

WASHINGTON COUNTY
LOCAL DEVELOPMENT CORPORATION
2012 ANNUAL REPORT



www.wcldc.org

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Fort Edward, NY 12828
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LOCAL DEVELOPMENT CORPORATION			2012						
TOWN	SUPERVISOR	DESIGNEE	OFFICER (5)	SIGNATORY (5)	LRC (7)	Proxy	Audit & Finance	Governance	Nominate
Argyle	Robert Henke	Rick McClenning				Robert Henke			
Cambridge	William Watkins		Secretary	William Watkins					William Watkins
Dresden	Robert Banks				Bob Banks			Bob Banks	
Easton	John Rymph	Chic Wilson			Chic Wilson	John Rymph			
Fort Ann	Darlene Dumas								
Fort Edward	Mitchell Supernant	Terry Middleton							
Granville	Matt Hicks	Jay Niles			Jay Niles			Jay Niles	
Greenwich	Sara Idleman	Rich Norman	Treasurer	Rich Norman	Rich Norman	Sara Idleman	Rich Norman (C)		
Hampton	David O'Brien								
Hartford	Dana Haff								
Hebron	Brian Campbell	Barry Miller			Barry Miller	Brian Campbell			
Jackson	Alan Brown								
Kingsbury	James Lindsay		Chairman	Jim Lindsay	Jim Lindsay (C)		Jim Lindsay		Jim Lindsay
Putnam	John LaPointe		Vice-Chair	John LaPointe				John LaPointe (C)	John LaPointe
Salem	Seth Pitts			Seth Pitts	Seth Pitts				
White Creek	Bob Shay						Bob Shay		
Whitehall	George Armstrong	Stephanie Safka					Stephanie Safka		

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Introduction

2012 was full of opportunities and challenges for the Washington County LDC. We've been diligently compiling data to analyze our assets, needs and challenges throughout the year. Despite the national economy climate, businesses in Washington County are holding their lines with manufacturers reporting growth that exceeded their projections. However, it was also reported the expenses of operating also dramatically increased; therefore reducing the overall profit percentage. Just the same; we're seeing both businesses and investors confidence increasing.

Our strategic action plan included a high priority on the existing business base to best assist them in navigating the "Open for Business" process. It was imperative to provide these resources and opportunities that encourage the private sector to invest and expand business operations here.

As in the past, we took advantage of every opportunity to better educate ourselves in programs that would collaborate to weave a network of resources for the businesses in our county. We continued to research and network with proven, accomplished organizations and individuals that offered knowledge to programs we haven't explored previously.

James Lindsay, Kingsbury Town Supervisor stepped up to Chair the LDC in 2012. With this, the LDC staff implemented best accounting and operational practices to run as efficiently as possible. We were able to streamline operations and maximize staff talent without adding to the expense of the organization. The President has consistently reminded the Board of Directors that the organization needs to be fiscally responsible, cutting any additional expenses, wherever possible, to secure the sustainability of the organization and can only operate within the funding perimeters it receives from the County.

Economic Development Loan Program

There was one loan closings for this loan program in 2012; Argyle Cheese Factory LLC for \$100,000.00.

As of 12/31, the portfolio included 12 loans representing \$2.2 million, with an outstanding principal balance of approximately \$1.4 million. All but one loan was current. Adirondack Prepackaged Firewood filed bankruptcy on this loan after years of repeated attempts to work with Todd Colomb to collect the debt.

Intermediary Re-lending Program

There was one loan closing in 2012 in this loan program; Northeast Machine, Inc. for \$40,000.

The 2012 portfolio included four businesses representing \$360,000 in loans, with an outstanding principal balance of approximately \$266,000. All loans were current.

Microenterprise Assistance Program

There were no loans closed in 2012 under this program.

The portfolio, at year end, included seven businesses representing \$133,149.00 in loans with an outstanding principal balance of approximately \$52,700.00. All but one loan was current. Puckers Gourmet is in "delinquent" status after repeated attempts to bring this account current.

Two 8-week cycle classes were completed this year, with over 50 individuals enrolled, including 32 existing businesses. We welcomed Warren, Washington and Saratoga County participants in our both sessions.

Our Presenters were generous in sharing both their time and professional insight to our participants. The course is as outlined below. The course qualifies individuals interested in going into business, or

expanding operations for a MAP loan. We work with professionals in a variety of fields that volunteer their time to share their expertise, experiences and advice with the 20+ 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 more than they already have.

