

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
APRIL 11, 2017
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

JOSEPH SEMIONE, CHAIRMAN
DAVE D'AMORE, VICE CHAIRMAN
WILLIAM SULLIVAN, TREASURER
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, PLANNER
BILL WALDRON, LIAISON, ECONOMIC DEVELOPMENT COMMITTEE

I. MINUTES FROM MARCH 14, 2017 MEETING:

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

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : Todd Rulison
SECONDED : Timothy Munn
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.

E. Other Reports:

- Economic Development Committee : Bill Waldron
- Fulton County Center for Regional Growth : Ron Peters
- No report.

IV. OLD BUSINESS:

A. Proposed Solar Array Project:

1. Background:

- At its February 9, 2017 meeting, IDA members reviewed Ameresco's proposal which requested:
 - Execute a Letter of Intent with the IDA
 - Execute a 20-year ground lease with the IDA.
 - Build a 2 megawatt solar array at Tryon on a 13-acre parcel behind Vireo Health.
 - Execute a 20-year Power Purchase Agreement (PPA) with Fulton County whereby Ameresco would sell all solar-generated electricity to Fulton County.
 - Develop, build, operate and maintain the solar array.
 - Obtain all permits.
 - Finance the project. The project would partially be funded by NYSERDA.
 - Decommission the project at the end of the contract.
- National Grid advised that a Supplemental Analysis must now be conducted to verify if the solar array could connect into National Grid's electrical distribution system. The fee to file for this analysis is \$18,000+/-.
- Board of Supervisors passed Resolution #37 dated February 13, 2017 endorsing the concept of purchasing solar power and entering into a Power Purchase Agreement with Ameresco.

- The next step was to collect information on the total electrical consumption in all County Buildings and send that information to Ameresco to determine if Fulton County uses enough electricity to be able to purchase the 2 megawatts of power Ameresco proposes to generate.
- On February 28 2017, Jim Mraz sent that information to Ameresco with a request to review the information to determine if the County utilizes enough electricity to purchase all of the power the proposed 2 megawatts would generate.
- Based on the data sent to Ameresco, Fulton County currently uses about 1 MG of electricity. As a result, a new smaller solar array, roughly half the size of the previously proposed, is now being proposed.
- The “solar credit rate” has not yet been finalized by the Public Service Commission (PSC). It is estimated to be somewhere in the area of \$.1200/kwh.
- According to Ameresco, the PSC released program regulations recently, however, they did not include specific values for 2 key components of the overall solar credit rate (they call it the “Value Stack”). The PSC claimed the utilities did not provide enough data to them. The Commission gave the utilities until May 1, 2017 to provide this data so the Commission may rule shortly thereafter on the Value Stack.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that Ameresco is waiting for the PSC to issue the solar credit rate. This rates needs to be issued in order for Ameresco to issue a final proposal to Fulton County to purchase solar energy that would be generated at Tryon. Jim Mraz stated that Ameresco advised that the PSC set a deadline of May 1, 2017 for the utility companies to submit to them the information they need to establish this solar credit rate. A question was asked on whether a singular solar credit rate will be issued statewide? Jim Mraz stated he was not sure. He stated he anticipates that the credit may vary from utility to utility.

B. Johnstown Renewables Project:

1. Status Report:
 - Construction is ongoing.
 - Johnstown Renewables is hoping to complete its facility in the second quarter of 2017.
2. Lease/PILOT:
 - The Lease/PILOT has been executed.
 - The IDA’s Administrative Fee has been received.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that Johnstown Renewables is hoping to complete their project by the end of the second quarter of 2017.

C. Perth Primary Care Clinic Project:

- At the December 13, 2016 meeting, the IDA Board authorized the Chairman and Executive Director to prepare and execute whatever documents may be needed to allow for Nathan Littauer to pay off the bonds issued for this project and purchase the project.
- Nathan Littauer Hospital is working with Joe Scott, IDA Bond Counsel, and the CIC to complete this transaction.
- Draft documents have been distributed. Kara Lais has reviewed the draft documents and found them acceptable.

- Closing to be held soon.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that this matter has gotten to be a little bit more complicated than was originally expected. He stated, however, that the attorneys involved are moving towards closing on this transaction. He stated this transaction will generate no revenue to the IDA.

