etc by June 30, 2010.

We will finance at least \$800,000 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 based on interest received.

We will host a Washington County LDC Annual event in order to raise funds and awareness of what how we compliment economic development initiatives.