



Report of the Genesee County Industrial Development Agency d/b/a/ Genesee County Economic Development Center Public Hearing of Yancey's Fancy, Inc. held on Tuesday, April 16, 2013 – 4:00 PM, Pembroke Town Hall, 1145 Main Road, Corfu, New York

I. ATTENDANCE

Mark Masse, Senior VP of Operations GCEDC
Rachael Tabelski, Director of Marketing and Communications GCEDC
Wayne Henry, President and CEO of Yancey's Fancy
Jodi Stahl, Yancey's Fancy
Gus Pernesky, Yancey's Fancy
Todd Ludwig, Yancey's Fancy
John Worth, Town of Pembroke Councilman
Dave Starkweather, Oakfield Resident
Ed Mileham, Town of Pembroke Supervisor

II. CALL TO ORDER

M. Masse called the public hearing of the Yancey's Fancy, Inc. project to order at 4:02 pm at the Pembroke Town Hall.

M. Masse read the notice of public hearing describing the project which was also published in the Batavia Daily News, a copy of which is attached and is an official part of this transcript.

III. COMMENTS

W. Henry discussed the Yancey's Fancy project and gave thanks to GCEDC, the Town of Pembroke, and the community stating that this project would not happen without the relationships and partnerships here. He also cited the commitment of employees, suppliers, and consumers of the product that are integral to making the project happen.

The original 50,000 to 60,000 sq. ft. building was planned to be adjacent to the current facility, however the company has decided to extend the footprint to 70,000 sq. ft. for the first level. They will also add an additional 30,000 sq. ft. second floor for records storage, employees meeting space, and lockers. In total the project will be a 100,000 sq. ft. expansion.

W. Henry continued by stating that Yancey's has undergone expansions to increase manufacturing/operational space in the past, and shortly after the company had to start planning to expand again. He attributed this to the ability of the company and its employees to innovate.

The current expansion is intended to add enough space to increase production and add about 50 employees to the 120 persons currently employed. The addition is also being engineered to provide extra space for future growth. Ownership believes that this is the place to be and the employees make it happen. The total investment planned is \$15 million.

The timing of the project will be dependent on what happens with the Corfu sewer project in Albany. W. Henry made it clear that their project will move along swiftly and the company would prefer to be hooked to the community sewer line that will run into the Town of Pembroke by the facility. If the timing for the sewer project does not work with Yancey's project timeline, the company has found alternative solutions for safe discharge of their process water.

Safe discharge is a more expensive option, and would require a total re-permitting from the New York State Department of Environmental Conservation (NYS DEC). According to W. Henry the NYS DEC has confirmed that the community sewer project is happening, but if it does not come to fruition they will work with Yancey's Fancy on discharge options.

W. Henry continued stating that the sewer project is in the same place as it was a year ago; however he felt that things are beginning to move forward at a quicker pace.

Currently Yancey's has hired a design firm, and wants to begin looking at survey work. The financing conversations are underway. With all of these moving parts he would like to see the Corfu sewer project under construction in this construction season. Going out to bid soon will make this a reality, and greatly assist with Yancey's expansion plans.

The completion of the sewer project will help Yancey's sequence their project, but a delay on the sewer will not derail the project completely. It will force the company to go in a different direction in terms of sewer so they can realize this expansion.

Part of the capital investment will include the installation of a reverse osmosis system that will allow the whey produced, during the cheese making process, to be dried and sold. Currently whey is transported by local farmers at a cost to Yancey's. That cost can exceed over \$300,000 per year just to remove the whey bi-product. According to W. Henry some companies make more money selling whey than cheese, in these cases the cheese becomes their by-product. He stated that this project will turn certain costs incurred by the company into revenue streams and allow employees to continue to innovate.

J. Stahl, employed since 2004, began at the customer service desk is now the marketing manager. J. Stahl runs all of the company's events, promotions, and advertising campaigns. J. Stahl mentioned that every night at 6pm and 11pm on channel 7 Yancey's runs commercials, and is spotlighted on many other news segments in Western New York. J. Stahl was hopeful that the Yancey's project application was approved.

W. Henry further commented about the numerous community activities that the company sponsors, participates, and donates to. Look for the Yancey Fancy logo at Buffalo Sabres games, the LPGA, Tops, Buffalo Bills games, NASCAR events (at the Glen and across U.S.), Watkins Glen Wine Festival. Many products are donated for local benefit fundraisers, and twice a year a tent sale is held offering products at discount price to the community. The next tent sale is May 11, 2013. This year advertising was ramped up in California where three major product accounts have been secured.

Genesee County Economic Development Center

99 MedTech Drive, Suite 106, Batavia, New York 14020

Phone: 585-343-4866 Fax: 585-343-0848 Toll Free: 1-877-343-4866 TDD: 1-800-662-1220

Email: gcedc@gcedc.com Web: www.gcedc.com

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G. Pernesky, employed since 2001 as plant manager, co-manages the facility and is in full support of the project. He also stated that Yancey's is a great place to work except for the current building.

T. Ludwig, recently promoted to Comptroller at Yancey's Fancy, also spoke in support of the project. He ensures that what happens on the shop floor is integrated into the operations and accounting systems. He performs analysis of the processes and helps the company to make cost saving decisions and achieve greater efficiency.

W. Henry offered that these and many other employees will make up the team that will be able to take the company to the next level. They will allow for this expansion to work and are reflective of who we have, and who we are.

M. Masse commented that the \$15 million cost of project is greater than the original application (\$10.3 million) and believes that the incentives, currently figured at \$980,033, may go up to an estimated \$1.4 million with the revised project application.

W. Henry concluded his comments by stating that local sourcing is very important to Yancey's Fancy. Local construction materials and labor will be utilized for the expansion. The company is achieving in the mid \$30 million range in revenue, but the lion's share of the revenue stays local with local sourcing and suppliers. He estimated that Yancey's Fancy spends \$8 to \$9 million annually with the Upstate Niagara Cooperative. He feels that it is very important that what the company "does here" stays in the region and has benefit. He reiterated that the company's goal is to be good a neighbor and to continue to re-invest the money that the company makes into equipment, training, etc.

Once the building is complete he believes that they will have no problem committing to 50 jobs and would like to exceed that estimate. Growth areas have been identified that will allow Yancey's to stay in the area and employ more people.

J. Worth spoke in support of the project stating that the Town of Pembroke is excited to have the company here. He mentioned that he worked at the cheese processing facility for 5 years in 1969 and it has always been a great place to work.

IV. ADJOURNMENT

As there were no additional comments, M. Masse closed the public hearing at 4:28 pm.