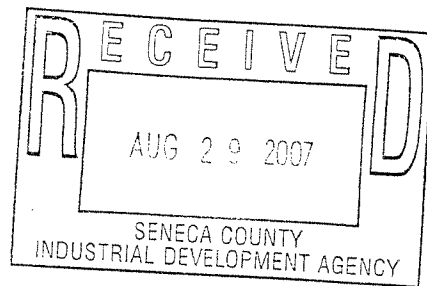


**BUSINESS PLAN**  
**FOR**  
**SESSLER**  
**Depot Development**

August 9, 2007



# TABLE OF CONTENTS

Page

Executive Summary	3
Mission and Values Statement	4
<b>I. BUSINESS DESCRIPTION</b>	
A. Business Plan Summary	5
B. Overall Purpose	5
C. Specific Purpose-Core Businesses	5
D. Management Team	7
E. Objectives of the Team	8
F. Unique Features	8
<b>II. FINANCIAL CONSIDERATION</b>	
A. Financial Plan Summary	9
B. Revenue Projections	9
C. Expense Projections	11
D. Revenue and Expense Summary	11
<b>III. MARKETING PLAN</b>	
A. Overview	12
B. Marketing Objectives	13
C. Marketing Plan	13
D. Marketing Strategy- Advertising and Promotion	13
<b>IV. THE OPERATION PLAN</b>	
A. Overview	14
B. Site map	15

## EXECUTIVE SUMMARY

Sessler Companies, Inc. (Sessler), a privately owned corporation intends to enter into a development lease for a portion of the property (approx. 2500 acres) in the former Seneca Army Depot Conservation Area with an exclusive option to acquire the property at the end of the lease term.

Sessler is confident that it can utilize the property to sustain acceptable profits and returns on assets employed for its core businesses. Core businesses are Fee Hunting, Agricultural and Forest products, and Finger Lakes Lodge. Four additional developed lots with utilities will be built to provide an incubator for future development. Sessler believes it can attract compatible businesses to lease these sites thereby providing additional cash flow and creating additional employment opportunities in Seneca County.

Sessler has developed a long-range plan that envisions increased tourism, commercial growth, and development compatible with the unique nature of the lands adjacent to the parcel. Some of the opportunities are described; however, they are not reflected in the operational plan or financial statements.

Financial projections are presented for Sessler core businesses during the first three years. Revenue assumptions and calculations are included. The majority of revenue is reinvested in site improvements initially, with an overall investment of \$1,125,000 in the first three years.

Our business plan is based upon an analysis of the market value of the remaining acreage, allowable uses, and projected future value of adjacent property. Sessler requests the agreement provide for wildlife management responsibility, hunting, and farming rights on all of the leased depot property. We will formalize agreements with all other lease holders to accommodate their requirements and negotiate future hunting/farming rights with the other adjacent property owners as title is transferred. In addition, the sale of the Army Caretaker's equipment is requested and necessary for our use in maintenance of fence lines and roads.

## MISSION AND VALUES STATEMENT

Excellent performance will be achieved through the use of best business practices, an investment in future development, and the skills, knowledge and abilities of the principals.

Institutional knowledge and mutual benefit relationship with other lease holders will enable the company to achieve goals for core businesses.

Future development will be planned to sustain and enhance the unique aspects of the Property and create additional local employment. Developed lots will provide ideal opportunities for growth.

Preservation of all natural resources will attract new customers and benefit the community through increased tourism, educational and recreational opportunities.

“Make good things happen.”

*Laverne M. Sessler*

## I. BUSINESS DESCRIPTION

### A. BUSINESS PLAN SUMMARY

This business plan for Sessler describes the nature of the depot business unit and the initial and potential income generating activities and operations.

In addition, the plan projects the number and types of local employment opportunities that will be generated as a result of the company's operations and the \$1.125 M investment in infrastructure during the first three years. Total investment will exceed \$1.3 M in the fourth year.