MAP Course Outline

<u>Session</u>	<u>Date</u>	<u>Topic</u>	
1	9/10/12	~ Seminar Introductions and Overview of Course ~ Business Plan: Why Do You Need One?	SCORE
2	9/17/12	~ Legal Issues for the Small Business Owner	Mike Borgos Mark Delsignore
3	9/24/12	~ Insurance for the Small Business Owners	Dick Look Buck Bryant
4	10/1/12	~ Human Resources 101: You're the Boss – now what?	Gail Hamel
	10/8/12	NO CLASS – COLUMBUS DAY	
5	10/15/12	~ Marketing: (1)Planning & (2)Media & Advertising buying	George Normandin
6	10/22/12	~ Bookkeeping & Tax Issues ~ Cash Flow and Budgeting – Do the Numbers Work? ~ Financing your Small Business	Mike Laney Marc Monahan
7	10/29/12	~ Product Critique and Business Planning follow-up	
8	11/5/12	~ Small Business Round Table Discussion ~ Graduation	



Rick Van Lint, owner of Express Computer Restore; Tim Havens, owner of Falls Farm and Garden Equipment and Jared Humiston, owner of Adirondack Technical Solutions.



Gail Hamel, owner Hamel Resources LLC

Community Development Loan Fund

During 2012, one loan was closed: Log Village and Grist Mill, LLC for \$149,949.00.

The portfolio, at year end, included eleven businesses representing approximately \$1 million in loans and an outstanding balance of approximately \$890,000.00. All loans were current with the exception of the loan to Dupuis Landscape - Eric DuPuis which is delinquent at this time.

Loan Program Overview

The WCLDC ended the year closing about two hundred, ninety thousand dollars (\$290,000) in loans to three businesses in a variety of industries. The loans processed throughout the year were for a myriad of projects ranging from relocation to community development downtown revitalization projects to expansions of existing businesses. As of December 31, 2012, the total portfolio included 33 loans representing over \$3.7 million, with a principal balance of over 2.6 million. During 2012, six loans were paid in full and one delinquent loan, Adirondack Pre-Packaged Firewood – Todd Colomb, in Kingsbury was written off.

Overall, we were presented with nine 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 2012 created jobs in manufacturing, community development, agri-manufacturing and retail.

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 376 businesses throughout the county in 2012. She listened, took notes, implemented action and provided results. We assisted with a multitude of support mechanisms to help sustain and grow business operations encouraging additional investment and potential expansions here.

One of the priority goals for the Planning scope of services for 2012 was to identify and coordinate initiatives that expand high speed internet broadband throughout the most rural parts of the County. With a collective partnership of Supervisors, Mayors, residents, providers and alike, we gathered and compiled road count analysis for some of the communities with the greatest lack of connectivity. We partnered with multiple providers to put grants forth and continue to move forward to identify and take advantage of any opportunity to increase connectivity.

Congratulations

This year, The Washington County LDC and the Adirondack Regional Chamber of Commerce co-hosted and presented the eighth annual Washington County Small Business of the Year Awards luncheon at Rainer's Gourmet Inspirations in Hudson Falls on December 7th. **This year's winners were: Fronhofer Tool Company, Inc; Argyle, Schoony's Country Market; N. Granville, Weller's Auto Parts; Kingsbury.**

Each winner received a plaque engraved by Engraving by George and R. Green Acres Farm 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.

Tim Jansen was the Washington County Business Council Task Force this year. The remaining Task Force members for 2012 were Peter Aust; Adirondack Regional Chamber of Commerce, Debbie Ball; Eagle Bridge Custom Meats and Smokehouse, Richard Norman; Glens Falls National Bank and Trust, R. Kent McNairy; Northern Design and Building Associates, LTD and Tori Riley, President of the

