

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TUESDAY
NOVEMBER 14, 2017
8:00 A.M.

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

JOSEPH SEMIONE, CHAIRMAN
DIANA PUTNAM, MEMBER
TODD RULISON, MEMBER
TIM MUNN, MEMBER
JAMES MRAZ, EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNER

I. MINUTES FROM OCTOBER 17, 2017 MEETING:

MOTION : Accept as presented.
MADE BY : Diana Putnam
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:

- 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

IDA DISCUSSION: Joe Semione stated that he attended the Fulton County Center for Regional Growth's Fall Gala representing the IDA. He estimated approximately 70 attendees were at the event. He said the event was excellent and was a job well done by the FCCRG. He stated the IDA was announced as a Gold Sponsor of the FCCRG. Four (4) companies were given awards: Frasier Enterprises, Stump City Brewery, No. 22 Bicycle Company and Pioneer Windows. Joe Semione stated it was an excellent event and one that the IDA should attend in the future.

IV. OLD BUSINESS:

A. Fulton County's 2017 E-Newsletter Campaign:

- Shannon Rose is administering and managing this E-Newsletter Campaign for Fulton County.
- Will e-mail/mail six (6) E-newsletters to 425+/- builders, developers and investors advising them of investment opportunities available now in Fulton County.
- Goal: Attract private investment into Fulton County.
- 1st Newsletter was sent out in August.
- 2nd Newsletter was sent out in September.
- 3rd Newsletter was sent out in October.
- 4th Newsletter was sent out in November.
- Distribute copy of Newsletter 4.

IDA DISCUSSION: Jim Mraz distributed copies of Newsletter 4 to all IDA members present. A question was asked about the news story yesterday about Senator Tedisco providing a grant to Fulton County. Jim Mraz stated that Senator Tedisco held a Press Conference on November 13th to announce that he had obtained a \$300,000 grant for Fulton County to use towards the cost of the Vail Mills Sewer Collection

System Project. Jim Mraz explained to IDA Board members what the Sewer Collection System Project would consist of. Tim Munn stated that project will help spur growth and development in the Vail Mills area.

B. 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 buildup.
2. Fulton County's Highway and Solid Waste Departments spent 2+ weeks cutting down a number of trees.
3. An opportunity became available to cut the underbrush in the areas mentioned by the Site Selectors. Jim Mraz e-mailed IDA Board members about this opportunity on October 23, 2017. Invoice Amount: \$1,000
4. A significant area was cut on October 21-22, 2017. These areas will be added to the areas to be regularly mowed in 2018.

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

IDA ACTION:

MOITON: To authorize a payment to Edmond Hammonds in the amount of \$1,000 for work performed at the Tryon Technology Park.

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

D. Proposed Century Linen Project:

1. Background:
 - Century Linen & Uniform (formerly Robison & Smith) is a locally owned and operated family business that provides healthcare linen solutions, work uniform programs, entrance mats, and linen services to other businesses throughout New York.
 - It currently has two (2) plants:
 - 1) Gloversville: This plant serves exclusively healthcare.
 - 2) Johnstown: This plant serves restaurants, hotels, industrial, and retail medical.
 - The company also operates:
 - 1) Three (3) service centers across the state, in Canastota, Potsdam, and Albany.
 - 2) A small dry-cleaning operation.
 - 3) Coin laundries.
 - Century employs about 300 full time persons within New York State.

2. Proposed Project:
 - Century Linen is proposing to purchase an existing building at 123 Union Avenue Extension in the City of Johnstown and relocate its Gloversville operation there.
 - The building contains 60,000 sf and is currently owned by STAG, Boston, MA.
 - Century Linen projects to invest approximately \$12 million on this project through renovating the building and purchasing and installing new machinery and equipment.
 - Century Linen does not expect any layoffs of the 225 employees it has in Fulton County.
 - This proposed project is needed by Century Linen to upgrade and modernize its operation, remain competitive and support recent and future growth of its business.

