

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
FEBRUARY 11, 2020
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

DAVE D'AMORE, CHAIRMAN
JOE SEMIONE, VICE CHAIRMAN
TODD RULISON, TREASURER
JANE KELLEY, SECRETARY
TIM MUNN, MEMBER
MIKE FITZGERALD, MEMBER
JAMES MRAZ, EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNING DIRECTOR
KEN ADAMCZYK, ECONOMIC DEVELOPMENT SPECIALIST, FULTON COUNTY CENTER
FOR REGIONAL GROWTH
JOHN BLACKMON, LIAISON, ECONOMIC DEVELOPMENT AND ENVIRONMENT
COMMITTEE

I. MINUTES FROM JANUARY 14, 2020 MEETING:

MOTION : Accept as presented.
MADE BY : Jane Kelley
SECONDED : Joseph Semione
VOTE : Unanimous

II. BUDGET REPORT:

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

III. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- Monthly Bank Reconciliation Reports: Todd Rulison

DISCUSSION: Todd Rulison stated that he approved the Monthly Bank Reconciliation Reports.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

IV. FULTON COUNTY/FULTON COUNTY CENTER FOR REGIONAL GROWTH (FCCRG) REPORTS:

1. Fulton County Report: John Blackmon, Liaison

DISCUSSION: John Blackmon stated that Warren Greene, Chairman of the Board, wants to discuss how Fulton County approaches economic development. He stated that Chairman Greene wants the CRG, IDA and Chamber to meet with Fulton County to discuss economic development.

John Blackmon stated that Fulton County, at its February 10th Board meeting, authorized a \$75,000 contract with Environmental Design Partnership (EDP) to conduct a Feasibility Study on extending sewer line from the Town of Johnstown north to Northville.

V. OLD BUSINESS:

A. Status of Johnstown Renewables (JR) Project:

1. Background:

- In January 2016, JR filed a Project Application with the IDA for a project in the Johnstown Industrial Park.
- JR had two (2) primary stockholders:
 - 1) CRE Capital LLC : 70%
 - 2) New Age Renewable Energy : 30%
- The project involved building an 11,900+/- sf building on a 5.2 acre parcel of land in which ethyl alcohol would be produced from liquid whey from the adjacent FAGE yogurt manufacturing plant.
- The project was projected to involve the investment of \$16+/- million and the creation of 27 jobs.
- The IDA Board executed a 10-year Lease Agreement with JR in March 2017.

- The IDA Board executed a 10-year PILOT Agreement with JR in March 2017. Year 1 of the PILOT was 2017.
- The IDA Board approved a sales tax exemption for the JR project. This sales tax exemption was provided for the period of July 15, 2016 – December 31, 2017.

2. Status Report:

- Construction work on the project commenced in 2017.
- On January 25, 2018, the IDA received a letter from CRE Capital, LLC advising of the passing of Christian Eisenbeiss. Mr. Eisenbeiss was the sole member of CRE Capital, LLC and the managing member of JR.
- At the February 2018 IDA meeting, the IDA Board, in Executive Session, reviewed the January 2018 letter from CRE Capital. The IDA Board authorized and directed IDA Counsel to send a letter to CRE Capital.
- In February 2018, IDA Counsel sent a letter to CRE Capital advising that JR was in default for failure to complete the project by December 31, 2017. The letter asked for a status report.
- In March 2018, IDA contacted County Treasurer to check on status of PILOT payments due the County. Payment had been received.
- In March 2018, IDA Counsel was contacted by a representative of JR advising that, due to FAGE filing a lawsuit against JR, any advancement of the JR project was on hold contingent upon a resolution of the lawsuit.
- In March 2018, The IDA Board was provided an update by IDA Counsel. IDA authorized and directed IDA Counsel to send JR another letter.
- In March 2018, IDA Counsel sent JR another letter advising that JR could request an extension to the project completion date given the circumstances surrounding the sudden passing of its managing member and primary investor.
- In April 2018, IDA sent another letter to JR.
- In May 2018, the IDA received a letter from a law firm representing JR providing a status report on the lawsuit and project.
- In May 2018, the IDA met with representatives of New Age Renewable Energy, the minority member in JR. IDA asked JR to make sure their PILOT payments were being made per the PILOT.
- In April, IDA contacted the Fonda-Fultonville School District to check on status of PILOT payment. Fonda-Fultonville had not issued PILOT invoice. IDA worked with School District to get invoice issued. Invoice was issued and JR paid invoice.
- In June 2018, IDA contacted City of Johnstown to check on status of PILOT payment due the City. City had not received payment. Upon discussion with City, it was determined that the City sent PILOT invoice to wrong address. IDA provided correct address to City. Invoice was sent to correct address and payment was received.
- During the fall of 2018, IDA received two (2) inquiries from companies interested in acquiring the land and partially completed building owned by JR. IDA put these companies in contact with JR.
- In May 2019, IDA received a letter from JR's law firm providing the following update on their efforts to complete the project:
 - 1) JR was seeking to enter into a new joint venture or find another user for the facility.

