

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
AUGUST 9, 2016
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

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

I. MINUTES FROM JUNE 28, 2016 MEETING:

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

II. BUDGET REPORT:

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

III. COMMITTEE REPORTS:

A. Nominating Committee:

- a. No report.

B. Audit Committee:

- b. No report.

C. Governance Committee:

- c. No report.

D. Finance Committee:

- d. 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. Building Demolition:

- Fulton County's Demolition Team commenced work on June 20, 2016 demolishing the cluster of six (6) buildings on the right side of the entrance to Tryon.

2. Tryon Banners:

- Fulton County ordered 2' x 6' banners to hang on light poles along CR117 entering Tryon.
- Banners were installed on July 28, 2016.

3. Real Estate Marketing and Brokerage Services:

A. Request for Proposal:

- At June 7, 2016 meeting, IDA authorized distributing a Request for Proposals (RFP) to twelve (12) commercial real estate brokers.

- Two (2) proposals were received on July 27, 2016 from:
 1. CBRE/Albany
 2. Berkshire Hathaway
- Copies of proposals were e-mailed to IDA Board members on July 27, 2016.

B. Review Proposals:

- See Summary: Handout
- Does IDA Board desire to conduct interviews?

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He then reviewed the handout comparing the two (2) proposals.

Todd Rulison asked if a Tryon Brochure was needed. Jim Mraz stated that the County has developed an overall brochure for Tryon. However, no brochure exists for Building 3.

Joe Semione stated that the IDA received two (2) good proposals. He stated that the fee structure certainly stands out as a primary basis of comparison between the two (2). He stated he prefers Berkshire Hathaway's fee structure better. He also prefers the 1-year contract versus the two (2) years. Joe Gillis added that he also likes the 1-year term offered by Berkshire Hathaway.

Dave D'Amore stated that it appears Berkshire Hathaway is willing to prepare a marketing brochure for Tryon and/or the building. Dave D'Amore then asked whether the IDA had previously discussed whether or not to hire a commercial real estate broker or not. Jim Mraz stated that that was discussed at the last IDA meeting. He stated that was based upon feedback he had received that he shared with IDA Board members. The feedback was it may be in the IDA's best interest to not hire a commercial real estate broker for an exclusive listing. He stated the alternative would be to market Tryon to all commercial real estate brokers. Joe Semione stated that the IDA discussed that but decided to at least go out with the RFP and get proposals to see what they said.

Tim Munn stated that since the IDA is going to be marketing Tryon and Building 3 nationally, the IDA should be looking to retain a firm with national exposure.

Jim Mraz asked IDA Board members if they would desire to interview one (1) or both firms. He stated there would be value interviewing both firms. This would allow Board members an opportunity to learn as much as possible about commercial real estate brokers. After a brief discussion, it was the unanimous consensus of all IDA members present to interview both firms. It was then agreed to try and schedule a special meeting of the IDA Board for Tuesday, August 30th to interview both firms. Interviews will try to be scheduled at 8:00 and 9:00 a.m. Jim Mraz stated that he would confirm with IDA Board members the schedule once he contacts both firms.

4. Regional Business Training and Incubator Center:

A. Background:

- The IDA Board previously agreed to pursue repurposing just the "F" Wing of Building 3 into the Regional Business Training and Incubator Center.
- Fulton County Board of Supervisors agreed with this proposal.
- This proposal was presented to the Northern Borders Regional Commission (NBRC).

- The NBRC has given the okay to have its grant funds repurposed.

B. Request for Proposals:

- In response to the NRBR's approval to repurpose their grant funds, a Request for Proposals (RFP) was distributed to seven (7) engineering firms.
- The RFP asked for cost proposals to prepare an engineering evaluation on developing standalone HVAC, plumbing, electrical, water and sewer systems for the "F" Wing of Building 3.
- Proposals were received on August 3, 2016.
- The following proposals were received:

FIRM	ADDRESS	TOTAL FEE
C.T. Male	Latham, NY	\$10,070
McFarland Johnson	Binghamton, NY	\$13,600
M/E Engineering	Schenectady, NY	\$14,800
Friedman Fisher	Albany, NY	\$23,800

IDA DISCUSSION: Jim Mraz stated that the firms sent the RFP were all qualified and have extensive experience in designing HVAC and building systems. He said the two firms submitting the lowest quotes were C.T. male and McFarland Johnson. He said both firms were qualified and both have experience working at Tryon. C.T. Male has designed all infrastructure and utility work done as part of transforming Tryon into shovel-ready sites. McFarland Johnson designed, in 2008, a HVAC System Project for Building 3. He said since both firms were qualified and experienced and could do the work, their cost proposals should be looked at. He said C.T. Male's quote was \$3,530, or 26% lower than McFarland Johnson.

