

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
FEBRUARY 12, 2019
8:00 A.M.
PLANNING DEPARTMENT CONFERENCE ROOM**

MEETING NOTES

PRESENT:

DAVE D'AMORE, CHAIRMAN
TIM MUNN, VICE CHAIRMAN
JOSEPH SEMIONE, TREASURER
TODD RULISON, MEMBER
GEORGE DOHERTY, MEMBER
JANE KELLEY, MEMBER
JAMES MRAZ, EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNING DIRECTOR
MARIE BORN, LIAISON, ECONOMIC DEVELOPMENT AND ENVIRONMENT COMMITTEE

I. MINUTES FROM JANUARY 16, 2019 ANNUAL MEETING:

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

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : Jane Kelley
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 Palatine Dairy Project:

1. Background:

- Palatine Dairy, LLC is located in the Village of Nelliston, Montgomery County.
- Palatine Dairy currently occupies an old 20,000+/- sf slaughterhouse building that they only occupy about 1/3 of the building.
- Palatine Dairy currently produces 45 flavors of cheddar cheese and six (6) flavors of cheese curds.
- Palatine Dairy currently employs approximately ten (10) people.

2. Proposed Project:

a. Background:

- Palatine Dairy wants to expand its business to start manufacturing:
 - Artisanal cheeses
 - Butter
 - Ice cream
 - Yogurt: both drinkable and cup styles
- Palatine Dairy needs more space for the new process equipment it needs to purchase to manufacture these products.
- Palatine Dairy can't expand at its current location due to a number of factors.

b. Project Need:

- Palatine Dairy currently occupies a 20,000 SF building in the Village of Nelliston, Montgomery County.
- The Company was purchased in 2018. The new owner wants to expand production.
- The Company purchased an 8-acre parcel adjacent to its existing building to use to construct a 20,000+/- SF addition to create additional dairy manufacturing space.

- However, the Company discovered that a NYSDOT Drainage Easement traversed through the 8-acre parcel that would significantly impact the Company's ability to construct the addition as desired.
- More importantly, the Montgomery County Sewer District advised the Company that it did not have the wastewater capacity to handle the additional flow that the Company would generate from its expansion.
- These two (2) factors resulted in a determination being made by the Company that it could not expand in its existing building in Nelliston.
- The Company then began looking for existing buildings that had the square footage of floor space and wastewater capacity to accommodate the Company's needs.
- The Company found the 80,000+/- building at 251 N. Comrie Avenue in the City of Johnstown.
- The building contained the amount of space needed to accommodate its expansion plans. In addition, the Gloversville-Johnstown Wastewater Treatment Plant advised the Company that it has the capacity to treat all of the wastewater the Company would discharge after it expanded.
- Upon evaluating the building's capacities and conditions, the Company determined this building would be the best fit to accommodate its expansion plans.
- This is why the Company is proposing to purchase this building and execute its expansion plans there.

c. Proposed Project:

- Palatine Dairy has entered into a contract to purchase the former Spray Nine Building located at 251 North Comrie Avenue/NYS Route 30A in the City of Johnstown.
- This building contains approximately 80,000 sf in two (2) stories and sits on a 3.1 acre parcel.
- This building is currently owned by Kaldar, Inc. 70 Railroad Place, Unit 605, Saratoga Springs, NY.
- Palatine Dairy desires to purchase this building and renovate it to:
 - 1) Create spaces to manufacture dairy products.
 - 2) Create space for a retail store.
 - 3) Create space for a restaurant.
- The primary use of the building would be the manufacturing of dairy products.
- Retail would be a small component of the building.
- Palatine Dairy anticipates creating 5+/- new jobs in the first two (2) years of operation.
- Palatine Dairy is proposing to invest approximately \$6.0 million into this proposed project.

3. Project Application:

- Palatine Dairy has submitted a Project Application to the IDA requesting the following IDA benefits:
 - 1) Property Tax Exemption
 - 2) Sales Tax Exemption
- Total benefits requested would exceed \$100,000.
- Since Palatine Dairy's Project Application requests IDA benefits greater than \$100,000, a public hearing must be held.

4. Public Hearing:

- A public hearing was held in the IDA office on Tuesday, February 5, 2019, at 10:00 a.m. in the Planning Department Conference Room.
- One person commented in support of the proposed project.

5. SEQR:

- At its February 5, 2019 meeting, the City Planning Board, acting as the Lead Agency, completed a Coordinated SEQR Review of the proposed project.

