



**Economic
Development Center**

**Genesee County
Economic Development Center**

**2013
PROGRAM BUDGET**

September 7, 2012

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER

STRATEGIC FRAMEWORK



The Genesee County Legislature established the Genesee County Industrial Development Agency (GCIDA) in 1970 as a public benefit corporation under New York's General Municipal Law. Since 1970 the GCIDA, d/b/a Genesee County Economic Development Center (GCEDC), has been the sole organization responsible for the economic development program throughout Genesee County.



Genesee Gateway Local Development Corporation's (GGLDC) mission, a 501 (c)(3) not for profit corporation, is to assist local economic development efforts by making real estate development investments to bolster shovel-ready tech and industrial park development and to provide tax and other related financial assistance to commercially viable projects in Genesee County thereby enabling the continued development of a sustainable long-term economy.

Genesee Agri-Business, LLC

Genesee Agri-Business LLC, previously jointly owned, 51% by GGLDC and 49% by an affiliate of Farm Credit East, exists to support the growth of the NYS and local agricultural economy including the development, management and sales of parcels within the Genesee Valley Agri-Business Park. As of May 31, 2012, this entity is wholly-owned by GGLDC.



Genesee County Funding Corporation's (GCFC) mission, a non-profit corporation, is to assist local economic development efforts by serving in a conduit financing capacity enabling the issuance of taxable and non-taxable debt to benefit the growth, expansion, on-going operations and continued viability of non-profit business enterprises in Genesee County thereby helping to maintain a sustainable long-term economy.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER

GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER

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*(Left to Right): Chris Suozzi, Rachael Tabelski, Mark Masse, Lezlie Farrell,
Steve Hyde (CEO), Penny Kennett, Suzanne Cook, Betsy Martin*

Vision

The Genesee County Economic Development Center's vision is to foster increased economic activity for our community by providing a high quality of life for our residents and their families. The GCEDC will enable this by progressively marketing our community to businesses facilitating business capital investment which contributes to the creation and retention of quality jobs.

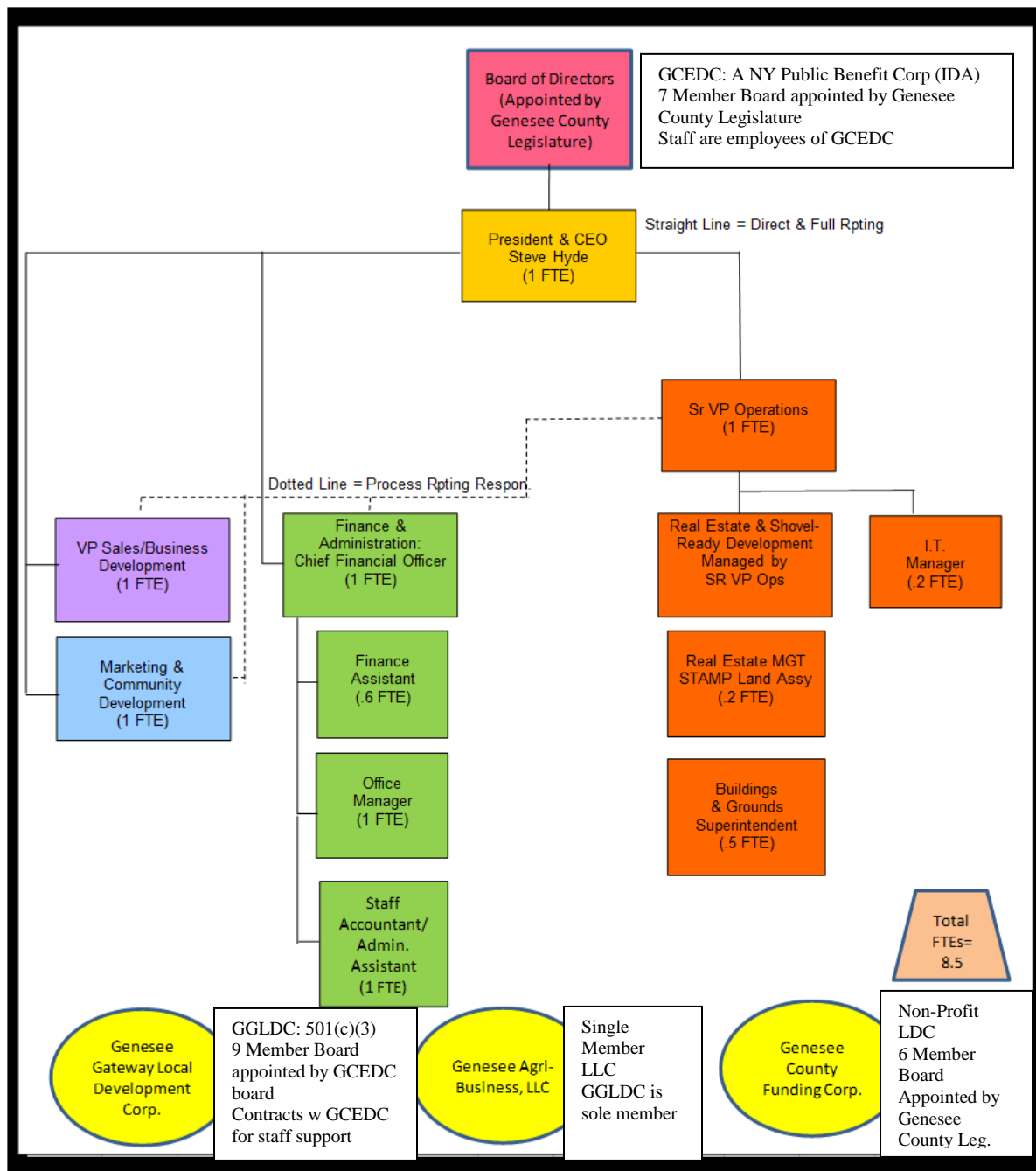
Mission

The Genesee County Economic Development Center's mission is to be the driving force in fostering community economic success by providing comprehensive support, technical assistance and access to financial resources to businesses thereby enabling growth, expansion and retention of our existing business base and to market our community as "business friendly" facilitating new business attraction in order to build a sustainable long-term economy.

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GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER
GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (GCEDC)

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION (GGLDC) – A 501 (C)(3) NOT FOR PROFIT CORPORATION

ORGANIZATIONAL CHART



DEPARTMENT: ECONOMIC DEVELOPMENT CENTER

Our Business Model:

Tech Based Economic Development (TBED)

Development Framework in Technology Intensive Industries (P.I.C.I.)

