

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**WEDNESDAY  
MARCH 26, 2014  
8:00 A.M.**

**PLANNING DEPARTMENT CONFERENCE ROOM**

## **MEETING NOTES**

PRESENT:

JOE GILLIS, CHAIRMAN  
LEN HOUSE, VICE CHAIRMAN  
WILLIAM SULLIVAN, TREASURER  
JOSEPH SEMIONE, MEMBER  
DIANA PUTNAM, MEMBER  
JAMES MRAZ, IDA EXECUTIVE DIRECTOR  
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC  
WILLIAM WALDRON, LIAISON  
LEADER HERALD

### **I. MINUTES FROM JANUARY 14, 2014 MEETING:**

MOTION : Accept as presented.  
MADE BY : Joseph Semione  
SECONDED : William Sullivan  
VOTE : Unanimous

### **II. BUDGET REPORT:**

MOTION : Accept as presented.  
MADE BY : Joseph Gillis  
SECONDED : Len House  
VOTE : Unanimous

### **III. COMMITTEE REPORTS:**

#### **A. Nominating Committee:**

- No report.

B. Audit Committee:

- Audit Committee met with West & Company on March 13, 2014 to review draft 2013 Audit of IDA's Financial Statement.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

IV. **OLD BUSINESS:**

A. **Lot Sale Payment from 1988 Incubator Building Project in Crossroads Industrial Park:**

- As part of the Authority Budget Office's (ABO) 2011 Compliance Review, the ABO found that, in 1987, the IDA donated 5.17 acres of land in the Crossroads Industrial Park to the Crossroads Incubator Corporation (CIC), with an understanding that if the land were to be transferred or sold, the IDA receive a payment for the lot.
- The CIC sold this property in 2007, but did not make a payment to the IDA.
- As a result, the IDA commenced an investigation into this 24 year old matter.
- The IDA's investigation determined that:
  - In 1988, the IDA provided 5.17 acres in the Crossroads Industrial Park to the CIC, at no cost, to use to construct an Incubator Building on the condition that the payment for the lots would be deferred until the property was sold. The lot sale price in 1988 was \$10,000/acre. Total price was \$51,700.
  - On February 1, 1988, the CIC executed a Collateral Security Mortgage in the amount of \$51,700.
  - On December 26, 2001, a Discharge of Mortgage was signed by the Chairman of the IDA stating that this Collateral Security Mortgage had been satisfied.
  - No record, however, was found verifying that the IDA actually received a payment in the amount of \$51,700 in December of 2001 from the CIC.
- Since this discovery was made, the IDA's Audit has included a note acknowledging this \$51,700 as an unknown receivable.
- The West & Company and IDA Counsel have both recommended that the IDA write off this amount as an uncollectable debt.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated it was recommended by both Kara Lais, IDA Attorney, and West & Company that the IDA write off this amount as an uncollectable debt. Joe Gillis stated that he does not want to write off this debt at this time. He recommended that the IDA ask the IDA's former Attorney who was involved with this matter to document to the current IDA Board that a payment was made in return for having a Discharge of Mortgage executed in 2001. Joe Gillis stated that he would like the IDA's former Attorney to provide proof in the form of a

cancelled check that a payment was made to the IDA. Kara Lais stated the IDA can ask for this proof. She stated, however, that without a legal action being initiated, there would be no requirement on the part of the former IDA Attorney to respond. In the absence of a legal action, she stated she's not sure if the IDA will get a response. Kara Lais stated that the IDA could commence a legal action against the CIC. She stated there may be a statute of limitations issue. Joe Semione stated that he would not be opposed to having such a letter sent. Bill Sullivan stated if such a letter was going to be sent, it should go to both the former IDA Attorney and the former IDA Chairman of the Board that signed the Discharge of Mortgage. Jim Mraz asked who the Board would like the letter to come from. It was recommended that the letter come from Kara Lais.

It was the consensus of all present to have this letter sent. If no responses are provided, the IDA could then move towards writing off this unknown receivable as an uncollectable debt.

**IDA ACTION:**

**MOTION:** To authorize Kara Lais to send letters to both the IDA's former Attorney and IDA's former Chairman asking for proof that the CIC made a payment in the amount of \$51,700 in return for having the IDA's former Chairman execute a Discharge of Mortgage in 2001.