6. Site Plan Approval:

- At its February 5, 2019 meeting, the Planning Board approved Palatine Dairy, LLC's Site Plan.

7. Suspension of Project Application:

- Jim Mraz was recently advised by Justin Battisti, Plant Manager, that Palatine Dairy was suspending its Project Application with the IDA.
- Justin Battisti advised that Tony Casale, Esq., representing Palatine Dairy, would be sending a letter to Kara Lais formally advising the IDA of this decision.
- As a result, no further actions will be taken on this Application until further notice by Palatine Dairy.
- Palatine Dairy is still proceeding with the proposed project.
- Palatine Dairy was advised that they would be responsible for paying the IDA's legal fees. Palatine Dairy acknowledged such and said they would pay that invoice.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Kara Lais stated that she has not received a letter from Tony Casale confirming Palatine Dairy's request to suspend this Project Application. Jim Mraz stated that was verbally communicated to him by Justin Battisti, Plant Manager.

B. Proposed Century Linen and Uniform, Inc. Project:

1. Background:

- Century Linen & Uniform, Inc. (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.
- Century employs about 330 full time persons within New York State.
- In 2017, Century Linen submitted a Project Application to the IDA for a project they were pursuing on Union Avenue Extension in the City of Johnstown.
- However, that project did not move forward.

2. Proposed Project:

- Century Linen is now proposing to lease an existing building at 125 Balzano Road in the City of Gloversville.
- The building contains 50,000 sf and is currently owned by STAG, Boston, MA.
- Century Linen projects to invest approximately \$8.2 million on this project through renovating the building and purchasing and installing new machinery and equipment.
- 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 requesting the following IDA benefits:
 - 1) Sales Tax Exemption

4. Project Structure:

- At present, STAG owns the building Century Linen plans to occupy.
- The IDA will execute an Agent and Equipment Lease Agreement with Century Linen.

5. Project Number:

- The project has been assigned the following Project Number: 1701-18-02-A

6. SEQR:

- At its January 16, 2019 meeting, the IDA Board classified the proposed project as a Type II Action because the proposed project primarily involves replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes unless such action meets or exceeds any of the thresholds in Section 617.4 of the SEQR Regulations.

7. Public Hearing:

- A public hearing was held Monday, February 4, 2019, at 10:00 a.m., in Gloversville City Hall.
- One speaker commented in support of the proposed project.

8. Evaluation of Project Application:

a. Background:

- In response to new IDA reform legislation, the IDA Board approved, in May 2016, the utilization of a new Project Application.
- This Project Application contained a new Section 8: Project Review Criteria and Annual Monitoring.

b. Section 8:

- 1) The Agency shall review Project Applications and utilize the following specific criteria for evaluating and determining whether to provide benefits to a proposed project:
 - A. Will the project create or retain jobs?
 - B. What are the wages to be paid for the new jobs being created and the existing jobs being retained?
 - C. What is the total private sector investment?
 - D. How much local labor will be utilized during construction?
 - E. How much will property values and property tax revenues increase for local taxing jurisdictions?
- 2) The Agency shall require the Applicant to annually submit information to the Agency to allow the Agency to monitor the performance of the Applicant. The Agency shall annually monitor, at a minimum, the following information:
 - A. Number of new jobs created and retained.
 - B. Private sector investment.

c. Review of Century Linen's Project Application:

- 1) Will project create or maintain jobs?
- New Jobs : 32
- 2) What are the wages to be paid for the new jobs created?

Category of Jobs to be Retained and Created	Average Annual Salary Hourly Rate for New Job Created	Average Salary or Range of Salary for Jobs Retained
Management	\$150,000	\$150,000
Administrative	\$ 60,000	\$ 40,000
Production	Union Hourly	\$15-25/hr

- 3) What is total private sector investment?
 - \$6,412,500
- 4) How much local labor will be utilized during construction?
 - Projected : 15+/- construction jobs
- 5) How much will property values and property taxes increase for local taxing jurisdictions?
 - Building's assessed valuation may increase given the renovations to be made as part of project. Exact amount of increase will be determined by the City of Gloversville Assessor once all renovations are completed.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that with respect to Item 8, Evaluation of Project Application, this is now something that the IDA will be performing under all Project Applications. This evaluation is being conducted as part of the changes that the State of New York required the IDA to make when reviewing Project Applications. The IDA Board recently established criteria to review Project Applications for the purposes of determining whether the proposed project should receive IDA benefits. The IDA Board reviewed the five (5) criteria listed in the Agenda. Following that review, Todd Rulison asked if the 35 jobs proposed to be created will be subject to the IDA's Recapture Policy? Kara Lais stated, "Yes." She stated that the Recapture Policy offers discretion to the IDA Board. She cited an example whereby the company only created 33 jobs instead of 35 and cited specific reasons why they did not create all 35 jobs in the timeframe established. She stated the IDA Board could impose the recapturing of benefits or it could say that there were acceptable circumstances that resulted in the company creating two (2) less jobs than it had projected it would.