People – Workforce Development

Infrastructure – Shovel Ready Sites & Commercialization Infrastructure

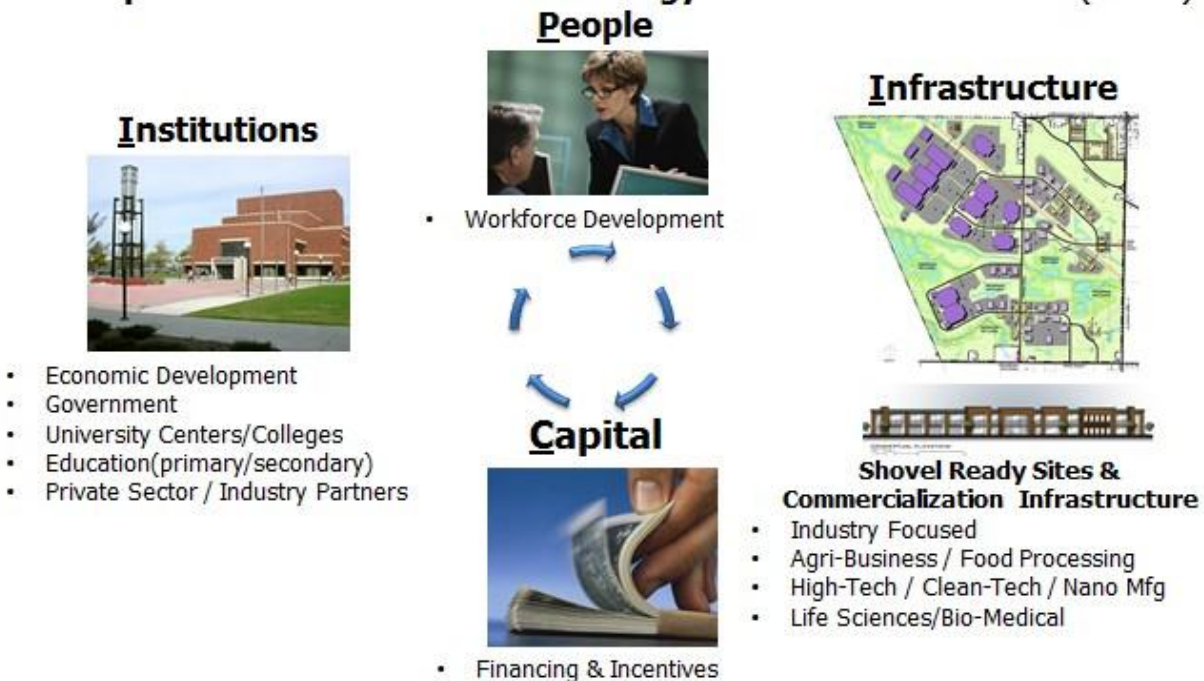
Capital – Financing and Incentives

Institutions – Economic Development, Government, Universities & Colleges, Education (Primary/Secondary), Private Sector/Industry Partners

Our Business Model: Tech Based Economic Development (TBED)



Development Framework in Technology Intensive Industries (P.I.C.I.)



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***PEOPLE ***

GCEDC and its workforce consultant, John Jakubowski, have jointly helped catalyze the development of several different workforce programs throughout Genesee County. By bringing businesses, education, and economic development together we have found ways to create a more sustainable workforce for our companies and to attract new businesses. There are many workforce development initiatives that are being implemented including workforce development in skilled trades, food processing, and advanced manufacturing training. Below are the most recent successes and new programs that the GCEDC has engaged.

Workforce Training In Advanced and Nano-Tech Manufacturing Concepts – Office of Community Renewal (OCR) Grant:

Project Goal Statement: Attracting and sustaining advanced manufacturing companies in any community requires a skilled workforce. To that end, the GCEDC, in a partnership with Genesee Community College (GCC) and the Rochester Institute of Technology (RIT), implemented a workforce development pilot training program, to serve as a model for future programs, designed to prepare our local workforce for advanced manufacturing and high tech jobs. Program participants received a certificate in Advanced Manufacturing and Nano-Tech Manufacturing Concepts which will enhance their employability or encourage them to pursue advanced degree opportunities. This project will benefit our area's existing advanced manufacturing companies and will create a well educated workforce for potential companies that will locate in our science, technology and advanced manufacturing parks.

The Training Program: The pilot 11 week training program began on September 6, 2011 and concluded on November 18, 2011 and consisted of 4 day weeks from 8am-4pm. Training took place at both the GCC and RIT campuses with transportation provided through the grant from GCC to RIT. A total of 26 students were accepted to this program. Two of the original 26 students selected for the program withdrew after the program was in session, leaving 24 graduates.

Program Results: As of May 1, 2012, 71% of the graduating class was employed in the manufacturing sector. 4% of the students enrolled in some form of continuing education.

GCEDC/GCC/Cornell Food Program Initiative – National Fuel Grant:

GCEDC, in a partnership with GCC has submitted an application for OATKA Milk Products, Yancey's Fancy, Alpina Foods and Muller Quaker Dairy to conduct a joint workforce training program. The program has been designed to prepare unemployed, underemployed and other students to enter the food manufacturing industry.

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RIT/GCC/ Cornell Food Technology Training for Alpina:

GCEDC assisted Alpina with a workforce training program for their newly hired workers by collaborating with RIT, GCC, and Cornell University. Currently, RIT and GCC have teamed up to implement an entry level food processing technology training course for 25 members of Alpina's production team. The training was completed through a federal DOL/EDA/SBA Jobs and Innovation Accelerator Challenge Grant to advance the Food Processing Cluster in the Finger Lakes Region. Training took place on the campus of GCC. Participants received a total of 7.5 days of training in Lean Systems (Yellowbelt), Team Building and Basic Dairy Safety and Sanitation. Lean Systems training was subcontracted to RIT, Team Building to GCC and Basic Dairy Safety and Sanitation to Cornell University.

GCC/Cornell Non-Credit Certificate Programs (3 modules):

In parallel to the National Fuel grant application, GCC and Cornell are in the process of creating workforce certificate training programs for entry-level jobs, advanced learning, and leadership roles. Each of these programs would be non-credit bearing, but the industry has expressed an immediate need for entry-level employees with basic knowledge, mid-level employees who continue formal training and management/leadership training for employees. Grants are being sought from National Fuel and possibly from RIT to get the first module up and running for our local food processing and dairy processing companies.

GCC Food Processing Technology Degree Program (2 years):

Currently, GCC is working with Cornell University to develop a stand-alone two year degree in Food Processing Technology. Courses need to be developed and designed to meet the needs of the industry. General courses like computer technology in food processing, dairy processing, food processing, safety and sanitation and instrumentation will be the cornerstone of the degree program. Currently, according to the local processors, there are no two year technical program degrees offered. This would allow students and current employees to expand their employability.

GCC/Cornell Food Processing Technology Degree Program (2+2 degree program):

Tristan Zuber, Cornell University (Dairy Extension Associate), along with Mike Stoll from GCC have been in contact with Alicia Orta-Ramirez at Cornell (Curriculum Specialist) to develop a 2+2 GCC to Cornell Food Science transfer degree program. Using existing courses at GCC from their math, science, economics and other current offerings, Cornell would accept the credits into a Cornell degree in food science/processing. Although there are details to work through, this has the potential to be in place in a year, with all parties in agreement.

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Skilled Trades Welding Program:

The GCEDC is working with Graham Manufacturing and the Genesee Valley Educational Partnership (GVEP) to launch a welding program this fall under the GVEP adult education umbrella. Graham's welding needs have been on-going. They will be looking to hire 50 new welders over the next 2 years. Graham has had many applicants; a large number of those applicants can pass their written welding test, but, are unable to pass their welding performance test. Curriculum has been agreed upon between Graham and the GVEP and an instructor has been secured. The GVEP is currently developing marketing and recruitment materials. They are looking to recruit 20 people for the first class. The program will be offered evenings at the Batavia Campus over approximately 20 weeks. Successful participants hired by Graham at the conclusion of the training will be eligible to have their tuition costs reimbursed by Graham. This has been a collaborative effort.

INFRASTRUCTURE

Our Corporate Business Parks:

The Buffalo East Tech Park (BETP) is an approximately 65 acre site located directly off the Pembroke Exit of the New York State Thruway in the Town of Pembroke. Strategic advantages of the park include access to workforce from both the Buffalo and Rochester regions and low cost hydro-power options for occupants. The Town of Pembroke and Village of Corfu are moving forward with a joint sewer project that will give the BETP sewer capacity. The GCEDC and GGLDC plan to enhance the development of the park by undertaking some pre-permitting processes and base infrastructure construction in 2013.

Apple Tree Acres in Bergen is a 185 acre park that is home to Liberty Pumps, Leonard Bus Company and Ad Tech. With Apple Tree's location directly on Route 33, Route 490 and near the I-90 interchange, the park is an ideal spot for retailers, light manufactures and distribution centers. The Village of Bergen maintains municipal electric and provides service to occupants at low rates (about \$.045/kwh). The park is fully shovel-ready with gas, electric, water and sewer infrastructure. In 2012, Apple Tree Acres had many interested companies visit the park.

Gateway II Corporate Park, located in the Town of Batavia, is a 57 acre site that is ideal for distribution, warehouse and heavy equipment industries that need quick access to the NYS thruway. The shovel-ready park is home to Ashley Furniture's distribution center and nearby is the Western New York Branch of Milton Caterpillar. All utilities, municipal sewer, water, gas and electric are installed in the park. Marketing and promotion efforts were continued in 2012 resulting in several site visits from potential customers.

