

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**TUESDAY  
DECEMBER 13, 2016  
8:00 A.M.**

**PLANNING DEPARTMENT CONFERENCE ROOM**

## **MEETING NOTES**

PRESENT:

TODD RULISON, CHAIRMAN  
JOSEPH SEMIONE, VICE CHAIRMAN  
JOE GILLIS, SECRETARY  
DIANA PUTNAM, MEMBER  
DAVE D'AMORE, MEMBER  
TIM MUNN, MEMBER  
JAMES MRAZ, IDA EXECUTIVE DIRECTOR  
WILLIAM WALDRON, LIAISON

### **I. MINUTES FROM OCTOBER 11, 2016 MEETING:**

MOTION : Accept as presented.  
MADE BY : Diana Putnam  
SECONDED : Joseph Semione  
VOTE : Unanimous

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

MOTION : Accept as presented.  
MADE BY : Joseph Semione  
SECONDED : Dave D'Amore  
VOTE : Unanimous

**III. COMMITTEE REPORTS:**

A. Nominating Committee:

- No report.

B. Audit Committee:

- No report.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

**IV. OTHER REPORTS:**

A. Fulton County Center for Regional Growth: Ron Peters

- No report.

B. Fulton County Board of Supervisors' Economic Development Committee: Bill Waldron

- No report.

**V. OLD BUSINESS:**

**A. Tryon Technology Park Project:**

1. Repairs to Wastewater Pump Station:

A. Background:

- IDA members were e-mailed regarding problems with pumps at the wastewater pump station.
- General Control Systems (GCS) and Adirondack Septic were both called to the Pump Station to diagnose the problem and then make the repairs.

B. Invoices:

- General Control Systems : \$1,404.50
- Adirondack Septic : \$1,788.00

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked if there were any questions regarding this proposed motion. There were none.

IDA ACTION:

MOTION: To authorize payments of \$1,404.50 to General Control Systems and \$1,788.00 to Adirondack Septic for repair work at Tryon Wastewater Pump Station.

MADE BY: Joseph Gillis  
SECONDED: Timothy Munn  
VOTE: Unanimous

2. Roof Leak in F-Wing:

- At the October 11, 2016 meeting, the IDA Board authorized having a roof leak at a cost to not exceed \$1,000 in F-Wing repaired.
- Correll Roofing has repaired the leak.
- Total Invoice: \$500.00

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize a payment of \$500.00 to Correll Roofing to repair a leaking roof drain in the F-Wing.

MADE BY: Dave D'Amore  
SECONDED: Diana Putman  
VOTE: Unanimous

3. Engineering Evaluation of F-Wing of Building 3:

A. Background:

- Fulton County has hired C.T. Male to prepare an engineering evaluation on the feasibility and cost of developing a standalone HVAC/electrical, plumbing, water and sewer system for the F-Wing of Building 3.
- The Agreement has been executed.
- C.T. Male has inspected the F-Wing and is conducting its evaluation.

IDA DISCUSSION: Jim Mraz stated that the first draft of the report from C.T. Male has been submitted. He stated the report indicates that standalone HVAC, electrical, plumbing, water and sewer systems for the F-Wing of Building 3 can be completed. He stated he will be presenting this report to the Board of Supervisors. The next step is to seek the approval of the Northern Borders Regional Commission who provided a \$184,000 grant for this project to get their approval to go out and hire an engineer to prepare plans and specifications to allow for this project to go out to bid. He reminded IDA members that the IDA has committed a local share of about \$66,000 for this project. Those funds, coupled with the Northern Borders Regional Commission Grant and a \$150,000 appropriation by the Fulton County Board of Supervisors brings the total budget to approximately \$400,000. He stated approximately \$10,000 of that has been spent to have C.T. Male conduct this engineering evaluation. He stated, based upon the preliminary findings from C.T. Male, he's hopeful that the standalone HVAC's systems can be completed for the amount of money within the project budget. He asked if there were any further questions. There were none.