Jim Mraz asked the IDA Board if, given the responses to the five (5) questions in the evaluation, is the IDA Board comfortable of offering this proposed project the requested benefits? It was the unanimous consensus of all IDA Board members present that the proposed project should be granted IDA benefits.

9. Resolution:

➤ Review Resolution.

IDA DISCUSSION: Jim Mraz reviewed the Resolution that was attached to everyone's Agenda. He stated that there have been changes to the total project costs. He stated the original Application had the total project cost at \$8,250,000. He stated that the company recently advised that they already purchased approximately \$1.8 million worth of machinery and equipment. They asked if it was still possible to obtain sales tax exemptions on this equipment already purchased? Jim Mraz stated that he spoke with Kara Lais about this and it was determined that the IDA sales tax exemptions could not be passed on to expenses incurred prior to the IDA giving final approval to the Project Application. As a result, the total project cost has been reduced from \$8.25 million to \$6,412,500. He stated that, in addition, the IDA's Administrative Fee will now be based upon the \$6,412,500 and not the original \$8,250,000. He asked all IDA members if they concurred with this interpretation? It was the unanimous consensus of all present to have the IDA's Administrative Fee based upon the revised project cost.

Kara Lais stated that there will be four (4) documents that the Chairman will be asked to sign:

1. An Agent and Lease Agreement.
2. Sales Tax Exemption letter.
3. Form ST-600.
4. Form ST-123.

Kara Lais stated that if, for some reason, total expenditures eligible for a sales tax exemption exceeds the \$6,412,500 figure identified in the attached Resolution, she stated Century Linen could approach the IDA and ask to have this number increased. He stated that would be a decision the IDA Board would make at a future date.

Dave D'Amore suggested that the IDA pursue developing a Project Application Suspension Policy. He stated the IDA Board should have on the books a policy to deal with requests for suspending a Project Application. Jim Mraz stated that was a good idea and will work with Kara Lais on drafting such a policy. He stated once such a policy is drafted, he would present it back to the IDA Board for consideration.

Jim Mraz asked if there were any further questions on the Resolution regarding the proposed Century Linen Project? There were none.

IDA ACTION:

MOTION: To adopt the 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: Joseph Semione
VOTE: Unanimous

V. NEW BUSINESS:

A. 2019 Goals:

1. Background:

- At the last meeting, the Board discussed establishing some goals for 2019.
- One possible goal would be for the IDA Board to take a role in promoting and marketing the Tryon Development Area (TDA).

2. Tryon Development Area:

a. Background:

- The TDA is one of three (3) Development Areas identified in the County's new Development Strategy.

b. Fulton County's 2019 Marketing Initiative:

- Fulton County hired Elan Planning and Design, Saratoga, NY to undertake a marketing initiative in 2019 to find one (1) or more developers to pursue the buildout of the Hales Mills and Tryon Development Areas.

c. Desktop Environmental Assessment:

- In order to gain the interest of a developer in a potential site, certain baseline information needs to be collected and baseline mapping prepared.
- The process is very similar to trying to attract a company to a shovel-ready site.

- The IDA has received a proposal from the Environmental Design Partnership (EDP) to prepare a Desktop Environmental Assessment of the TDA as well as to prepare a base map that will show the results of this analysis.
- A similar analysis will be conducted for the Hales Mills Development Area.
- This analysis will provide potential developers with the information they want/need to assess whether to invest into a project.
- The following is a summary of the work proposed to be performed:

1) Desktop Environmental and Cultural/Natural Resources Assessment:

Complete a desktop site analysis for the proposed development. The purpose of the desktop analysis will be to review publicly available information to assess potential project impediments and identify critical issues. The following information will be reviewed using an environmental database provider that will provide a summary of documented environmental conditions within proximity of the proposed project site.