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

**B. Tryon Technology Park and Incubator Center Project:**

1. Construction Project:

- Phase I Project will consist of six (6) main components:
  - 2,500 linear feet (LF) of new road
  - 3,900 LF of new waterline
  - 600 LF of new sanitary sewer line
  - Repair electrical system at wastewater pump station on north side of County Road 107
  - Repair pump at wastewater pump station on south side of County Road 107
  - Construct stormwater collection system for new road which will include roadside ditches, culverts and three (3) stormwater treatment basins.
  - Energize the electrical system onsite.
  - Charge the water system, disinfect water lines and turn off water pumps to ensure they are working properly.
  - Unplug sewer lines, restart sewer pumps to ensure they are working properly.
- Project scope was reduced to keep project cost within \$2 million project budget.
- As a result, a Phase II Project will be pursued at a later date. Additional grant funds will be applied for to help pay for Phase II. Phase II will include:
  - New water booster station.
  - New elevated water tank.
  - Reconfigured water and sewer lines.

- Phase I design plans have been sent to the following agencies for their review and approval:
  - Gloversville Board of Water Commissioners
  - NYSDEC
  - NYSDOH
  - Empire State Development
  
- Schedule:
 

April 23, 2014	:	Bids opened.
April 29, 2014	:	Economic Development and Environment Committee reviews bids.
May 12, 2014	:	Board of Supervisors awards contracts.
June, 2014	:	Construction starts.
October, 2014	:	Construction completed.
  
- One (1) contract will be awarded:
  - General Construction
  
- In addition, the Highway Department is scheduled to repave the existing internal access road in 2014. This work will involve:
  - Widening road at intersection with County Road 107 to create left and right turn lanes for vehicles exiting site.
  - Install 1½” of new asphalt top over all existing roads.

2. Building Contents:

- a. Background:
  - Four (4) buildings must be demolished as part of the construction project.
  - Fulton County Board of Supervisors has authorized and directed the Fulton County Department of Solid Waste to demolish these buildings.
  - As part of the demolition process, the Department of Solid Waste will salvage miscellaneous metals, copper and aluminum from the buildings and sell those as scrap metals. The revenues generated from this will be retained by the Department of Solid Waste.
  - There are also contents in these buildings that have value.
  
- b. Proposed Auction:
  - It was proposed that the IDA conduct an auction to sell the contents of these four (4) buildings, as well as the contents in the maintenance building. Proceeds from this auction would go to the IDA.
  - A proposal has been received from Adirondack Auction Sales to perform the Auction.
  - Auctioneer would:
    - Move all items into two (2) buildings.
    - Organize, clean and tab all items to be auctioned.
    - Run the Auction.

IDA DISCUSSION: Jim Mraz stated that he met recently with Adirondack Auction Sales who propose to auction all of the contents of the four (4) buildings that need to be demolished, as well as Building #4. He reviewed the details of the proposal with the IDA Board. Jim Mraz asked Kara Lais if the IDA needed to go out for bid for auctioneering services or could the IDA retain the services of a firm without going out to bid. Kara Lais stated she thought the IDA would not have to go out to bid. She stated she would review the IDA's procurement policy and ABO requirements to ensure this is the case. Jim Mraz also asked Kara Lais if it was acceptable for the IDA to auction off this property. Kara Lais stated that the only question she would have is whether a notice may need to be sent to the ABO. She stated there is an ABO requirement that the disposition of an Authority's personal property of \$15,000 or more requires a notice be sent to the ABO. She stated that while there appears to be no single item in this auction that would value over \$15,000, she wants to make sure that the ABO's interpretation of this requirement does not apply to an aggregate purchase. She stated that she would check on this and get back to Jim Mraz.

Kara Lais recommended that the IDA pass a motion declaring all items in these buildings as surplus property and no longer needed for the IDA's purpose and mission.

Jim Mraz asked IDA Board members if they desired to retain and maintain the Maintenance Building (Building 60). He stated that he obtained from the Office of Children and Family Services (OCFS) that it costs the State almost \$7,000 to heat the building in the last year that it was heated. This was the cost incurred for maintaining minimal heat in the building. Joe Gillis stated that he would like to keep the building in the event that someone is interested in leasing it. Jim Mraz asked Board members if they wanted to reactivate and maintain the building systems so as to maintain heat in the building. It was the unanimous consensus of all IDA members present that the building systems should not be reactivated and heat not turned back on. All IDA members agreed that it would not be in the IDA's best interest to pay for the costs of maintaining minimal heat in the building.

