

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TUESDAY  
JULY 10, 2018  
8:00 A.M.

PLANNING DEPARTMENT CONFERENCE ROOM

## MEETING NOTES

PRESENT:

JOSEPH SEMIONE, CHAIRMAN  
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

### **I. MINUTES FROM JUNE 12, 2018 MEETING:**

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

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

MOTION : Accept as presented.  
MADE BY : Joseph Semione  
SECONDED : Tim 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.

### IV. **OLD BUSINESS:**

#### A. **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 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.
- PWMC will lease this 3.91+/- acre parcel from Union Coast, LLC.

**4. IDA Benefits Requested:**

- Pioneer Window'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.
- Since Union Coast, LLC's Project Application requested IDA benefits greater than \$100,000, a public hearing must be held.
- These benefits would apply only to the 120,125+/- sf addition. No benefits would be provided to the existing 160,500 sf manufacturing facility.

**5. 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

**6. Project Number:**

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

**7. SEQR:**

- At its April 3, 2018 meeting, the City Planning Board completed the SEQR Review by issuing a negative declaration.

**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.
- On April 3, 2018, the City of Johnstown Planning Board conditionally approved the Site Plan for this project.

**9. Public Hearing:**

- A public hearing was held in the IDA office on March 28, 2018 at 10:00 a.m.
- Two (2) persons spoke at the public hearing:
  - Craig Talarico, Councilman-At-Large, City of Johnstown
  - George DiMarco, President, Johnstown Water Board

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda.

**B. Fulton County Development Strategy:**

1. Tryon Development Area:

- a. Fulton County should prepare a one-page “sell sheet” that focuses specifically on the market demand for executive-level housing. The sheet should include information on growth in households with incomes over \$100,000 and the lack of executive level housing in the County.
- b. Fulton County should market the residential plan in conjunction with the Technology Park as “Tryon Technology Park and Village.” The vision for an upscale residential village adjacent to the Technology Park can help support tenant recruitment efforts for the Park. This, in turn, will help induce demand for housing in the village as new businesses move into the Park. The County should enhance the Tryon website to help promote and market the vision for Tryon as a business park and residential community. Erie Station Village and Erie Station Business Park in Henrietta, New York is a good example of this approach.
- c. Fulton County should focus on neighborhood-serving retail like a coffee house, bar or restaurant. Potential uses should be carefully designed to be contemporary and fresh to complement the housing in that development area that should be targeted to professionals and executives. In the near term, it is more feasible to recruit a small café or similar business to locate on the Tryon Campus. As housing is built, new retail development may become feasible in the “village” area.
- d. Fulton County should consider partnering with a developer on a “Phase I” project. The type of housing envisioned in Tryon Village represents a largely unproven market, which may deter developers. The County should be prepared to engage in a partnership to entice a developer, such as putting in a small portion of the new road. The purpose of this will be to demonstrate a market for the types of homes included in the vision, which will attract additional private investment. Alternatively, it may demonstrate a need to shift the vision for Tryon Village, such as towards more workforce-level housing.

2. Projected Housing Demand in Fulton County:

a. Current Housing Demand (2017):

SUBMARKET	CURRENT HOUSING DEMAND		
	Renter Units	Owner-Occupied Units	Total
Hales Mills	72	48	120
Vail Mills	83	149	232
Gloversville	65	66	131
Johnstown	21	21	42
Mayfield	39	84	123
Northampton	20	36	56
Broadalbin/Perth*	15	210	225
Caroga/Bleecker	60	37	97
<b>Total</b>	<b>375</b>	<b>651</b>	<b>1,026</b>

\*Includes Tryon Development Area

b. Projected Housing Demand (2025):

SUBMARKET	RENTER-OCCUPIED UNITS			OWNER-OCCUPIED UNITS		
	2017 Demand	Additional Demand (2025)	TOTAL RENTER UNITS	2017 Demand	Additional Demand (2025)	TOTAL OWNER UNITS
Hales Mills	72	70	142	48	120	168
Vail Mills	83	17	100	149	0	149
Gloversville	65	35	100	66	0	66
Johnstown	21	39	60	21	19	40
Mayfield	39	1	40	84	0	84
Northampton	20	18	38	36	4	40
Broadalbin/Perth*	15	25	40	210	0	230
Caroga/Bleecker	60	0	60	37	17	54
Other TBD	0	60	60	0	110	110
<b>TOTAL</b>	<b>375</b>	<b>265</b>	<b>640</b>	<b>651</b>	<b>270</b>	<b>921</b>

\*Includes Tryon Development Area

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that, at the last IDA Board meeting, there was a question asked about the types of demand that exists in Fulton County for new housing. He reviewed the two (2) tables included in the Agenda. Joe Gillis asked where these tables came from. Jim Mraz explained that they were in the Housing Strategy component of the County's Development Strategy. He said industry protocols were utilized by River Street Planning & Development and its sub-consultant in preparing these housing demand projections.

Jim Mraz stated that he would like the IDA Board to be prepared to discuss at its upcoming retreat what, if anything, it would like to do in 2019 with respect to marketing the Tryon Development Area.

V. **NEW BUSINESS:**

A. **Proposed New Investment Report Policy:**

1. **Background:**

- At present, the IDA's Policy Manual contains two (2) types of policies:
  - 1) IDA Policies
  - 2) NYS Authority Budget Office (ABO) Policies
- The ABO publishes policies, from time to time, that Public Authorities like the IDA are required to adhere to.

