



TCAD 2012 ANNUAL REPORT TO THE COMMUNITY



REPORT FROM THE CHAIRMAN

Charles Trautmann
Chairman TCAD
Board of Directors



Business needs four critical resources for success: great people, the right physical infrastructure, access to capital and a supportive business climate. TCAD has worked tirelessly since 1964 to ensure that businesses in Tompkins County have all four of these critical ingredients. As you read through the pages that follow, I hope you'll be as inspired as I am by the remarkable success that the staff and board of TCAD have attained during the past year.

Whether it's growing our pool of revolving funds to loan out to businesses seeking capital, developing

our workforce, or building partnerships dedicated to regional economic success, TCAD has taken a lead role in identifying the needs and making sure they are addressed.

As the overall economic picture strengthens, Tompkins County is poised to attract and support innovative firms with TCAD's planning, access to capital, and networking. To best meet the needs, it has become clear that we need to focus our efforts on: 1) ensuring that our physical infrastructure is up to the task of supporting new business, and 2) making our business climate itself supportive and robust.

Our ability to attract clean, high-tech, profitable companies that provide good jobs for our community is increasingly based on having adequate power, municipal wastewater, air transit, roads, public transportation and other physical infrastructure. TCAD is working with many local agencies to identify the needs and facilitate improvements as needed.

Likewise, our business climate is a valuable resource that most companies scrutinize as they decide whether to come to, stay in or expand in Tompkins County. Through its planning and support activities, TCAD takes a lead role in growing our business climate. Our goal is simple: we seek to encourage business activity that improves

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quality of life for all residents and visitors in environmental, social and financial terms.

I am optimistic about TCAD and its ability to ensure adequate local infrastructure, enhance our business climate and our community's quality of life. To our board, staff, investors and many others who have brought us to this point, I extend a heartfelt "thank you!" for your hard work and financial support, and I look forward to continued success in the coming year.

REPORT FROM THE PRESIDENT

Michael Stamm
TCAD President

Most research about economic development and job creation tells us over 90% of new, high quality jobs are created either by expansions of existing businesses or by new businesses started by existing entrepreneurs. The high profile large business attraction projects, while certain to gain the attention of the media, are rare and often come at the expense of enormous state and local incentives.

With a solid base of existing business and a rich entrepreneurial environment, TCAD is kept very busy. We systematically meet with local business through a BR&E program (Business Retention & Expansion). By doing so, we not only are able to provide timely assistance to companies with expansion plans, we can also help those struggling. It is the insights from our BR&E program that led us to launch the Workforce Investment Board and the Air Service Task Force.

Our conversations with local entrepreneurs led to the creation of both the Finger Lakes Entrepreneurs' Forum as well as the original Cayuga Venture Fund. High tech start ups were seeking ways to network with their counterparts and, of course, they were looking for high risk capital. As

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the flow of deals from Cornell's tech transfer efforts increases, the strain on the existing entrepreneurial support system has become significant.

TCAD's response to the demands of our high tech community is as entrepreneurial as the companies themselves. We've converted our traditional revolving loan fund to a more equity-based model to support pre-revenue companies. And we have developed strategic relationships in the region to better compete for the federal and



private foundation funding now becoming available for entrepreneurial development initiatives.

Whether working with existing companies or local entrepreneurs, TCAD's philosophy remains the same: invest scarce resources in companies committed to our community and that will create the most quality jobs for our residents. This philosophy has served us well for over four decades.

HIGHLIGHTS

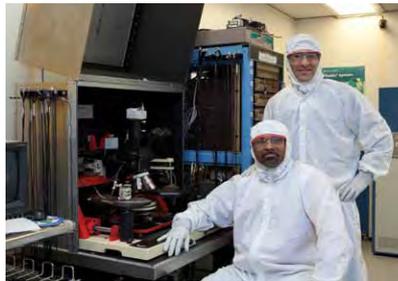
REVOLVING LOAN FUND PROGRAM

Since 1987, TCAD has made 56 loans to local businesses totaling \$2 million. The program offers flexible terms and interest rates, often partnering with local banks to fill a gap in a larger financing package. And when a business is too young to attract bank financing, this TCAD program can still help.