- a. Review New York State Department of Environmental Conservation's (NYSDEC) Environmental Resource Mapper for the following:
 - State regulated freshwater wetlands;
 - Significant natural resources;
 - Rare plants and rare animals;
 - United States Fish and Wildlife Service (USFWS) National Wetland Inventory Wetland Mapper for mapped federal wetlands;
 - United States Department of Interior (USDOI) Fish and Wildlife Information, Planning and Conservation (IPaC) System;
 - New York State Office of Parks, Recreation and Historic Preservation's (OPRHP) Cultural Resource Information System (CRIS) for archeologically sensitive areas;
 - United States Department of Agriculture (USDA) Natural Resources Conservation Services (NRCS) Web Soil Survey;
 - Federal Emergency Management Administration (FEMA) Flood Insurance Rate Maps (FIRMs) for flood zones; and
 - Aerial imagery
- b. Cursory Wetlands Assessment:
 - Complete a cursory wetlands assessment within the project area to confirm no wetlands are present.
 - The assessment will include a general examination of surface soil conditions, existing vegetation and evidence of wetland hydrology and photograph documentation.
 - A written field summary will be prepared and provided to document that no wetlands are present.
 - If wetlands are found to be present within the project area, a field sketch depicting their approximate boundary and location will be prepared and incorporated into the overall base map of the site.
- c. Desktop Analysis and Correspondence for Potential Threatened or Endangered Species:
 - Obtain a species list from the United States Fish and Wildlife Service (USFWS) Information for Planning and Conservation (IPaC) web-site regarding federally listed threatened and endangered species.
 - Prepare an information request letter to the NYS Natural Heritage Program regarding state listed threatened and endangered species.
 - Summarize the impact of any identified threatened or endangered species on the proposed development of the site.
- d. Cultural Resources Information Request:
 - Prepare an information request letter to the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) requesting an opinion on whether a Phase 1 archeological investigation is required for the site.

- If OPRHP does not require a Phase 1 archeological investigation, a letter of no effect will be requested from OPRHP.
- If a Phase 1 is requested, quotes would be obtained.

2) Prepare Preliminary Basemap:

A preliminary basemap of the site will be prepared including the following:

- Contour lines at five-foot intervals to United States Geological Survey (USGS) datum;
- Wetlands, streams and other drainage corridors, flood hazard areas [from a Federal Emergency Management Agency (FEMA) flood insurance rate map], groundwater aquifers and/or recharge areas and Town L-C Zones, ponds and reservoirs;
- Existing Town zoning;
- Significant forested areas and any other important environmental features;
- Location of existing water and wastewater utilities in close proximity to the site;
- Location of 100-year flood plain if applicable;
- Overlay of USDA NRCS Web Soil Survey information;
- Gas and/or electric utilities;
- Concept Plan, prepared by Elan, will be overlaid on base map.

The plan will also include a vicinity map to a scale of not smaller than 400 feet per inch showing lands and roads in this area.

3) Limited Phase 1 Environmental Site Assessment Screening:

Prepare a limited Phase 1 Environmental Site Assessment database search and desktop review that will include the following:

- Review Phase I Environmental Site Assessment prepared by C.T. Male in 2013.
- Review available information on the past ownership by means of a title review and review of aerial photographs that could provide insight into potential environmental concerns will be reviewed.
- Review information on current and former utilization of the site and adjacent sites that could represent an environmental concern will be reviewed.
- Available regulatory reports prepared by the NYSDEC, and United States Environmental Protection Agency (EPA) (i.e., NPL and CERCLIS), will be reviewed with respect to the environmental concerns of the subject site and area within the required ASTM search radius of the subject site.

The results of the prior Phase I review and updated limited Phase I screening will be summarized in a letter report.

4) Traffic Assessment:

- Project traffic volume from full buildout of TDA.
- Conduct cursory assessment of line of sights along CR158 at point where access road into TDA is proposed.

5) Cost Estimates:

- Prepare cost estimates to install water and sewer lines and roads throughout TDA.

6) Developers' Forum:

- Attend Developers' Forum and present findings.

➤ Total Fee: Not-to-exceed \$6,000

IDA DISCUSSION: Dave D'Amore stated that, at last month's IDA meeting, the IDA Board discussed laying out a plan/goals for it to pursue in 2019. He stated part of this discussion came as a follow-up to the Board's Annual Performance Evaluation. Dave D'Amore stated that he has been discussing with Jim Mraz ideas with respect to goals. He stated that he's looking at what the IDA has control over as a starting point for establishing goals. He stated that he thinks the first possible goal deals with the Tryon

Development Area. He asked Jim Mraz to review the information on the Agenda regarding the Tryon Development Area.