- 2) A couple of entities have toured the facility and had expressed an interest in it.
- 3) The letter requested an extension until December 31, 2019 to complete the project.
- 4) At the May 2019 IDA meeting, the Board passed a motion to extend the project completion date for the JR project to December 31, 2019 and to authorize the Chairman to sign an amendment to the Lease Agreement with JR.
- 5) Kara Lais sent JR an Amendment to the Lease Agreement extending the project completion deadline until December 31, 2019.
- 6) To date, JR has not returned the executed Amendment.

➤ At its May 2019 meeting, the IDA Board authorized:

- 1) The Chairman to execute an amendment to JR's Lease Agreement extending the project completion date to December 31, 2019.

3. Sales Tax Exemptions:

➤ In early October 2019, the IDA learned that JR was planning on auctioning off materials and equipment currently being stored at the site.

➤ At its October 2019 meeting, IDA Board authorized:

- 1) Recapturing the estimated \$960,000 in sales tax benefits JR received on this project because JR had not completed the project and created the 27+/- new jobs they committed to create in their Project Application.
- 2) Executing an Escrow Agreement with JR whereby all proceeds from the Auction would go to an Escrow Agent and eventually paid to NYS's Department of Taxation and Finance to repay the sales tax benefits JR received.

➤ Escrow Agreement has been executed.

➤ Johnstown Renewables filed an amended ST-340 form with NYS Department of Taxation and Finance (T & F). The amended amount was based on the estimated sales from the Auction.

➤ The original ST-340 JR filed with T & F showed \$960,000 in sales tax exemptions were taken when the building was being constructed. The exemptions were on JR's purchasing materials and the building and on machinery and equipment to install in the building.

4. Lease Agreement:

➤ JR's Lease Agreement with the IDA stated that JR would complete their project by December 31, 2017.

➤ IDA Board agreed to extend completion date through December 31, 2019 to give JR more time to complete project.

➤ JR has not executed an Amendment to the original Lease Agreement to extend the project completion date through December 31, 2019.

➤ At its December 10, 2019 meeting, the IDA Board authorized:

- 1) Extending the completion date of the Auction through January 31, 2020.
- 2) Extending the Project Completion Date identified in the Lease Agreement until February 28, 2020.

5. Update:

- Kara Lais spoke with JR's Counsel last week.
- The Auction is complete and final sales totals are being tabulated. Once tabulation is complete, figures will be provided to IDA.
- Funds have been placed into Escrow Account per Escrow Agreement. JR's Counsel did not specify how much has been put into the account.
- Based on final Auction results, JR may be filing another ST-340 Form with T & F to revise what JR claims to be the sales tax exemptions they've taken.
- JR wants to proceed with an Early Lease Termination.

IDA DISCUSSION: Kara Lais reviewed the updated information that was contained in the Agenda. She stated that she shared with JR's attorney the IDA's discussion about JR's revised ST-340 Form. She advised them that the IDA will not just approve the revised figure in that Form but needed an approval of the revised number from the NYS Department of Taxation and Finance. Kara Lais stated that JR's attorney stated that he would be sending the IDA a letter explaining how they came up with the revised number in the ST-340 Form. Kara Lais stated that she told the JR's attorney that receiving the letter would be okay, but the IDA would still need an approval of the revised number from Taxation and Finance.