The projected financial statement contained therein has been amended to reflect current estimated costs and assumed conditions as of September 1, 2007.

A basis of projecting revenue from fee hunting is described using conservative scenarios of operation. Sessler will manage the operation to fund the annual infrastructure improvements as well as the construction of the lodge complex.

Other financial projections were developed using information obtained from market inquiries, consultants, and direct contact with area businesses that currently provide or utilize similar services.

Sessler continues to refine future development plans pertaining to new business operations, such as the sub-leasing of lots and facilities in the parcel. Highlights of these plans are included as appropriate.

### B. OVERALL PURPOSE:

Sessler will be engaged in the utilization, leasing, and future development of the land to generate income and transfer profits to the corporation in return for assets invested.

Sessler will partner with the Seneca County IDA, Cilion/Empire Biofuels, Finger Lakes Technology and other lease holders to provide access, security, fence and road maintenance, and wildlife management within the confines of the former depot.

Long term growth will be achieved by reinvestment in ancillary businesses and improvements to the land and wildlife habitat. The company expects other opportunity for expansion will present itself as the County, and New York State in general, become more attractive to business.

### C. SPECIFIC PURPOSE:

Sessler intends to focus on three core businesses initially.

Sessler will provide multi-season **fee hunting** for the public and tourists to the Finger Lakes Region. Net revenue will be re-invested in utility extension and the lodge complex for the first three years.

Sessler's 3600 square foot **lodge** facility will provide dining/meeting, rest rooms, camping area, parking, and office space. This will be a "green building" that meets EPA Energy Star criteria. Overnight lodging rooms will be constructed in the second year of operations.

Certified Organic and conventional **agriculture** products will be produced, stored, shipped as well as natural **forest byproducts** such as firewood and mulch.

Core businesses are essential for cash flow during startup years.

In addition, the construction of four "site ready" lots for **future development** has the potential to generate additional income from sub-leases. **Biomass fuel** production/demonstration with Cilion/Empire has been discussed and will be explored further.

## **CORE BUSINESSES**

### **Lodge Center and Business Office**

Sessler will construct a new entrance off the current "Hillside Entrance" from NYS Route 96A immediately upon start up. Informational and welcoming signs will be erected along the highway and an automatic gate will allow easy, yet controlled, access to the Sessler parcel. The existing patrol road will be resurfaced to provide access to the development. Estimated cost is \$75,000.

Sessler will extend the existing water and sewer lines from Seneca County Water District No. 1 and SC Sewer District No. 2 approximately 1,000 ft to the South to service the Lodge and west along the access road to the future development lots. Electrical lines will be extended to the west from the primary line feed at the corner of the FL Technology site. Estimated cost is \$375,000.

Sessler will begin construction of the Lodge building in 2008. Estimated cost is \$350,000.

Sessler will develop four "site ready" lots for future development to the west of the Lodge. Clearing and preparation is estimated at \$100,000.

Four full time positions are budgeted. Two salaried positions manage daily operations. Two additional will be hired when the lodge is complete.

### **Fee Hunting**

Sessler will offer quality, guided, hunting opportunities to the general public throughout the year. Stocked and native game species will be available for customers on a fee basis.

All of our guides will be licensed by New York State as well as certified Hunter Safety Instructors. Hunting areas will be designated to minimize the impacts upon adjacent property lease holders and to provide appropriate safety zones. Specialized insurance coverage and Hold Harmless agreements will limit liability to Sessler and the SCIDA.

The annual harvest limits will be determined in consultation with the NYSDEC and /or the SCIDA Wildlife Management Plan implemented by the coalition of lease holders. Local sportsman/conservation clubs will be offered limited, reduced fee opportunities to participate in all aspects of Wildlife Management on the former Depot.

The taking of white deer will be limited in number to the previous Spring fawn recruitment and authorized by a daily lottery drawing. This system has proven successful and fair over the last 30 years while offering maximum protection for the herd.

The property is especially suited for access by hunters with disabilities and beginning hunters. This service will be offered in 2009.