The Genesee Valley Agri-Business Park is a one of a kind, 212 acre agriculture park focused on agri-business and food processing industries. On site there is the ability to access nearby low cost process water via the local aquifer (6+ Million Gallons/ Day), a pretreatment facility (Ecolab) and robust utility infrastructure throughout including rail access. Through May 31, 2012, the park was owned and operated by a public/private partnership between the GGLDC and an affiliate of Farm Credit East. On May 31, 2012, the GGLDC purchased the minority partner's membership interest and now owns 100% membership interest of the Genesee Agri-Business, LLC. Final infrastructure was completed in 2012, bringing the park to full shovel-ready status! The GGLDC was also awarded a \$3.9 million dollar state grant to bring rail into the park.

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The Genesee Valley Agri-Business Park has seen tremendous interest and sales flow over the last three years. Alpina Foods, LLC is constructing a 43,000 sq. ft. yogurt manufacturing facility that will be operational in Fall/Winter 2012. Marktec Products, Inc. has constructed a 5,000 sq. ft. facility for sales and service of ink jet label printers that are used in the food processing industry. Muller Quaker Dairy, LLC is constructing a 363,000 sq. ft. yogurt manufacturing facility that will be operational in Spring 2013.

WNY STAMP (Science and Technology Advanced Manufacturing Park) is a large scale nano-scale technology advanced manufacturing park located 5 miles north of I-90 exit 48A and is modeled after Luther Forest near Saratoga. Luther Forest is home to Global Foundries, a semiconductor chip fab manufacturer. At full build out the site could employ as many as 9,300 direct workers and would be home to advanced manufacturing companies making technologies like photovoltaic cells (solar cells), semiconductors or flat panel displays. In 2012, the GCEDC began to utilize a \$2M grant from New York State to conduct archeological studies, water/wastewater concept studies and wetland mitigation/permitting procedures.

The Final Generic Environmental Impact Statement (FGEIS) was completed in the Spring of 2012 and it set the parameters for future development at the site. In 2012, initial phases of Phase IIIa (Implementation), the shovel-ready lite phases, commenced. The re-zoning request for the park is being reviewed by the Alabama Town Board.

The construction of the **Dr. Bruce A. Holm Upstate MedTech Centre** located at the 34 acre Upstate Med & Tech Park near Genesee Community College (GCC) was completed in the Summer of 2010. GCC's school of nursing occupies the entire second floor. UMMC and Summit physical and occupational therapy suites are on the first floor of the building and serve residents of the GLOW region. GCEDC offices are also located on the first floor. The 43,000 sq. ft. building houses 6,000 sq. ft. of commercialization space to support emerging Life Sciences Companies. A new medical device company, First Wave Technologies, is currently utilizing a portion of the accelerator space within MedTech Centre.

CAPITAL

GCEDC/GGLDC Grants:

Since 2006, the GCEDC/GGLDC has secured 54 grants totaling over \$21.2M, assisting our private sector business partners in their investments in our community as well as securing funding for GCEDC/GGLDC's strategic investments in shovel-ready sites and workforce development programs. This level of funding, generated by investments from multiple public and private partners, has allowed us to make great strides in implementing our Technology Based Economic Development business model and to position Genesee County for long term economic growth.

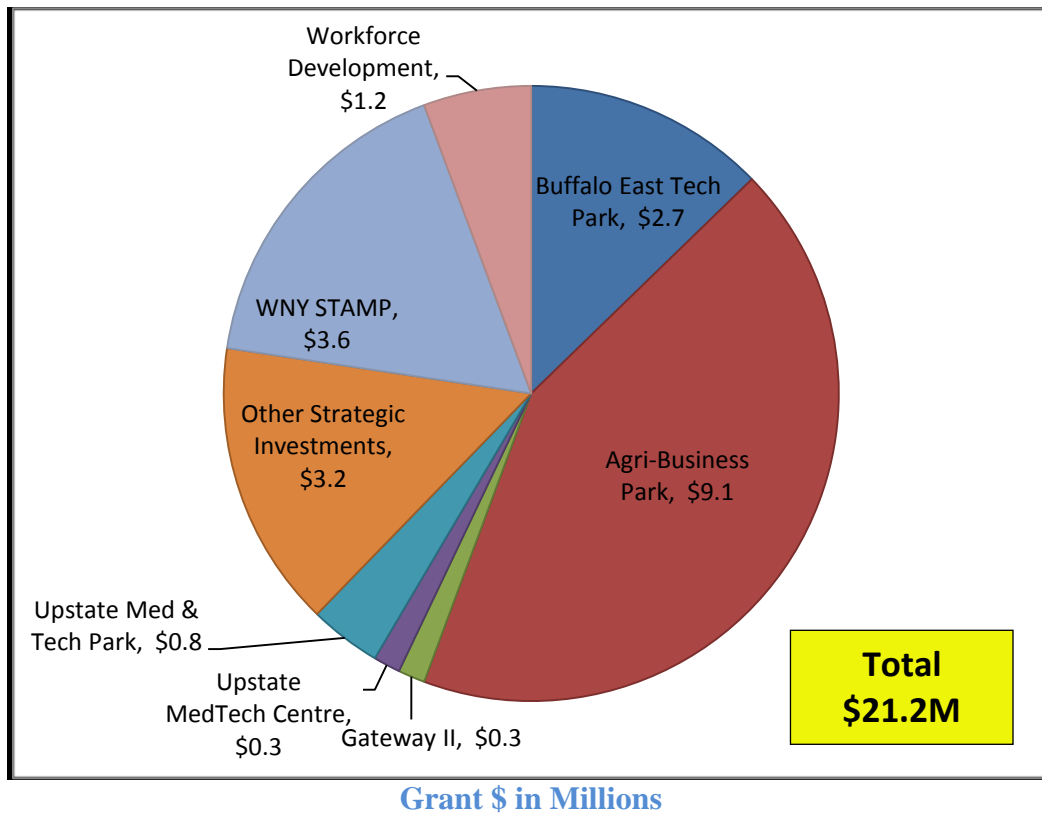
In 2011 alone, over \$4.3M in grants were awarded to support development at the Genesee Valley Agri-Business Park and for the WNY STAMP project among other things. To date for 2012, \$1.3M has been secured from multiple sources to support infrastructure investments at the Genesee Valley Agri-Business Park.

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Additional grant opportunities are actively being developed that will be used to support our continuing investments in the WNY STAMP project, Buffalo East Technology Park and the Genesee Valley Agri-Business Park.

The following chart depicts the disbursement of grant monies awarded to the GCEDC/GGLDC from 2006 through August 2012:

Allocation of Grants Awarded to GCEDC/GGLDC



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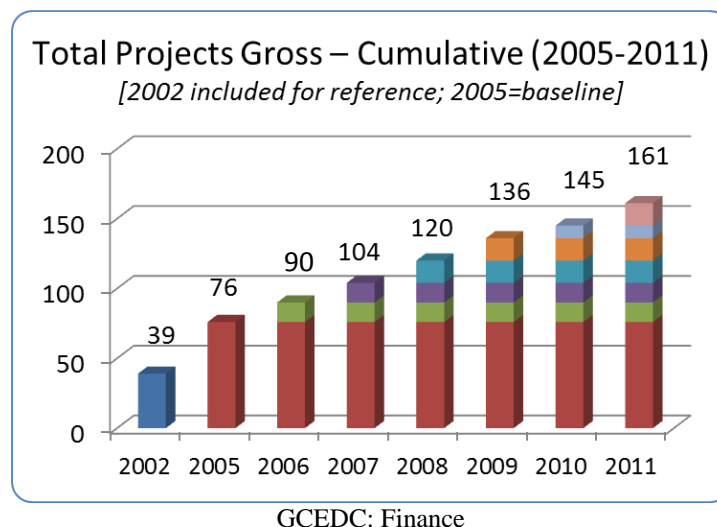
GCEDC/GGLDC Incentives/Programs Offered:

