

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
DECEMBER 30, 2014
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

JOE GILLIS, CHAIRMAN
LEN HOUSE, VICE CHAIRMAN
WILLIAM SULLIVAN, TREASURER
TODD RULISON, SECRETARY
JOSEPH SEMIONE, MEMBER
GEORGE BEVINGTON, MEMBER
JAMES MRAZ, IDA EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
RON PETERS, FULTON COUNTY CENTER FOR REGIONAL GROWTH

I. MINUTES FROM OCTOBER 21, 2014 MEETING:

MOTION : Approved as presented.
MADE BY : Joseph Semione
SECONDED : Len House
VOTE : Unanimous

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : Len House
SECONDED : Todd Rulison
VOTE : Unanimous

III. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- No report.

C. Governance Committee:

- Governance Committee has conferred and recommends that the IDA's Bylaws be amended to establish a 2-year term for the Chairman.

D. Finance Committee:

- No report.

IV. OLD BUSINESS:

A. Tryon Technology Park and Incubator Center Project:

1. Construction Project:

a. Phase I:

- All water, sewer and storm sewer lines have been installed.
- All waterlines have been charged and disinfected.
- New access road is complete.
- Jablonski has been deemed substantially complete.
- Balance of work will be completed in Spring, 2015.

b. Phase II:

- Phase II will consist of:
 1. The waterline coming from Hale Creek's elevated tank will be disconnected and rerouted onto Maloney Road.
 2. A new elevated tank and water pump station will be constructed and the existing tank and pumps abandoned.
- Fulton County's CFA Application requesting grant funding for this project was not approved.
- Fulton County may still proceed with the project in 2015 using County funds.

DISCUSSION: Jim Mraz reviewed the information on the Agenda. Joe Gillis asked if the water system was complete. Jim Mraz stated, "Yes." Joe Gillis asked if the system still has water in it. Jim Mraz stated the system has been drained to prevent freezing.

2. Timber Harvesting Project:

a. Status Report:

- Timber harvesting ongoing.
- Wightman Lumber has asked for an extension of their completion date from December 31, 2014 to January 31, 2015.
- Ken Hotopp recommends approving this request.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that Wightman is almost complete with its work. He stated that due to the weather being so warm and no frost in the ground, it has slowed Wightman's work down a little bit. He stated Wightman has asked for an extension of the completion to January 31, 2015. Joe Gillis asked if there were any penalties in the IDA's Agreement for not completing work on time. Jim Mraz stated there were none.

IDA ACTION:

MOTION: To authorize extending Wightman Lumber's completion date of the Timber Harvesting Project from December 31, 2014 to January 31, 2015.

MADE BY: George Bevington

SECONDED: Joseph Semione

VOTE: Unanimous

3. Property Insurance for Buildings 3 and 60 and General Liability Insurance:

a. Background:

- At its October 21, 2014 meeting, the IDA Board reviewed NYMIR's invoice for property insurance for Buildings 3 and 60 for September 1, 2014 – August 30, 2015.
- Several questions were raised regarding the insurances being provided by NYMIR and the annual cost.
- Subsequent to the IDA meeting, Jim Mraz had numerous discussions and meetings with Bill VanGorder, Mang Insurance Agency, to try and reduce the cost of insurance to the IDA.

b. Original Insurance Coverages:

- NYMIR was originally offering the following insurance coverages:

1. Property Insurance:

<u>Building</u>		<u>Original</u>
a) <u>Building 3:</u>		
• Replacement Value	:	\$12,750,000
• Contents	:	\$ 10,000
b) <u>Building 60:</u>		
• Replacement Value	:	\$ 2,301,800
• Contents	:	\$ 50,000