Four loans were awarded from the program in 2011, including two to high tech start up companies using a quasi-equity investment model implemented to support early-stage companies. The total value of these loans was \$268,000. The companies project creating 23 jobs over the next three years.

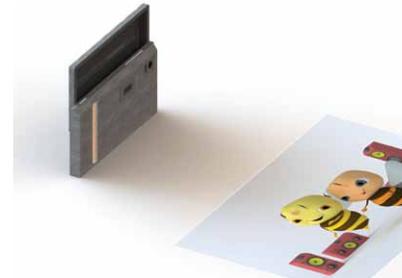


Cortland Produce is a fourth generation wholesale distribution company primarily serving restaurants in the region. The company relocated to a vacant distribution facility in the town of Dryden.



Widetronix designs and builds low power, long life batteries for microelectronics. The company installed a prototype production facility at its location in the South Hill Business Campus to assemble, package and test its betavoltaic batteries that are used in wireless sensors.

Concept Systems provides applied research and evaluation, technological support and management assistance aimed at improving public policy, private enterprise and collaborative ventures. Concept Systems is upgrading its proprietary software analysis components and converting to a fully web based application.



Mezmeriz is a start up company that builds carbon fiber MEMS devices. The company is in the final stages of product development for a small, energy efficient, low-cost embeddable projection system capable of projecting large, high-resolution images at short distances from mobile devices.

The demand for this program from local entrepreneurs far exceeds the supply of funds so TCAD continues to search for additional sources of capital. The Park Foundation will capitalize a new TCAD revolving loan fund targeting sustainable businesses. This new fund will support businesses that use renewable technologies in their production processes as well as that measure success using the “triple bottom line”: economic, ecological, and social.

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8 ACTIVITIES

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

The IDA is one of TCAD's most important programs. Since its first project in 1973, IDA incentives have resulted in the construction and renovation of over 4.7 million square feet of facilities and an investment of \$770 million. New jobs created have exceeded 4,000. The IDA focuses on projects that create jobs that are sustainable, pay well and offer meaningful benefits. The types of projects assisted vary substantially from large scale mixed use development in the City of Ithaca's urban core to small, light manufacturing in more rural areas.



As an example of this diversity, the IDA delivered incentives to assist *Ithaca Beer* with its new 15,000 square foot manufacturing facility, a project valued at over \$3.2 million located in the Town of Ithaca.



To support the *Town of Lansing* with its new "Town Center" plan, the IDA adopted a special policy to encourage private sector development in the new Lansing Town Center.

The policy is modeled after the IDA's successful "City of Ithaca Density Policy."

EMPIRE ZONE

TCAD continues to provide administrative assistance to 47 businesses certified in the Tompkins County Empire Zone. Business annual reports for the 2010 tax year were collected during the first quarter of 2012 for State reporting purposes. Participating businesses continue to receive tax incentives for making capital investments and creating jobs.

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HIGHLIGHTS

TOMPKINS COUNTY DEVELOPMENT CORPORATION



The TCDC was established in 2010 to serve as a conduit to the tax-exempt bond market for local not-for-profit employers. In that short time it has issued \$39 million in low interest bonds to Ithaca College and Cayuga Medical Center. In 2011, the TCDC issued \$2.5 million in bonds to assist the *Franziska Racker Center* with its \$5.1 million facility renovation/expansion project. This well respected not-for-profit provides services to people of all ages with special needs. The TCDC also modified its by-laws in 2011 so it can now deliver low interest rate financing to projects outside of Tompkins County. This recognizes the broad geographic impact of our local not-for-profit organizations.

TOURISM CAPITAL GRANTS PROGRAM

TCAD administers the Tourism Capital Grants program for the County. The program is capitalized through a portion of the room tax collected by the County. Since 2003, the program has awarded \$1.3 million in grant funds to 14 local tourism destinations. In 2011, the program awarded a total of \$210,000 to three recipients: the Sciencenter for its Marcellus Shale Exhibit, Cayuga Nature Center for capital improvements to enhance programs, and the Ithaca Skate Park for expansion and improvements.