- Revolving loan fund
- Mortgage tax exemptions
- Sales tax exemptions on equipment and construction materials and supplies purchased
- High-tech commercialization center/accelerator facility (low cost rent)
- PILOT programs
- PIF PILOT Programs
- Consulting (site selection)
- Marketing assistance
- Shovel-ready parks and infrastructure
- Access to grant programs to support companies
- Workforce development programs (iSciWNY-Life Science and Advanced Manufacturing/Nano-Tech Manufacturing basics, Food/Agri-Business)
- Foreign Trade Zone
- Various New York State agencies (Office of Community Renewal, Excelsior Program)
- Consolidated Funding Application (CFA) assistance

Why Incentives Are Needed

In a recent report by the *Tax Foundation Background Paper*, no. 62, “2012 State Business Tax Climate Index”, **New York State is ranked 49th** out of 50 states based on the following five taxing factors: unemployment, sales tax, property tax, corporate income tax and personal income tax. New York State ranked 37th in sales tax and 45th in property taxes. This is why the sales tax abatement and PILOT programs we offer are so important to allow Genesee County to be competitive with other parts of the country, and the world, that have more favorable tax rates for businesses. This is also why it is important to offer these incentives to our current business owners who need every advantage to be competitive and successful in the global marketplace.

Economic Development Projects: Total Projects (Gross)



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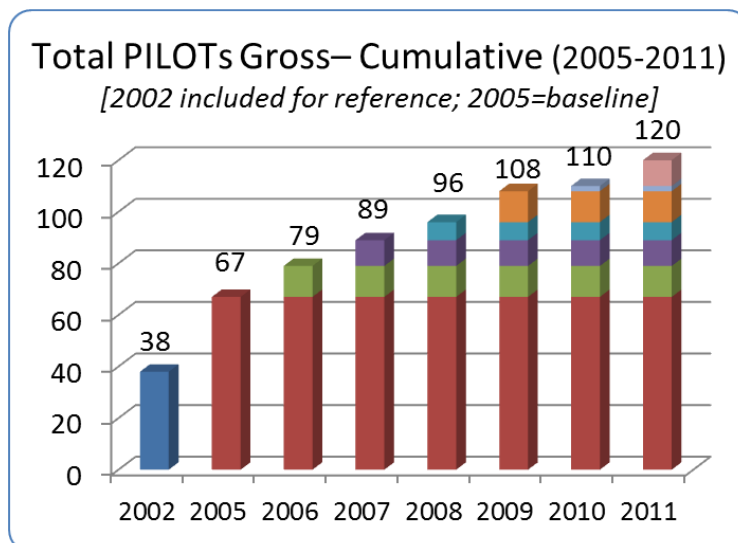
Total “Gross Projects” reported include all projects reported in the Public Authorities Reporting Information System (PARIS). From 2005 through 2011, the GCEDC has reported 116 projects in the PARIS system. This is a cumulative view of all projects reported by the GCEDC from 2005 through 2011, with 2002 included as a reference only. The GCEDC has shown very strong economic development project growth since 2005. **Total gross projects reported are up more than 2x since 2005; more than 4x since the strategic growth plan was implemented in 2003.**

Total projects reported here include PILOTs, sales tax and/or mortgage tax exemption only projects and bonds. The GCEDC undertakes other projects that are not reportable in PARIS that drive investment and job creation as well including grants, shovel-ready development projects and site location consulting for companies.

PILOT PORTFOLIOS – Building Our Communities Long-Term Tax Base

One of the necessary incentives that the GCEDC can offer is the Payment In Lieu Of Taxes (PILOT) Program. PILOTs are property tax abatement agreements that are offered to businesses largely in growth mode. PILOT contracts are a Local Property Tax Incentive provided to private sector companies to incent capital investment and job creation/retention. There is generally a 10 year period which provides tax assistance to companies while they are making serious expansion investments, taking on considerable risk and enabling employment. Though the properties involved in these contracts are listed as “tax exempt” on the tax rolls, through lease lease-back transactions, significant property tax payments are occurring annually to local towns, villages, schools and the County in the form of PILOT payments.

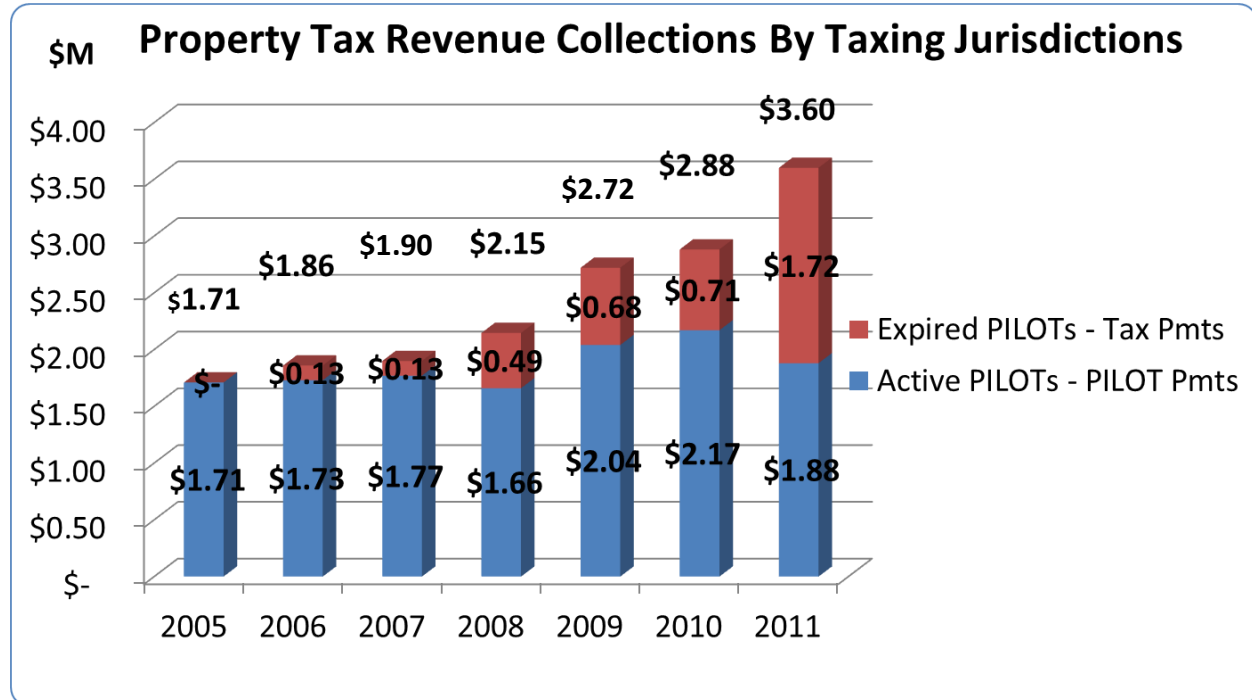
The charts below are a good measure of economic development activity for the community. There has been strong growth in PILOT contracts since 2005. Out of the 161 total reportable projects undertaken by the GCEDC since 2005 shown above, 120 have been PILOT s. A total of 53 new PILOT contracts have been entered into since 2005. This factor points to significant growth and expansion for companies in Genesee County. **This increase is a good indicator for long term property tax base growth through expansion of local businesses and attraction of companies from outside New York State that would not have happened without the incentives provided by the GCEDC.**



Source: GCEDC Finance

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GCEDC Projects Property Tax Base Impact - \$M



2011 RETURN ON COUNTY INVESTMENT IN GCEDC

8.7 : 1 Benefit to Cost Ratio (ROI) on Annual PILOT Portfolio
16.7 : 1 on Total Property Tax and PILOTs (does not include sales taxes)

