

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
DECEMBER 10, 2019
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

DAVE D'AMORE, CHAIRMAN
TIM MUNN, VICE CHAIRMAN
JOE SEMIONE, TREASURER
JOE GILLIS, SECRETARY
TODD RULISON, 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
KEN ADAMCZYK, ECONOMIC DEVELOPMENT SPECIALIST, FULTON COUNTY CENTER
FOR REGIONAL GROWTH
KENT KIRCH, FULTON COUNTY CENTER FOR REGIONAL GROWTH
JAMES HANNAHS, FULTON MONTGOMERY REGIONAL CHAMBER OF COMMERCE

I. MINUTES FROM NOVEMBER 12, 2019 MEETING:

MOTION : Accept as presented.
MADE BY : Jane Kelley
SECONDED : Joseph Semione
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:

- Monthly Bank Reconciliation Reports: Joe Semione

IDA DISCUSSION: Joe Semione stated that he approved the Monthly Bank Reconciliation Reports.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

IV. FULTON COUNTY/FULTON COUNTY CENTER FOR REGIONAL GROWTH (FCCRG) REPORTS:

1. Fulton County Report: Marie Born, Liaison

IDA DISCUSSION: Marie Born reported that Fulton County Board of Supervisors approved a 2020 contract with the IDA for \$10,000.

2. FCCRG Report: Ron Peters, CEO

IDA DISCUSSION: Kent Kirch stated that the CRG is looking for guidance from the IDA on what to market at Tryon in 2020.

V. OLD BUSINESS:

A. IDA Property at Tryon Technology Park on South Side of CR107:

1. Background:

- The IDA owns a 26+/- acre parcel of land on south side of CR107 across from the Tryon Technology Park.
- At its October 15, 2019 meeting, the IDA Board decided to list for sale the parcel with Coldwell Banker Arlene M. Sitterly.
- Agreement with Coldwell Banker to list property has been executed.
- Parcel has been shown to several interested parties.

IDA DISCUSSION: Dave D'Amore stated that an update will be provided on this matter in Executive Session.

B. Status of Johnstown Renewables (JR) Project:

1. Background:

- In January 2016, JR filed a Project Application with the IDA for a project in the Johnstown Industrial Park.
- JR had two (2) primary stockholders:
 - 1) CRE Capital LLC : 70%
 - 2) New Age Renewable Energy : 30%
- The project involved building an 11,900+/- sf building on a 5.2 acre parcel of land in which ethyl alcohol would be produced from liquid whey from the adjacent FAGE yogurt manufacturing plant.
- The project was projected to involve the investment of \$16+/- million and the creation of 27 jobs.
- The IDA Board executed a 10-year Lease Agreement with JR in March 2017.
- The IDA Board executed a 10-year PILOT Agreement with JR in March 2017. Year 1 of the PILOT was 2017.
- The IDA Board approved a sales tax exemption for the JR project. This sales tax exemption was provided for the period of July 15, 2016 – December 31, 2017.

2. Status Report:

- Construction work on the project commenced in 2017.
- On January 25, 2018, the IDA received a letter from CRE Capital, LLC advising of the passing of Christian Eisenbeiss. Mr. Eisenbeiss was the sole member of CRE Capital, LLC and the managing member of JR.
- At the February 2018 IDA meeting, the IDA Board, in Executive Session, reviewed the January 2018 letter from CRE Capital. The IDA Board authorized and directed IDA Counsel to send a letter to CRE Capital.
- In February 2018, IDA Counsel sent a letter to CRE Capital advising that JR was in default for failure to complete the project by December 31, 2017. The letter asked for a status report.
- In March 2018, IDA contacted County Treasurer to check on status of PILOT payments due the County. Payment had been received.
- In March 2018, IDA Counsel was contacted by a representative of JR advising that, due to FAGE filing a lawsuit against JR, any advancement of the JR project was on hold contingent upon a resolution of the lawsuit.
- In March 2018, The IDA Board was provided an update by IDA Counsel. IDA authorized and directed IDA Counsel to send JR another letter.
- In March 2018, IDA Counsel sent JR another letter advising that JR could request an extension to the project completion date given the circumstances surrounding the sudden passing of its managing member and primary investor.
- In April 2018, IDA sent another letter to JR.
- In May 2018, the IDA received a letter from a law firm representing JR providing a status report on the lawsuit and project.