Jim Mraz asked IDA members if they wanted to try and sell, at this Auction, all contents in this building including items like the emergency generator and truck lift? Joe Gillis questioned whether it would be wise to remove the backup generator. Jim Mraz stated that this was the original generator that was used to provide backup power to the building. This generator was no longer used after the State put in the large generator just outside of the building that provides backup power to all the buildings on the Campus. After a brief discussion, it was the unanimous consensus of all IDA members present to proceed with selling all contents in this building at this action.

Jim Mraz stated that the Auction would, in all likelihood, occur on the first or second Wednesday of May. Those people who purchase items would be given 48 hours to come and pick them up. This would result in all items being picked up and removed by the end of the day of Friday of that week.

**IDA ACTION:**

**MOTION:** To declare all items and contents in the buildings to be demolished as part of the construction project, as well as the maintenance building, as surplus property that is no longer needed by the IDA for its corporate purpose and mission.

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

MOTION: To authorize the Chairman, subject to the final approval of the IDA Attorney and Executive Director, to execute an Agreement with Adirondack Auction Sales to conduct an auction at Tryon to sell all items and contents in the buildings that have to be demolished as part of the upcoming construction project as well as the maintenance building.

MADE BY: Joseph Semione

SECONDED: Joseph Gillis

VOTE: Unanimous

### **C. Tryon Marketing Plan:**

#### 1. Request for Proposals (RFP):

- RFP was distributed to 21 firms in 13 states nationwide.
- Five (5) proposals were received.
- Sent RFP to Mike Mullis to show follow-up work being pursued from his site visit.
- Economic Development and Environment Committee will be reviewing proposals at their April 1, 2014 meeting.
- Board of Supervisors scheduled to award contract at its April 14, 2014 meeting.

#### 2. Scope of Work:

- Prepare assessment of Fulton County region.
- Prepare Labor Market Analysis.
- Prepare Targeted Industry Analysis.
- Prepare Tryon Marketing Plan that includes marketing strategy for each Targeted Industry Cluster.
- Develop marketing materials.
- Business Recruitment.
- Prepare website dedicated to Tryon.

#### 3. Engineering Evaluation of Emergency Generator:

- Fulton County has hired C.T. Male to conduct an engineering evaluation of the existing generator to see if it could be reused to provide backup power.

#### 4. National Grid Grant:

- IDA was awarded \$75,000 National Grid grant to pay for 50% of cost of hiring marketing consultant to prepare Tryon Marketing Plan and conduct the engineering evaluation of the generator.
- Fulton County will be executing Agreement with marketing consultant and C.T. Male.
- National Grid has requested that the IDA execute an Agreement with Fulton County stating that the County shall pay for the Consultant's costs upfront, invoice the IDA, the IDA invoices National Grid, National Grid pays the IDA and the IDA reimburses the County.
- Draft Agreement has been reviewed and approved by Kara Lais.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he drafted an Agreement between Fulton County and the IDA to address National Grid’s request. He stated Kara Lais has reviewed the Agreement and found it acceptable. Len House asked if the County will be invoicing the IDA. Jim Mraz stated, “Yes.” Len House asked how this would be reflected in the IDA Budget. Jim Mraz stated that there will be both an expenditure and revenue line items established for the budget that will be offsetting. As a result, there will be no net impact on the IDA’s budget.

IDA ACTION:

MOTION: To authorize the Chairman to execute an Agreement with Fulton County regarding the disbursement of National Grid’s Grant funds as part of the Tryon Marketing Plan Project and engineering evaluation of the emergency generator.

MADE BY: Len House  
SECONDED: Joseph Gillis  
VOTE: Unanimous

**V. NEW BUSINESS:**

**A. 2013 Audited Financial Statement:**

- West & Company has finalized 2013 Financial Statement.
- West & Company has issued an “unqualified opinion”, which is the best opinion the IDA could receive.
- Audit Committee met with the West & Company and reviewed the entire Report.
- Audit Committee recommends acceptance of the 2013 Financial Statement.