- c) Pump Station:
 - Building Limit : \$ 50,000
2. General Liability:
- a) General Liability on 515 Acres of Land:
 - b) Excess Liability:
3. Boiler Insurance: : Included
- c. Revised Insurance Coverages:
1. Property Insurance:
- a) Building 3:
 - Replacement Value : \$ 4,000,000
 - Contents : \$ 10,000
 - b) Building 60:
 - Replacement Value : \$ 1,000,000
 - Contents : \$ 10,000
 - c) Pump Station:
 - Building Limit : \$ 50,000
2. General Excess Liability:
- a) General Liability: : \$ 1,000,000 Each Occurrence \$ 2,000,000 Aggregate
 - b) Excess Liability: : \$ 1,000,000 Each Occurrence \$ 2,000,000 Aggregate
 - c) Property Deductible: : \$ 5,000
3. Boiler Insurance: : None

IDA DISCUSSION: Jim Mraz stated that he has e-mailed IDA members several times regarding this insurance policy and cost. He stated that, after finalizing what insurances the IDA would be receiving and the total premium, with Bill VanGorder from the Mang Agency, he received on December 16th the actual invoice from the Mang Agency which was different than the amount quoted by Bill VanGorder. The endorsement that came with the invoice stated that it included boiler and machinery coverage which was not supposed to be included. Jim Mraz stated that Bill VanGorder and he agreed that boiler coverage was not needed because there are no boilers operating in any of the buildings. Jim Mraz stated that he sent an e-mail back to Bill VanGorder on December 16th seeking clarification on why the total invoice amount was different than what he had previously quoted and why boiler/machinery coverage was still included. He stated that he asked for a response prior to the IDA's December 30th Board meeting. He stated he received an e-mail late yesterday afternoon which contained an invoice for an additional \$1,662.40. There was no answers provided to the questions he had raised on December 16th. He stated he sent another e-mail back to the Mang Agency again asking for clarification to the December 16th questions he posed to them as well as what this additional invoice was for.

He stated that he believes that the amount quoted by Mr. VanGorder would be the factual invoice amount. He recommended that the IDA give authorization to issue a payment up to the \$9,375.51 to the Mang Agency as originally quoted. He stated if, for whatever reasons, the total invoice amount exceeds that number, he would come back to the IDA Board prior to making any payments to the Mang Agency. It was the consensus of all IDA members present to give authorization to make a payment to the Mang Agency in an amount not to exceed \$9,375.51.

IDA ACTION:

MOTION: To authorize a payment in the amount of \$9,375.51 to Mang Insurance Agency for property on Buildings 3 and 60 and for General Liability Insurance for the entire Tryon property for the period of September 1, 2014 – August 30, 2015.

MADE BY: Todd Rulison
SECONDED: Joseph Semione
VOTE: Unanimous

4. Internal Access Road:

a. Deed Transfer:

- Deed transfer has been completed.
- Documents were filed in County Clerk’s Office on December 17, 2014.

5. Proposed Lease Agreement:

a. Background:

- In 2014, the IDA leased lands at Tryon to Tim Korona to grow crops.
- Mr. Korona has asked the IDA to renew this Lease for 2015.

b. Proposed Lease Agreement:

- Term : January 1, 2015 – December 31, 2015
- Total Acres to be Leased : 60+/-
- Lease Price : \$30/acre
- Lease Termination : Include provision to allow IDA to terminate lease on 30 days written notice. Lease payment prorated.

IDA ACTION:

MOTION: To authorize the Chairman to execute a 1-year Lease Agreement with Tim Korona for approximately 60+/- acres of lands at Tryon with said Agreement to be subject to the final approval of the IDA Attorney.

MADE BY: Len House
SECONDED: George Bevington
VOTE: Unanimous

6. HVACR Trades Program:

- FMCC desires to have its HVACR Trades Program operational by the startup of the Fall, 2015 semester.
- Since the grant the IDA requested to prepare Building 3 for the Program was not approved, FMCC will be pursuing another location for this program.
- FMCC will be using space HFM-BOCES has made available for this Program.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated it is unfortunate that the Northern Borders Regional Commission Grant did not get approved to allow for this Trades Program to be developed at Tryon. He stated because the College desires to have this program operational by the fall of 2015, they are moving forward with developing the program in space that's become available at the HFM-BOCES Campus.

