

photo credit: Courtesy of Crosman Corp.

# 2013 ANNUAL REPORT



*Great opportunities grow here.* 

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# EDC SUPPORTS LOCAL ACQUISITION OF Z-AXIS, RETAINING 70 JOBS



Phelps-based manufacturer Z-Axis has been growing steadily since it was founded more than 20 years ago and is now on track to grow even more, with a new local owner dedicated to Ontario County.

The company, which began in 1989 as a cathode ray tube manufacturer, has reinvented itself over the past decade into two core businesses, an electronic design and manufacturing unit for major manufacturers, and a custom power supplies unit. Both units sell into the commercial, industrial, medical and military sectors. The power supplies unit does business as Bear Power Supplies and has a customer base that includes seven companies that each has more than \$1 billion in sales.

Last year, through the County's Business Retention and Expansion Program (BR&E), we discovered that Z-Axis was on the verge of being sold by its parent company, Visual Display Corp., putting the firm and its 70 employees at risk. Fortunately, Z-Axis President Michael Allen initiated a plan to acquire the firm, but he required assistance from the Ontario County economic development team to ensure the acquisition would move forward.

The Ontario County Economic Development Corp. team, led by Suzanne Vary, worked with Allen to structure a \$10.25 million financial package to acquire the company. Financial assistance included a \$440,000 low-interest loan from the OCEDC.

"Without support from the OCEDC, our County may have lost Z-Axis and the company's 70 employees would have lost their jobs," Vary said. "But with our assistance, Z-Axis was able to stay in Phelps and retain its workforce, and will work to create 10 new full-time positions over the next three years."

The BR&E program has been led by Jim Armstrong since 2005 and assists local businesses through company site visits and building valuable relationships over time. These relationships are critical in retaining businesses and in providing them opportunities for future growth.

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Armstrong, on behalf of the Ontario County Office of Economic Development, has made more than 1,400 company site visits, which have resulted in 500 referrals for additional follow-up services. A majority of the referrals involve workforce-related programs, while other needs include facility space, fiber optic ring information, energy incentives, county economic development assistance and business-to-business opportunities, among many others.

In addition to the ongoing BR&E program, the economic development team's website features an online business-to-business directory, encouraging companies to do work with one another and help grow the local economy. To learn more and visit the directory, go to [www.ontariocountydev.org/ontario-county-business-to-business](http://www.ontariocountydev.org/ontario-county-business-to-business). □

# LOCAL FTZ TO BOOST MANUFACTURING JOBS, INVESTMENT

A critical foreign-trade-zone has been approved for a five-county area, thanks in large part to the Ontario County economic development team's leadership, and federal assistance from U.S. Sen. Charles Schumer and U.S. Sen. Kirsten Gillibrand.

Schumer recently announced that the U.S. Commerce Department approved an FTZ for Ontario County, as well as Livingston, Seneca, Wayne and Yates counties. A total of 2,000 acres across the five counties could qualify for the regional FTZ.

FTZs are designated sites where companies can benefit from delayed or reduced customs duties in order to level the playing field with foreign competitors. Reports show that approximately 3,000 companies employing 370,000 workers use FTZ programs, including companies in the electronics, petroleum-refining, automotive, pharmaceutical, apparel and footwear sectors.

In 2012, exports from FTZs reached \$70 billion.

"I am thrilled that Ontario County and the five-county Finger Lakes region have been approved for their long-awaited foreign-trade-zone designation, which will level the playing

field for local companies that compete with China and other foreign companies," Schumer said. "With an FTZ in hand, businesses throughout the Finger Lakes region will save thousands on import duties, money they can pour right back into their business in the form of expanded production and new hires. This is an opportunity to reverse the trend of losing manufacturing jobs to China and actually insource jobs."

Economic developers agree that FTZ status will increase the ability to attract new companies and investment. Airgun manufacturer Crosman Corp., which is based in East Bloomfield, Ontario County, is the FTZ's first project.

Ontario County Economic Developer Mike Manikowski said Crosman has been approved for an FTZ sub-zone. The company has pledged to bring back work from China and create 25 full-time jobs over the next three years as part of the FTZ approval.