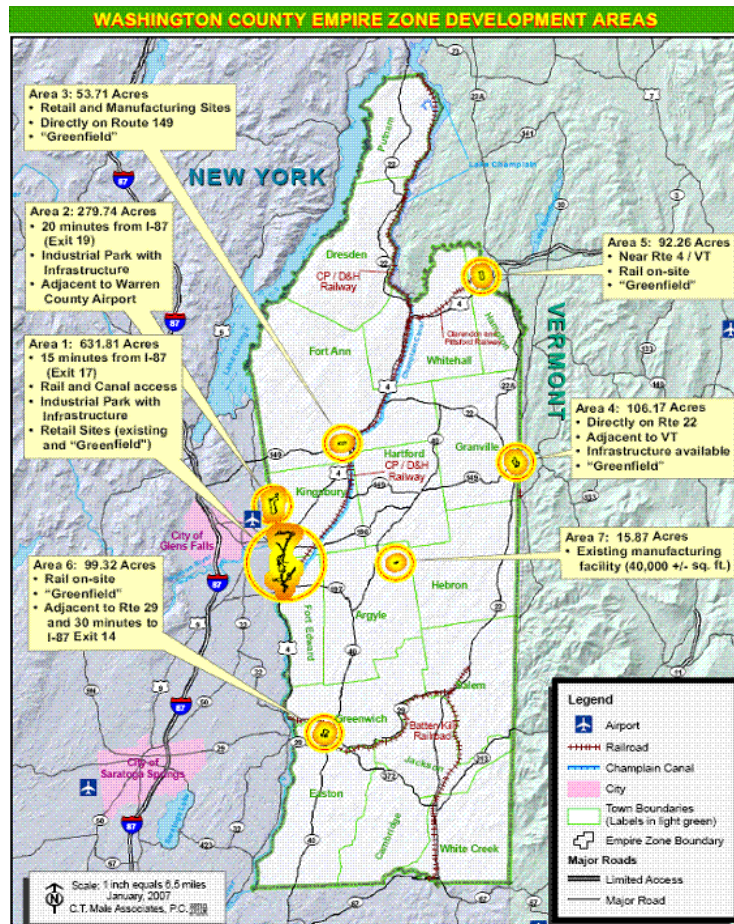


The 2012 Washington County Small Business Award Winners pictured from left to right: Paul Fronhofer, Kyle Fronhofer, Paul Fronhofer II of Fronhofer Tool Company, Inc; Jane and Bob Weller of Weller's Auto Parts; Dorie and Bob Schoonmaker of Schoony's Country Market; Tori Riley President, WCLDC; Tim Jansen, chairman of the Washington County Business Council Task Force for 2012.

Washington County LDC who co-hosted the event with Tim Jansen to recognize and celebrate the winners and nominees this year. Other Washington County businesses recognized as nominees were: Battenkill Fibers Carding and Spinning Mill, Carmody Ford Inc., Country Gals Café, Dimensional Mills Inc., Ed Levin Jewelry, Northern Insuring Agency Inc. and Sheldon Slate Company Products Inc.

Thank you to all of our generous sponsors: Platinum Level Sponsors - Adirondack Technical Solutions, Glens Falls National Bank and Trust Company, National Grid. Gold Level Sponsor - FitzGerald Morris Baker Firth PC. Silver Sponsors - CBH Business Services, Inc, Fort Hudson Health System, Inc, Glens Falls Hospital, Keena Staffing, The Kinney Agency, Inc, The Phantom Laboratory, Robinson & Son, LLC.

Empire Zone Program



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

<u>Year</u>	<u>#Businesses Certified (as of 12/31/11)</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
2009	67	2,170	\$87.3
2010	64	2,085	\$86.6
2011	56	2,100	Data not currently available

In order to retain certification for the businesses already certified in our zone, we need to retain the EZAB and continue to provide administrative services and required documentation to 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.

Special Projects

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

The WCLDC provided services to the Washington County Business Council, as well as to business, educational and community leaders to outline resources that help drive economic and community development initiatives. In addition, we co- hosted the Washington County Small Business Awards Luncheon with the ARCC.

We were appointed to the Adirondack/Glens Falls Transportation Council by John Rymph. We have learned a lot about regional projects and issues and have been invited to sit on a variety of committees in conjunction with this Council. We were also included on the Loan Review Committee at the Lake George Lake Champlain Regional Planning Board and reviewed loan applications as submitted.

We hosted an EXPORT showcase event at the CTK Center in Easton. It was a huge success! SUNY Adirondack and St. Gobain Performance Plastics were our Premiere Sponsors. Event sponsors included Adirondack Plastics and Recycling, CT Male Associates, Four Corners Energy, Glens Falls National Bank, Irving Tissue, WWIDA and WSWHE BOCES. Approximately 140 attendees joined us for the showcase, with over 45 businesses exhibiting, which began with a panel presentation from International Business experts including: Gerry Shaye, Empire State Development International Trades division, Kathryn Bamberger from Aqs and Markets, Deb Shannon with the Foreign Trade Zone program and Dr. John Stolk, President and CEO at Executive Counsellor Guild.