4. Proposed Solar Array:

- The Application was submitted to National Grid to conduct their engineering evaluation.
- National Grid has responded to the Application by saying the proposed array may work. National Grid says the proposed project can now go to the next level of review.
- National Grid advised that in order for them to conduct the next level of review, an \$18,100 fee must be paid.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the IDA hired C.T. Male last year to conduct an evaluation on the feasibility of building a solar array at Tryon. C.T. Male commenced its evaluation and got to a point where it needed input from National Grid on whether they would allow for the power being generated by the solar array to be connected into its grid. At about that time, National Grid came out with a new process for reviewing these types of requests. The process required an upfront fee of approximately \$7,500 to conduct an initial evaluation of a proposed solar array. When this was learned, C.T. Male approached a client of theirs who constructs solar arrays. He stated that client agreed to pay for the cost of having this initial evaluation conducted by C.T. Male. He stated C.T. Male's client was interested in doing so on the potential that it may be able to build that solar array in the future. Jim Mraz stated that it was made clear to both C.T. Male and its client that having this firm pay for the cost of having this initial evaluation would not obligate the IDA to utilize that firm to build the solar array. C.T. Male and the company acknowledged such.

Jim Mraz stated that National Grid's initial evaluation came back positive. National Grid advised that the next step in their process is to conduct a more detailed investigation. National Grid advised that this more detailed investigation will cost \$18,100. C.T. Male has advised that their client is willing to pay this additional cost to have the next phase of the investigation conducted. Jim Mraz stated that he would keep the IDA Board abreast of the findings from this next phase of evaluation as it moves forward. He asked if there were any questions. There were none.

5. Lead Generation:

- Applied Marketing is working on trying to identify companies that may be interested now or in the near future with moving into the Tryon Technology Park.

6. New Electric Service:

a. Background:

- National Grid recently asked for the corners of all lots to be marked and surveyed.
- IDA hired Ferguson & Foss to perform that work.
- Survey map was sent to National Grid on July 18, 2016.
- National Grid responded by asking if the lot lines were floating.
- National Grid was advised that the intent was to keep the lot lines as shown. However, if a company wanted a parcel of land that would require moving a lot line, that would be considered.
- National Grid requested that property lines be staked.
- IDA hired Ferguson & Foss to install stakes along property lines.
- Ferguson & Foss completed this work.

b. November 30, 2016 Meeting with National Grid:

1. Background:

- Chad Kortz, C.T. Male, Jon Stead, Administrative Officer, Scott Henze, Planner, and Jim Mraz, Executive Director, met with eight (8) National Grid representatives.
- National Grid is designing the new 13.2 Kv electrical service for Tryon.

2. National Grid Input:

- National Grid will be extending 3-phase, 13.2 Kv service along CR107 to the main entrance to Tryon.
- National Grid will be installing a new electrical pole on the right side of the entrance road.
- National Grid will be installing a new underground electrical service along the outside of CR117. This will consist of approximately 7,400+/- linear feet of wire.
- The new electrical service will be installed in 5" conduit.
- National Grid will be installing switchgear at each property corner.
- National Grid will make the new electrical services available to:
  - 1) Vireo Health
  - 2) Building 60
  - 3) Wastewater Pump Station
  - 4) Water pump Station
  - 5) Elevated Tank
  - 6) Building 3

3. Customer Responsibilities:

a. National Grid advised that the Customer must provide and pay for:

- 1) Supply and install two (2) 5" conduits around the exterior of CR117. 7,400+/- linear feet/conduits. Total: 14,800 linear feet of 5" conduit
- 2) Dig the trench for the conduits.
- 3) Backfill the trench.
- 4) Supply and install electrical hand holes every 400' : (18+/-)
- 5) Acquire easements from private property owners along CR107 that will be needed for guide wires on several new poles that National Grid will be installing along CR107.

b. The Customer must provide an approved Site Plan showing all lots and existing utilities:

- Town of Perth Planning Board Chairman signed three (3) copies on December 5<sup>th</sup>. The signed Site Plan was delivered to National Grid on December 6, 2016.