Jim Mraz reviewed the motion in the Agenda. He stated the required fees referenced in the motion deal with the early lease termination fee of \$1,000/year for each year the lease agreement existed, as well as the IDA Counsel fees that have been incurred to date.

Todd Rulison asked if terminating the IDA's lease with JR would impact the IDA's ability to recapture sales tax benefits. Kara Lais stated, "No." She stated that the IDA has the statutory right under General Municipal Law to recapture the sales tax benefits received. The IDA's right to recapture is separate from the Lease Agreement.

Dave D'Amore stated that JR is trying to use the sales tax exemptions from the Auction sales instead of from the purchases of goods and materials for the construction of the building and for the purchasing of machinery and equipment to go into the building.

Dave D'Amore asked if there were any other questions. There were none.

IDA ACTION:

MOTION: To approve an early termination of the IDA's lease and PILOT with Johnstown Renewables, subject to Johnstown Renewables paying the required fees and to authorize the Chairman to execute all early lease termination documents.

MADE BY: Dave D'Amore

SECONDED: Joseph Semione

VOTE: Unanimous

B. IDA Website:

1. Background:

- At its November 12, 2019 meeting, IDA Board hired Emery Designs to update IDA's website.
- Executive Director has been participating in weekly Conference Calls with Emery Designs to discuss various issues.
- At its January 14, 2020 meeting, the IDA Board agreed to consolidate the information on the Tryon Technology Park website (tryontechnologypark.com) into the IDA's website (fcida.org) but to retain the domain name Tryon Technology Park.

2. Site Selectors' Input:

- Betsy Emery spoke with several Site Selectors from Site Selectors Guild regarding what Site Selectors want to see on EDO's websites.
- Key feedback received:
 - Site Selectors use a variety of data sources to collect information on an area/region/community.
 - EDO websites must be data rich.
 - EDO website should have a list of major employers in region: how many, what industries, unionized, etc.
 - Wages and benefits.
 - Detailed information on workforce: skills, age, occupations, education, etc.
 - Workforce training:
 - Identify all workforce training programs available to train workers: FMCC, HFM-BOCES, P-TECH
 - Local colleges and universities
 - Testimonials from employers and employees.
 - Buildings and sites: Information must be up to date.
 - 1 page on targeted industries with unique and compelling information in 100 words or less.
 - Contact information.
 - Must be able to print or download information.

3. Status Report:

- List of top employers to post on IDA website has been drafted: see attached.
- White pages for sites have been drafted: See attached.
- Draft Layout of Home Page: See attached.

4. Activity Report of IDA Website:

- See attached.

IDA DISCUSSION: Jim Mraz reviewed the three (3) items attached to the Agenda listed under Status Report. There was a brief discussion regarding the page showing top employers. Mike Fitzgerald suggested changing the right column for employee range to show a range of 250-499 and then 500+. Jim Mraz stated that he would make that change to the form.

C. Tryon Technology Park Revised Site Plan:

1. Background:

- At its January 2020 meeting, IDA Board authorized hiring C.T. Male to revise update Site Plan for Tryon Technology Park.

2. Review Revised Site Plan:

A. Sites:

Site No.	Area (Acres)	Maximum Building Size
1	21.61	470,000 SF
2	23.24	506,000 SF
3	16.77	365,000 SF
4	69.09	1,500,000 SF
5	26.61	579,000 SF
6	24.87	541,000 SF
7	17.24	375,000 SF
Total	200.00	4,000,000 SF

B. Buildings:

Building No.	Sq. Ft.	Lot Size
1	75,000	12+/- Acres
2	15,000	3.4+/- Acres

C. Tryon Development Area:

- 45+/- acres

IDA DISCUSSION: Jim Mraz reviewed the revised Site Plan that C.T. Male completed for the Tryon Technology Park. He stated there are now seven (7) lots shown ranging in size from approximately 17 acres to 69 acres. He stated there is a total of 200 acres comprising the seven (7) sites. He stated the Site Plan also shows what size building could be built on each lot. These are based on requirements of the Town of Perth Zoning Ordinance. The 200 acres of land could support approximately 4 million sq. ft. of building space.

Jim Mraz identified the two (2) buildings that are shown on the Site Plan, as well as the revised Tryon Development Area.