A special “Thank you” to Joe, Peter and Michael at Pepe Productions for helping us to add those special touches to our event. THANK YOU...to all that helped us to make this year’s event a success!

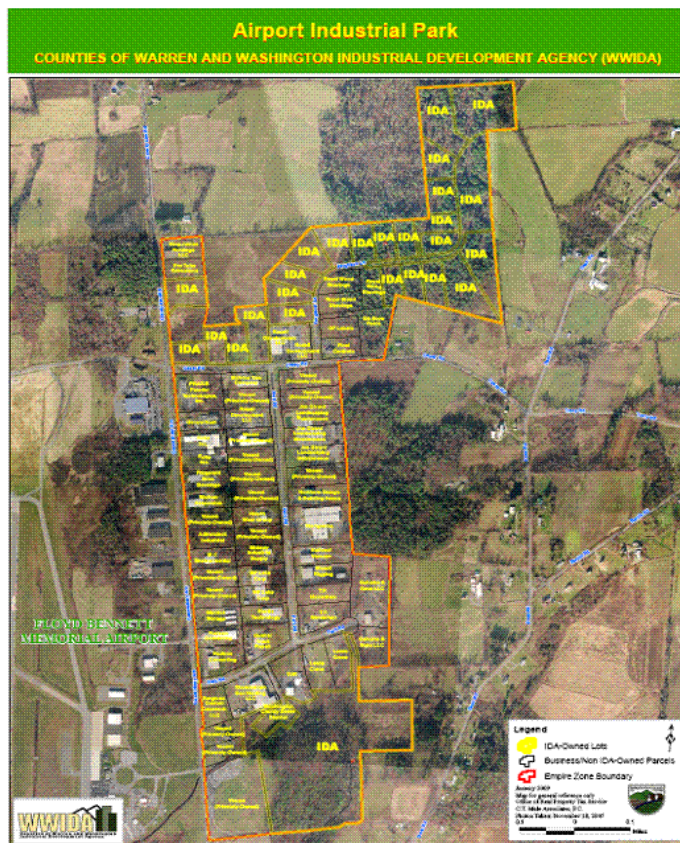
The WCLDC was asked to do numerous presentations involving economic development. The ARCC’s Leadership Class, SUNY Adirondack and Broadband analysis studies to name a few. In addition, Tori was invited and involved in many ESD and CEG meetings in Albany, was invited to join forces with Warren and Saratoga counties EDC offices as well as the City of Glens Falls, the GF IDA and the WWIDA. We spent a lot of time working with towns and villages to see where our resources and assistance might lend some help in their missions.

In addition, with the restructuring of economic development programs, funding and entities, the LDC spent much of the year attending meetings and presentations and gathering pertinent information regarding the reorganization of resources.

Furthermore, we continued work on the new adventure with our Warren County partners to administer a bi-county revolving loan fund and to co-locate some of our services.

We collaborated on multiple projects with the Warren and Saratoga Economic Development Corporations, WWIDA, our counterparts from the Rensselaer, Schenectady, Albany, Greene, Columbia, Saratoga, Troy, Warren county areas, Empire State Development and Center for Economic Growth.

Warren-Washington Airport Industrial Park



In 2012, the www.airportindustrialpark.org site was updated some more. 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. We also implemented the site on our monthly Business Journal advertisements. Additionally, we did an overhaul

and updated the website. It now offers a live blog feed from the LDC site, interactive information for each parcel and an updated version of the lots available.

Utilizing the maps provided to us by the Real Property Department, the WWIDA, WCLDC and EDC Warren County we were able to easily access and distribute pertinent lot dimensions and availability to a broader audience.

Grants Administration

The WCLDC staff prepared a few grant applications in 2012 to support economic development through rural broadband expansion projects throughout the county. We were able to partner and pull together applications for consideration to expand broadband in three towns.

We continued finding opportunities to 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.

Marketing

As for our tourism based businesses, we will include the three surrounding destinations, (Lake George, Vermont and Saratoga) to encourage including Washington County as part of their experience while they're in the area.

We consistently update our website www.wcldc.org Blog and Facebook information and have We are consistently adding to the videos on our site, we'll be posting daily visits with many businesses, in different industries, to show what's happening in the hills.