"With 300 employees, Crosman is one of Ontario County's most significant employers," he said. "We're doing everything we can to help them stay globally competitive." □

## Ontario County – 2013 Scorecard

Project	Type of Project	Funding Source	Technology Project	Brownfield Project	Est. Jobs Created or Retained	Est. Amount of Private Sector Investment	Est. Amount of Public Sector Investment
Finger Lakes Technologies Group	IT equipment	OCIDA	Y	N	51	\$1,500,000	\$97,500
Service Steel	New facility	OCIDA	N	N	12	\$2,781,412	\$296,758
Heritage Packaging	New facility	OCIDA	Y	N	57	\$4,368,610	\$605,585
Home Power Systems	New facility	OCIDA	N	N	21	\$1,450,000	\$103,634
Progressive Machine & Design	New facility	OCIDA	Y	N	162	\$5,978,315	\$748,036
Canandaigua-Finger Lakes Resort	New facility	OCIDA	N	N	55	\$32,938,000	\$1,536,367
FTZ Grantee	Technical assistance	OCEDC	N	N	320	\$65,000	\$50,000
Ewing Graphics	New facility	OCIDA	N	N	29	\$1,090,755	\$123,389
Cheribundi	FF&E	OCEDC/City of Geneva	N	N	6	\$180,335	\$100,000
Technical Careers Training Institute	Facility rehabilitation	OCEDC	Y	N	8	\$150,000	\$99,000
Z-Axis	Technical assistance	OCEDC/ESD/SBA	Y	N	73	\$10,250,000	\$440,000
Red Jacket Orchards	Technical assistance	OCEDC/ESD	N	N	34	\$750,000	\$400,000
Surmotech	Technical assistance	OCEDC	Y	N	37	\$2,375,000	\$400,000
CCN	Technical assistance	OCEDC/ESD	N	N	81	\$995,583	\$443,000
STC Shovel-Ready Site	Technical assistance	OCLDC	Y	N	–	–	\$35,000
Totals					946	\$64,873,010	\$5,478,269



# ON THE HORIZON FOR 2014

Ontario County's economy continued to be a bright spot for the Finger Lakes region and Upstate New York as a whole in 2013, and this year promises to keep the momentum going.

Transformational signature community development projects are on the horizon for 2014. Among them are the proposed \$116 million North Shore development and the new multimillion-dollar Canandaigua Finger Lakes Resort project (formerly known as Steamboat Landing), both on Canandaigua Lake.

Developers of the North Shore project are looking to revitalize a long-underutilized site with a mix of housing and retail. As part of the project, a major brownfield will be remediated, resulting in significant cost savings for City of Canandaigua taxpayers.

Also on the horizon for this year is our work with the state's Start-Up NY program. Our team is working diligently with the SUNY College of Nanoscale Science & Engineering's (CNSE's) Smart System Technology and Commercialization Center (STC) in Canandaigua, as well as Cornell University and Finger Lakes Community College, to identify sites for Start-Up NY.

STC is part of CNSE's Start-Up plan. As a shovel-ready site with up to 900,000 square feet available for development on 57 acres, STC is especially attractive to companies in the semiconductor, MEMS, optics, smart sensor, solid-state lighting and organic light-emitting diode (OLED) industries.

But STC is not the only local site included in Start-Up NY. The Cornell Tech Farm in Geneva is part of Cornell University's plan. Other projects are also in the works for the Tech Farm, including water and sewer infrastructure improvements, as well as the new Finger Lakes Community College Viticulture Center.

While the team is hard at work on projects for 2014, we cannot forget the major achievements made within the past year. Top among them was the grand opening of the Ontario County Industrial Development Agency Airport (D38) runway expansion

in Canandaigua in September 2013. The project, which expanded the runway to 5,500 feet, could not have happened without significant funding from the Federal Aviation Administration. We thank the FAA for its investment and commitment to Ontario County.

There is little doubt that the expanded runway will pave the way for increased corporate aviation and the potential development of adjacent properties, creating jobs and boosting our local economy.

The County's economic development team also continues to support Axxess Ontario, the public-benefit corporation that oversees and manages Ontario County's 200-plus-mile fiber-optic ring. Axxess Ontario is in the midst of a significant extension of its open-access, dark fiber optic cable, expanding the network even more in Geneva and soon expanding into Yates County through a partnership with local officials there.

None of these accomplishments would be possible without the ongoing and continuous support of board members and board chairs of the Ontario County Industrial Development Agency, Ontario County Economic Development Corp. and Ontario County Local Development Corp., as well as Ontario County Administrator John Garvey and members of the Ontario County Board of Supervisors, including the county's Planning and Research Committee Chair Fred Lightfoote.

Our team is very grateful for all you've done, and continue to do, to grow our local economy.

*Mike Manikowski*

Mike Manikowski  
Economic Developer,  
Ontario County Office of Economic Development

## Ontario County Economic Development Team

*Pictured left to right:*

**Charlotte Chapin**, *Part-time Administrative Assistant*

**Suzanne Vary**, *Economic Development Specialist*

**Mike Manikowski**, *Economic Developer (seated)*

**Michael Wojcik**, *Senior Fiscal Manager*

**Melissa Doyle**, *Finance Clerk II*

## Contact Us

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