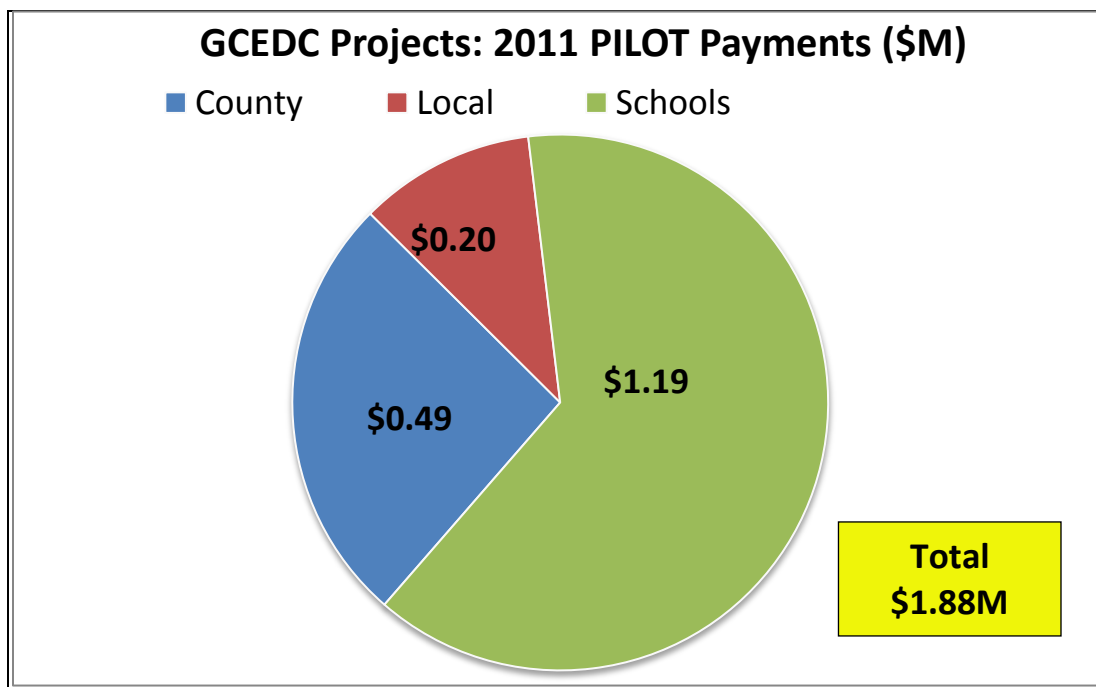
GCEDC continues to be a revenue generator for the County's taxing jurisdictions which consist of towns, villages, school districts and Genesee County itself. Total GCEDC projects **generated approximately \$3.6M for taxing jurisdictions** in 2011 including PILOT payments and property tax payments. In 2011, PILOT payments made to taxing jurisdictions totaled approximately \$1.88M and an estimated \$1.72M of full property taxes were paid via PILOTs which have termed out since 2005 and now are 100% on the tax rolls.

The portfolio of PILOTs changes yearly with additions from current year PILOTs and expiration of past PILOTs. Companies with expiring PILOT contracts are not lost. They are converted to the taxable side of the tax rolls and pay taxes at 100% of the assessed value of their property. The portfolio reflected above does not show the GCEDC's full historical contribution to growing the community's tax base; only PILOT contracts expiring after 2005 have been accounted for in the "expired PILOTs" section above. PILOT programs are an effective way to grow the community's tax base while making capital investment and job growth affordable for companies.

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It should be noted that PILOT programs do not cost the taxpayers any out of pocket cash. The abatement typically applies to increases in assessed value due to new construction or expansion projects. If these PILOT programs did not exist, many companies would not make the capital investment, or would possibly reduce the level of investment especially as it relates to attraction projects, which would result in no tax base growth. Companies are most vulnerable during expansion. They are investing a lot of capital and resources into the construction and hiring of personnel well before they start to receive revenues from the products that they sell. This time period is critical to a company's survival. The PILOT program allows them to save valuable cash flow dollars that they can invest in capital, equipment and personnel until their products can generate the revenue necessary to not only cover their costs, but also to cover their property taxes once the PILOT program expires.

2011 PILOT Distribution



The 2011 PILOT payment distribution to Genesee County taxing jurisdictions were as follows:

- County = 26%
- Local Municipalities = 11%
- Schools = 63%

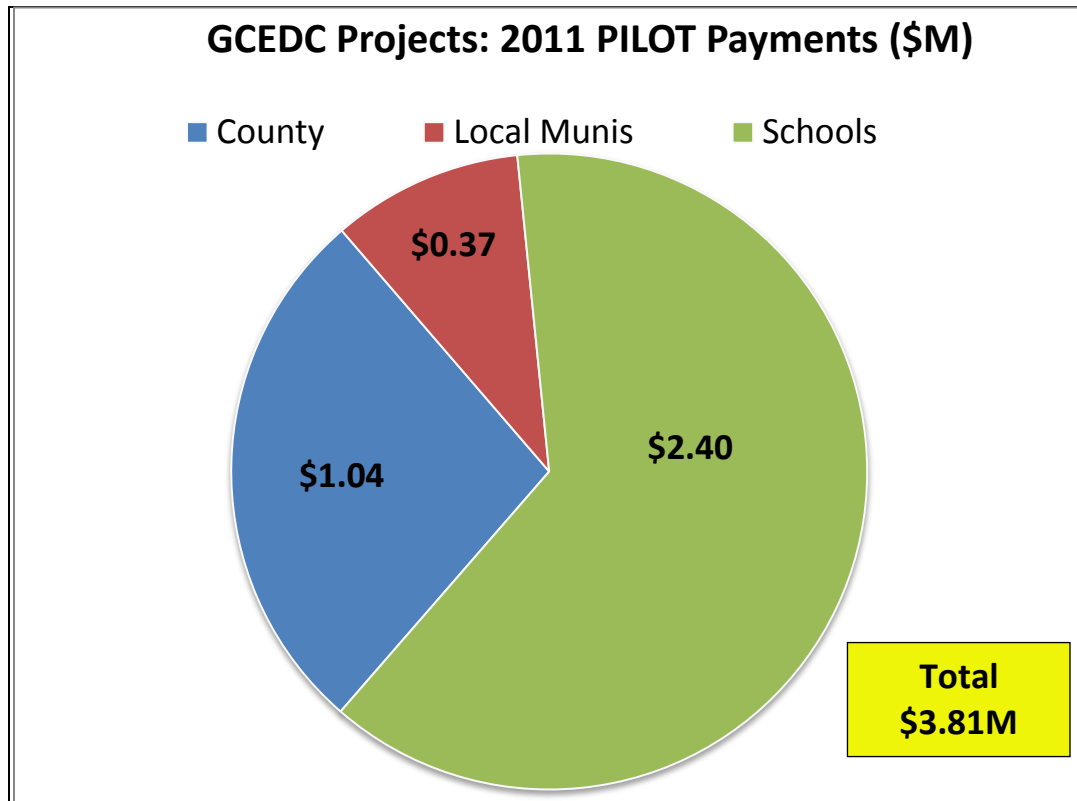
When PILOTs expire they convert to taxable status and pay 100% of the taxes on the assessed property value. Without the assistance of the PILOT program, most of these companies would not have made an equivalent amount of capital investment into these local taxing jurisdictions. PILOT programs in 2011 generated \$1.88M in additional revenue for the local taxing jurisdictions that came solely from company's expansion within or attractions to Genesee County. **The \$1.88M of additional revenue came at a cost of \$0 out of pocket to the local taxpayers.**

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PILOT Portfolio @ 100% Taxes (at PILOT Expiration)

The 2011 portfolio of 92 net PILOT contracts will be paying \$3.81M in property taxes annually upon expiration of the PILOT contracts. The companies will pay full property taxes based upon 100% of the assessed value the year following the PILOT contract expiration. This is the point in time when the property under PILOT returns to the “taxable” side of the tax rolls.