Jim Mraz reviewed the information on the Agenda. He stated that Fulton County has hired Elan Planning and Design to undertake a marketing initiative this year to find one (1) or more developers to try and build out the Hales Mills and Tryon Development Areas. He stated that he's had discussions with Elan regarding what it will take to entice a potential developer to invest in either of these Development Areas. Elan advised that a key would be to collect key background information regarding both sites. Much of this background information involves identifying potential impediments that a developer could face in building out either site. Jim Mraz stated that he then contacted the Environmental Design Partnership (EDP), the engineering firm Fulton County has been using for its SMART Waters Initiative. He asked EDP what information they would typically be asked to gather from developers they work with regarding potential sites. He stated the information shown on the Agenda is what EDP has identified as the type of information that developers they work with want to have collected when they are assessing whether or not to invest into building out a particular site. Jim Mraz stated that he's presenting this concept to the IDA Board for it to consider as a potential goal for 2019. The goal would be for the IDA to take a lead to promote and market the Tryon Development Area in hopes of being able to secure a builder to invest into building out this area.

Joe Semione stated the \$6,000 cost is very reasonable. He stated that he thought this would be a great idea for the IDA to pursue. Jane Kelley stated this would be great information to collect and should help in trying to attract a potential developer. Tim Munn asked if potential developers would be asked to build out the entire site? Jim Mraz stated, "Yes." He stated, however, that a builder may want to build the site out in phases. Dave D'Amore stated that the goal of undertaking this initiative would be to develop a better understanding of the site. He stated that the scope could be viewed as a proforma for the IDA to use in evaluating future additional sites. George Doherty asked how long it would take for EDP to complete this work? Jim Mraz estimated a couple of months. He stated the work would have to be completed prior to the developer's forum. George Doherty stated that collecting this information would help the IDA promote this site. He stated it will help the IDA from the standpoint of knowing what it has to market. Dave D'Amore stated that the information to be gathered would be at a cursory overview level. He stated that if the IDA and Fulton County were able to identify an interested developer, that developer would in all likelihood conduct more in-depth investigations into the site before making a final decision to invest into it.

Jim Mraz asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to execute an Agreement with the Environmental Design Partnership (EDP) at a fee not-to-exceed \$6,000 to perform a Desktop Environmental Assessment of the Tryon Development Area.

MADE BY: Joseph Semione
SECONDED: Tim Munn
VOTE: Unanimous

3. Review Recommendations in Development Strategy Regarding Tryon Development Area:
 - See Handout.

IDA DISCUSSION: Jim Mraz reviewed the handout that was attached to the Agenda. The handout included excerpts from Fulton County's Development Strategy dealing with the Tryon Development Area. The first recommendation was that, "Fulton County should prepare a 1-page "sell sheet" that focused 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." Jim Mraz stated that he asked Elan Planning and Design for a quote to prepare this sell sheet. He stated Elan submitted a quote of approximately \$1,000 to prepare this cell sheet. In addition to the cost of preparing the sell sheet, there would also be a cost for printing it. Jim Mraz asked IDA Board members if they would be interested in hiring Elan to prepare this sell sheet? It was the unanimous consensus of all IDA members present to hire Elan to have this sell sheet prepared. The sell sheet would be made available to perspective developers at the Developers' Forum.

IDA ACTION:

MOTION: To authorize hiring Elan Planning and Design to prepare a sell sheet for the Tryon Development Area at a cost of approximately \$1,000 plus the cost of printing.

MADE BY: George Doherty

SECONDED: Jane Kelley

VOTE: Unanimous

4. Other Potential 2019 Goals:

IDA DISCUSSION: Dave D'Amore suggested that the IDA look at specific sites for potential development. He stated the IDA is not a development company, but it does play a role in economic development. He stated holding land is an option that the IDA could consider. He suggested that the IDA give consideration to identifying parcels of land that have the potential for development. The IDA could work with the property owner as well as with the CRG, Fulton County or the Cities in developing marketing plans for specific properties. Joe Semione thought this was a great idea. He stated the IDA has always waited for things to come to it instead of being proactive. He stated this would be a proactive approach to what the IDA does. After further discussion, Dave D'Amore stated that this was a concept that he would like the IDA Board to continue to discuss at future meetings.

