

ALLEGANY COUNTY
Industrial Development Agency
2015 Annual Report

The Industrial Development Agency (IDA) continued its focus in 2015 to: (1) underwrite new and maintain existing PILOT agreements and tax incentives in support of the retention, expansion, and attraction of new businesses and industries; and, (2) purchase, develop, and maintain real estate specifically targeted for economic development and growth throughout Allegany County.

IDA Board: The Executive Director vacancy was filled by Jack Wood who is now serving as both the IDA Board Chair and CEO. There are no plans to staff the Executive Director position in the near future. Board member Ted Hopkins passed away in December. His position will be reappointed by the Allegany County Legislature in the 1st quarter of 2016. Other board members include: Rich Ewell, Jack Ormond and Mike Johnsen.

General Electric / Lufkin / RMT: Lufkin/RMT completed its second full year at their current location. IDA and Empire State Development incentives remain in place supporting the company's continued profits and job growth. The continued downturn in world oil prices created marketing challenges all of which were successfully managed.

Sanzo PILOT: a new PILOT has been initiated for the old ACME building in Cuba now owned by Sanzo GT, LLC. The closing is scheduled for 1st quarter 2016.

R.S. Maher PILOT: R.S. Maher is expanding their operations into Allegany County from Wyoming County. A new PILOT has been initiated with a closing scheduled for 1st quarter 2016.

Alliance Energy: Alliance Energy completed their purchase of the Co-Gen Plant in the Town of Hume. The Hume Assessor reported that a grievance was filed when the assessment was lowered to \$6.7 Million. The Co-Gen Plant had been assessed at \$30 Million since 1996 - with an original cost of \$90 Million. The new assessment was discussed with the HUME Town Board, and a decision was made to reduce the assessment to \$4 Million. New PILOT agreements were requested and approved by the IDA Board and reconciled with County, School, and Town officials. All new and past due payments were renegotiated, and the new PILOT payments are being paid according to the new schedule.

IDA Annual Audit: The 2014 audit was completed with recommendations to make procedural adjustments to the IDA's financial management activities. Baldwin Services was discontinued and Cathleen Whitfield was appointed as CFO of the IDA.

Swain Ski Resort: Swain Ski Recreational Center, LLC, continues their successful transition, retaining several hundred seasonal employees and retention and expansion of sales tax revenues to the County. Changes in ownership coupled with some real estate transactions resulted in the need for the Swain PILOTS to be revised and reconciled with the County, Town, and School District. Hodgson Russ LLP was appointed by all four entities to facilitate the new agreements in the first quarter of 2015. The new PILOT payments are currently in default.

Crossroads Development / I-86 & State Route 19: The IDA continued its focus on project content, timing and financing. The project remains centered on travel related services (fuel, convenience and hospitality). A letter of intent has been issued from the IDA to a Buffalo based developer who is developing plans to open a fast food/convenience food and diesel-gasoline food and fuel center at the corner of State Rte. 19N and County Rte. 20.

Respectfully submitted,
Jack W. Wood, IDA Chairman