D. 2017 Marketing Initiatives:

- Fulton County and the Fulton County Center for Regional Growth are working together on conducting two (2) major economic development marketing initiatives in 2017.

1. Commercial and Industrial Real Estate Brokers Symposium:

- Purposes : 1. To market the Tryon Technology Park
2. To market the Hales Mills Road and Vail Mills Development Areas
- Date : Wednesday
June 21, 2017
1. 10:00 a.m. – Noon
2. 3:00 p.m. – 5:00 p.m.
- Location : Tryon Technology Park
- 1st Session : For Brokers that are CIREB Members
2nd Session : For Local Brokers

2. Site Selectors’ Advisory Forum:

- Purpose : 1. To market Fulton County to Corporate Site Selectors.
2. To market the Tryon Technology Park to Corporate Site Selectors.
3. To hear from Corporate Site Selectors on current best practices in economic development marketing.
- Date : Thursday-Friday
September 7-8, 2017
- Event will feature several Corporate Site Selectors from the Site Selectors Guild (SSG).
- Working on a 1-page slip sheet regarding Building 3 and Regional Business Training and Incubator Center to hand out at session.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that his office is working on slip sheets for the two (2) existing buildings at Tryon.

E. Tryon Technology Park:

1. Tryon Development Area:

a. Background:

- At the March 14, 2017 meeting, IDA members reviewed the proposed Tryon Development Area.

- The Tryon Development Area would include:
 - 60+/- acres
 - Northern part of Tryon property
 - Housing: single-family, apartments, townhomes
 - Some mixed use
 - Executive Housing: large lots
 - Water:
 - Connect into line running from tank to CR117.
 - Sewer:
 - Extend up from CR117

b. Appraisal:

- IDA Board asked Jim Mraz to obtain quotes to prepare appraisal on the 60 acres of land that would comprise the Tryon Development Area.

c. Quotes:

- Three (3) local appraisers were asked to submit quotes.
- Two (2) quotes were received:
 1. Whittaker Appraisal Group : \$500
 2. Clayton Sitterly : No charge (Market Evaluation. Not a formal appraisal.)

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that, at the last meeting, the IDA Board asked him to obtain quotes to have an appraisal done on the 60+/- acres that is proposed to be included in the Tryon Development Area. He stated that he contacted three (3) Fulton County appraisers to request quotes. He received two (2) proposals as shown on the Agenda. He stated that the IDA has already received a Market Evaluation from Clayt Sittlerly from Coldwell Banker. He stated this Market Evaluation does not rise to the level of a formal appraisal. However, it is an indicator of what an experienced real estate person believes is the market value for the 60+/- acres. After a brief discussion, it was the consensus of all IDA members present that the IDA should still have a formal appraisal done. Jim Mraz asked if there were any additional questions. There were none.

IDA ACTION:

MOTION: To authorize Whittaker Appraisal Group to prepare an appraisal on the 60+/- acres of land comprising the Tryon Development Area at a cost not to exceed \$500.

MADE BY: Dave D'Amore

SECONDED: Bill Sullivan

VOTE: Unanimous

2. Lawn Mowing Quotes:

- A Request for Quotes (RFQ) was distributed to nine (9) companies/individuals to cut grass at Tryon.
- This year's asked for additional mowing. The additional mowing would be just prior to the June 21, 2017 CIREB marketing event to be held at Tryon.
- Quotes were due on April 5, 2017.

- Two (2) quotes were received:

Company/Individual	Brush Hog/Flail Mower (2)	Finish Mowing (7)	Brush Hog/Flail Mower (1)	Total
James Esper Landscape	\$ 3,500	\$ 3,500	\$ 1,500	\$ 8,500
Greenscapes	\$ 4,320	\$ 4,480	\$ 1,260	\$10,060

- Previous Year Costs:

2014: \$5,160 Greenscapes
 2015: \$8,820 Evergreen
 2016: \$7,520 Greenscapes

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated the scope of work of this year’s lawn mowing quotes included one (1) additional mowing from what was requested in years past. He stated this additional mowing is scheduled to occur just prior to the June 21st CIREB meeting to be held at Tryon. He stated he added this additional mowing to ensure that the grounds looked as presentable as possible for this major marketing event. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to execute a contract with James Esper Landscape in the amount of \$8,500 to perform lawn mowing work at Tryon for 2017.

