

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TUESDAY
MARCH 13, 2018
8:00 A.M.
1ST FLOOR CONFERENCE ROOM

MEETING NOTES

PRESENT:

DAVE D'AMORE, VICE CHAIRMAN
JOE GILLIS, SECRETARY
DIANA PUTNAM, MEMBER
TODD RULISON, MEMBER
TIM MUNN, MEMBER
JAMES MRAZ, EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNING DIRECTOR
AMY PEDRICK, WEST & COMPANY
MIKE ROSSI, WEST & COMPANY
ERIC MILLER, PIONEER WINDOWS

I. MINUTES FROM FEBRUARY 13, 2018 MEETING:

MOTION : Accept as presented.
MADE BY : Todd Rulison
SECONDED : Tim Munn
VOTE : Unanimous

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : Diana Putnam
SECONDED : Todd Rulison
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. OLD BUSINESS:

A. Follow-up to Site Selector Forum:

1. One of the suggestions made by the Site Selectors was to improve the visual appearance of the Tryon Technology Park by:
 - a. Cutting down trees so Site Selectors/Companies could see the land/sites.
 - b. Cutting down underbrush and high grass in several areas.
 - c. Demolishing more buildings.
2. In response to that input:
 - a. Fulton County's Highway and Solid Waste Departments have cut down a number of trees.
 - b. The IDA hired contractor to cut down a lot of underbrush and high grass in several areas.
 - c. On December 28, 2017, the Board of Supervisors awarded a demolition contract to Dan's Hauling and Demo, Wynantskill, NY to:
 - 1) Demolish the two (2) large dormitories.
 - 2) Demolish two (2) additional buildings.
 - d. Dan's Hauling started demolition work on February 20, 2018.

IDA DISCUSSION: Jim Mraz stated that demolition work on the buildings at Tryon continues. He stated that the County is asking the contractor for some pricing to potentially do some additional demolition work. He stated once pricing comes in, a determination will be made on whether there are enough funds available to have additional building demolition or asbestos abatement work completed.

V. NEW BUSINESS:

A. Review Draft Audit of IDA's 2017 Financial Statements:

1. Key Finding:

- Based upon West & Company's review of the IDA's 2017 financial records, West & Company has issued an "unqualified opinion."
- This is the best opinion the IDA can receive.
- The IDA has consistently received unqualified opinions on its audits.

2. Presentation by West & Company:

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he e-mailed the draft Audit to IDA members last week for them to review prior to this meeting.

Amy Pedrick presented West & Company's draft Audit of the IDA's 2017 Financial Statements. She stated that the auditors' letter represents a communication to the IDA Board of Directors. She stated the letter states that the West & Company found no issues to report with respect to the information provided by management for the Audit. She stated that the letter also issues an "unqualified opinion" which is the best opinion that can be issued by an auditor. She stated that the financial statements reasonably project the financial affairs of the agency for 2017. She stated this "unqualified opinion" is the same opinion that the IDA has received over the last number of years.

Amy Pedrick then reviewed the Management Discussion and Analysis (MDA) report. She clarified that the MDA is submitted to West & Company by the IDA's management. She stated it represents a summary of the activities that the IDA was involved in in 2017.

Amy Pedrick then reviewed the financial information shown on pages 9 and 10, as well as pages 12 through 14 of the draft Audit. She then reviewed each of the notes to the basic financial statements listed on pages 15 through 17 of the draft Audit. She reviewed the comment under Note 2 to verify that the IDA paid the City of Johnstown a certain amount of money from the Johnstown Account. She stated Jim Mraz asked that this be added to clarify that the reduction in the balance owed to the City was as a result of a payment made to the City from that account and not a separate payment made directly by the IDA from IDA funds.

Amy Pedrick then reviewed the second opinion included into the Audit dealing with the internal controls the IDA has over its finances. She stated that the opinion states that West & Company did not identify any deficiencies in internal controls that were considered to be a material weakness.

Amy Pedrick then reviewed the schedule of IDA Revenue Bonds on page 20. She stated that the Nathan Littauer Project was paid off in 2017. Jim Mraz added that this project must be included in the 2017 Audit, but will no longer be included in subsequent audits.

