

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TUESDAY  
APRIL 12, 2016  
8:00 A.M.

PLANNING DEPARTMENT CONFERENCE ROOM

## MEETING NOTES

PRESENT:

WILLIAM SULLIVAN, TREASURER  
DIANA PUTNAM, MEMBER  
DAVE D'AMORE, MEMBER  
TIM MUNN, MEMBER  
KARA LAIS, IDA COUNSEL  
JAMES MRAZ, IDA EXECUTIVE DIRECTOR  
SCOTT HENZE, PLANNER

### **I. MINUTES FROM MARCH 8, 2016 MEETING:**

MOTION : Accept as presented.  
MADE BY : Dave D'Amore  
SECONDED : Tim Munn  
VOTE : Unanimous

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

MOTION : Accept as presented.  
MADE BY : Diana Putnam  
SECONDED : Bill Sullivan  
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. Vireo Health Lot Sale:

- Closing occurred on March 28, 2016.
- IDA has received an invoice from Fitzgerald Morris Baker Firth for all legal work performed with this transaction.
- Total Invoice \$3,500

IDA ACTION:

MOTION: To authorize a payment in the amount of \$3,500 to Fitzgerald Morris Bake Firth for the work on the closing of the lot sale to Vireo Health of NY, LLC.

MADE BY: Dave D'Amore

SECONDED: Tim Munn

VOTE: Unanimous

2. Wastewater Collection System and Pump Station:

a. Partially Blocked Sewer Main:

- A section of gravity sewer main from the last sewer manhole to the pump station is partially blocked.
- This section needs to be cleaned.

b. Infiltration into Gravity Sewer Main:

- A significant amount of groundwater is infiltrating into sewer main.
- C.T. Male has recommended plugging four (4) sewer lines no longer in use to reduce water infiltrating into those sewer mains and into the pump station.

c. Turbulence in Sewer Pump Station's Wet Well:

- New pumps and controls were installed in Pump Station.
- Pumps are set to turn on when fluid levels in wet wells get to a certain height and shut off when the level gets down to a certain level.
- When pumps are started, turbulence develops in wet well. There should be no turbulence.
- Wastewater is being pumped out but at a slower rate than it should be.
- This turbulence indicates air is in the sewer force main that the pumps are pumping the wastewater into.
- Two (2) air release valves exist in the sewer force main between Tryon and the Hale Creek Correctional Facility. These valves are intended to release air from the sewer force main.
- These valves haven't been used in five (5) years. It is believed these valves are not operating correctly or at all thereby causing air to remain in the force main. Air trapped in a force main can cause the turbulence in the wet well when the pumps come on.
- These air release valves must either be activated/repared or replaced.
- Someone needs to open these two (2) manholes, inspect the valves and either get them working or replace them.

d. Cost Estimate:

1. Quote to clean clogged sewer main: \$1,800+/-
2. Quote for plugging sewer mains and getting air out of sewer main:
  - \$2,300/day
  - Estimated 2-3 days
3. If a new air release valve is needed, estimated cost: \$1,500

e. Emergency Purchase:

- In accordance with Section 4(B) of the IDA's Procurement Policy, it is recommended that the work described in a-c above be deemed emergency purchases.
- It is proposed that Adirondack Septic from Amsterdam, NY be hired to perform this emergency work.
- Adirondack Septic worked previously at Tryon repairing and maintaining Tryon's sewer system.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated he contacted Adirondack Septic due to their experience working at Tryon. Adirondack Septic would charge \$2,300/day to have its team onsite performing its work. All of the work to be performed in manholes will comply with confined space guidelines. He reviewed a map showing the wastewater collection system at Tryon. He pointed to the areas where it is proposed that certain sewer mains be blocked to limit the amount of infiltration and inflow getting into the main sewer trunk line. After completing this review, Jim Mraz asked if there were any questions. Dave D'Amore asked if Vireo Health's facility was being impacted at all by these situations. Jim Mraz stated, "No." Jim Mraz stated that, with respect to the air release valves, it is not known whether these will have to be repaired and/or replaced. He stated this will not be determined until such time as the valves are looked at and inspected to see if they can be made functioning again.