BR&E VISITS

TCAD recognizes that virtually all new quality jobs will be created by businesses that already exist in our community or by local entrepreneurs. Because of this we systematically visit with key businesses throughout the year. Staff met with over 40 businesses in 2011. Our annual business retention and expansion visits with customers establish and maintain strategic relationships, and deliver targeted services. Beyond supporting individual businesses, these BR&E visits have inspired new initiatives like the Air Service Task Force (now the Air Service Board), Finger Lakes Entrepreneurs' Forum and Workforce Investment Board.

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WORKFORCE SURVEY

TCAD prepared and analyzed a survey of over 500 people for the Workforce Investment Board. The objective was to understand why people choose to move to, or move from the Ithaca area, to guide retention and attraction efforts aimed at young adults. While not surprising, the data shows people overwhelmingly move for job opportunities. This is especially true for younger adults.

& ACTIVITIES

LAUNCHNY

TCAD joined colleagues in a 27 county region spanning the Southern Tier, Finger Lakes, Central and Western New York to develop LaunchNY, a new organization that will catalyze, integrate and expand high growth entrepreneurial start up activity. LaunchNY will identify start ups with high growth potential, conduct deep due diligence, provide early stage investment funding and a high level of expert technical assistance to support company growth in the region.

LaunchNY is based on JumpStart, a successful Northeast Ohio program that was supported by national foundations and the federal government through President Obama's Start Up America Initiative. A regional action plan was completed in 2011 to guide the development of LaunchNY, and fundraising is currently taking place.

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MARKETING AND PUBLIC RELATIONS

TCAD continues to promote the importance of economic development and job creation activities to local stakeholders as well as our State and federal elected representatives.

This past year TCAD did this in a new way by launching its *Real People, Real Jobs: Conversations About Economic Development* Radio Program. This can be heard the first Wednesday of the month at 8:45 AM on the Cayuga Radio Group's WHCU 870 AM or archived on TCAD's media page at www.tcad.org.



In addition, the past year saw the launch of *TCAD's new website*. Along with fully updating www.tcad.org, the Tompkins County IDA, Tompkins County Development Corporation as well as FLEF all got updated websites.



HIGHLIGHTS

TCAD INVESTMENT CAMPAIGN

TCAD'S OFFICES

TCAD offices relocated to the Gateway Center. The Workforce Investment Board (WIB) also moved so that we now have shared offices. The move enabled staff to continue to work closely with the WIB staff as well as increase office space at a minimal cost. Our new conference room (see the staff photo) is named to honor Andy Sciarabba, long-time board member, developer and extraordinary community volunteer. Furniture was built locally by Wolff and Nagel.

We wish to take this opportunity to thank our Leadership and traditional investors for your support.

2012 marked the beginning of Tompkins County Area Development's 2012-2014 investment cycle. Since 1985, TCAD has held these campaigns in three-year cycles. For the 2012-2014 campaign, TCAD launched its first ever group of Leadership Investors. These investors—from across all sectors of the economy and representing all sizes of employers—lead our campaign by not only investing early but also agreeing to increase their level of support. We wish to take this opportunity to thank our Leadership and traditional investors for your continued support.

TCAD'S 2012-2014 LEADERSHIP INVESTORS:

BorgWarner MorseTEC

Cayuga Medical Center

Challenge Workforce Solutions

The Computing Center

Concept Systems

Cornell University

Cortland Produce

Harris Beach

Integrated Acquisition and Development

Ithaca College

Kionix

Lansing Market

M&T Bank

Mezmeriz

NYSEG

Primet Precision Materials

Rheonix

South Hill Business

Campus

Tompkins Cortland Community College

Travis Hyde Properties

Tompkins Trust Company

Warren Real Estate

Weaver Wind Energy

Widetronix

ENTREPRENEURS' ROUNDTABLE



TCAD hosted an entrepreneurs' roundtable discussion with *U.S. Senator Gillibrand* and business leaders to discuss federal programs that can assist high tech business development. The senator's key Washington economic development staff were present and engaged local entrepreneurs in a lively discussion that included the Small Business Innovation Research program, university partnerships and financing mechanisms for start ups.