7. Theft of Copper Wire:

IDA DISCUSSION: Jim Mraz stated that it was discovered late last week that copper wire along the rear perimeter fencing has been removed by thieves. He reviewed on the Site Plan for Tryon the area of the exterior security fencing where the wire was taken. He stated that he would be notifying the Sheriff's Department in hopes of developing a way for trying to catch those responsible for this work.

B. Regional Business Park Project:

1. National Grid Grant Application:

- Fulton County and the Montgomery County IDA (MCIDA) are jointly pursuing getting the Regional Business Park site approved as an ESD certified shovel-ready site.
- Fulton County and the MCIDA have jointly hired the following firms to prepare various professional evaluations needed to gain ESD certification as a shovel-ready site:

Firm	Work	Total Cost
Ferguson & Foss	Topographic and Property Survey Work	\$ 17,500
MJ Engineering	Perform Engineering Studies	\$ 52,000
Plumley Engineering	Evaluate Feasibility of Railroad Spur	\$ 28,350
Hartgen	Prepare Phase I Archeological Report	\$ 1,130
Total		\$ 98,980

- At the last meeting, the IDA authorized submitting an application to National Grid's Shovel-Ready Incentive Program to obtain a grant to help pay for these engineering evaluations.
- IDA submitted a grant application to National Grid.
- National Grid has awarded a \$49,490 grant to the IDA.
- A 3-Party Agreement has been executed between Fulton County, Montgomery County IDA and Fulton County IDA.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated this money will be used to help offset the costs of the Fulton County and Montgomery County IDA's contributions towards this work.

2. Option Agreements:

a. Assignment Agreement with Fulton County Center for Regional Growth:

- FCCRG Board has agreed to execute the two (2) Assignments of Options to Purchase Real Estate that assigns these Options to the IDA.

b. Requests to Extend Options:

- These two (2) Options expire on March 31, 2016.
- Property owners have been asked to extend their Option Agreement through December 31, 2017.
- Milltown Plaza has agreed to extend the Option contingent upon the receipt of a \$5,000 payment that would be credited against the sale price. This is the amount previously paid by the EDC/CRG when the option was extended in the past.
- Miller has not yet responded to Kara Lais' letter asking if they would extend the Option. The Miller's had previously agreed to extend their option upon receipt of a \$500 payment.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the EDC Board was meeting today to approve transferring the Option Agreements from the EDC to the FCCRG. The FCCRG will then assign the Options over to the IDA. Joe Gillis stated that he thought the EDC had been eliminated. Ron Peters stated that they are in the process of doing so, but it will take probably another year to complete that process. Joe Gillis asked how many acres of land were a part of each Option. Jim Mraz stated that the Milltowne Option consists of three (3) parcels totaling over 220 acres of land. The Miller Option is for one (1) parcel that's approximately 35 acres of land.

Jim Mraz asked Kara Lais if she has heard back from the two (2) letters she has sent to Steve Miller. Kara Lais said she has received no response to date.

Jim Mraz stated that no payment would be issued to Milltowne or Miller until such time as the IDA received the executed Assignments from the FCCRG.

IDA ACTION:

MOTION: Upon receipt of an executed Assignment of Option from the FCCRG to authorize a payment of \$5,000 to Milltown Plaza to extend their Option Agreement with the IDA to December 31, 2017.

MADE BY: Joseph Semione

SECONDED: Bill Sullivan

VOTE: Unanimous

MOTION: Upon receipt of an executed Assignment of Option from the FCCRG to authorize a payment of \$500 to Miller to extend their Option Agreement with the IDA to December 31, 2017.

MADE BY: George Bevington

SECONDED: Len House

VOTE: Unanimous

V. NEW BUSINESS:

A. Proposed Amendment to Bylaws:

1. Existing Bylaws:

- Article II, Section 7: Appointment of Officers currently states:

“All officers of the Agency shall be appointed at the annual meeting of the Agency from among the members of the Agency and shall hold office for one year, or until their successors are appointed.”