This workload will require several employees.

### **Organic/Conventional Agriculture and Forest Products**

The market for feed grain produced by certified organic farming methods is increasing rapidly. Current prices reflect a 23% increase in demand in the local area since 2006. The market for conventional feed grains is steady and will increase with new ethanol plant.

Primary agricultural products are hay, soybean, corn, and other small grains. The proposed ethanol plant will be a new market for field corn as well as other biomass crops.

Sessler will generate small quantities of saw timber, firewood, and wood mulch for sale from and forest stand improvement projects. Although revenue from these products is limited, the returns are projected on an annual sustained yield basis. In addition, the reclamation of tillable farmland for agriculture will result in additional wood products for resale.

Two equipment operator positions are budgeted. Future plans include increasing tillable acreage by 100 acres per year for the next five years.

### **FUTURE BUSINESS**

Near term plans include the sub-lease of facilities and development ready space to other businesses whose operations are compatible with the nature of the property as well as the construction of rooms to provide full lodging services to our customers.

Although it is difficult to make firm commitments at this stage, Sessler has been in contact with several prospective tenant companies.

Sessler's long range plans envision other compatible businesses that will be interested in the opportunity afforded by the development of the former Depot.

### **Recreational Complex**

#### **Wildlife Research and Education Center**

#### **Cold War Museum**

### **D. MANAGEMENT TEAM**

Vern Sessler, Jr., Craig Sessler, and Jane Shaffer are the principals of Sessler Wrecking, Inc. Thomas C. Battaglia is a Professional Engineer and environmental/safety consultant who has been directly involved with wildlife management at the Army depot since 1978. He is a partner in this business unit, and a part time employee of Sessler Companies.

The principals have extensive business management experience and technical ability, as well as demonstrated performance in managing multiple, multi-million dollar, construction, development, and environmental restoration projects.

Advisors:

Bond, Schoeneck, & King, LLP – Corporate Counsel  
Daly, Sirianni, & Co., Certified Public Accountants, LLP  
Clough, Harbour & Associate, LLP Civil and Environmental Engineers

In addition, professional engineers, construction, demolition, and environmental specialists are employed by the company.

## **E. OBJECTIVES OF THE TEAM**

The principals of the Sessler Depot Development team own other successful businesses in Seneca County. Therefore, profit and personal income is not our initial objective. The principals are financially secure in their personal affairs, and not dependent upon immediate returns from this venture. Initial revenue will be reinvested to fund the company's strategic goals and build equity.

As life long residents of the area, the principals are intimately familiar with Seneca Army Depot. The owners are committed to the re-development of the remaining property and have currently, and will continue to, invest personal funds, time, and labor into the venture.

The preservation of the deer herd and other wildlife as a renewable recreational resource is a hard and fast requirement. It is apparent to Sessler that this can best be accomplished by charging fees to users sufficient to cover costs, provide funds for improvements, and return profit for assets invested.

It is the initial objective of the team to create and operate core businesses to generate the cash flow necessary for initial site development, lodge construction, operation, maintenance, and future business development and marketing.

The long-term objective is to expand the business and profit margin, obtain maximum reuse of all facilities, and subsequently create jobs and other value to Seneca County.

## **F. UNIQUE FEATURES**

Sessler Depot Development is a unique business for number of reasons.

1. Experience of the principals in business, managing multiple, multi-million-dollar engineering, construction, and development projects, environmental restoration, and natural resource management. The management team has hands on experience in wildlife management at the Depot for the last 29 years. Mr. Battaglia received a Wildlife Management award from the New York State Department of Environmental Conservation in 1984.
2. The Location: The former Depot has substantial marketing potential as ready, available space for business development. The recent leases to FL Technology and Cilion/Empire Biofuels have created the potential for satellite businesses to be attracted to the Depot.

The Finger Lakes region is located near major population centers in New York State and Northeast and is gaining in visibility due to the local wine industry, the third largest in the US outside of California and Washington.