3. Project Application:
 - Century Linen has filed a Project Application with the IDA.
 - The Application Fee has been paid.

4. IDA Benefits Requested:
 - Century Linen's Project Application requests one (1) IDA benefit: Sales Tax Exemption

5. Project Structure:
 - At present, STAG owns the building Century Linen plans to occupy.
 - STAG will lease the building to Century Linen for 10 years.
 - STAG will continue to own the building for approximately three (3) years due to existing debt it has on the building.
 - Once STAG pays off the existing debt, Century Linen will have the option to purchase it.
 - The IDA will enter into a Lease-Leaseback structure with STAG/Century Linen.

6. Project Number:
 - The project has been assigned the following Project Number: 1701-17-01-A

7. Public Hearing:
 - Since Century Linen's Project Application requests IDA benefits greater than \$100,000, a public hearing must be held.
 - The public hearing was held on October 31, 2017 at 10:00 a.m.
 - Two (2) persons spoke at the public hearing and both spoke in favor of the project.

8. SEQR:
 - The proposed project involves the acquisition of an existing building, purchasing and installing new machinery/equipment and performing miscellaneous building repairs/modifications to accommodate the new machinery/equipment.
 - Section 617.5(c)(1) of the SEQR Regulations says, "Maintaining or repairs involving no substantial changes in an existing structure or facility" is a Type II Action.
 - Type II Actions are ones which NYSDEC has found to not have significant adverse impacts on the environment or actions that have been statutorily exempted from SEQR review.

9. Resolution:

- Kara Lais has attached a resolution for the IDA Board to act on.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Kara Lais reviewed the content of the Resolution up for action. She stated that, on page 3, under Item I, she recommends that the IDA approve for monitoring the project's private investment and job retention. The application said that the company would be retaining 100 jobs and creating 22 new jobs within a couple of years. It was the unanimous consensus of all IDA members present to include those two (2) criteria for monitoring of the project.

Jim Mraz asked if there were any questions regarding the Resolution or the proposed project. There were none.

IDA ACTION:

MOTION: To adopt a resolution approving a certain project, as defined herein, appointing Century Linen & Uniform, Inc., Agent of the Agency for the purpose of constructing and equipping the project facility (as defined herein) and authorizing the execution and delivery of closing documents.

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

E. Electric Service at the Tryon Technology Park:

1. Existing Electric Service:

- Met with Tom's Electric to go over plan to replace overhead fuses.
- Work will require shutting down power to Tryon. Need to coordinate this with Vireo.
- Hope to complete this work in November.

2. Damaged Electrical Switchgear:

- In January 2017, one of the switchgear units malfunctioned and was damaged. Power was lost and emergency repairs were made by Current Electric.
- What was done at that time was to switch the circuit feeding the Tryon Park from the damaged switchgear to one of the other functioning switchgears.
- The damaged switchgear was not repaired.
- Met with Current Electric to discuss repairing this switchgear. Two (2) options were discussed:
 - a. Keep two (2) operating circuits and continue to utilize the two (2) remaining switchgears. Repair damaged switchgear so spare is available in the event of another switchgear is damaged.
 - b. Get all electric users onto one (1) circuit that would use one (1) switchgear. The second switchgear could then be the spare to use in the event another one gets damaged.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that he and Scott Henze met with Current Electric recently to go over the two (2) options identified in the Agenda. He stated the estimate for repairing the one (1) damaged switchgear was approximately \$80,000. The estimated cost to get all electric users onto one (1) circuit was approximately \$50,000. He stated that he thinks it may be less expensive than what the current estimate was to have all current users put onto one (1) electric circuit. He stated that he would like to explore that further.