Jim Mraz stated that the total estimated cost for this work is under the amount that would require the IDA to go out and seek competitive bids. He recommended hiring Adirondack Septic from Amsterdam, NY given that they previously did a lot of work on the sewer system at Tryon and have a great deal of knowledge about the existing system. He stated he's recommending that this work proceed on an emergency basis given the need to deal with these conditions as soon as possible.

IDA ACTION:

MOTION: To authorize the emergency purchase of services from Adirondack Septic to have a sewer main cleaned, to have four (4) sewer mains plugged and to repair/replace two (2) air release valves.

MADE BY: Bill Sullivan  
SECONDED: Diana Putnam  
VOTE: Unanimous

3. Electrical System at Tryon:

a. Background:

- Existing electrical system at Tryon was owned and maintained by New York State. As part of the transfer of Tryon to the IDA, the IDA now owns the electrical system.
- The long-term plan is to have National Grid install new electrical service into Tryon along CR117 that they would own and maintain.
- Until this new service is installed, the electrical system must be operated, maintained and repair, as needed, by the IDA.

b. Design Fee for New Electrical System:

- On January 26, 2016, a meeting was held with National Grid to discuss having a new electrical service installed around CR117. At that meeting:
  - 1) It was agreed that the 13.2 Kv distribution service currently feeding Tryon would be adequate for the Park.
  - 2) National Grid said they would proceed with designing the new electrical service within the Park. This will involve installing an underground electrical line around the exterior of CR117.
- On April 5, 2016, National Grid e-mailed Jim Mraz and advised that they are requiring a fee of \$10,000 to design the new underground electrical line around CR117.

- Jim Mraz e-mailed National Grid and asked for an explanation on why the IDA must now pay National Grid to “design” the electrical line they will be installing around CR117. National Grid’s response was:

**“Our Engineers and Planners have to spend time and resources to develop your design. We typically require a design fee for a project of this size and since it has been determined to be 100% reimbursable. The design fee is used to protect the ratepayers. In the event a customer decides not to proceed forward with a project after a design has been created, the design fee will cover the cost of our services that have already been rendered, rather than have those costs get socialized across the ratepayers. The dollar amount is based on past design cost estimates. If you move forward with the project, the design fee will be deducted from the total cost of the project. If you decide not to move forward, the design fee will be reconciled to actual charges and you will be reimbursed if there is any remaining balance of the design fee.”**

**“Our Electric Planner will design a job to extend electric to serve the needs of your new Tryon Technology Park. The design will be done in our GIS system based upon the loads you provided. The design may include underground cable, transformers, switchgear, any conduit requirements and/or pull box requirements and will be presented to you when completed. You will be presented with the design fee charges and our Right-of-Way Department will contact you separately with the easement and easement sketch. If there are requirements for customer installed conduit and/or concrete encased conduit and pull boxes, (installed by said customer) you will be advised of same when the drawing is complete.”**

- National Grid also submitted PSC No. 220 Electricity Electric Tariff 6 of 146 as the basis for National Grid charging for their design work. (See attached.)

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he was surprised to receive the e-mail from National Grid stating that the IDA had to pay this \$10,000 fee to have National Grid design this electrical line. He stated that, in all previous industrial park projects, this never occurred.

Dave D’Amore asked if there was any schedule or formula provided that justified a fee of \$10,000. Jim Mraz stated that none was provided. Dave D’Amore stated the IDA should ask for that formula or schedule so that the IDA knows how this amount was calculated. Jim Mraz stated that he would ask National Grid that question.

Jim Mraz stated that the e-mail from National Grid indicated that this design fee would be 100% reimbursable. He stated, however, the e-mail does not explain how or when this reimbursement would take place. IDA members directed Jim Mraz to ask National Grid how and when it would be reimbursed.

Jim Mraz also stated that this new tariff that National Grid forwarded to the IDA as documentation for their ability to charge this design fee was only made effective on March 1, 2016. He stated that he has been discussing this design work with National Grid since the middle part of 2015. He questioned whether this discussion about a design fee which started back in 2015 would allow this design to be grandfathered in and not be subject to this tariff. Jim Mraz stated that he would pose that question to National Grid also.