Amy Pedrick stated this would be her last year of being the lead auditor for the West & Company. She stated that ABO requires that the lead auditor rotate every five (5) years. She stated that there will be a new lead auditor from the West & Company working on the IDA's audit next year. Amy Pedrick asked IDA Board members if they had any questions. There were none.

IDA ACTION:

MOTION: To approve the Audit as submitted by the West & Company and authorize the Executive Director to file the Audit in PARIS and Fulton County Treasurer.

MADE BY: Joseph Gillis

SECONDED: Dave D'Amore

VOTE: Unanimous

B. Proposed Pioneer Window Project:

1. Background:

- Pioneer Windows Manufacturing Corporation (PWMC) operates a window manufacturing business at its 160,500 sf facility on Union Avenue Extension in the Johnstown Industrial Park.
- PWMC is a full-service supplier of architectural windows, doors, curtain walls, storefronts and other architectural aluminum products for residential, commercial and institutional buildings such as:
 - 1) Luxury high-rise apartment
 - 2) Schools
 - 3) Housing authority projects
 - 4) Colleges and universities
 - 5) Hospitals
 - 6) Libraries
- Pioneer is a certified manufacturer for the New York City School Construction Authority (NYCSCA).
- Pioneer currently employs approximately 150 people.

2. Proposed Project:

- PWMC is proposing to construct a 120,125+/- sf addition to its existing 160,500 sf manufacturing facility.
- This addition would be constructed on a 3.8 acre lot immediately adjacent to PWMC.
- The proposed project is needed to provide more space for manufacturing equipment and warehouse.
- The proposed project will create 75+/- new jobs.
- The total project cost is estimated to be \$11.2+/- million.
- The new building would be a metal building. Building height: 30'

3. Site:

- PWMC's existing 160,500 sf building sits on an 8.75 acre lot.
- The proposed 120,125 sf addition would be situated on a 3.91 acre parcel owned by Union Coast, LLC.
- PWMC will lease land from Union Coast, LLC.

4. Project Application:

- Union Coast, LLC has filed a Project Application with the IDA.
- The Application Fee has been paid.

5. IDA Benefits Requested:

- Union Coast, LLC's Project Application requests three (3) IDA benefits on the proposed 120,125+/- sf addition:
 - a. Property Tax Exemption (PILOT)
 - b. Sales Tax Exemption
 - c. Mortgage Recording Tax
- Total benefits requested would exceed \$100,000.
- These benefits would apply only to the 120,125+/- sf addition. No benefits would be provided to the existing 160,500 sf manufacturing facility.

6. Project Structure:

- Union Coast, LLC will lease its new facility to the IDA.
- The IDA will lease the new facility back to Union Coast, LLC.
- Union Coast, LLC will then sublease the facility to PWMC

7. Project Number:

- The project has been assigned the following Project Number: 1701-18-01-A

8. Site Plan Approval:

- On March 6, 2018, Union Coast, LLC submitted its Site Plan to the City of Johnstown Planning Board in accordance with the City's Zoning Ordinance.

9. SEQR:

- City Planning Board has agreed to conduct the SEQR Review.

10. Public Hearing:

- Since Union Coast, LLC's Project Application requests IDA benefits greater than \$100,000, a public hearing must be held.
- The public hearing must be held in the City of Johnstown.
- See attached Resolution.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda and in the Project Application that were emailed to all IDA members prior to the meeting. He then asked Eric Miller from Pioneer Windows to provide a description of the proposed project. Eric Miller stated Pioneer Windows began operating in Fulton County in 1994 with a 5,000 sq. ft. of space with about five (5) employees. In 1996, Pioneer Windows constructed a 60,000 sq. ft. building on Balzano Road in the Johnstown Industrial Park. In 2001, Pioneer Windows added a 35,000 sq. ft. addition to that building. Eric Miller stated Pioneer Windows purchased the property and building from STAG in the Fall of 2017.

Joe Gillis asked what was driving the need for this project. Eric Miller said the event of 911 of 2001 and the economic downturn of 2008 significantly impacted Pioneer's business. Eric Miller stated that Pioneer's business is now growing. He reviewed several large projects in New York City that Pioneer Windows is supplying windows for. He stated that the company currently rents over 75,000 sq. ft. of additional space in several buildings in Fulton County. This space is used to store completed windows

before they are shipped to a project. Eric Miller stated that the company currently employs approximately 145 people. The proposed project would result in the creation of up to 45 new jobs. This would bring total employment to approximately 220 at Pioneer. He stated Pioneer uses Acustaff and immigrant workers from Utica to fill certain positions. He stated Pioneer Windows sends transportation to and from Utica each day to bring workers to work.