Jim Mraz reminded IDA members that the reason for looking at these options is the fact that the IDA is the current provider of electric service at Tryon. He stated that the IDA has the commitment to maintain that electric service for Vireo Health. This service needs to be maintained until such time as National Grid installs a new permanent electric service around CR117. He reviewed the outcome of a meeting recently held with National Grid to discuss the status of this new electric service. In response to that meeting, National Grid is costing out an alternative that would be less expensive than their original design. Fulton County is waiting for National Grid to get back with a revised design and cost estimate.

V. NEW BUSINESS:

A. Property Appraisal:

- At the October 17, 2017 meeting, the IDA Board authorized the hiring of Whittaker Appraisal at a cost of \$500 to prepare an appraisal on the tract of land on the east side of NYS Route 30A with said cost to be shared equally with the Town of Johnstown.
- Whittaker has submitted an invoice for its work.
- Total Invoice: \$500
- The IDA is expecting a check from the Town of Johnstown for its \$250 share.

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

IDA ACTION:

MOTION: To authorize a payment to Whittaker Appraisal in the amount of \$500.

MADE BY: Joe Semione

SECONDED: Tim Munn

VOTE: Unanimous

B. IDA Fee Schedule:

1. Background:

- a. IDA's Fee Schedule includes the following Administrative Fee applied to Straight Lease or Bond Projects:

Straight Lease Projects:

- Administrative Fee : .25% of the Project's cost subject to Sales Tax

Bond Projects:

- Administrative Fee : 1% up to 1st \$5,000,000
- : .75% over \$5,000,001

b. Other IDA's Administrative Fee:

1. Wayne County
 - First \$5,000,000: 1% of the principal amount of the project costs.
 - Over \$5,000,000 .75% of the project costs
 - Annual (post-closing) Administrative Fee of \$1,000.00
2. Orange County
 - 1% of first 2 mil + .50% of the remainder of the project amount
3. Clinton County
 - .75 of 1%
4. Oswego County
 - for financial Assistance, .75 percent of project cost
 - for Economic Development funds, 1.00 percent of financial assistance
5. Saratoga County/Warren – Washington Counties/City of Glens Falls:
 - 1-10 mil .75%
 - 10-20 mil .5%
 - 20-100 mil .25%
 - 100-200 min .1250%
 - Over 200 .1%
6. Jefferson County
 - First 10 mil 2%
 - 10-20mil .5%
 - Over 20 .25%
7. Schoharie County
 - .75%

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that as Kara Lais was dealing with the Century Linen Project and the potential Administrative Fee the IDA would generate if that project moved forward, she provided Jim Mraz with information regarding Administrative Fees other IDA's charge. There are many other IDA's charging a higher fee than what the IDA charges. Kara Lais stated that these IDA's also base their fees not just on the amount of the project cost that sales tax can be applied to, but the total project cost. Jim Mraz asked if the IDA Board was interested in considering adjusting its Administrative Fee on Straight Lease projects. IDA Board members said it was something they would be interested in considering. Jim Mraz stated that he would conduct more research and come back at the next IDA meeting with a recommendation on how to modify the Fee Schedule. All IDA members present agreed to this approach.

VI. OTHER BUSINESS:

A. Annual Meeting:

IDA DISCUSSION: Jim Mraz stated that he would e-mail all IDA Members regarding a date for the Annual Meeting which is typically held in January of each year.

B. Nominating Committee:

IDA DISCUSSION: Jim Mraz stated that he would e-mail members of the Nominating Committee to advise them to begin work on preparing a slate of officers for 2018 to present at the upcoming Annual Meeting of the IDA.

C. Purchase Option Agreement:

IDA ACTION:

MOTION: To authorize the Chairman, subject to the final approval of IDA Counsel and Executive Director to execute a Purchase Option Agreement with 1776 Hemp, LLC for a 3.4+/- acre parcel of land and building at the Tryon Technology Park.

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

VII. NEXT MEETING:

Tuesday
December 19, 2017
8:00 a.m.

VIII. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : Todd Rulison
SECONDED : Tim Munn
VOTE : Unanimous
TIME : 9:30 a.m.