D. Statebook:

- Statebook is an online source of data used by Site Selectors.
- Site Selectors have commented that economic development organizations' websites must be data rich.
- At the December 10, 2019 IDA Board meeting, there was a discussion about purchasing Statebook for the IDA's website.

- Betsy Emery, who is currently working on updating the IDA’s website, has received a proposal from Statebook to have Statebook data available on three (3) local websites:
 - 1) Fulton County
 - 2) Fulton County Industrial Development Agency
 - 3) Fulton County Center for Regional Growth

- Annual Cost : \$5,000
- Cost per Entity : \$1,667

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Scott Henze stated that the FCCRG received a micro site designation from Statebook. He stated the subscription was paid for by a grant from National Grid. He stated that, as a micro site, when one accesses the Statebook data, the user goes off of the website to the Statebook website. He stated the proposal Betsy Emery has received from Statebook would allow for a user to stay on a local website while accessing the data. He stated that Site Selectors stated that they do not want to leave a local economic development organization’s website to access data. The proposal from Statebook would achieve this goal. He stated Statebook’s proposal would have their data available on Fulton County, the Fulton County Center for Regional Growth and the IDA’s websites. He stated that the data would be specified to the needs and wants of these three (3) websites.

A question was raised on whether the Fulton County Chamber of Commerce should also have this Statebook data. Scott Henze stated that that is something that could be considered.

Jim Mraz stated that, if it was just the three (3) entities, each entity’s cost would be \$1,667 a piece. If it was four (4) entities, each entity’s cost would be \$1,250. He asked IDA Board members if they would be willing to pass a motion to authorize an expenditure of the maximum amount of \$1,667 per year if only three (3) entities were involved.

IDA ACTION:

MOTION: To authorize an expenditure of approximately \$1,667 to purchase Statebook for the IDA’s website.

MADE BY: Jane Kelley
SECONDED: Mike Fitzgerald
VOTE: Unanimous

VI. NEW BUSINESS:

A. Revised Layout for Tryon Development Area (TDA):

1. Background:

- Original layout for TDA utilized 100+/- acres.
- Length of Road: 7,690’
- Feedback received was that density of development was too low.

2. Revised Layout:

- Revised layout for TDA utilizes 45+/- acres.
- Length of Road: 4,150'
- Tri-Plex townhouses:
 - 19 lots: 57 units
- Apartments:
 - 6 buildings
 - 86 units

IDA DISCUSSION: Jim Mraz reviewed the revised layout for the TDA. He stated the goal was to increase the density of development in the TDA. A question was raised on whether the areas to the west had steep terrain? Jim Mraz stated, "Yes." He stated that is why the original Site Plan called for single-family homes being built in those areas. The revised Site Plan reduces the total area for the TDA from approximately 100 to 45 acres.

B. Tryon Technology Park Brochure:

1. Background:

- As part of the Tryon Targeted Industry Analysis Project, a Tryon Technology Park (TTP) brochure was prepared.
- This brochure is outdated because:
 - Regional Business Training and Incubator Center did not get created.
 - Site Plan revised.
 - Tryon Development Area revised.
 - Tryon website eliminated.
 - Other changes.

2. Proposals:

a. Room One Planning and Design:

- Room One prepared layout of original TTP brochure.
- IDA has received a proposal from Room One to revise the layout of the Brochure.
- Total Not-to-Exceed Fee: \$500

b. Curtis Printing:

- Curtis Printing printed the original TTP Brochure.
- Estimated fee to print 1,000 copies: \$3,000

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the total fees shown on the Agenda are approximate only. It was the consensus of all IDA members present that the marketing brochure for the TTP should be updated to include the revised Site Plan and other changes as shown on the Agenda.

IDA ACTION:

MOTION: To authorize the expenditure of approximately \$3,500 to hire Room One Planning and Design and Curtis Printing to redesign and reprint the TTP brochure.

MADE BY: Jane Kelley

SECONDED: Joseph Semione

VOTE: Unanimous

C. Site Selection Magazine's Annual Site Selectors Survey:

1. Background:

- Site Selection Magazine conducts an annual survey of nationally-prominent site selection consultants.
- The results of their most recent survey were published in its January 2020 edition.

2. Key Findings:

1) What is the one policy you would most recommend to a State or Community?