B. Authorization to Utilize Emery Design to Update IDA's Website:

1. Background:
 - Emery Designs recently completed work on preparing a new IDA website.
 - 2019 IDA Budget contains a line item of \$500 to update website.
2. Proposal:
 - It is recommended that the IDA Board authorize the Executive Director to use this \$500 budgeted to have Emery Designs update the website as needed.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked the IDA Board to give him authorization to utilize the monies in the IDA's 2019 Budget to have Emery Designs update the IDA's website as needed. He asked if there were any other questions. There were none.

IDA ACTION:

MOTION: To authorize the Executive Director to utilize the \$500 in the 2019 Budget to have Emery Designs update the IDA's website as needed.

MADE BY: Jane Kelley

SECONDED: Tim Munn

VOTE: Unanimous

VI. NEXT MEETING:

Tuesday
March 12, 2019
8:00 a.m.

VII. CLOSE MEETING:

MOTION : To close the meeting.

MADE BY : Todd Rulison

SECONDED : Tim Munn

VOTE : Unanimous

TIME : 9:35 a.m.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Adopted February 12, 2019

*Introduced by Todd Rulison
who moved its adoption.*

Seconded by Joe Semione

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

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Section 895-c of the General Municipal Law of the State of New York (collectively, the ("Act")), the Fulton County Industrial Development Agency (the "Agency") was created and granted the authority to enter into agreements for the purpose of acquiring, constructing and equipping certain industrial facilities; and

WHEREAS, Century Linen & Uniform, Inc., a business corporation established pursuant to the laws of the State of New York, having an address of 335 North Main Street, Gloversville, New York 12078 (the "Company") has requested that the Agency provide financial assistance in the form of sales tax abatements regarding an industrial project (the "Project") to consist of: (i) the acquisition of an interest in the real property known as 125 Balzano Drive, City of Gloversville, County of Fulton, State of New York (the "Land") and referred to as tax map parcel number 163.10-2-6; (ii) the renovation of a 50,000+/- square foot facility to provide linen service to healthcare operations, linen and uniform service to hospitality businesses and linen and uniform service to industrial customers (collectively referred to as (the "Facility"); and (iii) the acquisition and installation therein of certain furnishing and fixtures (the "Equipment" and together with the Facility, collectively (the "Project Facility")) to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility to the Company, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York and Section 895-c of the General Municipal Law (collectively, the "Act"); and

WHEREAS, the Project will require the Agency and the Company to enter into an agreement whereby the Company will acquire and install the Project Equipment and the Agency will lease the Project Equipment to the Company; and

WHEREAS, the Agency is a state agency under Section 8-0105 of the Environmental Conservation Law of the State of New York and the Project is an action under Article 8 of said

law (Article 8 hereinafter being referred to as the "State Environmental Quality Review Act" or "SEQRA") and under 6 NYCRR Part 617, §§ 617.2(b) and 617.3(g); and

WHEREAS, the Project consists of maintenance and repair of an existing structure and the replacement and rehabilitation of a structure, in kind, on the same site and is considered a Type II Action pursuant to 6 NYCRR §§ 617.5(c)(1) and (2) and, therefore, no further environmental review is required; and

WHEREAS, the Agency conducted a duly noticed public hearing on February 4, 2019 pursuant to Article 18-A of the Act before taking official action relating to the Project; and

WHEREAS, the Company will agree to indemnify the Agency against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the lease of the Facility; and

WHEREAS, the Agency has determined that all of the requirements of the Act have been complied with and that the contemplated transaction will further the public purposes of the Act; and

WHEREAS, the Project constitutes a "Project" within the meaning of the Act.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. Findings. The Agency has reviewed the application to determine compliance with the requirements of the Act and based on the representations of the Company to the Agency in said application and elsewhere, the Agency hereby makes the following findings and determinations with respect to the Project:

(A) The Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes of the Act and to exercise all powers granted to it under the Act;

(B) The Project constitutes a "project", as that quoted term is defined in the Act;

(C) The acquisition, construction and installation of the Facility and the lease of the Facility to the Company (i) will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the State of New York and the County of Fulton, and (ii) will not result in the removal of an industrial or manufacturing plant of the Company from one area of the State to another area of the State; and (iii) will lead to the retention of at least one hundred (100) full time equivalent job opportunities and will lead to the creation of at least thirty two (32) full time equivalent job opportunities within the next two (2) years for the inhabitants of the County of Fulton and in the State of New York;

(D) The location of the site of the Project is acceptable to the Agency;

(E) The Facility is not known by the Agency to be in material violation of the local zoning laws and planning regulations of the City of Gloversville and all regional and local land use plans for the area in which the Facility shall be located;