FINGER LAKES ENTREPRENEURS' FORUM

TCAD continued management of the Finger Lakes Entrepreneurs' Forum, a local networking organization we helped create in 1995. The organization adds tremendous value to local start ups and established businesses. FLEF held eight meetings in 2011. Topics and speakers included:

- Nasir Ali, Upstate Venture Connect
- Congressman Hinchey Roundtable at Ithaca College School of Business

- Annual Luncheon Held at Mia on The Commons
- Workforce Resources featuring Julia Mattick and Bud Shattuck
- Using Students as Business Resources
- Lou Walcer, McGovern Center for Life Sciences at Cornell University
- Celebrating Successes in 2011— Updates from Entrepreneurs

“TCAD is a valuable resource to both the high tech and traditional economic development communities in their efforts to expand business opportunities in Tompkins County and create good-paying jobs.”
— *U.S. Senator Kirsten E. Gillibrand*

TCAD INVESTORS

LEADERSHIP INVESTORS

BorgWarner MorseTEC	Cortland Produce	M&T Bank	Tompkins Cortland Community College
Cayuga Medical Center	Harris Beach PLLC	Mezmeriz	Tompkins Trust Company
Challenge Workforce Solutions	Integrated Acquisition & Development	NYSEG	Travis & Hyde Properties
The Computing Center	Ithaca College	Primet Precision Materials	Warren Real Estate
Concept Systems	Kionix	Rheonix	Weaver Wind Energy
Cornell University	Lansing Market	South Hill Business Campus	Widetronix

INVESTORS

Advion	Cornell Research Foundation	HOLT Architects	Ongweoweh Corporation	Tompkins Insurance Agencies
AFCU	Cornell University Real Estate	HUNT Engineers	OptiGen	Town of Caroline
All Mode Communications	DataPoint Labs	Incodema	Park Foundation	Town of Danby
Audrey Edelman Reasly USA	DiMarco, Abiusi and Pascarella	International Educational Exchange Services	Sciarabba Walker & Company	Town of Dryden
BinOptics	Dryden Mutual Insurance	Iron Design	Security Mutual Insurance	Town of Groton
Bond, Schoenick & King	Egner Architectural Associates	Island Health & Fitness	Shops at Ithaca Mall	Town of Ithaca
Caygua Radio Group	Elmira Savings Bank	Ithaca Beer	Sprague & Janowsky	Town of Lansing
Cayuga Venture Fund	Family and Children's Service of Ithaca	Ithaca Tompkins Regional Airport	T.G. Miller	Town of Ulysses
CBORD Group	Finger Lakes Technologies Group	Kendal at Ithaca	The Ithaca Journal	Trasonic Systems
Chemung Canal Trust Company	First National Bank of Dryden	KensaGroup	The Sciencenter	Trebloc Development
Chiaschi, Dietershagen, Little, Mickelson & Company	First National Bank of Groton	Longview Ithacare Community	Therm	Triad Foundation
Child Development Council of Central NY	Franziska Racker Centers	Mariette Geldenhuys	Thoma Development Consultants	True Insurance
City of Ithaca	Global Phoenix Computer Technology Solutions	MEGA	Tompkins County Chamber of Commerce	United Way of Tompkins County
Communiqué Design & Marketing	Goodrich/Ithaca Space Systems	Mettler-Toledo Hi-Speed	Tompkins County Development Corporation	Vanguard Printing
Community Foundation of Tompkins County	Hayner Hoyt Construction	Miller Mayer	Tompkins County Industrial Development Agency	Vector Magnetics
Community Recreation Center	Helen M. Saunders	MPL	Tompkins County	Wegmans
		Multiwire Laboratories		William George Agency