4. National Grid Grant Programs:

- a. On December 5, 2016, Jim Mraz e-mailed National Grid regarding potential grant programs they may have to offset the potential Customer responsibilities identified above.

- b. National Grid responded by saying::  
“In 2003, National Grid created the programs to help developers (public or private) to manage “customer costs.” Depending on the costs, one or both programs can be used to offset customer Contribution In Aid to Construction (CIAC). A third program, the Capital Investment Incentive Program, can be used if an eligible applicant decides to locate at the site and we need to provide power to them, causing a customer Contribution In Aid to Construction (CIAC).

1. **Industrial Building Redevelopment**

The Industrial Building Redevelopment Program provides grants of up to \$250,000 (based on the amount of capital investment) to property owners who are upgrading electric and/or natural gas infrastructure to return these properties to active industrial use.

2. **ShovelReady Infrastructure**

The Shovel Ready Infrastructure Program provides grants of up to \$125,000 for engineering and planning to advance a site in the ShovelReady certification process. When the site is certified ShovelReady by Empire State Development, a \$250,000 matching grant is made available for the installation of electric and natural gas infrastructure. Already designated BuildNow NY and ShovelReady Certified sites may also apply for matching grant for electric and gas infrastructure. All sites must be served by National Grid to be eligible for the program.

3. **Electric Capital Investment Incentive**

The Capital Investment Incentive Program provides funds to help offset the customer costs associated with upgrading utility infrastructure to accommodate a business expansion or new construction project. Specifically, this program supports business attraction or expansion projects located in National Grid’s upstate New York service territory. The applicant must demonstrate that they are unable to secure sufficient funding for the project through federal, state, or local economic development programs.

5. Next Steps:

- a. National Grid completes their Design for the new electrical service.
- b. National Grid submits their Design to the IDA/Fulton County.
- c. IDA/Fulton County prepare plans and specifications to use to go out for bids to dig trench, supply and install 5” conduits and electrical hand holes.
- d. Obtain competitive bids.
- e. Apply for National Grid grant.
- f. Award contract.
- g. Complete installation of conduits and hand holes.
- h. National Grid pulls wires and installs switchgear at each property corner.
- i. Connect Vireo Health, Building 60, Wastewater Pump Station, Water Pump Station and Elevated Tank to new electrical system.
- j. Activate new electrical system.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated, at the November 30<sup>th</sup> meeting, National Grid surprised the local contingent there by advising that National Grid will be requiring either the IDA or County to perform certain work as a part of their installation of a new electric service. He reviewed the map showing where National Grid would be extending the 3-phase power that currently comes into Tryon to the front entrance to Tryon. He stated that National Grid’s proposing to install new poles along the south side of CR107 and one on the east side of County Road 117 near its intersection with County Road 107. From there, the new electric service will be run underground along the outside of County Road 117 all the way around the entire length of County Road 117. The total length of that run would be approximately

7,400'. He stated National Grid expects the IDA or County to pay for the cost of digging the trench, installing two (2) 5" conduits, backfilling the trench and installing electrical hand holes every 400'. He stated, in addition, National Grid will be requiring that the IDA/County provide the concrete bases for the electrical switchgear that will be located at each of the property lines.

Jim Mraz stated that once he heard that National Grid was requiring the IDA/County to pay for these costs, he contacted National Grid's Economic Development Program to see if there was any grant funding available through National Grid to pay for these costs. He stated National Grid does have three (3) Grant Programs to help pay for this cost. He stated, at present, he does not know whether the amount of grant funding that could be obtained would pay for all of the cost of performing the work National Grid will be requiring. He stated one arm of National Grid will be charging the IDA and County the cost of performing some of National Grid's work while another arm of National Grid will help pay for the cost of performing this work. He stated it would be a lot simpler if National Grid just did the work themselves. He stated, however, National Grid made it clear at this meeting that they will be charging the IDA/County to have this work performed.