(F) The Facility and the operations of the Company are not known by the Agency to cause or result in the violation of the health, labor, environmental or other laws of the United States of America, the State of New York, the County of Fulton or the City of Gloversville; and

(G) The Project consists of maintenance and repair of an existing structure and the replacement and rehabilitation of a structure, in kind, on the same site and is considered a Type II Action pursuant to 6 NYCRR §§ 617.5(c)(1) and (2) and, therefore, no further environmental review is required; and

(H) The completion of the Project will not result in the removal of a commercial, industrial or manufacturing plant of the Company from one area of the State of New York to another area of the State of New York. Further, the completion of the Project will not result in any loss of jobs and all existing jobs will be retained nor will the completion of the Project result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Facility located within the State of New York; and

(I) The Agency further determines that the Project includes the following key aspects:
(i) the Project consists of a private investment estimate at \$6,412,500; and

(J) The Agency hereby finds that the for this Project the private investment, as more specifically described in subsection (I) herein, and the retention and creation of jobs, as more specifically described in subsection (C) herein, shall be considered Material Terms for the purposes of monitoring in accordance with the policies and procedures of the Agency.

SECTION 2. Description of Project.

Subject to the conditions set forth herein and in the Lease Agreement to be entered into with the Agency, the Agency shall:

- (1) acquire an interest in, construct and install the Project Facility; and
- (2) lease the Project Facility to the Company pursuant to an agreement or agreements whereby the Company will obligate itself, among other things, to undertake the Project on behalf of the Agency.

SECTION 3. Company Appointed Agent of Agency.

(A) The Company is hereby appointed the true and lawful agent of the Agency to:

- (1) construct and install the Project Facility;
- (2) make, execute, acknowledge, and deliver all contracts, orders, receipts, instructions, and writings needed to complete the Project; and
- (3) do all other things requisite and proper for the completion of the Project.

(B) The Company is authorized to proceed with the acquisition, construction and installation of the Project Facility, subject to receiving any and all appropriate municipal approvals needed prior to commencement of construction, and to advance such funds as may be necessary to accomplish these goals. The Company shall complete the Project Facility within eighteen (18) months from the commencement thereof. The failure of the Company to complete the project within eighteen (18) months shall be considered a "significant change in the use of the facility" as set forth in the Agency's Recapture of Benefits Policy, as amended from time to time.

(C) The Company is also authorized to appoint third party agents to undertake the Project and thereby make available to such third party agents an exemption from New York State sales and use taxes in connection with undertaking the Project. This provision is subject to the Company entering into an Agent and Equipment Lease Agreement with the Agency.

(D) The Agency hereby approves of the execution of an Agent and Equipment Lease Agreement authorizing exemptions from the sales and use taxes for purchases and rentals related to the undertaking of the project in an amount not to exceed Five Hundred Thirteen Thousand Dollars (\$513,000), based on eligible project costs of Six Million Four Hundred Twelve Thousand Five Hundred Dollars (\$6,412,500), which exemption will expire on August 31, 2020.

SECTION 4. §144 Election. Not Applicable.

SECTION 5. Insurance. The Company shall deliver to the Agency a certificate of insurance, complying with the requirements as required by the Agency, and indicating that:

(a) The Company maintains insurance with respect to the Facility providing the coverage against the risks and for such amounts as are customarily insured against by businesses of like size and type, paying, as the same become due and payable, all premiums with respect thereto, and mandated by the Agency, including, but not necessarily limited to the following:

(i) Insurance protecting the interests of the Company and the Agency against loss or damage to the Project Facility by fire, lightning and other casualties normally insured against with a uniform standard extended coverage endorsement, such insurance at all times to be in an amount not less than the total cash replacement value of the Project Facility, as determined by a recognized appraiser or insurer selected by the Company; provided, however, that the Company may, insure all or a portion of the Project Facility under a blanket insurance policy or

policies covering not only the Project Facility or portions thereof but other property. The parties agree that for purposes of this Project the Company will be responsible for providing builders risk insurance.

(ii) Workers' compensation insurance, disability benefits insurance, and each other form of insurance which the Company is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Company who are located at or assigned to the Project Facility and for all contractors and subcontracts.

(iii) Insurance protecting the Company and the Agency against loss or losses from liabilities imposed by law or assumed in any written contract and arising from personal injury and death or damage to the Property of others caused by any accident or occurrence, with a single combined limit of not less than \$2,000,000.00 per accident or occurrence on account of personal injury, including death resulting therefrom, and damage to the Property of others, excluding liability imposed upon the Company by any applicable workers' compensation law; and a blanket excess liability policy in the amount not less than \$5,000,000.00 protecting the Company and the Agency against any loss or liability or damage for personal injury, death or Property damage.