- In May 2018, the IDA met with representatives of New Age Renewable Energy, the minority member in JR. IDA asked JR to make sure their PILOT payments were being made per the PILOT.
 - In April, IDA contacted the Fonda-Fultonville School District to check on status of PILOT payment. Fonda-Fultonville had not issued PILOT invoice. IDA worked with School District to get invoice issued. Invoice was issued and JR paid invoice.
 - In June 2018, IDA contacted City of Johnstown to check on status of PILOT payment due the City. City had not received payment. Upon discussion with City, it was determined that the City sent PILOT invoice to wrong address. IDA provided correct address to City. Invoice was sent to correct address and payment was received.
 - During the fall of 2018, IDA received two (2) inquiries from companies interested in acquiring the land and partially completed building owned by JR. IDA put these companies in contact with JR.
 - In May 2019, IDA received a letter from JR's law firm providing the following update on their efforts to complete the project:
 - 1) JR was seeking to enter into a new joint venture or find another user for the facility.
 - 2) A couple of entities have toured the facility and had expressed an interest in it.
 - 3) The letter requested an extension until December 31, 2019 to complete the project.
 - 4) At the May 2019 IDA meeting, the Board passed a motion to extend the project completion date for the JR project to December 31, 2019 and to authorize the Chairman to sign an amendment to the Lease Agreement with JR.
 - 5) Kara Lais sent JR an Amendment to the Lease Agreement extending the project completion deadline until December 31, 2019.
 - 6) To date, JR has not returned the executed Amendment.
 - At its May 2019 meeting, the IDA Board authorized the Chairman to execute an amendment to JR's Lease Agreement extending the project completion date to December 31, 2019.
3. Sales Tax Exemptions:
- In early October 2019, the IDA learned that JR was planning on auctioning off materials and equipment currently being stored at the site.
 - At its October 2019 meeting, IDA Board took two (2) actions:
 - 1) Authorized recapturing the estimated \$960,000 in sales tax benefits JR received on this project because JR had not completed the project and created the 27+/- new jobs they committed to create in their Project Application.
 - 2) Authorized executing an Escrow Agreement with JR whereby all proceeds from the Auction would go to an Escrow Agent and eventually paid to NYS's Department of Taxation and Finance to repay the sales tax benefits JR received.
 - Escrow Agreement has been executed.
4. Lease Agreement:
- JR's Lease Agreement with the IDA stated that JR would complete their project by December 31, 2017.

- IDA Board agreed to extend completion date through December 31, 2019 to give JR more time to complete project.
- JR has not executed an Amendment to the original Lease Agreement to extend the project completion date through December 31, 2019.

IDA DISCUSSION: IDA Board members reviewed the information in the Agenda. Kara Lais stated that she spoke yesterday with the attorneys representing Johnstown Renewables. The attorney advised that they are planning to have the auction extended through the end of January, 2020. They are hopeful to be able to sell additional equipment and generate more revenue. Kara Lais stated that the property itself has still not been listed for sale. She stated the attorney has advised that they will be going back to the State Department of Taxation and Finance to seek a reduction in the amount of sales tax benefits that Johnstown Renewables actually earned. Kara Lais stated that the attorney has advised that Johnstown Renewables will be asking the IDA for an early termination of the Lease Agreement. She anticipates terminating the lease by the end of February, 2020. She stated that formal request should be received in early 2020. She stated that they are also asking to have the Escrow Agreement amended to reflect the auction ending in the end of January 2020.