2. Proposal:

- Based upon research the Governance Committee did on other IDA’s, the Governance Committee recommends that Section 7 be modified to establish a 2-year term for the position of Chairman.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated the Governance Committee asked for information regarding what other IDA’s do with respect with rotating Chairmen. He stated research indicated that most IDA’s have a requirement to rotate Chairmen every couple of years. Based upon the research conducted, he stated the Governance Committee is recommending that the IDA Bylaws be amended to establish a 2-year term for the position of Chairman. He stated one (1) person could serve for two (2) years and then would get off. That person could come back as a Chairman two (2) years later. Jim Mraz asked if there were any questions regarding this proposed Bylaw change. There were none.

Joe Semione said rotating Chairman is a routine practice on many Boards. Joe Gillis stated he was in agreement with the Governance Committee’s recommendation.

IDA ACTION:

MOTION: To approve amending Article II, Section 7 of the IDA Bylaws by establishing a 2-year term for the position of Chairman.

MADE BY: Len House

SECONDED: Joseph Semione

VOTE: Unanimous

B. Chief Financial Officer (CFO) Invoice:

- The IDA has received an invoice in the amount of \$300 from Carol Ellis, CFO, for services rendered from July 1, 2014 through December 31, 2014.
- The invoice is in accordance with the IDA’s Agreement with Carol Ellis.

IDA ACTION:

MOTION: To authorize the payment of \$300 to Carol Ellis, CFO.

MADE BY: William Sullivan

SECONDED: Joseph Semione

VOTE: Unanimous

C. Fitzgerald, Morris, Baker, Firth PC Invoices:

1. General Legal Services:

- The IDA has received an invoice in the amount of \$5,000 from Fitzgerald, Morris, Baker, Firth PC for providing general legal services in 2014.
- The invoice is in accordance with the IDA's Agreement with Fitzgerald, Morris, Baker, Firth PC.

IDA ACTION:

MOTION: To authorize the payment of \$5,000 to Fitzgerald, Morris, Baker, Firth PC for general legal services provided to the IDA in 2014.

MADE BY: Joseph Semione
SECONDED: William Sullivan
VOTE: Unanimous

2. Legal Services for Tryon Technology Park and Incubator Center Project:

- The IDA has received an invoice in the amount of \$3,000 from Fitzgerald, Morris, Baker, Firth PC for providing legal services in 2014 as part of the Tryon Technology Park and Incubator Center Project.
- The invoice is in accordance with the IDA's Agreement with Fitzgerald, Morris, Baker, Firth PC.

IDA ACTION:

MOTION: To authorize the payment of \$3,000 to Fitzgerald, Morris, Baker, Firth PC for providing legal services in 2014 to the IDA as part of the Tryon Technology Park and Incubator Center Project.

MADE BY: George Bevington
SECONDED: Todd Rulison
VOTE: Unanimous

D. West & Company Invoice for Payroll Services:

- The IDA has received an invoice in the amount of \$500 from West & Company for payroll services rendered in 2014.
- The invoice is in accordance with the IDA's Agreement with West & Company.

IDA ACTION:

MOTION: To authorize the payment of \$500 to West & Company for payroll services rendered.

MADE BY: George Bevington
SECONDED: Todd Rulison
VOTE: Unanimous

E. 2014 Auditor:

- The IDA has received an Engagement Letter from West & Company to perform the Audit of the IDA's 2014 Financial Statements from the West & Company.
- Jim Mraz stated this Engagement Letter is in the amount of \$8,750, which was the amount of the proposal West & Company submitted to the IDA recently as a result of the Request for Proposals (RFP) the IDA issued to various accounting firms.
- Jim Mraz recommended that the IDA Board authorize the Chairman to execute this Engagement Letter so as to allow West & Company to begin work immediately on preparing the 2014 Audit.

IDA ACTION:

MOTION: To appoint West & Company as the IDA Auditor for 2015 and to authorize the Chairman to execute an Agreement with the West & Company to prepare the 2014 Audit of the IDA's Financial Statements at a cost of \$8,750.

MADE BY: Joseph Semione
SECONDED: William Sullivan
VOTE: Unanimous

F. Start-up NY:

1. Background:

- Start-up NY is New York State's latest economic development incentive program.
- The program will create tax-free zones to attract and grow new businesses, and incentivize existing businesses, in New York. Participating businesses, including their owners and employees, will be exempt from New York State liabilities for a period of time.