There was a general discussion amongst IDA Board members on whether the IDA should authorize having the \$10,000 payment submitted to National Grid regardless of what the answers are to these questions. Jim

Mraz advised that it is important to have this design work get started as soon as possible. He stated this design needs to be completed so that National Grid can start installing its new electrical service around the perimeter road. The first entity that this service would be connected to would be Vireo Health. This would allow for Vireo Health to get off of the IDA's electrical system. After a brief discussion, it was the unanimous consensus of all IDA members present that it should authorize having this \$10,000 fee paid to National Grid.

IDA ACTION:

MOTION: To direct the Executive Director to forward the questions raised at today's meeting to National Grid and request answers to them and to authorize a \$10,000 payment to National Grid as a design fee for the Tryon Technology Park Project.

MADE BY: Dave D'Amore

SECONDED: Bill Sullivan

VOTE: Unanimous

#### 4. Tank Registrations:

##### a. Background:

- When title to Tryon was transferred to the IDA, several fuel tanks came with the property.
- These tanks had been registered with NYSDEC.
- That registration expired in January, 2014.

##### b. Meeting with NYSDEC:

- On March 16, 2016, Jim Mraz met with Ben Hankins, Environmental Engineer, NYSDEC, to inspect the registered tanks.
- Mr. Hankins wanted to inspect the six (6) tanks that were registered with NYSDEC as being at Tryon.
- Based upon that inspection and information Jim Mraz provided to NYSDEC the following determinations were made by NYSDEC:
  - 1) Tanks 60A (2,000 gallons) and 60B (4,000 gallons) were sold at the 4/2014 Auction and no longer exist onsite. As a result, they were removed from NYSDEC's list of registered tanks.
  - 2) Tank 069 (300+/- gallons), which was supposed to be a part of the emergency generator, could not be found. As a result, it was removed from NYSDEC's list of registered tanks.
  - 3) Tank 60E (275 gallons) was a waste oil tank in Bay 3 of Building 60. It was no longer there. As a result, it was removed from NYSDEC's list of registered tanks.
  - 4) Tanks 60C (1,000 gallons) and 60D (50 gallons), which are tanks integral to the emergency generator, were found. There were properly labeled. These tanks will remain on NYSDEC's list of tanks.
- Given that only two (2) tanks remain and their size is under the minimum tank size that requires they be registered, NYSDEC determined that the IDA would not be required to register those two (2) remaining tanks with NYSDEC.

##### c. Re-Register Tanks:

- Given what tanks remain based upon NYSDEC's March 16, 2016 inspection, these tanks do not need to be registered.

- However, since the previous registration of the tanks expired on January 1, 2014, NYSDEC has decided the IDA needs to re-register the tanks that no longer exist for the time period of January 2014 – April 2016.
- Total Registration Fee: \$500

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that, when the IDA took title to Tryon in January of 2014, there were tanks on the site that its ownerships transferred also to the IDA. The registration on those tanks expired in January of 2014. In 2014, the IDA sold the two (2) big tanks as part of the two (2) auctions that occurred that year. DEC asked for documentation that they were sold. Jim Mraz provided DEC with a copy of the receipts from the Auctioneer showing who the tanks were sold to. DEC appreciated the documentation. Jim Mraz stated, however, that the remaining tanks were not re-registered. When DEC contacted Jim Mraz recently to discuss the status of the tanks, he provided DEC with all available information. It was agreed to meet at Tryon and visually inspect the remaining tanks. That inspection resulted in finding that two (2) of the six (6) tanks that were previously registered had been removed by the State and were no longer on the list. As a result of that occurring along with the IDA selling two (2) additional tanks, four (4) of the six (6) that had been previously registered were no longer on the site. NYSDEC advised that the two (2) remaining tanks, given their size, did not need to be registered with NYSDEC. As a result, moving forward, there would be no tanks at Tryon that the IDA owns that will have to be registered with NYSDEC.

NYSDEC, however, advised that since the tanks were not re-registered in January of 2014 as they should have been, they will need to be re-registered even though they no longer exist at Tryon. NYSDEC advised that the IDA will have to submit an application to re-register these tanks and a \$500 fee even though these tanks no longer exist. Jim Mraz asked if there were any questions. There were none.

**IDA ACTION:**

**MOTION:** To authorize a \$500 payment to NYSDEC to re-register two (2) tanks at Tryon.

**MADE BY:** Bill Sullivan

**SECONDED:** Tim Munn

**VOTE:** Unanimous

**5. Building Demolition:**

- Fulton County’s Demolition Team commenced work on demolishing the cluster of six (6) buildings on the right side of the entrance to Tryon.
- Demolition work began on March 21, 2016.
- It is projected that this work will be completed in June, 2016.