Access to major transportation routes and coastal ports was a primary reason the Army chose this site and remains a major selling point.



Also, we believe our rural area has the potential to attract high technology firms whose employees seek a better quality of life and shorter commuting times.

3. Available Sites: A prime marketing consideration is the ready to build status of building sites adjacent to Hillside, FL Technology and Cilion/Empire Biofuels. Discussions with two prospective tenants are planned in the next few months.

4. Available Land: The extensive acreage within the fences is ideally suited for our business operations.

Our agreement in principle with Cilion/Empire mutually benefits both companies.

Former farmland has not had chemical herbicide or fertilizer applied since 1941 and is suitable for certified organic grain production in 2008. Suitable tillable acreage exists after mowing former fields that are present.

Wood lots and plantations have been professionally managed in the past and are suitable for limited harvests of selected species. Numerous roads and mowed strips provide unprecedented ability to view wildlife and provide access for recreation.

5. Available Wildlife: There are 264 Fee Hunting preserves operating in the United States. Although fee hunting for deer is common, the white deer are an obvious unique asset. Efforts will be directed towards maintaining the herd and while managing under the principles of Quality Deer Management(QDM). Other game species are abundant and will generate revenue.

6. Rail Service: The available rail road service within the area is attractive to Sessler and at least one prospective tenant.

## **II. FINANCIAL CONSIDERATION**

### **A. FINANCIAL PLAN SUMMARY**

Revenue from fee hunting is dependent upon the assumptions made and operational model employed. A conservative model and a more aggressive method are discussed.

Organic grain and forestry product revenue can be accurately estimated.

The start up costs and property development funds will be financed with Sessler assets and initial revenue from fee hunting. Net revenue will be re-invested for the first three years.

Sessler will request the equipment retained by the Army for caretaker use be sold to Sessler for a nominal fee, which will minimize the necessity to lease or buy equipment.

### **B. REVENUE PROJECTIONS**

Fee hunting revenue is dependent upon a number of factors. Each game species has a different market rate and hunting convention; prices are higher for guided vs. un-guided opportunities, large game costs more than small game, etc. In addition, for large game such as deer, the weather, type of hunting, field success ratios, and the total number of animals that can be safely harvested all impact revenue forecasts. The final revenue generated in any given year may vary slightly.

Although Sessler plans to offer Deer, Waterfowl, Wild Turkey, Pheasant, Rabbit, Fur Bearer Trapping, and Predator hunting opportunities, only Deer hunting revenue estimate methods are presented in detail. Similar models are employed in calculating other hunting revenue.

*Historical Seneca Army Depot Hunt Model*

Semi-guided hunting from assigned stands, with no guarantee of success. Limit one Deer of either sex per hunter and a **daily lottery** for permission to attempt to harvest a White Deer. Total number of deer to be harvested (white and brown) is determined in advance by annual physical count. Management goals set for over-wintering herd size of 600, one third of which are White Deer. (A typical year harvest goal was 250 Brown and 40 White.) Hunting suspended when harvest goals are achieved.

Estimated revenue is determined by the harvest goal and hunter success rate.

Given: 150 hunters start on first day, \$600.00/3 day fee, 33% success rate

Day	Hunters	Deer harvested	Revenue
1	150	50	90,000
2	100*	34	0
3	66*	22	0
4	150	50	90,000
5	100*	34	0
6	66*	22	0
7	150	50	90,000
8	100*	34	0
		Harvest	
Total	450	296 (Goal Achieved)	\$270,000

\* Successful hunter does not hunt again the following day

As you can see from the above analysis, the revenue can be increased by simply increasing the number of new clients on days 2, 6 and 10 subject to the limiting Harvest goal. Adding hunters decreases the success rate from 33% in at the start to 20% at the end.