2. **ABO Policy Guidance 18-02: Public Authority Investment Report:**

- On June 18, 2018, the ABO sent the IDA a new Policy Guidance 18-02: Public Authorities Investment Report.
- The following is a summary of Policy Guidance 18-02:
  - a) Public Authorities are to prepare an annual investment report as required by Section 2925 of PAL, which must include the investment guidelines and any amendments made to them since the last report, and the results of the annual independent audit of all investment practices. Also, included should be a record of the Authority's investments, and a detailed list of the total fees or commissions paid to each banker or agent that has provided investment services to the Authority since the last investment report.

- b) The ABO recommends that when no investment fees or commissions are paid, that this is stated within the investment report.
- c) In addition, for those authorities that do not have investments, they still must prepare a report, indicating the Authority does not own any investments.
- d) The annual investment report shall be approved by the board and submitted in the Public Authorities Report Information System (PARIS) within 90 days of the Authority's fiscal year end.
- e) Also required by Section 2925 of PAL, Public Authorities are to develop and adopt comprehensive investment guidelines that contain central principles and instructions that officers and staff can use as guidance for the legal and secure handling of the Authority's investments. These investment guidelines assist authorities to establish best practices in standardizing both the diversification of investments and the qualifications of investment advisors or agents.
- f) Due to inherent differences between public authorities and the varying investment needs that result, these guidelines are intended to be a minimum standard. The guidelines shall include:
  - A detailed list of permitted investments, consistent with appropriate provisions of law.
  - Steps to safeguard any investments made by the Authority, including obtaining written contracts whenever practical.
  - Methods to standardize the qualifications of investment bankers or advisors to be used by the Authority to conduct business.
  - Provisions for the reporting on investments, including provisions for an annual independent audit of all investment practices.
- g) In addition to the requirements of PAL, industrial development agencies should include in the Authority's guidelines the provisions for the depositing and investing of authority funds in accordance with the requirements of Sections 10 and 11 of GML.
- h) Section 2925 of PAL requires Public Authorities to have a written annual independent audit of all investment practices. The audit should be conducted in accordance with generally accepted government auditing standards (GAAP) and should at a minimum include:
  - The scope and objectives;
  - Any material weaknesses found in the internal controls;
  - A description of all non-compliance with the Authority's own investment policies as well as any applicable laws or regulations;
  - A statement of positive assurance of compliance on the items tested and a statement of any other material deficiency or finding.
- i) The purpose of the investment audit is to determine whether the Authority obtained and managed its investments in compliance with its own policies and relevant sections of law, including whether investments were appropriately diverse and safeguarded.
- j) For the purposes of the annual independent audit of all investment practices, the CPA financial audit is not sufficient on its own without a statement on the Authority's investments.

**B. Proposed Draft Investment Policy:**

- See Handout.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He reviewed the IDA's current Policy Manual and how it is structured. He explained that the IDA's Policy Manual has both policies drafted and approved by the IDA Board itself, as well as adopting by reference policy guidance documents that have been prepared by the Authority Budget Office (ABO). He stated the latest policy guidance document issued by the ABO deals with investments. He stated Kara Lai's office has drafted an Investment Policy for the IDA to consider. Copies of the draft investment policy were handed out to all IDA Board members present. The IDA Board reviewed the draft investment policy. One of the issues discussed was whether the administration of the investment program should be assigned to the IDA Treasurer or the CFO. After a brief discussion, it was agreed that the policy should state that the administration of the investment program should be the responsibility of the CFO since that is the current practice in place. There were several other miscellaneous comments and edits made to the draft policy. Jim Mraz suggested that the draft policy be revised per the input received from the IDA Board and a final

policy be presented for approval at the August Board meeting. It was the unanimous consensus of all IDA members present to have the policy revised and presented for approval at the next meeting.

**VI. 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 : Joseph Gillis  
SECOND : Todd Rulison  
VOTE : Unanimous  
TIME : 8:30 a.m.

MOTION : To go out of Executive Session.

MADE BY : Dave D'Amore  
SECOND : Tim Munn  
VOTE : Unanimous  
TIME : 9:00 a.m.

**B. Proposed 1776 Hemp Project:**

1. Background:

- In November of 2017, the IDA Board authorized the Chairman to execute a Purchase Option Agreement with 1776 Hemp for a 3.4 acre parcel of land and existing building at the Tryon Technology Park.
- The Option Agreement expired on June 30, 2018. It is proposed to extend this Option Agreement for 90 days.

IDA ACTION:

MOTION: To authorize the Chairman to execute an Addendum of Purchase Option Agreement to extend the Option Agreement through September 30, 2018.

MADE BY: Joe Gillis

SECONDED: Todd Rulison

VOTE: Unanimous

MOTION: To authorize hiring Ferguson and Foss to prepare a survey of the 3.4-acre parcel of land proposed to be sold to 1776 Hemp at a cost not-to-exceed \$1,000.

MADE BY: Todd Rulison

SECONDED: Joe Gillis

VOTE: Unanimous

**VII. NEXT MEETING:**

Tuesday  
August 14, 2018  
8:00 a.m.

**VIII. CLOSE MEETING:**

MOTION : To close the meeting.

MADE BY : Todd Rulison

SECONDED : Joe Gillis

VOTE : Unanimous

TIME : 9:20 a.m.