

OPERATIONS AND ACCOMPLISHMENTS OF THE HERKIMER COUNTY INDUSTRIAL DEVELOPMENT AGENCY FISCAL YEAR 2010

The Herkimer County Industrial Development Agency (HCIDA) is a public benefit corporation created by the Herkimer County Legislature in 1970, under the New York State Industrial Development Agency Act of 1969. The mission of the agency is to help create or retain job opportunities within Herkimer County by both assisting existing area industries and by marketing the area to prospective new industries.

The HCIDA has a volunteer seven-member board of directors appointed by the Herkimer County Legislature, the Board of Directors appoints the Executive Director. The Executive Director recommends staff positions, to assist with the operations of the public authority, to the Board of Directors for approval. It is supported financially by Herkimer County, its own project administration generated fees, and administration fees from various loan fund programs. Operating staff consists of Executive Director, Marketing/Empire Zone Coordinator, Financial Manager, and a part time Administrative Assistant.

The HCIDA acts as a coordinating agency for a variety of different loan and corporate financing programs offered by local, regional, state and federal agencies for businesses that promise to create or retain jobs. The HCIDA keeps abreast of the numerous programs that are available from these sources and acts in an advisory capacity to businesses should they decide to apply for such loans. There are a number of eligibility requirements associated with the loan programs and it is the staff's responsibility to assist the business in determining the appropriateness of the program in question.

To accomplish its economic development purpose, the HCIDA is authorized to offer certain incentives to businesses (primarily manufacturers) when they make investments in Herkimer County that will lead to the creation or retention of jobs. These incentives include access to tax-exempt industrial revenue bond financing; exemption from sales taxes on the purchases of equipment and materials used in the construction and equipping of a facility; and a "payment in lieu of taxes" agreement (PILOT) on exempted real property taxes.

The HCIDA owns five business Parks located throughout Herkimer County:

- West Frankfort Industrial Park (WFIP) (at capacity)
- Frankfort 5S South Business Park (200-acres – a Build-Now NY Shovel Ready site)
- Frankfort 5S North Business Park (36-acres)
- Schuyler Business Park (99-acres – a Build-Now NY Shovel Ready site)
- Manheim Business Park (30-acres)

The HCIDA markets and oversees economic development projects within these parks.

The HCIDA consistently seeks out funding sources as needed in our efforts to assist with and complete certain economic development projects, if in fact we have a project that meets the requirements of such program. Not all cases result in funding.

The HCIDA continues to work towards fulfilling any and all policies and procedures as required by the New York State Public Authority Accountability Act (PAAA). We have adopted numerous policies and strive to meet all required reporting in a timely manner.

The HCIDA continues to improve, maintain and utilize the web site. We are now able to refer inquiries to our site, www.herkimercountyida.com, as it now houses the application for IDA assistance in addition to data explaining what we may be able to offer a qualifying business. In addition, HCIDA minutes, policies, and certain reports including our annual audit, are available on the web site for review.

The HCIDA office administers the Herkimer County Empire Zone program. The Empire Zone Board of Directors consisting of ten volunteer members and chaired by Herkimer County Administrator James Wallace.

As part of our responsibility of the administrating entity for both the Small Cities and the Intermediary Relending Program revolving loan funds, we are required to track on a regular basis the employment numbers of all businesses with an outstanding loan. We track job numbers at the onset of a project and continue to track them until they have met their projected job numbers. Numerous reports are required for the various sources we have received funding or loans from. In addition, we record, track and renew when necessary, a UCC-1 filing as a means to protect our collateral for all loans.

The HCIDA created and maintains an industrial guide, which lists most industries in Herkimer County. This booklet covers certain other businesses such as banks, hospitals, local newspapers etc. This is a nice marketing tool that is often used when responding to a business lead. In addition we have created in house, several brochures, informational sheets, and photo ads for use in such leads.

The HCIDA is required to carry various insurance policies. As a separate operating entity we are subject to all state and federal payroll and unemployment insurance reports. We maintain worker's compensation, general liability, bonding insurance, and to protect our board of directors we carry officers and directors insurance.

During the summer of 2010 we welcomed the services of a College Corp Intern. This is a good opportunity for a college student pursuing a related career to get a feel of what the operations of an economic development office are like, in addition we benefit from the very professional services we receive from this program. In the summer of 2010 the industrial guide was fully updated by our assigned intern.

The HCIDA continues to administer the very successful Small Business Revolving Loan Fund which was created in 2009, with funds from Assemblyman Marc Butler. Herkimer County now offers a specialized loan/grant fund to assist qualifying “smaller” locally operated businesses, such as farmers and privately owned retailers, among others, which normally would not qualify for assistance through this Agency. A total of 15 loan/grant funds have been issued.