Jim Mraz stated that he would be presenting these proposals to the Economic Development and Environment Committee of the Fulton County Board of Supervisors at their August 31st meeting. He stated that Fulton County and the IDA are co-grantees on the Northern Borders grant obtained for this project. As such, either entity could be the contracting authority for this contract. He stated, in the event Fulton County prefers to have the IDA be the contracting entity, he asked if the IDA Board would be willing to act on a motion today to award a contract to a firm in the event Fulton County requires that the IDA do so. After a brief discussion, it was the unanimous consensus of all IDA members present that C.T. Male would be the firm hired given their experience, knowledge of Tryon and proposed fee.

IDA ACTION:

MOTION: In the event that the Fulton County Board of Supervisors requires the IDA to serve as the contracting entity, to authorize the Chairman to execute an Agreement with C.T. Male in the amount of not-to-exceed \$10,070 to perform an engineering evaluation on development standalone HVAC, plumbing, electrical and water and sewer systems for the "F" Wing of Building 3 at Tryon.

MADE BY: Bill Sullivan
SECONDED: Joe Semione
VOTE: Unanimous

B. 160 Enterprise Drive Property:

1. Background:

- IDA's lease with the CIC expired on June 30, 2016.
- NBT has commenced a Foreclosure Proceeding against the property due to the CIC being delinquent on payments due NBT from a mortgage the CIC has on the property.
- Court has appointed Bill Keniry, Esq. from the law firm of Tabner, Ryan & Keniry in Albany, NY as the receiver to oversee operation, management and control of all aspects of 160 Enterprise Drive property.
- Kara Lais has been advised that NBT still intends to complete the foreclosure process

C. Johnstown Renewables:

1. Status Report:

- Johnstown Renewables closed on the purchase of the 5.374+/- acre parcel from the IDA.
- The IDA received a payment from Johnstown Renewables (JR). All proceeds from the lot sale have been distributed.
- Johnstown Renewables started site work on July 19, 2016.

2. Financial Assistance:

- At its March 8, 2016 meeting, the IDA Board approved granting the following financial assistance to JR:
 - a) 485-b Real Estate Tax Exemption:
 - 50% exemption on real property taxes in year 1.
 - The exemption would decrease 5%/year.
 - The exemption would expire at the end of year 10.
 - b) Sales Tax Exemption:
 - Estimated \$13 million of machinery and equipment would be purchased that would be subject to the Sales Tax Exemption.
 - c) Mortgage Recording Tax Exemption:

3. Lease Agreement:

a) Background:

- In order to provide this financial assistance, the IDA must execute a Lease Agreement with JR.
- The Lease would be for 10 years.
- The structure of this Project will be a lease/leaseback.
- Johnstown Renewables will lease the project facility to the IDA and the IDA will lease it back to Johnstown Renewables.
- This structure will be used because the IDA's interest is that of a leasehold, rather than fee ownership. There are some personal injury cases with situations during constructions where IDAs were named in lawsuits as a result of being the underlying landowner. It has become a "best practice" to now have projects structured as a lease/leaseback.

- During the term of the Lease, JR would be responsible for all aspects of O & M on the project.

4. PILOT Agreement:

a) Background:

- PILOT would be modeled after 485-b of the Real Property Tax Law.
- This is the standard PILOT granted per the IDA's Uniform Tax Exemption Policy.

5. Resolution:

- Kara Lais has prepared a resolution that would authorize the Chairman to execute the Lease, PILOT and all other documents.
- Resolution was e-mailed to IDA members on August 7, 2016

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. With respect to the PILOT, he stated that the PILOT would take effect starting in the next taxing cycle which would be March of 2017. He stated the property would go onto the tax rolls in March of 2017. The first PILOT payment that would be due under the PILOT would be the 2017-18 school tax followed by the 2018 County and City taxes.

Jim Mraz reviewed the Resolution that was attached to the Agenda. He asked if there were any questions regarding the Resolution. There were none.

IDA ACTION:

MOTION: To adopt a Resolution authorizing the Execution and Delivery, by the Fulton County Industrial Development Agency, of a Lease Agreement and Related Documents in Connection with the Johnstown Renewables, LLC Project

MADE BY: Tim Munn

SECONDED: Joe Semione

VOTE: Unanimous

V. NEW BUSINESS:

- None

VI. OTHER BUSINESS:

- None

VII. NEXT MEETING:

Tuesday
September 13, 2016
8:00 a.m.

VIII. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : Joe Semione
SECONDED : Joe Gillis
VOTE : Unanimous
TIME : 8:35 a.m.