IDA DISCUSSION: Jim Mraz distributed copies of the final 2013 Audited Financial Statement prepared by West & Company. He stated that West & Company has, again, issued an “unqualified opinion.” He reviewed several parts of the Audit. He asked Committee members if they had any comments on the Audit. Len House stated that Amy Pedrick is now the Lead Auditor for the West & Company and Jill Thaisz is now assisting. He stated the IDA is required to change Lead Auditor every five (5) years and this has now occurred.

IDA ACTION:

MOTION: To accept the 2013 Audited Financial Statement and authorize the Executive Director to file it under PARIS.

MADE BY: Joseph Semione  
SECONDED: Len House  
VOTE: Unanimous

**B. 2014 Fire Tax Bills for Tryon:**

- IDA recently received 2014 Town of Perth Fire Tax Bills for the Tryon property.
- A total of seven (7) individual tax bills each for \$164.22 were received. The tax bills were received after the original due date.
- The total original payment due was \$1,149.54.
- Jim Mraz met with Town of Perth Assessor to try and understand why there are seven (7) individual bills all for the same amount. This methodology was established before the current assessor took office. He is not sure why it's done this way. He was going to discuss the situation with the Director of the Real Property Tax Services Agency to see if a single tax bill instead of 7 can be issued in future years.
- In the meantime, the IDA needs to pay these Fire Tax Bills.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that when he met with the Town Assessor, the Town Assessor brought with him the file that was in the Assessor's office regarding Tryon. He stated the file contained no explanation or background as to why seven (7) individual fire tax bills are issued for Tryon when Tryon is a single parcel of land. He stated the Town Assessor will be looking at trying to change this in subsequent years so as to have a single fire tax bill instead of seven (7).

Jim Mraz added that since the IDA did not receive these fire tax bills until the end of February, he spoke with County Treasurer on whether the IDA could pay the original amounts or had to pay the penalties. He stated that he didn't think the IDA should have to pay penalties since it did not receive the invoices until after the due date of the original bill. Jim Mraz stated that the County Treasurer advised him for the IDA to just pay the original amounts and to advise the Town Tax Collector that the County Treasurer recommended that to the IDA.

Jim Mraz stated that there is no line item in the IDA's Budget for these fire tax bills. As a result, he's recommending that the \$1,149.54 be transferred from the line item titled "Tryon Building Systems Startup Account" into a new account titled "Town of Perth Fire Taxes."

**IDA ACTION:**

**MOTION:** To authorize the payment of the seven (7) Town of Perth 2014 Fire Tax invoices totaling \$1,149.54 for the Tryon property.

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

**MOTION:** To authorize the creation of a new budget line item titled Town of Perth Fire Taxes and to transfer \$1,149.54 from the Tryon: Building Systems Startup Account into this new account.

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

**C. Proposed Updates to Policy 6: Property Disposition:**

1. Background:
  - IDA Policy 6 deals with the disposition of IDA property.
  - The policy is modeled after the Public Authority Accountability Act.
  - The proposed changes only incorporate changes from the Public Authority Accountabilities Reform Act.
  
2. Proposed Changes:
  - See Handout.

IDA DISCUSSION: Jim Mraz reviewed the handout and information in the Agenda. He stated that the proposed changes to Policy 6 come right out of the Public Authority Accountabilities Reform Act. He stated that changes in IDA policies have, in the past, typically been reviewed by the Governance Committee first. He stated, in this instance, however, the changes are required in order for the Policy to comply with State Law. Kara Lais agreed. She stated that this policy must comply with State Law. It is not an option for the IDA. Jim Mraz stated that the IDA could adopt the policy as presented today or wait until a future meeting and forward it to the Governance Committee to review. It was the unanimous consensus of all present that given that these changes are required by State Law, there was no need to send it to the Governance Committee. Len House asked that the third item under “Background” in the Agenda be changed to read, “The proposed changes only incorporate changes from the Public Authorities Accountabilities Reform act.” Jim Mraz stated that he would make that change to the meeting notes.

IDA ACTION:

MOTION: To approve the proposed revisions to Policy 6: Property Disposition as presented.

MADE BY: Joseph Semione

SECONDED: Len House

VOTE: Unanimous

**VI. CLOSE MEETING:**

MOTION : To close the meeting.

MADE BY : Joseph Semione

SECONDED : Len House

VOTE : Unanimous

TIME : 9:30 a.m.