Jim Mraz stated that the key question is what will all of this cost? He stated to get that determined, plans and specifications for a construction project will need to be prepared and put out to bid. Once the bids come in, the cost of this work will then be known. He stated that he would be meeting with Supervisors soon to discuss this with them. He asked if there were any questions. There were none.

6. National Grid Easement:

- National Grid is requesting an easement from the IDA to place a new electrical pole on the east side of CR117 where it intersects CR107.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he will be sending the easement to Kara Lais for her review and approval. He showed IDA members where the proposed electrical pole would be located at Tryon. Dave D'Amore commented that why a pole has to be put there and not have it underground from the south side of 107? Jim Mraz stated that he asked National Grid to consider that. He stated that even if National Grid does run it underground from the south side to the north side of County Road 107, there would still may be some electrical gear still required at this location. As a result, he said that there will still be a need for an easement. Jim Mraz asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to execute the National Grid easement subject to the final review and approval of said easement by the IDA Attorney.

MADE BY: Joseph Semione

SECONDED: Timothy Munn

VOTE: Unanimous

**B. Johnstown Renewables:**

1. Status Report:

- Concrete foundations are poured.
- Large tanks delivered.
- Steel for building delivered.

## V. NEW BUSINESS:

### A. Nathan Littauer Hospital's Perth Primary Care Clinic Project:

#### 1. Background:

- In 2006, the IDA issued \$1.7 million in Civic Facility Bonds to finance the construction of Nathan Littauer Hospital's Perth Primary Care Clinic.
- The structure of this transaction included the following:
  - 1) Nathan Littauer Hospital, which owned the land, leased the land to the Crossroads Incubator Corporation (CIC) through a Ground Lease.
  - 2) The IDA issued bonds. The IDA executed a Bond Purchase and Building Lease Agreement with NBT Bank and CIC.
  - 3) The IDA then executed a Lease Agreement with the CIC under which the land and facility were leased to the IDA.
  - 4) The IDA then executed an Installment Sales Agreement with the CIC. Agreement stated that:
    - a. CIC would cause the Project to be undertaken and completed.
    - b. CIC would be the agent of the IDA and undertake and complete the Project.
    - c. CIC would make certain installment purchase payments for the Project Facility. Said payments included amounts equal to the debt service payments due on the Bond.
  - 5) The CIC and Nathan Littauer Hospital entered into a Lease Agreement whereby the CIC leased the Project Facility to Nathan Littauer Hospital.
  - 6) To secure the Bonds, the IDA executed a pledge and assignment with NBT, which assigned to the NBT certain of the IDA's rights under the Installment Sale Agreement. Pursuant to this Agreement, installment purchase payments made by the CIC under the Installment Sale Agreement were to be paid directly to NBT.
  - 7) To further secure the Bond, the IDA, CIC and NLH executed a Mortgage with NBT which granted NBT a lien on and security interest in the Project Facility. The IDA and CIC also executed an assignment of leases and rents agreement which assigned with NBT to the NBT all interest of the IDA and CIC in all leases affecting the Project Facility and the rents payable thereunder.
  - 8) The CIC's obligation to make all installment purchase payments under the Installment Sale Agreement and to perform all obligations related thereto and IDA's obligation to repay the Bond were also secured by: A corporate guaranty from Fulton County Economic Development Corporation to NBT.

#### 2. Letter from Nathan Littauer Hospital:

- On November 21, 2016, Jim Mraz received a call from NLH to discuss their interest in preparing the 2006 bonds the IDA issued for their project.
- On November 21, 2016, Jim Mraz e-mailed both Kara Lais and Joe Scott, Hodgson Russ, IDA Bond Counsel, advising them of NLH's inquiry.
- On November 28, 2016, the IDA received a letter dated November 22, 2016 from NLH expressing their interest in prepaying the balance due on the 2006 Civic Facility Bonds and purchasing the building.



- On November 28, 2016, Jim Mraz e-mailed Joe Scott, a copy of NLH's letter and asked for guidance on how to proceed.