2. Participating Businesses:

- In order to receive START-UP NY benefits, a business will need to be aligned with or further the academic mission of the campus, college or university sponsoring the tax-free community. Every business must create and maintain net new jobs in order to participate.
- Businesses must:
 - a. Be a new start-up company.
 - b. Be a company from out-of-state that is relocating to New York State; or
 - c. Be the expansion of an existing New York State company as long as it can demonstrate that it is creating new jobs and not moving existing jobs.

3. Financial Incentives:

- a. Companies that are approved to participate in the START-UP NY will not pay any taxes in New York (no income tax; no business, corporate state or local taxes; no sales tax; no property tax; and no franchise fees) for 10 years. The specific credits and exemptions include:

1. A credit that eliminates corporate entity-level franchise taxes and personal income taxes related to income earned in the tax-free NY area by the approved business (the exemption is provided via a tax-free NY area tax elimination credit).
 2. An exemption from the organization tax imposed under Tax Law §180 or the license and maintenance fees imposed under Tax Law §181, whichever is applicable, if the business is located exclusively in the tax-free NY area.
 3. A credit or refund of New York State and local sales and use taxes imposed by the state in the MCTD) imposed on the sale of tangible personal property, utility services, and services taxable.
 4. An exemption from state or local real estate transfer tax or local real property transfer tax on any lease of real property located in a tax-free NY area.
 5. Certain exemptions from real property taxes.
 6. Employees of participating companies will pay no income taxes for the first five (5) years. For the second five (5) years, employees will pay no taxes on income up to \$200,000 of wages for individuals, \$250,000 for a head of household, and \$400,000 for taxpayers filing a joint return.
4. IDA Projects:
- Each Community College in New York State can designate 200,000 sf of building space on their campuses to receive START-UP NY benefits.
 - However, State regulations will allow any project involving an IDA project to receive START-UP NY benefits and those projects will not count towards a Community College's 200,000 sf allocation.
 - FMCC would like to know if the IDA Board would like to designate any of the following IDA properties to be eligible to receive START-UP NY benefits:
 - a. Tryon Technology Park and Incubator Center
 - b. Crossroads Business Park
 - c. Crossroads Industrial Park
 - d. Johnstown Industrial Park
 - In order to have START-UP NY benefits provided to IDA projects, the IDA would have to execute an Agreement with FMCC.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the IDA previously discussed START-UP NY and its potential application at Tryon. He stated that the rules for the START-UP NY Program are evolving. He stated, originally, the Program allocated 200,000 sf of space for FMCC. FMCC had identified using Tryon, the FMCC Campus and the Florida Business Park Expansion as the three (3) locations where this 200,000 sf of space could be allocated to. He stated the College was going to allocate this 200,000 sf on a first-come first-serve basis. He stated START-UP NY Regulations now allow for any project that the IDA is involved in to be eligible for START-UP NY benefits and for that project to not count towards the College's 200,000 sf allocation. In order for an IDA project to be eligible, the IDA would have to execute an Agreement with FMCC. He asked IDA members if they would like to have all vacant IDA land targeted for potential START-UP NY benefits. George Bevington responded saying that START-UP NY is an economic development tool that Fulton County should have available to allow it to compete against other communities who will be offering this same tool. Todd Rulison agreed saying that it is something that the IDA should pursue.

IDA ACTION:

MOTION: To authorize the Executive Director to submit to FMCC all IDA-owned vacant land in the Tryon Technology Park and Incubator Center, Crossroads Industrial Park, Crossroads Business Park and Johnstown Industrial Park for inclusion into an application the College will submit to SUNY to get these properties approved for START-UP benefits.

MADE BY: Joseph Semione
SECONDED: Joseph Gillis
VOTE: Unanimous

G. Resignation:

- Len House has advised that he will be resigning from the IDA Board at the end of 2014.
- Len has been a member of the IDA Board since 2000.