2010 Accomplishments:

Assist existing and new industries in retaining existing employment and in creating new jobs:

- Administered the Office of Community Renewal, Community Development Block Grant, for Remington Arms Company. The \$734,000 in grant funds assisted Remington with a local expansion project at their manufacturing plant. The 194-year-old Iliion Firearms Plant, which is the Mohawk Valley’s largest employer and the nation’s longest continuous manufacturer, will receive \$14.3 million in building improvements, equipment and machinery investment over the next two years. This project has resulted in the creation of more than 150 new manufacturing jobs at the Iliion, NY facility.
- Completed the administration of the Herkimer County grant of \$2 million dollars for the purchase of new equipment and facility upgrades at the Remington Arms facility.
- Completed a leaseback agreement and PILOT (Payment In Lieu Of Taxes) agreement with Atlantic Wind LLC. Estimated project investment of \$200,000,000 creating 100 – 150 construction jobs over an 8-month period and 6 full time permanent jobs when completed.
- Authorized the refinancing of R. S. Northern Realty/Northern Safety Co. loan allowing the company to take advantage of lower interest rates and assist them in retaining 190 employees and projecting to hire 20 new employees in 2010
- Approved low interest loan to Valley Electric for \$35,000 assisting them in retaining 4 employees and rehiring 1 laid off employee. Total project approximately \$179,000.
- Operate three revolving loan funds (Small Cities, GOSC, IRP) with current outstanding loan balances of approximately \$668,000.00 to 14 local businesses. Currently have over \$1,300,000 available for re-lending.
- Operation of Small Business Revolving Loan/Grant Program that currently has 15 participants.
- Applied for and have been awarded a \$200,000 Office of a Community Renewal Microenterprise Grant for eligible companies of 5 employees or less.

- Administer PILOT's (Payment In Lieu of Taxes) accounting for nearly \$1.6 million dollars in payments to area municipalities and school systems in 2010.
- Approved the refinancing of a loan for Precision Polish LLC enabling them to change lenders and obtain lower interest rates.
- Closed sale of land in Herkimer County IDA owned Business Park to Harbor Point Fuel. This will enable a local company to expand and retain their existing employees with a new facility.
- Administered the New York State Empire Zones program for Herkimer County enabling approximately 50 businesses to take advantage of the program.
- Created the Herkimer County Local Development Corporation (LDC). The primary purpose of the LDC is to provide financial incentives for non-profit organizations with creating and expanding job opportunities in Herkimer County.
- Was instrumental in working with the Village of Frankfort in the successful petition to the Public Service Commission to allow for the extension of Village electric to the IDA owned Business Park in the Town of Frankfort.
- Completed 2010 application to New York State Office of Community Renewal for an additional Remington Arm Economic Development Project. The application will assist Remington Arms with a \$734,000 grant as part of a \$5.9 million dollar project. The project is expected to add an additional 100 new jobs at the Remington Arms, Ilion, New York facility.
- Assisted in the Continental Auto Parts Expansion Project. Company was certified Empire Zone which will allow them to purchase the 60,000 square foot former Burrows recycling facility in Little Falls. This \$1,200,000 project is expected to result in approximately 30 jobs at this location. Currently employ approximately 17.
- Working very closely with ELG Utica Alloys with their desire to expand into the former Herkimer Distribution facility in East Herkimer.
- Authorized and completed a loan to Gehring Tricot which will allow the company to grow into expanded markets thus retaining 79 jobs and helping to add up to 20 jobs over the next three years. \$870,000 project, loan \$300,000.

Market Herkimer County Economic Development assets:

- Contracted for new signage for 5 business parks to help identify parks and increase market visibility.
- Contracted to redesign the Agency's website to improve online presence
- Assisted the Village of Frankfort in efforts to gain approval to extend low cost municipal power to the Frankfort 5S South Business Park, Frankfort, NY. This low cost power will be used as an incentive to attract new business.
- Obtained \$250,000 in funding from Herkimer County to market various economic development parks and assets
- Conducted outreach to area businesses to promote services of the Agency
- Received approval on a \$10,000 grant from National Grid's *Cooperative Business Recruitment Program*, for the *Business Park Signage Project*.
- Increased market awareness through various promotional projects.
- Developed new marketing literature.
- Assist existing area industries and work to attract new industries to the county.
- Work to increase private investment, create new employment and retain existing employment.
- Market area assets and economic development resources to potential new businesses.

Other administrative items:

- Completed the required administrative, operational; and monitoring functions of the Agency.
- Complied with all financial and NYS requirements including an independent audit and Authorities Budget Office requirements.
- The HCIDA continues to administer grants on behalf of our local State representatives as necessary. At this time we are in the process of administering a grant in the amount of up to \$254,000 to Fermer Precision Company to assist with the purchase of ultra-high precision milling/turning machinery.

These projects and activities are true testament to public/private partnerships in the effort to create and retain employment here in Herkimer County. This also continues the IDA's commitment to assist local companies while also seeking new job and investment opportunities as we continue our mission to help grow the local economy.

The HCIDA continues to market the county and respond to all leads and potential business prospects. On a daily basis we field continuous calls and inquiries and are always pleased and willing to assist with any potential project or query. The priority for the HCIDA will continue to be the pursuit of economic development opportunities that help businesses create and retain employment opportunities and add value to the local economy.

2/24/2011