Property Tax Distribution at PILOT Portfolio Expiration



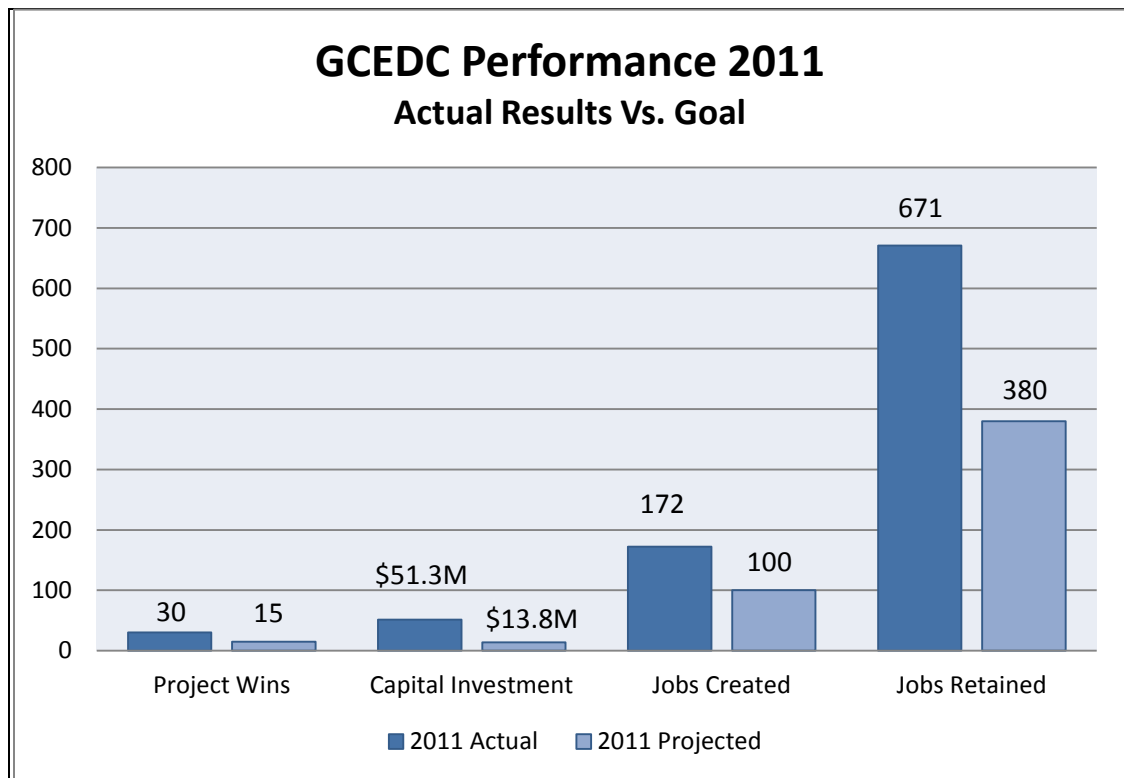
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RESULTS

GCEDC's efforts provide...

- Short term tax assistance to companies
- Revenue streams to local taxing jurisdictions via PILOTs
 - Business capital investment
- Job creation and retention commitments

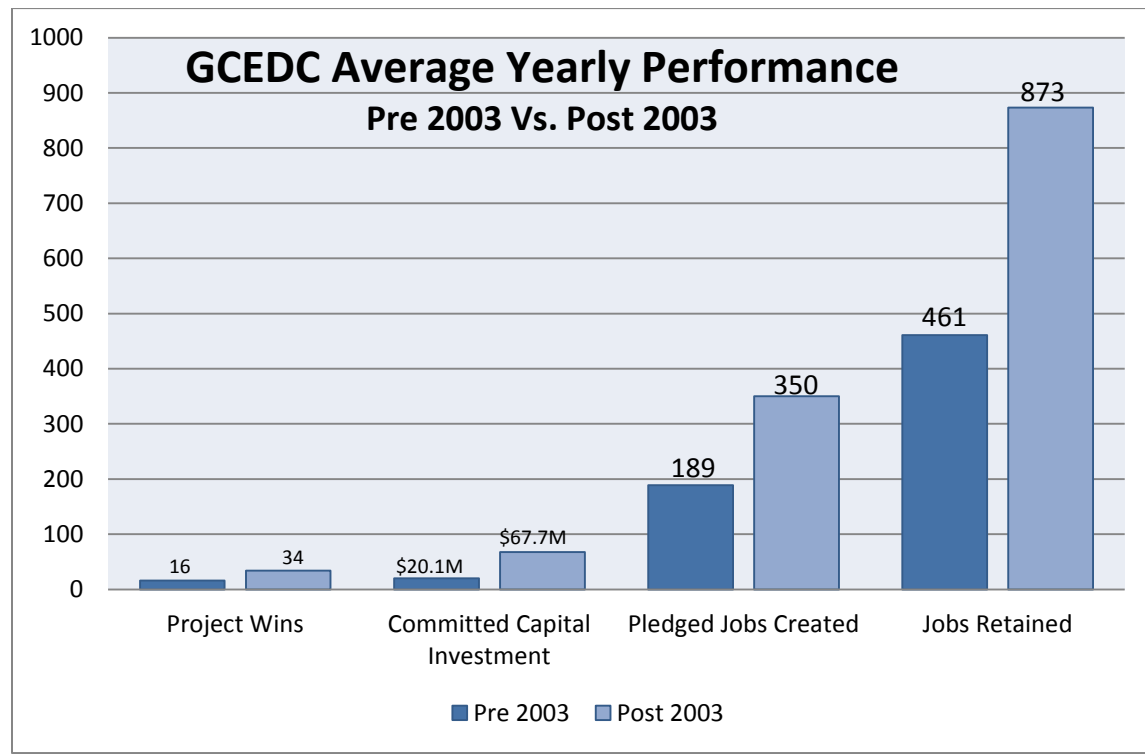
GCEDC is the tax base sales force for Genesee County



30 Project Wins
\$51.3M Committed Capital Investment
172 Pledged Jobs Created
671 Jobs Retained

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GCEDC Historical Results Since 2003 Strategic Growth Plan Implemented



Since 2003, when the GCEDC implemented its strategic growth strategy, the average annual performance of the organization as measured by project “wins”, capital investment, and pledged job creation has nearly doubled across all categories. **Capital investment commitments, a significant portion of which turns into long term property tax base has more than tripled annually since 2003.**

2012 KEY ACCOMPLISHMENTS

January 2012- August 2012 (8 Months Activity)

- 28 Economic Development projects supported
- Job Creation: 394 committed job creation (next 3 years)
 - \$219M in committed Capital Investment
- Grants awarded in 2012 to date = approx. \$1.3M

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Awards

- Steve Hyde - 2012 Economic Developer of the Year by New York State Economic Development Council
- Lezlie Farrell – Named 2011 CFO of the year in the government sector by Buffalo Business First
- Mark Masse – 2012 Forty Under 40 Award for outstanding service by Buffalo Business First
- Genesee County in 2012 ranked in top 10 of fastest growing Micropolitans by *Site Selection Magazine*
- Genesee County in 2012 ranked in top 5 of fastest growing food processing Metros by *Business Facilities Magazine*
- Dr. Bruce A. Holm Upstate MedTech Centre chosen as the 2011 Office Building Project of the Year by the NAIOP Commercial Real Estate Development Association Upstate New York Chapter

National and International Recognition

- In 2012, two editorials on the Genesee Valley Agri-Business Park were published in economic development trade magazines.
- The American Chamber of Commerce in South America published a case study on Alpina's investment in the US/ Genesee County and this newsletter was sent to all South American Chambers.
- In 2012, Alpina Foods LLC., making a foreign direct investment (FDI) into Genesee County, will complete their 43,000 sq. ft. Greek yogurt manufacturing facility. This relationship has opened up opportunities for the GCEDC to work with other international companies.
- In 2012 Muller Quaker Dairy held its groundbreaking ceremony for a new 363,000 sq. ft. facility located in the Genesee Valley Agri-Business Park with attendance by PepsiCo CEO Indria Nooyi, NYS Governor Andrew Cuomo and Muller CEO Heiner Kamps among other dignitaries.