MADE BY: Diana Putnam
 SECONDED: Timothy Munn
 VOTE: Unanimous

V. NEW BUSINESS:

A. Review Request from Air National Guard:

- New York Air National Guard desires to use Tryon for training on April 21, 2017.
- Air National Guard, like NYS Police, are self insured. Letter has been submitted documenting such.
- See attached.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He reviewed the letter the Air National Guard submitted documenting that they are covered under liability insurance by the State. He asked Kara Lais if she was okay with this letter. Kara Lais stated, “Yes.” Jim Mraz stated it would be the same as what the State police provide when they conduct training at Tryon. Jim Mraz asked if there were any additional questions. There were none.

IDA ACTION:

MOTION: To approve the use of Tryon by the New York Air National Guard on Friday, April 21, 2017.

MADE BY: Joseph Gillis

SECONDED: David D'Amore

VOTE: Unanimous

B. Building 3:

1. CIREB Symposium:

- At the June 21, 2017 Symposium, commercial and industrial real estate brokers will be attending the event.
- It may be an opportunity to advertise/market the availability of Building 3.

2. Marketing Pamphlet:

- The IDA Board approved having a 1-page pamphlet prepared on Building 3 that could be distributed at this Symposium.

3. Appraisal:

- If the IDA wants to try and sell this building, it should have an appraiser to determine the building's current Fair Market Value.
- Quote received from Sterling Appraisal: \$4,500

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated in response to the discussion at the last meeting, he attempted to obtain quotes from commercial appraisers. He stated that he was unable to find a commercial appraiser in Fulton County. He stated the appraisers he contacted for the land value appraisal for Tryon are not commercial appraisers. The only appraiser that he was familiar with that does commercial appraisals is Sterling Appraisal out of Mechanicville. He stated Sterling prepared an appraisal for a County property recently. Sterling's quote to prepare a commercial appraisal of Building 3 was \$4,500.

There was a discussion regarding whether to conduct this commercial appraisal now or to have a potential developer who might be interested in purchasing the property prepare the appraisal. Jim Mraz stated that he thought it would be best for the IDA to conduct the appraisal now. He stated this would give the IDA information up front as to what the value of the building may be. He stated the IDA has options on how to sell the property. It could sell it at full value of the appraisal or discount the sale price by a certain amount. He stated having the appraisal done up front would afford the IDA Board the ability to determine what incentive they would be offering if they chose to discount the sale price by a certain percentage of the appraised value. Dave D'Amore stated incentivizing a potential sale is something that the IDA should consider. Jim Mraz stated that the County is meeting with a developer this week who specializes in renovating existing buildings. He stated he will be discussing the Tryon building with this particular developer. It was suggested that Jim Mraz ask the developer if they thought having the IDA prepare the appraisal up front is preferred or whether the developer would prefer to prepare the appraisal. Jim Mraz stated that he would do such. Jim Mraz asked if there were any more questions. There were none.

IDA ACTION:

MOTION: To authorize hiring Sterling Appraisal at a cost not-to-exceed \$4,500 to prepare an appraisal of Building 3 at Tryon.

MADE BY: Dave D'Amore

SECONDED: Joseph Semione

VOTE: Unanimous

C. IDA Website:

1. Background:

- IDA's website is currently a link on the County's website.
- The County's IT Department handles adding and deleting material from the IDA's website.

2. ABO:

- ABO administers and enforces a policy requiring the IDA to post and maintain various documents onto the IDA's website.

3. Status:

- At present, numerous IDA documents have not been posted onto the IDA's website.

4. Options:

- Stay with Fulton County.
- Hire someone to construct and manage a website for the IDA.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the IDA, in 2016, received a formal letter from the ABO stating that the IDA was not in compliance with their requirements for websites. He stated those deficiencies were forwarded to the County's IT Department. Unfortunately, those deficiencies have not been corrected.