Kara Lais asked who will own the property? Eric Miller stated that Union Coast, LLC will own the property. They will lease the property to Pioneer Windows. Kara Lais stated that Union Coast, LLC will lease the facility to the IDA and the IDA will, in turn, lease it back to Union Coast, LLC. Kara Lais stated that the IDA will also have to approve the Union Coast sublease to Pioneer Windows.

Jim Mraz asked Eric Miller to provide a schedule for completing the project. Eric Miller stated that he hopes to have site preparation completed in the Fall of 2018. He stated the building would be ordered and purchased in the Fall of 2018. Eric Miller stated that the building would then be erected starting in the spring of 2019 and hopefully be completed by the end of 2019.

Jim Mraz reviewed the Resolution that was attached to the Agenda. He stated the purpose of the Resolution was to schedule a public hearing on Union Coast, LLC's request for certain benefits from the IDA. Since the benefits total an excess of \$100,000, a public hearing is required by State law. He stated the public hearing would be held on Wednesday, March 28th, at 10 a.m. in the IDA's offices.

Jim Mraz asked if there were any other questions? There were none.

IDA ACTION:

MOTION: To adopt the Resolution to schedule a Public Hearing relating to the Union Coast, LLC's Project.

MADE BY: Tim Munn

SECONDED: Dave D'Amore

VOTE: Unanimous

C. Power Outage at Tryon:

1. Background:

- A power outage occurred on March 12, 2018 at approximately 11:00 a.m.
- Vireo Health contacted Jim Mraz to advise him that power was out at their facility.
- Jim Mraz called Tom's Electric to go and investigate.
- Tom's Electric inspected the electrical vault and found two (2) blown fuses in the electrical switchgear. Tom's Electric used two (2) spare fuses and replaced the damaged ones with new ones.
- Power was restored at approximately 1:00 p.m.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he recommended that the IDA purchase two (2) additional fuses to have as spares. He asked the IDA Board to authorize issuing a payment to Tom's Electric for their emergency service work, as well as for the cost of purchasing two (2) new fuses. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize a payment to Tom’s Electric for their emergency services work at Tryon and to also authorize a payment to Tom’s Electric to purchase two (2) new fuses.

MADE BY: Dave D’Amore

SECONDED: Todd Rulison

VOTE: Unanimous

VI. OTHER BUSINESS:

A. 2017 PILOT Report:

1. Background:

- Each year, the IDA monitors all PILOT Agreements it has on projects to verify that PILOT payments are being made per the PILOT Agreements.
- Each year, the IDA sends a letter to every company it has a PILOT with asking that they fill out a PILOT Report.
- The IDA also sends a similar letter to all local taxing jurisdictions impacted by an IDA PILOT. The information from local taxing jurisdictions is used to compare against the information received from companies.
- Initial letters were sent out on November 9, 2017.
- 2nd Request letters were sent on December 26, 2017.

2. Status Report:

- To date, the IDA has received responses from:

Companies:

YMCA
CG Roxane
Johnstown Renewables
Nathan Littauer Hospital
Swany

Municipalities/School Districts:

Town of Johnstown
Fulton County
City of Gloversville
City of Johnstown
Greater Johnstown School District
Fonda-Fultonville School District

3. 2017 PILOT Report:

- See attached.

4. As of January 1, 2018, the IDA has the following active projects:

Owner	Lessee	Address	Occupant	PILOT
IDA	Swany	115 Corporate Drive, Gloversville	Swany	Yes
IDA	CG Roxane	1 Old Sweet Road, Johnstown	CG Roxane	Yes
IDA	YMCA	213 Harrison Street, Gloversville	YMCA	No
IDA	Johnstown Renewables	Enterprise Drive, Johnstown	Johnstown Renewables	Yes

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

VII. NEXT MEETING:

Tuesday
April 10, 2018
8:00 a.m.

VIII. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : Todd Rulison
SECONDED : Tim Munn
VOTE : Unanimous
TIME : 9:40 a.m.