**B. Johnstown Renewables Project:**

**1. Status Report:**

IDA DISCUSSION: Jim Mraz stated that the Johnstown Renewables Project is moving along. He stated Johnstown Renewables’ engineers have identified potential federal wetlands on a site. He stated that this may slow up the project. Kara Lais stated that there has been no progress on getting the Preliminary Agreement signed by Johnstown Renewables.

**C. Fulton County Capital Resources Corporation (FCCRC):**

1. Status Report:

- Presented IDA’s recommendation on March 30, 2016 to the Economic Development and Environment (ED & E) Committee. ED & E Committee unanimously approved creating the FCCRC.
- Finance Committee met on March 31, 2016 and also recommended approval.
- Board of Supervisors met on April 11, 2016.

IDA DISCUSSION: Jim Mraz stated that the Board of Supervisors looked through the resolution to formally create the Capital Resources Corporation. He stated a question had been raised by Jon Stead and Jason Brott on whether there was a chance that debt issued by the CRC could become a liability to the County of Fulton and County taxpayers. Jim Mraz explained that, for IDA’s, there is a specific provision in General Municipal Law which states that Counties and County taxpayers shall not be liable for any debt issued by an IDA. He stated similar language does not exist in the Not-For-Profit Law under which CRC is proposed to be created. He stated Hodgson Russ had advised that this matter was addressed by including the similar language that’s in General Municipal Law for IDA’s Certificate of Incorporation for the CRC. He stated this matter will go back to the Economic Development Committee at its April 27<sup>th</sup> meeting for another review and discussion. He stated that he would be asking Jason Brott to discuss this matter further with Joe Scott and Chris Martell from Hodgson Russ.

**D. IDA Reform Legislation:**

1. Background:

- IDA Reform Legislation passed the legislature on June 19, 2015.
- It was signed into law in December 2015.
- The legislation becomes effective 180 days after being signed by the Governor.
- At the February 9, 2016 meeting, IDA members agreed to have Jim Mraz obtain cost proposals to assist the IDA in preparing the new policies and procedures.

IDA DISCUSSION: Jim Mraz stated that he received proposals from both Hodgson Russ and Fitzgerald, Morris, Baker, Firth to work with the IDA to prepare new policies, procedures and project application to comply with the 2015 IDA Reform Legislation. Based upon the two (2) proposals received, he recommends the IDA retain Fitzgerald, Morris, Baker, Firth at a cost of not-to-exceed \$3,500. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize retaining Fitzgerald, Morris, Baker, Firth at a cost not-to-exceed \$3,500 to assist the IDA in preparing new policies, procedures, project applications and other materials as required by the 2015 IDA Reform Legislation.

MADE BY: Dave D’Amore  
SECONDED: Diana Putnam  
VOTE: Unanimous



**V. NEW BUSINESS:**

**A. Nathan Littauer Bond Issuance:**

- In 1999, the IDA issued \$10,895,000 in bonds to help finance Nathan Littauer Hospital's Surgical Suite Project.
- On March 24, 2016, the IDA received a written notification from Nathan Littauer Hospital they will, on April 25, 2016, prepay the remaining three (3) years owed on the bonds.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated he spoke with Joe Scott, Hodgson Russ regarding this matter. He stated Hodgson Russ does not believe there are any formal actions that will be required by the IDA. However, it is recommended that the IDA Board pass a motion authorizing the Chairman to take any actions that may be required to complete this project. Jim Mraz asked if there were any questions. There were none.

**IDA ACTION:**

MOTION: To authorize the Chairman to take any necessary actions required to complete the Nathan Littauer Hospital's Surgical Suite Project.

MADE BY: Tim Munn  
SECONDED: Bill Sullivan  
VOTE: Unanimous

**VI. NEXT MEETING:**

Tuesday  
May 10, 2016  
8:00 a.m.

**VII. CLOSE MEETING:**

MOTION : To close the meeting.  
MADE BY : Bill Sullivan  
SECONDED : Dave D'Amore  
VOTE : Unanimous  
TIME : 9:17 a.m.