- Improve Incentives 44%
- Offer More Workforce Development/Training Help 10%
- Implement Better Permitting Procedures 10%
- Create More Certified Buildings/Sites 8%
- Provide Better Housing Options 3%
- Offer More Up-to-Date Data 3%
- Other 22%

2) What Industry Sectors are showing the most expansion activity right now?

- Distribution & Logistics
- Advanced Manufacturing
- Food Processing
- Biomedical and Health Care
- Data Centers

3) What are the most common deal-killers?

- Lack of responsiveness
- Poor governmental leadership
- Lack of buildings and sites
- Lack of skilled workers
- Breach of confidentiality

4) Other comments on deal-killers:

- Closed attitude of community members about foreign investment and outsiders.
- Government over-regulation of small to medium projects. Large projects get the P.R. and cooperation, but the smaller projects get neither.
- Breaking commitments made to the project.
- Inability to deliver industrial buildings on time to meet corporate requirements.

- 5) What would be the one policy recommendation you would advocate to state/local community?
 - Improve incentives
 - Better permit procedures
 - More workforce training

- 6) Other policy recommendations:
 - A greater focus on housing and increasing immigration rates.
 - Incentivize capital expenditures. The world is moving to automation, and if you don't recognize that, you'll have an empty town.
 - Get serious about skilled labor training as a significant portion of the education budget.
 - Practice what you preach. If the economic developers are preaching "business-friendly", but the local permitting folks are strangling the project, there's a disconnect.
 - Don't try to over market your location with gimmicks and overly produced websites. Just give us the facts.
 - **All economic development organizations should have a development company on call with the necessary resources, experience and capital to immediately provide a proposal on the construction of an industrial building in a specific timeframe.**

- 7) What do you want to see on economic development organization's websites?
 - **Name and contact information.**
 - **Accurate, up-to-date data.**
 - **News on recent projects.**
 - **Available buildings and sites.**

DISCUSSION: Jim Mraz reviewed the one (1) item under #6 that was highlighted in bold in the Agenda. He stated that Fulton County, at present, is not set up to react to a company who may want to have a new building constructed on its behalf. He stated this comment from the Site Selectors' survey made him think that this is something that Fulton County, the CRG and IDA should jointly discuss. After a brief discussion, it was the unanimous opinion of all IDA Board members present that Fulton County, the CRG and IDA should commence discussions about establishing a Development Team that could step in and construct a building for a perspective company if that is what that perspective company requests.

D. Public Work Enforcement Fund:

1. Background:

- On January 23, 2020, the IDA received a Notice from the NYS Department of Labor that the IDA has been asked to sign.
- The Notice is to acknowledge the IDA's responsibilities regarding the Public Work Enforcement Fund.
- New York State now mandates that all State agencies and public benefit corporations, which the IDA is, that enters into a public work contract to pay one-tenth (0.1) of one percent (0.01) of the total cost of the contract to the fund.
- The Notice requests that the IDA execute and return within 30 days of the date of the letter or be referred to the NYS Office of the State Comptroller for further action.

IDA DISCUSSION: Dave D'Amore reviewed the information on the Agenda. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to execute the Public Work Enforcement Fund Notice.

MADE BY: Tim Munn
SECONDED: Mike Fitzgerald
VOTE: Unanimous

E. Quicken:

1. Background:

- The CFO uses Quicken to maintain all IDA accounts.
- Currently using Quicken Version 2007.
- The computer the CFO uses is scheduled to be replaced soon.
- It is recommended that this would be appropriate time to upgrade to Quicken Version 2020.
- Estimated Cost: \$70

IDA DISCUSSION: Dave D'Amore reviewed the information on the Agenda. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize the expenditure of approximately \$70 to purchase Quicken Version 2020 to install on the CFO's new computer.

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

F. Capital Resources Corporation:

1. Background:

- On January 31, 2008, the provisions of the New York State General Municipal Law that authorized IDA's to issue tax-exempt revenue bonds for charitable entities expired.
- Historically, the ability of IDA's to provide tax exempt revenue bond financing to charitable entities has been an important economic development tool.
- Not-for-profit entities in Fulton County that have benefitted from the Agency's tax-exempt financing include Nathan Littauer Hospital and Fulton County YMCA.