BOARD OF DIRECTORS

OFFICERS

Charles Trautmann – Chair
Executive Director Sciencenter

Gregory J. Hartz – Vice Chair
President & CEO Tompkins Trust Company

Andrew Sciarabba – Secretary/Treasurer
Managing Member, South Hill Business Campus, LLC

DIRECTORS

Don Barber *Supervisor, Town of Caroline*

Larry Baum *President, The Computing Center*

James Brown *Executive Director, United Way of Tompkins County*

Will Burbank *Legislator, Tompkins County*

Laura Cima *Economic Development Manager, CCTEC*

Phyllisa DeSarno *Deputy Director of Economic Development, City of Ithaca*

Tony Eisenhut *Managing Director, KensaGroup*

Greg Galvin *CEO & President, Kionix*

Holly Hardie *Business Manager, Hardie Farms*

Howard Hartnett *Wealth Advisory Administrative Vice President, Trust & Investment Services, M&T Banks*

Carl Haynes *President, Tompkins-Cortland Community College*

Stephen Johnson *VP Government & Community Relations, Cornell University*

“Tompkins County Area Development is working for sustainable economic development in Tompkins County, and I am proud to have joined efforts with this important agency to create jobs in the region it serves.”
— US Congressman Maurice D. Hinchey

Mary Kane *President & CEO, Concept Systems*

Laurie Linn *President, Communiqué Design & Marketing*

Tom LiVigne *Director, Cornell University Real Estate*

Ed Marx *Commissioner of Planning & Community Sustainability, Tompkins County*

Julia Mattick *Executive Director, Tompkins County Workforce Investment Board*

Jean McPheeters *President, Tompkins County Chamber of Commerce*

Svante Myrick *Mayor, City of Ithaca*

Glenn Morey *Supervisor, Town of Groton*

Mary Opperman *VP Human Resources, Cornell University*

Martha Robertson *Chair, Tompkins County Industrial Development Agency*

John Rudd Sr. *VP and CFO, Cayuga Medical Center*

Carl Sgrecci *VP for Finance and Administration, Ithaca College*

Herman Sieverding *VP of Real Estate Development, Integrated Acquisition & Development*

Steve Snyder *VP Global Mfg. Tech & North American Operations, BorgWarner MorseTEC*

Michael Talarski *Business Manager, IBEW Local 241*

AND THANK YOU TO OUR OUTGOING BOARD MEMBERS

Susan Johnston *General Manager, Cayuga Radio Group*

David Marsh *Business Manager, Laborer's Union Local 785*

Carolyn Peterson *Former Mayor, City of Ithaca*

TCAD BALANCE SHEET

ASSETS	2011
Cash and cash equivalents	\$ 83,859
Restricted cash and cash equivalents	\$ 279,964
Temporary investment	\$ 159,086
Accounts receivable & prepaid items	\$ 18,852
Pledges receivable	\$ –
Loans and mortgages receivable	\$ 842,386
Subtotal	\$ 1,384,147
Property and equipment, at cost	\$ 68,435
Less accumulated depreciation	\$ (46,000)
Total Assets	\$ 1,406,582
LIABILITIES & NET ASSETS	2011
Accounts payable & accrued expenses	\$ 16,577
Deferred membership income	\$ 443
Revolving loan debt	\$ 62,991
Total liabilities	\$ 80,011
Unrestricted	\$ 1,272,575
Temporarily restricted	\$ 53,996
Revolving loan - temporarily restricted	\$ –
Total net assets	\$ 1,326,571
Total liabilities and net assets	\$ 1,406,582

TCAD STAFF

(left to right, front to back)

Michael Stamm

President

Martha Armstrong

Vice President and Director of Economic Development Planning

Stephen Kimball

Director of Communications Marketing and Development

Ina Arthur

Office Manager

Heather Filiberto

Director of Economic Development Services



Tompkins County Area Development

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Paper used is made with 10% post consumer waste and natural fiber from sustainable forests.