(iv) If applicable and if it is determined that the Project Facility is located within an area identified by the Secretary of Housing and Urban Development as having special flood hazards, insurance against loss by floods in an amount not less than \$1,000,000.00 or to the maximum limit of coverage made available, whichever is less.

(v) Other insurance coverage required by any Governmental Authority in connection with any Requirement.

(b) all policies evidencing such insurance,

(i) name the Company and the Agency as insureds, as their interests may appear, and

(ii) provide for at least thirty (30) days' written notice to the Agency prior to cancellation, lapse, reduction in policy limits or material change in coverage thereof.

SECTION 6. Document Preparation. Counsel to the Agency is hereby authorized and directed to cooperate with counsel to the Company, as well as all other necessary parties, in order to prepare the documents needed to undertake the Project.

SECTION 7. Administrative and Legal Fees. The Company will pay all costs incurred by the Agency, including but not limited to attorney's fees, which arise out of the Company's application for Financial Assistance, whether or not such assistance is ultimately issued. Agency's attorney's fees will be calculated at a time rate of \$275.00 per hour for attorney's time and \$105.00 per hour for senior legal assistant's time, plus disbursements. Upon closing of all of the Project documents, the Company will pay to the Agency an administrative fee (the "Administrative Fee") of \$48,094.00 based upon an estimated Project cost of \$6,412,500.00 pursuant to the schedule set forth below and contained within the Company's Application for Financial Assistance:

0.75% of total Project Cost

Following the completion of the Project Facility, the Company shall confirm, in writing, the actual Project cost. In the event that the total Project cost exceeds the estimate provided herein, the Agency may require the payment of the difference that would otherwise be due pursuant to the above-schedule.

SECTION 8. Approval of Company's Financing Documents. The substance and form of the Agent and Equipment Lease Agreement and accompanying NYS forms, and all other certificates or documents to be delivered or executed and delivered by the Agency (hereinafter collectively referred to as the "Closing Documents") are hereby approved, subject to approval as to content by the Chairman and the Agency's counsel.

SECTION 9. Authorized Representatives. (A) The Chairman or the Chief Executive Officer is hereby authorized to execute and deliver the Closing Documents. If required, the signature of the Chairman or Chief Executive Officer shall be attested by the Secretary or Treasurer of the Agency (or Agency Counsel, in the absence of a Secretary/Treasurer) who, if required, shall affix a facsimile of the Agency's seal to documents required to be under seal. (B) On the advice of Counsel to the Agency, the Chairman or Chief Executive Officer shall make such reasonable changes to the Closing Documents as shall be required to promote and protect the Agency's interests with respect to the Project. All such changes shall be made prior to the closing.

SECTION 10. Further Assurance. The officers, employees and agents of the Agency are hereby authorized and directed to do all acts required by the provisions of the Closing Documents, and to execute and deliver all additional certificates, instruments and documents and to pay all fees, charges and expenses and do all other acts that may be necessary or proper to effectuate the purposes of this resolution. None of the members, officers, directors, employees or agents (except the Company) of the Agency, shall be personally liable under the other Closing Documents. The Chairman of the Agency is authorized to take such further action as shall be necessary to give effect to and implement this resolution.

SECTION 11. Filing of Documents. Originals of all Closing Documents for the Project shall be filed and maintained in the office of the Agency.

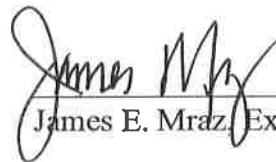
SECTION 12. Public Inspection. A copy of this resolution and the Closing Documents shall be placed on file in the office of the Agency, where they shall be available for public inspection during business hours.

SECTION 13. Effective Date. This resolution shall take effect immediately.

AYES: 6
NAYS: 0
ABSENT: 1
ABSTAIN: 0

I, James E. Mraz, Executive Director of the Fulton County Industrial Development Agency, hereby certify that I have compared the foregoing resolution with the original resolution, adopted by the Fulton County Industrial Development Agency, at a duly called and held meeting of said Agency on the 12th day of February, 2019, and the same is a true and correct transcript there from and the whole thereof.

Witness my hand and official seal
this 12th day of February, 2019


James E. Mraz, Executive Director

Acknowledged and Agreed to

By: Richard C. Smith, President
Century Linen & Uniform, Inc.