Day	Original/New Hunter	Deer Harvest	Revenue
1	150	50	90,000
2	100/50	40	30,000
3	74/37	26	0
4	0*/27	6	0
5	150	40	90,000
6	110/40	32	24,000
7	88/30	20	0
8	0*/24	5	0
9	150	35	90,000
10	115/35	25	21,000
11	98/29	20	0
12**	0*/21	4	0
Totals	575	303	\$345,000

\* Original 150 hunters have exhausted their three day hunt package

\*\* Harvest goal achieved in 12 days vs. 8

There are other business impacts to be considered using this approach. For example, although revenue increases, the number of unsuccessful hunters increases (from 152 to 272) which is not conducive to return customers.

Sessler is confident that the above analysis justifies the conservative projection of \$250,000 in the first year from Deer hunting.

Agriculture forecast is based on 100 acres planted in Year 1 and an additional 50 acres each year thereafter. Sessler used past performance of Parker Road Organic Farm and Maybury Farms. Depending upon the grain and status (Organic vs. Conventional) net revenue per acre varies between \$400 and \$600 per acre.

Net revenue, YEAR 1	\$500.00/ac X 100 ac =	\$ 50,000.00
YEAR 2	\$500.00/ac X 150 ac =	\$ 75,000.00
YEAR 3	\$500.00/ac X 200 ac =	\$100,000.00

Forestry product revenue is based on firewood sales only; selective timber cutting would be additional revenue. In CY 2000, the Army received \$68,000.00 for marginal quality timber generated from Timber Stand Improvement cutting in three wood lots.

Net revenue, Year 1	250 truckloads X \$100 =	\$ 25,000.00
Year 2	Same	\$ 25,000.00
Year 3	w/10 yr cycle Timber	\$ 65,000.00

### C. EXPENSE PROJECTIONS

Legal and Accounting cost for the first year includes expenses incurred to date as well as income taxes and miscellaneous fees.

Advertising budget includes direct mailing supplies and postage, signage, and one 2" X 3" ad in a national hunting magazine.

Vehicle Lease estimate is for two farm tractors with mower decks.

Office supplies and utilities cost for the Business Office in Lodge.

### D. REVENUE AND EXPENSE SUMMARY

The anticipated net income for the first three years of operations is conservatively forecast as follows:

REVENUE	YEAR 1	YEAR 2	YEAR 3
Agriculture	50,000	75,000	100,000
Fee Hunting, Deer	250,000	270,000	298,000
Other	63,000	65,500	72,500
Forestry Products	25,000	25,000	65,000
Misc. Rental	8,000	20,000	31,000
Sub Lease Lots	10,000	20,000	30,000
Interest	0	700	1,600
Lodging/Camping Fees	1,000	2,000	70,000
<b>TOTAL</b>	<b>\$ 407,000</b>	<b>\$ 478,200</b>	<b>\$ 668,100</b>

## EXPENSES

Salary and Wages	50,000	75,000	100,000
Legal/Accounting	15,000	1,500	1,500
Advertising	10,000	10,500	11,500
Vehicle Lease	31,000	32,000	34,000
Office Supplies	1,000	1,200	1,500
Utilities	500	3,500	10,000
Site Improvements*	250,000	300,000	450,000
Fuel	10,000	12,000	14,000
<b>CONTROLLABLE EXPENSE</b>	<b>\$ 367,500</b>	<b>\$ 435,700</b>	<b>\$ 622,500</b>
Insurance	15,000	15,500	16,500
PILOT	10,000	10,000	10,000
<b>FIXED EXPENSE</b>	<b>\$ 25,000</b>	<b>\$ 25,500</b>	<b>\$ 26,500</b>
<b>TOTAL EXPENSES</b>	<b>\$ 392,500</b>	<b>\$ 461,200</b>	<b>\$ 649,000</b>
<b>NET INCOME</b>	<b>\$ 14,500</b>	<b>\$ 17,000</b>	<b>\$ 24,100</b>
<b>NET INCOME AFTER THREE YEARS</b>		<b>\$55,600</b>	

\* \$125,000 Additional invested by the principals

### III. MARKETING PLAN

#### A. OVERVIEW:

Sessler intends to announce the establishment of the business, current and future products, available lots, prices, and its short-term goals. The Lodge business office will be the focal point of marketing, and sales, and operations when completed. In the interim, the Sessler office in Waterloo will be used.