Jim Mraz stated that the IDA Board is being asked to extend the Auction completion date identified in the Escrow Agreement to January 31, 2020 and the project completion date in the Lease Agreement to February 28, 2020. There was a brief discussion regarding the pros and cons of granting this extension. After that discussion, Dave D’Amore asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To authorize extending the Auction completion date identified in the Escrow Agreement to January 31, 2020 and the project completion date identified in the Lease Agreement to February 28, 2020.

MADE BY: Todd Rulison
SECONDED: Jane Kelley
VOTE: Unanimous

C. Vireo Health:

- Vireo Health has requested permission to place excavated materials from their site onto adjacent IDA property.
- Estimated quantity: 10,000 – 15,000 cy
- Vireo would deposit, grade and stabilize material.
- Review map

IDA DISCUSSION: Dave D’Amore reviewed the information on the Agenda. Scott Henze displayed aerial imagery of the IDA property surrounding Vireo Health’s property at the Tryon Technology Park. IDA members reviewed the areas to the west of Vireo’s property that they desire to place excess materials onto. Jim Mraz stated that Vireo would be required to deposit, grade, compact and stabilize all material deposited with turf. Jim Mraz stated that Vireo had previously asked about disposing of this material on the existing disposal site off of the loop road. He stated, given the volume that Vireo is discussing, it was determined that it would not be appropriate to deposit that amount of fill at that site.

IDA ACTION:

MOTION: To approve having Vireo deposit materials on IDA property adjacent to their site contingent upon Vireo agreeing to deposit, grade, compact and stabilize all materials with turf.

MADE BY: Joseph Semione

SECONDED: Tim Munn

VOTE: Unanimous

D. IDA Website:

1. Background:

- At November 12, 2019 meeting, IDA Board hired Emery Designs to update IDA's website.
- Participated in three (3) Conference Calls with Emery Designs to discuss various issues:

2. Issues:

a. What is the IDA's "story"

- 50 years of success
- Great place to live and do business
- Expedited approval process
- Other

b. Tag Line

c. 5 Success Stories to Highlight

d. Professional photography

e. Maps:

- 1) NE Market
- 2) NYS
- 3) Fulton County

f. Statebook:

- 1) EDO Subscription

g. IDA Board Members:

- 1) Some IDA Websites have photos of Board members
- 2) Should website include photos/bios?

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. With respect to a Tag Line, he asked Board members if they thought using “Fulton County Positive” was acceptable. All present stated that would be acceptable.

With respect to the five (5) success stories to highlight, the following companies were identified:

- FAGE, Pioneer Windows, Walmart, Benjamin Moore, Century Linen, EPIMED, Vireo Health, Townsend Leather and Bright Futures

With respect to professional photography, Jim Mraz stated that some Economic Development/IDA websites utilize high-grade professional photography. He asked Board members if they would be willing to consider a proposal to expend additional dollars to hire a professional photographer to take certain pictures to utilize on the IDA’s updated website. It was the consensus of IDA members that they would be willing to consider a proposal to use professional photography.

With respect to Statebook, Scott Henze explained that the CRG purchased a 1-year subscription to Statebooks that both the IDA and County utilize. That subscription will expire at the end of the year. The annual renewal cost is \$6,000. Scott Henze advised that Ron Peters advised that the CRG does not have funds to pay for renewing the subscription. Jim Mraz asked IDA Board members if they would give consideration to sharing in that cost. It was the consensus of IDA members present that they would give consideration to sharing that cost.

Jim Mraz stated that Betsy Emery is in the process of contacting 10-12 site selectors from the Site Selector’s Guild to obtain their input and feedback on economic development websites. One of the questions she’s going to ask them is whether the site selectors use Statebooks and whether have their own subscriptions to Statebooks. The site selector’s answers could impact the decision to renew the subscription to Statebooks.

With respect to IDA Board members, Scott Henze stated that several websites he saw had pictures and short bios of Board members on websites. After a brief discussion, it was generally agreed that having both IDA Board and staff members’ pictures on the IDA website would be something worth considering.