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SUSTAINABILITY

The GCEDC has seen tremendous growth since 2002. Three new entities were formed during that time period: the Genesee Gateway Local Development Corp. (GGLDC), the Genesee County Funding Corp. (GCFC) and the Genesee Agri-Business, LLC (GAB, LLC). The GGLDC was formed to own and operate our next generation shovel-ready business parks. The GCFC was formed to enable local not-for-profit companies to take advantage of tax exempt financing if they were eligible. The GAB, LLC was formed as a public-private partnership to own, develop and operate the 212 acre Genesee Valley Agri-Business Park.

The GCEDC and partner companies also adopted the Tech Based Economic Development model which lists out the tools and services needed to create, enhance and support economic development in our County. This makes the GCEDC and partner companies responsible for having shovel-ready corporate parks available, creating regional partnerships with marketing organizations in Buffalo and Rochester, creating educational partnerships with Buffalo and Rochester, securing grant money to develop and implement workforce training initiatives, using our revolving loan fund as a source of gap financing companies, and be a “one stop shop” for businesses to receive guidance and assistance in preparing grant applications and securing grant monies.

In order to accomplish this mission and be successful moving forward into the future, the GCEDC did a sustainable organization analysis in 2010 given the significant growth experienced in the organization since 2002 along with a significant increase in regulations and statutory compliance requirements levied on the organization since 2006. As a result of this analysis, it was determined that in order to achieve sustainability, there was a need to hire 2 more full time equivalents. The GCEDC has made additions to staff and has not had to ask the County for additional funding to help support these new hires.

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BUDGET SUMMARY: GCEDC Consolidated

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	GCEDC Board Approved/ *Requested of County 2013
County Support	\$226,330	\$226,330	\$215,014	\$215,014	\$215,014
Other Revenues (fees et. al.)	\$756,567	\$963,378	\$742,700	\$1,610,164	\$433,247
Total Revenue:	\$982,897	\$1,189,708	\$957,714	\$1,825,178	\$648,261
Expenses	(\$1,014,361)	(\$1,377,727)	(\$957,714)	(\$1,280,120)	(\$896,261)
EBITDA: MGMT P/L Reporting	(\$31,464)	NA	\$0	\$545,058	(\$248,000)
Interfund Transfers	\$0	\$0	\$0	\$0	\$0
Net: P/L Total GCEDC	(\$31,464)	NA	\$0	\$545,058	(\$248,000) ¹
Net: P/L Audit	NA	(\$188,019)	NA	TBD	NA
FTE's	8.5	8.5	8.5	8.5	8.5

¹ Consolidated budget reflects a net loss of \$248,000 on an accrual basis. On a cash basis, this gap is covered from Fees (Revenues) that were recognized in prior years (i.e. Alpina/Wave), but were termed out over the next 2-4 years.

2013 BUDGET HIGHLIGHTS

- ✓ Budget assumptions are conservative due to uncertainty, but we are expecting a higher level of economic recovery in 2013.
- ✓ Balanced budget.
- ✓ A “hold the line budget” request to County for funding:
 - A “hold the line” county funding commitment (\$215,014) is foundational to GCEDC and funds a portion of baseline salaries only of the GCEDC Operations organization. All other costs are funded by GCEDC directly.
- ✓ **GCEDC** is a County affiliate organization and remains one of the few organizations which is a **Revenue Generator** for the County through growing the community’s long term property and sales tax bases. **GCEDC is the County’s tax base sales force.**

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER**DIVISION: OPERATING FUND**

DIVISION DESCRIPTION

The Operating Fund accounts for all sales, business and economic development, management and administrative activities that are used to promote and encourage economic development within Genesee County (including the strategic marketing/business attraction program) and to carry out all other operations of the GCEDC over which the board of directors has governing control.

BUDGET SUMMARY

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	Approved 2013
County Support	\$226,330	\$226,330	\$215,014	\$215,014	\$215,014
Other Revenues (fees et. al.)	\$311,037	\$684,357	\$373,280	\$1,203,011	\$404,780
Total Revenue:	\$537,367	\$910,687	\$588,294	\$1,418,025	\$619,794
Expenses	(\$648,238)	(\$1,096,843)	(\$644,466)	(\$957,243)	(\$874,637)
EBITDA: MGMT P/L Reporting	(\$110,871)	NA	(\$56,172)	\$460,782	(\$254,843)
Interfund Transfers	\$0	(\$25,768)	\$0	\$0	\$0
Net: P/L Total GCEDC	(\$110,871)	NA	(\$56,172)	\$460,782	(\$254,843)
Net: P/L Audit	NA	(\$211,924)	NA	TBD	NA
FTE's	8.5	8.5	8.5	8.5	8.5

BUDGET HIGHLIGHTS

- ✓ Sale leaseback fees budgeted at \$400,000: Assumed 15 core projects totaling \$15M in capital investment, which translates into \$150,000 in fees collected and 1 major account project totaling \$10M in capital investment generating a \$100,000 fee. In addition to these fees, several multi-year fee schedules have been structured that will bring in an additional \$248,000 of cash, which have been recorded as revenue in previous years and cover the accrual based accounting loss.
- ✓ Organizational premise is to plan for sustainable growth in economic development project volume and for essentially a balanced agency budget. Excess project revenues/cash generated is re-invested in community for strategic/capital investments (corporate parks et. al).

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER

- ✓ Genesee County funding contribution planned/requested on a “hold the line” premise.
- ✓ Controlled and reduced expenditures where possible.
- ✓ Increased activity creates greater need to contract for professional services: audits and other financial services, legal, consultants, government relations. Increased activity also leads to added regulatory reporting requirements and additional staff time to ensure proper compliance.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER**DIVISION: WORKFORCE DEVELOPMENT**

DIVISION DESCRIPTION

Created in 2008, the Workforce Development division accounts for transactions related to two \$500,000 Life Sciences grants that were awarded from the New York State Department of Labor. 2010 saw the end of Year 2 activities as of May 31st.

BUDGET SUMMARY

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	Approved 2013
County Support	\$0	\$0	\$0	\$0	\$0
Other Revenues (fees et. al.)	\$0	\$63	\$0	\$0	\$0
Total Revenue:	\$0	\$63	\$0	\$0	\$0
Expenses	\$0	(\$22,315)	\$0	\$0	\$0
EBITDA: MGMT P/L Reporting	\$0	NA	\$0	\$0	\$0
Interfund Transfers	\$0	\$13,761	\$0	\$0	\$0
Net: P/L Total GCEDC	\$0	NA	\$0	\$0	\$0
Net: P/L Audit	NA	(\$8,491)	NA	TBD	NA
FTE's	0	0	0	0	0

BUDGET HIGHLIGHTS

- ✓ Both Year 1 and Year 2 Workforce Development grants through the Department of Labor were closed out in 2011. No budget assumptions for 2012 or 2013.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER
DIVISION: REAL ESTATE DEVELOPMENT & MANAGEMENT

DIVISION DESCRIPTION

This division is responsible for Corporate Park property development and management activities associated with its three current corporate park locations (Gateway I, Apple Tree Acres and OATKA Hills) throughout the county. With respect to the emerging development of new corporate parks, this division will interact with and be the managing member of GCEDC's partner entity, the Genesee Gateway Local Development Corporation (GGLDC), which is responsible for the development and management of the next generation Corporate Park's consistent with the community based economic development strategic plan.

BUDGET SUMMARY

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	Approved 2013
County Support	\$0	\$0	\$0	\$0	\$0
Other Revenues (fees et. al.)	\$418,400	\$232,974	\$336,021	\$373,858	\$4,772
Total Revenue:	\$418,400	\$232,974	\$336,021	\$373,858	\$4,772
Expenses	(\$342,638)	(\$242,893)	(\$300,527)	(\$310,156)	(\$8,283)
EBITDA: MGMT P/L Reporting	\$75,762	NA	\$35,494	\$63,702	(\$3,511)
Interfund Transfers	\$0	\$0	\$0	\$0	\$0
Net: P/L Total GCEDC	\$75,762	NA	\$35,494	\$63,702	(\$3,511)
Net: P/L Audit	NA	(\$9,919)	NA	TBD	NA
FTE's	0	0	0	0	0

BUDGET HIGHLIGHTS

- ✓ Full sales effort continues for the GCEDC owned business parks:
 - Apple Tree Acres (Bergen)
 - Gateway I (Batavia)
 - Oatka Hills Commerce Parks (LeRoy)

- ✓ PILOT Increment Financing (PIF) payments committed by Genesee County Legislature and Town of Bergen fund Genesee Valley Agri-Business Park Improvements and support expansion of the Village of Bergen's wastewater treatment plant, respectively.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER**DIVISION: REVOLVING LOAN FUND #1**

DIVISION DESCRIPTION

Revolving Loan Fund #1 was established with grant funds that the County received from the Federal Small Cities Program in 1985 and 1986. Since 1985, the Genesee County Economic Development Center has administered the fund pursuant to a perpetual agreement with the County. The RLF is available to Genesee County business owners as a means to fill a financing gap in local development projects. These funds were deemed “defederalized” in 2009.