IDA DISCUSSION: All IDA members present expressed their thanks and gratitude to Len House for his years of dedicated service to the IDA Board of Directors. There was a brief discussion regarding finding candidates to replace Len. Jim Mraz recommended that all IDA members identify potential candidates, speak with them about their interest in serving on the IDA Board and, if they are interested, to present those names at the Annual Meeting of the IDA Board. The IDA Board could then, at its Annual Meeting, decide who to recommend to the Fulton County Board of Supervisors to appoint to the IDA Board to replace Len.

IDA ACTION:

MOTION: To accept, with regrets, the resignation of Len House from the IDA Board and to thank Len for his years of dedicated service.

MADE BY: Joseph Semione
SECONDED: Todd Rulison
VOTE: Unanimous

H. Annual Meeting:

- The IDA's Bylaws state the Annual Meeting shall be held in January of each year.
- Nominating Committee needs to prepare a slate of officers to present at the Annual Meeting.
- Nominating Committee Members: Joe Semione
George Bevington
Vacancy

IDA DISCUSSION: Jim Mraz stated that the Annual Meeting typically is held in January of each year. He stated, however, Joe Gillis will be out of town at training for the month of January. It was the unanimous consensus of all IDA members present to have the Annual Meeting scheduled for February when Joe Gillis is back in town. After a brief discussion, it was agreed that the Annual Meeting would be held on Thursday, February 5th, at 5:00 p.m.

Jim Mraz advised the Nominating Committee to prepare a slate of officers to present at the Annual Meeting.

VI. OTHER BUSINESS:

A. Marketing Agreement with Fulton County Center for Regional Growth (CRG):

1. Background:

- IDA has had a Marketing Agreement with EDC/CRG for many years.
- IDA Board members have expressed concerns over what marketing services are being provided in return for funds being paid to EDC/CRG.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he has had several discussions with Ron Peters regarding the history of the Marketing Agreement between the FCCRG and IDA. He reviewed the existing Marketing Agreement which calls for the IDA to make an annual payment of \$5,000 to the FCCRG in return for the FCCRG marketing IDA properties. If a lot sale occurs in a given year, that payment is credited back to the IDA. Bill Sullivan suggested eliminating the \$5,000 payment and have the Marketing Agreement be incentive based. The CRG would be paid a percentage of the lot sale. Ron Peters stated that the CRG prefers to have the \$5,000 payment to help cover its upfront costs in performing marketing.

Jim Mraz asked IDA members if they were still comfortable having a Marketing Agreement with the FCCERG. It was the consensus of IDA members present to have a Marketing Agreement with the FCCRG in 2015. Jim Mraz recommended that he and Ron Peters work out a draft Agreement and have that Agreement presented at the Annual Meeting. All IDA members present agreed with that recommendation.

B. Industrial Park Signs:

- Entrance signs to three (3) Parks need to be landscaped/repaired/upgraded.
- Received input from a business in Crossroads Industrial Park that shrubs around sign have grown so much that sign can't be seen.

IDA DISCUSSION: Jim Mraz stated that he received input recently from a business in the Crossroads Industrial Park that the sign for that Park is overgrown and can't be seen. He inspected the sign and found that to be the case. He stated he also checked the entrance signs at the Johnstown Industrial Park and Crossroads Business Park and found them also in need of improvements. He stated these three (3) signs should be in good shape to help market properties in those Parks. He stated the Crossroads Industrial Park sign is located in the road right-of-way. He stated that he could contact Kevin Jones and see if they could go out and trim the trees and bushes around the sign so as to make it more visible. He stated, however, if when the time comes to repaint and spruce up the signs themselves, he's not sure whether the City of Gloversville has funds available to do that. It was the consensus of IDA members present to have Jim Mraz contact Kevin Jones to try and get the bushes and trees around the Crossroads Industrial Park sign trimmed and to see if they have funds to spruce up the Crossroads Industrial and Crossroads Business Park signs. If not, the IDA would consider spending funds in 2015 to improve those signs.

VII. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : Todd Rulison
SECONDED : Joseph Semione
VOTE : Unanimous
TIME : 9:30 a.m.