2. Capital Resources Corporation:

- a. An alternative now exists to allow not-for-profit entities to access to tax-exempt revenue bond financing.

- b. This involves the formation of a Capital Resource Corporation (CRC) under New York State’s Not-For-Profit Corporation Law.
- c. A CRC would generally exist for the same public purposes as the IDA but have the power to issue tax-exempt bonds for the benefit of not-for-profit borrowers.
- d. The IRS has ruled that CRC’s can issue tax exempt financing for not-for-profit entities.

3. Formation of a Capital Resource Corporation:

- a. Three (3) steps would need to be taken to form a Fulton County Capital Resource Corporation:
 - 1) Agency Resolution. The IDA Board would adopt a resolution approving a proposed Certificate of Incorporation and authorize the Chairman or Executive Director to approach the Board of Supervisors regarding the formation of a CRC.
 - 2) Board of Supervisors’ Resolution. The IDA would present the proposed Certificate of Incorporation, along with the resolution approving such proposed Certificate of Incorporation, to the Board of Supervisors and request that the Board of Supervisors approve the proposed Certificate of Incorporation and the formation of a CRC. The Board would have to approve this request.
 - 3) Filing of the Certificate of Incorporation. Once approved by the Board of Supervisors, the IDA would file the Certificate of Incorporation and the CRC would begin its existence.

4. Key Terms of the Certificate of Incorporation:

- a. The purpose of the CRC would be to promote community and economic development and creation of jobs in the non-profit and for-profit sectors.
- b. The CRC would be subject to the provisions of the Public Authorities Accountability Act of 2005 and 2009.
- c. The CRC would be authorized to issue bonds.
- d. The CRC’s operations would be limited to Fulton County.
- e. The CRC would be managed by a Board of Directors. The Board of Directors would be appointed by and serve at the pleasure of the Board of Supervisors. The CRC’s Board of Directors would consist of the members of the IDA. The members of the Board of Directors shall not be entitled to compensation.
- f. The County shall receive an annual financial report from the CRC. The CRC shall be subject to audit by the County, the Authority Budget Office and the Office of the State Comptroller.
- g. The CRC would be a “public body” for purposes of the Open Meetings Law.
- h. The CRC must hold a public hearing with respect to proposed projects with the same notice as required under Section 859-a of the General Municipal Law.
- i. Any amendment of the Certificate of Incorporation or by-laws of the CRC would be subject to approval by the Chairman of the Board of Supervisors.

5. Counties and Municipalities that currently have CRC’s:

- a. Counties: (26)
 Albany County Capital Resource Corporation
 Allegany County Capital Resource Corporation
 Canton Capital Resource Corporation
 Cattaraugus County Capital Resource Corporation
 Chautauqua County Capital Resource Corporation

Chemung County Capital Resource Corporation
Clinton County Capital Resource Corporation
Columbia County Capital Resource Corporation
Cortland County Development Corporation
Essex County Capital Resource Corporation
Jefferson County Civic Facility Development Corporation
Livingston County Capital Resource Corporation
Madison County Capital Resource Corporation
Montgomery County Capital Resource Corporation
Oswego County Civic Facilities Corporation
Otsego County Capital Resource Corporation
Rensselaer County Capital Resource Corporation
Saratoga County Capital Resource Corporation
Schenectady County Capital Resource Corporation
Schoharie County Capital Resource Corporation
St. Lawrence County Industrial Development Agency Civic Development Corp.
Ulster County Capital Resource Corporation
Warren and Washington (Counties of) Civic Development Corporation
Wayne County Civic Facility Development Corporation
Yates County Capital Resource Corporation

b. Municipalities: (7)

Albany (City of) Capital Resource Corporation
Build NYC Resource Corporation
Montgomery (Town of) Capital Resource Corporation
Peekskill Facilities Development Corporation
Troy (City of) Capital Resource Corporation
Waterford (Town of) Capital Resource Corporation
Glens Falls Capital Resource Corporation

6. **Questions and Answers:**

Q. What risks would there be to the IDA if a CRC was created and then deemed by New York State to no longer be eligible to issue tax exempt financing?

A. No risk to the IDA. There is a risk that NYS Law could be changed to eliminate the CRC's power to issue bonds. Any such change would be prospective.