Fee Hunting: Direct mailing, regional newspapers, and word of mouth initially. Future advertisements placed in national magazines and web site.

Lodge and Business Office: Advertised by signs erected along Route 96A, distributed brochures, and web site.

Agriculture: Organic and conventional grain customers are already identified.

Forestry products: Small timber sales to local mills. Firewood /Mulch advertised in local newspapers.

Available lots for sub-lease: Signs, network marketing, and web site. Also, listing with a real estate agent.

## **B. MARKETING OBJECTIVES:**

The first objective is to book available slots for fee hunting, to achieve initial business goals.

In the future, attract existing and new businesses to relocate their due to the lower cost of existing facilities, access to railroad, regional location, and capacity for expansion on the property.

## **C. MARKETING PLAN**

### Fee hunting

Sessler currently has a waiting list of customers who want to book a hunt. There is also a list of area sportspersons who wish to have "lifetime memberships" such as those offered at a country club. One third of the available slots therefore, are already reserved. The remaining slots will be filled as a result of advertising on a first come basis. Applications received after the cutoff will be offered a slot for the following year.

Area sportsmans clubs will be initially contacted through direct mailings. In addition, the local clubs will be afforded a limited number of reduced fee slots to further their individual fund raising efforts. We expect that all available hunting slots will be booked in this manner for the first years. The fee hunting opportunities will be advertised in national hunting and fishing magazines if necessary in the future.

### Agriculture

Organic and conventional agriculture products do not need a formal marketing plan. Buyers contacted have expressed their desire to purchase all certified grain we can produce.

### Forestry Products

Firewood availability will be advertised in local newspapers. Local County Assistance agencies will be contacted to be placed on the call list for subsidized home heating assistance (HEAP) programs.

The small revenue projection for this business does not warrant a more extensive plan. Timber will be marketed by direct mailing to local sawmills. The Army had no trouble finding a local buyer in 2000.

### Developed Building Lot Leases

Signs will be placed along NYS route 96A indicating availability and utilities. Our website will market the lots in addition to the Lodge and Hunting. A real estate agent will market the property through MLS and other referrals. Word of mouth, or network marketing with individuals and industry contacts, has already identified two prospective tenants..

## **D. MARKETING STRATEGY-ADVERTISING AND PROMOTION**

A local customer base currently exists for most core business.

The site ready development lots will be promoted with the following facts emphasized:

The site is regionally located for distribution to the Northeast U.S and Europe. Transportation by rail, highway, and air is available.

Local cities such as Syracuse, and Rochester are within an hour drive and equidistant from the facility. Cornell University, a world leader in technological development, is only 25 minutes away in Ithaca. The Agricultural technology Park in Geneva and Watkins Glen, a tourist and racing industry attraction, are 20 minutes away.

The Finger Lakes Region Wine Country, with nearby cultural resources, provide a unique quality of life attraction for businesses and their employees. The types of business expected to be attracted are:

1. Large businesses interested in regional distribution of their product throughout the northeast.
2. Businesses located in nearby cities that would be interested in relocating their operations to reduce costs.
3. Small Business start ups that may arise due to other depot lease holders.

Professional marketing services may be used to revise the marketing strategy and objectives if needed.

### **III. THE OPERATION PLAN**

#### **A. Overview**

The first year emphasis will be focused on establishing Sessler core businesses; Agriculture and fee hunting in particular, construction of the Lodge and development lots, and developing a refined marketing plan for attracting re-users for selected facilities.

Begin Site Development December 1, 2007  
Forestry Product Operations January 1, 2008.  
Agriculture Operations April 15, 2008.  
Fee Hunting Operations begin September 1, 2008