We partner with many Organizations and Community groups to give our visitors an idea of what our region is all about. On our site, you'll find links, resources, informational data, etc. Any information a business might need, can easily be found on our site as well. It was created with a business reference manual in mind. In addition, we're fortunate to have regional partners who are seen in our Community Development Partnership video. We felt this gives a business contemplating coming to the area a better regional perspective off all that's available.

The WCLDC's website was consistently updated with pertinent information. The videos incorporated, the testimonials provided and the overall information were updated. We partnered with Pepe Productions and Normandin Marketing to greatly return our investment.

The WCLDC was fortunate that Adirondack Broadcasting continued to offer our Executive Director/President an opportunity to continue a radio campaign that spotlights three different businesses every month, on five stations, at least 10 times a day. Each month on each of their radio stations, The Adirondack Broadcasting Family helps us do a little "bragging" about three Washington County businesses. This is our fourth year. Again, it's about telling their story. We cover a different business in a different town each month. Sometimes it's about their unique product or service or maybe a hobby, special interest or community contribution they are overly generous with supporting. This campaign has been effective for educating listeners about the local businesses.

The Glens Falls and Saratoga Business Journals spotlighted the WCLDC in several articles in 2012 even a 2013 Forecast piece that put us in both GF and Saratoga. 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)

We did a 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 2012:

- 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
- A/GFTC
- Lake George/Lake Champlain Regional Planning Board
- Numerous Washington County Departments including: Planning, Cooperative Extension, Data Processing, One-Stop Center, Public Works, County Clerk, IT, Personnel, Real Property Tax Service, Veteran's Affairs, County Attorney, Clerk of the Board, County Administrator, Treasurer's Office, Code Enforcement

Administration

The reduction and uncertainty of future funding from Washington County reflects in the budget. Tori has been very vocal about the necessity to restructure based on the funding allowance.

The WCLDC Loan Review Committee, Audit and Finance and Governance Committees really stepped in this year to assist in the process of newly implemented procedures and policies.

Training dates for PAAA training are arranged based on availability. The WCLDC will encourage BOD members to take advantage of the classes as they are not offered regularly or locally

Financial Situation

WASHINGTON COUNTY LOCAL
DEVELOPMENT CORPORATION

Statement of Activities

Year Ended December 31, 2012

	Restricted			Unrestricted	Total
	Income After Closeout	Intermediary Relending Program	Empire Zone		
REVENUES					
Interest on loans	\$ 9,005	\$ 12,083	\$ -	\$ 104,201	\$ 125,289
Interest on time deposits	-	108	4	2,122	2,234
Contributions/grants	-	-	-	116,500	116,500
Origination fees	-	-	-	6,549	6,549
Loan late charge fee	-	-	-	1,000	1,000
Events	-	-	-	23,823	23,823
Miscellaneous	-	-	-	115	115
Net assets released from unrestricted income	(84,829)	891	111	83,827	-
Total Revenues	(75,824)	13,082	115	338,137	275,510
EXPENDITURES					
Payroll expenses	-	-	5,826	108,752	114,578
Professional fees	-	-	2,500	15,555	18,055
Interest expense	-	1,907	-	-	1,907
Office expense	-	-	-	4,896	4,896
Planning expense	-	-	-	56,048	56,048
Marketing and advertising	-	-	-	12,293	12,293
Miscellaneous	-	-	111	5,801	5,912
Bad debt expense	-	-	-	(11,485)	(11,485)
Total Expenditures	-	1,907	8,437	191,860	202,204
Excess (Deficit) of Revenues Over Expenditures	(75,824)	11,175	(8,322)	146,277	73,306
Fund Equity at Beginning of Year	336,238	108,487	13,298	3,332,388	3,790,411
Fund Equity at End of Year	\$ 260,414	\$ 119,662	\$ 4,976	\$ 3,478,665	\$ 3,863,717

See Independent Auditors' Report and Notes

What to expect in 2013?

It is anticipated that the following goals for 2013 will be realized:

We are continually identifying opportunities to provide services, information and resources to our businesses.

Secure funding for the bi-county revolving loan fund request awarded to Warren and Washington counties in 2011.

The WCLDC will identify and work towards identifying Grants and navigating the CFA applicable to infrastructure build outs, utility and broadband expansions and monies available to expand loan power.

We will finance at least \$400,000 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 two times annually and develop the opportunity to increase to three or four times annually based on interest.