3. Input Received from IDA Bond Counsel:

- The documents allow for the prepayment of the bonds.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated Nathan Littauer would like to pay off the balance of the bonds and purchase the building they are currently occupying. He stated this is the desired outcome for a project of this nature. He stated that he's reviewed this matter with both Joe Scott, Bond Counsel, and Kara Lais, IDA Counsel. Joe Scott has advised that pre-purchasing the bonds is authorized within the documents that were executed for this project. Jim Mraz stated he also contacted Ron Peters and advised him of the Hospital's request. He said he provided Ron with a CD containing all of the closing documents on the Bond issuance for Ron's review.

Jim Mraz stated that the motion to be acted on would authorize the Chairman and Executive Director to execute whatever documents may be necessary to consummate this transaction. All such documents would be subject to the review and approval of both the IDA Attorney and Bond Counsel. He asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman and Executive Director to execute all documents related to the prepayment of these bonds and the termination of all Agreements related to the Perth Primary Care Clinic Project subject to the approval of IDA Counsel and IDA Bond Counsel.

MADE BY: Dave D'Amore  
 SECONDED: Joe Semione  
 VOTE: Unanimous

**B. Chief Financial Officer (CFO) Invoice:**

- The IDA has received an invoice in the amount of \$350 from Carol Ellis, CFO, for services rendered from July 1, 2016 through December 31, 2016.
- The invoice is in accordance with the IDA's Agreement with Carol Ellis.

IDA ACTION:

MOTION: To authorize the payment of \$350 to Carol Ellis, CFO.

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

**C. Engineering Services for Tryon Technology Park:**

1. Background:

- There are ongoing issues at Tryon that need the services of an engineer.
- For example, the installation of a new electrical service will require projecting potential electrical loads, determining how to feed pump stations, technical assistance when issues develop with the wastewater pump station or the existing electrical system that the IDA owns.

2. Proposal:

- It is proposed that the IDA enter into an Agreement with C.T. Male to provide general engineering services, as needed/requested.
- Total Retainer: \$5,000
- C.T. Male would only bill for services actually provided.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he has, on numerous occasions, asked C.T. Male to provide services to the IDA without having an ability to pay C.T. Male for those services. He stated he's reached a point where he feels uncomfortable asking the company to continue to provide free services. He stated that he would like the IDA Board to consider entering into an engineering agreement similar to what the IDA has done for legal services. The IDA contracts with Kara Lais' firm that includes a retainer that firm bills against when legal services are provided to the IDA regarding the Tryon Technology Park Project. He asked the IDA Board to consider a similar arrangement with C.T. Male so that when C.T. Male is asked to provide engineering services to the IDA, the costs for those services can be charged against this agreement.

Jim Mraz stated that he was not sure what the amount should be for this type of a contract. He stated he was proposing an initial \$5,000 and to see how that goes. Joe Gillis asked if C.T. Male would be paid the \$5,000 up front. Jim Mraz stated, "No." He stated that C.T. Male would be paid only for when they were asked to provide services. Tim Munn stated that the proposed contract seemed reasonable. Dave D'Amore stated that the amount proposed also seems to be reasonable. Jim Mraz asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to execute an agreement with C.T. Male in an amount not-to-exceed \$5,000 for providing engineering services to the IDA for the year 2017.

MADE BY: Dave D'Amore  
SECONDED: Timothy Munn  
VOTE: 5 in favor, 1 opposed (Gillis)

**VI. OTHER BUSINESS:**

**A. NYS Police Presentation:**

- Presentation was made at the October 11<sup>th</sup> Board of Supervisors' meeting by the NYS Police.

**VII. NEXT MEETING:**

Wednesday  
January 18, 2017  
5:00 p.m.

- This will be the Annual Meeting of the IDA.
- Nominating Committee shall present a slate of officers for 2017.

**VIII. CLOSE MEETING:**

MOTION : To close the meeting.  
MADE BY : Joseph Gillis  
SECONDED : Dave D'Amore  
VOTE : Unanimous  
TIME : 9:05 a.m.