BUDGET SUMMARY

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	Approved 2013
County Support	\$0	\$0	\$0	\$0	\$0
Other Revenues (fees et. al.)	\$18,660	\$35,525	\$16,899	\$19,281	\$13,598
Total Revenue:	\$18,660	\$35,525	\$16,899	\$19,281	\$13,598
Expenses	(\$4,504)	(\$6,212)	(\$4,524)	(\$4,524)	(\$4,752)
EBITDA: MGMT P/L Reporting	\$14,156	NA	\$12,375	\$14,757	\$8,846
Interfund Transfers	\$0	\$0	\$0	\$0	\$0
Net: P/L Total GCEDC	\$14,156	NA	\$12,375	\$14,757	\$8,846
Net: P/L Audit	NA	\$29,313	NA	TBD	NA
FTE's	0	0	0	0	0

BUDGET HIGHLIGHTS

- ✓ 12 Loans Currently Active
- ✓ Total Fund Value at 8/31/12 = \$844k
 - Principal Outstanding = \$691k
 - Cash Available for Loans = \$153k
- ✓ Loans continue to be made with “friendly interest rates” with terms of 5-7 years and fixed rates of interest (80% of Prime with 3% floor)
- ✓ A percentage of program income supports organizational administrative costs.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER**DIVISION: REVOLVING LOAN FUND #2**

DIVISION DESCRIPTION

Revolving Loan Fund #2 was established with funds that the County received in 2003 from a \$650,000 grant from the Governor's Office for Small Cities. Under an agreement with the County, GCEDC has been authorized to administer the loan fund for the purpose of lending funds to eligible business firms in Genesee County that will create or retain employment.

BUDGET SUMMARY

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	Approved 2013
County Support	\$0	\$0	\$0	\$0	\$0
Other Revenues (fees et. al.)	\$8,470	\$10,459	\$16,500	\$14,014	\$10,097
Total Revenue:	\$8,470	\$10,459	\$16,500	\$14,014	\$10,097
Expenses	(\$9,519)	\$0	\$0	\$0	\$0
EBITDA: MGMT P/L Reporting	(\$1,049)	NA	\$16,500	\$14,014	\$10,097
Interfund Transfers	\$0	\$2,543	\$0	\$0	\$0
Net: P/L Total GCEDC	(\$1,049)	NA	\$16,500	\$14,014	\$10,097
Net: P/L Audit	NA	\$13,002	NA	TBD	NA
FTE's	0	0	0	0	0

BUDGET HIGHLIGHTS

- ✓ 5 loans currently active
- ✓ Total Fund Value at 8/31/12 = \$678k
 - Principal Outstanding = \$418k
 - Cash Available for Loans = \$260k
- ✓ Beginning in 2010, the Office of Community Renewal (administrator of CDBG program) could require that all program income generated by the CDBG program be returned to the NYS Housing Trust Fund Corporation for re-programming, unless the program income has been "defederalized".
- ✓ GCEDC will continue the defederalization process in 2013 so that those loan repayments from CDBG projects may be maintained in the local community for valid economic development purposes.
- ✓ Funds will ultimately be moved to the Genesee Gateway Local Development Corp. through a grant agreement put into place with Genesee County. Funds will be completely defederalized after being cycled through one more loan.
- ✓ New grant agreements in place do not allow for use of funds for administration.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER**DIVISION: EMPIRE ZONE**

DIVISION DESCRIPTION

The Genesee County Economic Development Center administers the County's Empire Zone Program on behalf of the Empire Zone Administrative Board.

The Empire Zone program expired in 2010. The GCEDC will remain as the Empire Zone administrative entity for annual reporting purposes while certified companies receive their remaining years of benefits.

BUDGET SUMMARY

Appropriation by Object	Adopted 2011	Actual 2011 (Audited FS)	Adopted 2012	Estimated 2012	Approved 2013
County Support	\$0	\$0	\$0	\$0	\$0
Other Revenues (fees et. al.)	\$0	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$0	\$0
Expenses	(\$9,462)	(\$9,464)	(\$8,197)	(\$8,197)	(\$8,588)
EBITDA: MGMT P/L Reporting	(\$9,462)	NA	(\$8,197)	(\$8,197)	(\$8,588)
Interfund Transfers	\$0	\$9,464	\$0	\$0	\$0
Net: P/L Total GCEDC	(\$9,462)	NA	(\$8,197)	(\$8,197)	(\$8,588)
Net: P/L Audit	NA	\$0	NA	TBD	NA
FTE's	0	0	0	0	0

**County support for Empire Zone is shown as part of the Operations budget*

BUDGET HIGHLIGHTS

- ✓ New York State eliminated funding for Genesee County Empire Zone for fiscal year 2010 and after.
- ✓ The Empire Zone Program expired on June 30, 2010.
- ✓ Genesee County continues to support approximately 40 certified zone businesses.

DEPARTMENT: ECONOMIC DEVELOPMENT CENTER

2013 Goals in the TBED Economic Development Model

INFRASTRUCTURE – Listed below are the goals for 2013 for our corporate business parks:

Buffalo East Tech Park (South Campus) – The GGLDC anticipates implementing a South Campus enhancement program in 2013 to install onsite sewer lines and connect into the Town of Pembroke's sewer project that pumps to the Village of Corfu's Wastewater treatment facility. We will also start the delineation of wetlands to enable the GGLDC to have more developable acreage. The South Campus enhancement program will enhance the site's marketability going forward.

Apple Tree Acres Park - In 2013, we will continue to market Apple Tree Acres, build relationships with potential customers and focus on general park upkeep.

Gateway II Corporate Park - In 2013, we will continue to market Gateway II and build relationships with potential customers.

The Genesee Valley Agri-Business Park – This Park is completely shovel-ready! Marketing and selling efforts continue in full swing. The GGLDC expects to continue infrastructure upgrades at the park in 2013 to include development activities for the "Aquifer Direct Water Service".

WNY STAMP (Science and Technology Advanced Manufacturing Park) – The STAMP project is the development on NY's 2nd Shovel-Ready Mega-Site (> 1,000 acres) for Advanced Manufacturing, Nano-Tech Oriented Manufacturing (Semiconductor, Solar) and large scale Bio-Manufacturing projects. The 1,243 acre site has the potential to employ 10,000 workers on-site and 20,000 to 30,000 jobs regionally when considering the supply chain and construction effect at full build-out. The planned high-tech oriented Manufacturing and R&D campus style setting has been validated as "perfect" for high tech manufacturing type applications by CH2MHILL (global advanced electronics and semiconductor manufacturing site selection and engineering/construction firm) as well as leadership involved in SEMATECH. This has been made a Priority Project by the Finger Lakes Regional Economic Development Council. The next implementation phase will start the process of bringing the project to shovel-ready lite status which will enable partial land acquisition and site control (approximately 535 acres of the 1243 acres) while constructing initial infrastructure engineering design, initial stub roadway entrance/signage and the development of a sales and marketing process to enable early stage targeted strategic selling activities given developing large scale Nano-Tech oriented manufacturing projects that exist on the near to medium term horizon.

Dr. Bruce A. Holm Upstate MedTech Centre – The GGLDC will continue its marketing and selling efforts on the newly constructed MedTech Park and Centre.