There was a lengthy discussion regarding the options available to the IDA with regards to a website. Jim Mraz stated that his office did reach out to a local firm that develops websites to see what it may cost to hire an outside firm to develop a new website for the IDA. Bill Waldron stated that he would like to speak with the County's IT Director to see if something can be worked out to have the IDA's website kept on the County's website and to have it brought up to date. After further discussion, it was the consensus of all IDA members present to table further discussion on this matter until such time as Bill Waldron speaks with the County's IT Director and reports back to the IDA. In the meantime, Jim Mraz was asked to contact several additional consulting firms to obtain proposals from them to develop and manage a new website for the IDA. It was felt these proposals should be available in the event that the IDA Board chooses to pursue hiring a firm to develop a new website for the IDA.

D. Public Work Enforcement Fund:

1. Background:

- On March 31, 2017, the IDA received a letter, dated March 27, 2017, from the NYS Department of Labor regarding a program known as the Public Work Enforcement Fund.
- As a public benefit corporation engaged in certain construction or reconstruction, maintenance or repair contracts, the IDA is responsible to contribute to the Public Work Enforcement Fund (PWEF). This Law requires a public benefit corporation 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 this Fund.

Example: \$100,000 contract x .001 = \$100

- For contracts which are not approved or administered by the Office of the State Comptroller, monthly reports and payments for deposit into the Public Work Enforcement Fund must be sent to: Department of Labor, Administrative Finance Bureau – PWEF Unit, Building 12, Room 464, State Office Campus, Albany, NY 12240 within 30 days of the end of each month or on a payment schedule mutually agreed upon with DOL.
- Reports should contain the following information:
 - Name and billing address of State agency or public benefit corporation;
 - State agency or public benefit corporation contact and phone number;
 - Name and address of contractor receiving the award;
 - Contract number and effective dates;
 - Contract amount and PWEF assessment charge (if contract amount has been amended, reflect increase or decrease to original contract and the adjustment in the PWEF charge); and
 - Brief description of the work to be performed under each contract.

2. Affirmation Notice:

- The Department of Labor is requiring the IDA execute an Affirmation Notice attesting that the IDA has reviewed the supplied information and the IDA's responsibility concerning the Public Work Enforcement Fund.
- If a signed Affirmation Notice is not received within 30 days of the date of this letter, the IDA will be referred to the Office of the State Comptroller for further action.

3. Letter from NYS Economic Development Council (NYSEDC):

- On April 6, 2017, the IDA received a letter from the NYSEDC regarding this Affirmation Notice from the Department of Labor.
- The letter advised that:
 - NYSEDC is reviewing the matter to determine if the law was intended to apply to local public authorities. The law was enacted in 1995, and to my knowledge has never been applied to IDA's in the past. If any IDA has received notice of this requirement in prior years, please contact me.
 - NYSEDC has contacted senior staff at DOL to determine if IDA's have ever been notified of this requirements in past, or if any IDA's have ever paid.
 - NYSEDC has also notified the Governor's Office of our concern. And, we have notified senior legislative staff about the issue.
 - In light of this outreach, and because agencies have 30 days to return the signature page to DOL, NYSEDC is recommending that IDA's NOT return the signature page at this time. NYSEDC will continue to seek answers and solutions to this matter over the next few weeks, and will provide further guidance to IDA's before the 30-day window closes.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked Kara Lais what her recommendation would be given the letter from the NYSEDC. Kara Lais stated that her firm is recommending that IDA's wait until they hear back from the NYSEDC before signing any Affirmation Notice. Jim Mraz recommended that authorization be given to have the Chairman sign the Affirmation Notice if the recommendations come back from the NYSEDC and Kara Lais to sign the Affirmation Notice. He stated the Affirmation Notice would need to be filed prior to the next IDA Board meeting. Jim Mraz asked if there were any other questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to sign the Affirmation Notice and file it with the NYS Department of Labor contingent upon a recommendation coming back from the NYSEDC and Kara Lais to do so.

MADE BY: Joseph Semione

SECONDED: Bill Sullivan

VOTE: Unanimous

VI. NEXT MEETING:

Tuesday
May 9, 2017
8:00 a.m.

VII. CLOSE MEETING:

MOTION : To close the meeting.

MADE BY : Bill Sullivan

SECONDED : Dave D'Amore

VOTE : Unanimous

TIME : 9:10 a.m.