Q. Would there need to be an Executive Director type position for a CRC similar to an IDA?

A. Yes. The structure of the CRC would parallel the structure of the IDA.

Q. Can some other entity other than a CRC issue tax exempt financing?

A. No local entity in Fulton County. The State Dormitory Authority has power to issue bonds for NFP corporations.

Q. Is there any chance that the NYS Legislature will re-establish the authority of an IDA to issue tax-exempt financing?

A. Possible but no such action has taken place in 10+ years.

Q. What would happen if a CRC was created and then the State abolished them?

A. The financing issued by the CRC would be valid. Any abolishment would be prospective and not retrospective.

Q. What can the CRC spend its funding on?

A. The CRC has the same authority as an IDA for spending funds.

Q. How would the CRC generate revenues?

A. By establishing a fee schedule similar to what an IDA does. The CRC would generate an administrative fee from the issuance of its bonds.

Q. Would the CRC be a public entity?

A. Yes. The CRC would be subject to all the requirements of the Public Authorities Accountability Act just like IDA's are.

Q. What would be the annual costs for operating a CRC?

A. There would be two (2) typical cost centers:

1. Annual audit.

2. Staff time to complete the reporting requirements under PARIS.

7. Previous Attempt to Create a CRC:

- In 2016, the IDA discussed creating a CRC and a potential project at FMCC was being discussed where tax-exempt bonds were being discussed.
- The IDA Board recommended to the Board of Supervisors that a CRC be created.
- The Board of Supervisors did not agree to create a CRC. There was a concern raised by the County Attorney that the debt of a CRC could become the responsibility of the County.
- Hodgson Russ had advised that there was minimal chance this could happen.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. The CRC would be a separate entity from the IDA. The CRC, however, would have the same Board of Directors and structure of the IDA. He stated the Family Counseling Center recently inquired on whether Fulton County had a CRC that

it could utilize to issue tax-exempt bonds for an expansion project it was pursuing. When advised Fulton County did not have its own CRC, the Family Counseling Center approached the Montgomery County CRC. It was determined that Montgomery County's CRC could issue the tax-exempt bonds on behalf of Family Counseling Center because the Family Counseling Center provides services in Montgomery County. Kara Lais stated that that \$5 million project generated an administrative fee of approximately \$62,000 for the Montgomery County CRC.

Joe Semione asked if there would be costs incurred upfront to create a CRC? Jim Mraz stated he would contact Hodgson Russ, IDA's Bond Counsel, and ask what they may charge to provide legal guidance if the IDA/Fulton County desire to create a CRC.

Mike Fitzgerald stated that banks, in general, are not as interested in tax-exempt financing as they were a few years ago. Mike Fitzgerald questioned whether Fulton County could join Montgomery County and have a joint County CRC? Jim Mraz stated that he would ask Hodgson Russ if that is an option.

After further discussion, the IDA Board agreed to continue a discussion on whether to pursue creating a Fulton County Capital Resources Corporation.

VII. OTHER BUSINESS:

A. Executive Session:

1. Upon a majority vote of its total membership, taken in an open meeting pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, a public body may conduct an executive session for the below enumerated purposes only, provided, however, that no action by formal vote shall be taken to appropriate public moneys:
 - i. matters which will imperil the public safety if disclosed;
 - ii. any matter which may disclose the identity of a law enforcement agent or informer;
 - iii. information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
 - iv. discussions regarding proposed, pending or current litigation;
 - v. collective negotiations pursuant to article fourteen of the civil service law;
 - vi. the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
 - vii. the preparation, grading or administration of examinations;
 - viii. the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.**

MOTION: To go into Executive Session to discuss the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

MADE BY : Dave D'Amore
SECOND : Jane Kelley
VOTE : Unanimous
TIME : 9:25 a.m.

MOTION : To go out of Executive Session.

MADE BY : Joseph Semione
SECOND : Mike Fitzgerald
VOTE : Unanimous
TIME : 10:10 a.m.

VIII. NEXT MEETING:

Tuesday
*March 3, 2020 * **Note new date!**
8:00 a.m.

IX. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : Jane Kelley
SECONDED : Todd Rulison
VOTE : Unanimous
TIME : 10:11 a.m.