E. Tryon Electric Project:

1. Status Report:

- Fulton County executed all Agreements with National Grid and submitted all required payments as of October 2, 2019.
- National Grid was due to start the overhead line work during week of December 9, 2019.
- National Grid had yet to provide a schedule to start the underground work as of December 6, 2019.
- Due to winter conditions and the unknown as to when the underground work will commence, the decision was made to hold off on all work until spring of 2020.
- Estimated start date of April 6, 2020 has been established.

IDA DISCUSSION: Scott Henze stated that the County has paid all of the money National Grid invoiced it for installing this new electric system. these payments had to be made before National Grid would even

look to start scheduling the work to be completed. He stated the final meeting on scheduling was conducted in early November. At that meeting, December 9th was established as a start date for the overhead line work. On December 6th, no one had mobilized onsite. He stated that the weather has impacted National Grid's schedule. As a result of the weather, work startup of this project has been postponed until the spring of 2020.

VI. NEW BUSINESS:

A. Fulton County Local Law 3-2019 Opting out of Section 487 NYS Real Property Tax Law:

1. Fulton County Board of Supervisors recently adopted Local Law 3-2019 to opt out of Section 487 of New York State's Real Property Tax Law which affords real property tax exemptions to solar energy systems, wind energy systems and Farm Waste to Energy Projects.
2. The Board of Supervisors desires to have collect County property tax revenues from these types of projects.
3. IDA's can still offer real property tax exemptions to these types of projects.
4. IDA's can incorporate into their Uniform Tax Exemption Policy a provision to not provide real property tax exemptions to these types of projects.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the IDA Board needs to decide whether to continue to afford solar projects the opportunity to receive a PILOT or to stop issuing PILOT's to be consistent with the Board of Supervisors' Local Law. Joe Semione stated that the IDA should be consistent with Fulton County. Joe Gillis stated that the IDA Board serves at the pleasure of the Board of Supervisors. Marie Born stated that some supervisors have stated that they do not want any more Solar Farms locating in Fulton County. Dave D'Amore stated that the IDA probably has not been asked to provide a PILOT on Solar Farms to date because Solar Farms were able to obtain PILOT's under the State law. Now that the County has exempted itself from the State Law, the IDA will probably start receiving requests for PILOT's. He stated the IDA should be consistent with Fulton County. Dave D'Amore asked if there were any further questions. There were none.

IDA ACTION:

MOTION: To direct the Executive Director to prepare an amendment to the IDA's Uniform Tax Exemption Policy stating that the IDA Board would not provide property tax exemptions to solar energy systems, wind energy systems and Farm Waste to Energy Projects.

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

B. Options/Equipment for Video Streaming

1. Presentation by Scott Henze

IDA DISCUSSION: Scott Henze stated that he has done research on options available to the IDA to comply with the new State mandate to have IDA meetings live video streamed. He is recommending that the IDA purchase Zoom to Meetings software, a tripod stand and an external microphone. He stated that the Zoom to Meetings software costs \$15 per month. This Pro version provides 24-hour meeting time. He stated that the tripod stand and external microphone should cost approximately \$100. He displayed how the Zoom to Meetings software would work. He stated that this software will provide not just live streaming, but also could be used for video conferencing. Dave D’Amore asked if there were any further questions. There were none.

Scott Henze stated that the County’s Ipad Mini that was purchased to use in conjunction with the County drone would be used in providing this video streaming. The IDA would not have to purchase its own Ipad for this.

IDA ACTION:

MOTION: To authorize the purchase of the pro version Zoom to Meetings software at a cost of \$15/month and to authorize the purchase of a tripod stand and an external microphone at a total cost of approximately \$100.

MADE BY: Jane Kelley
SECONDED: Tim Munn
VOTE: Unanimous

C. NYSEDC Membership Renewal

1. NYSEDC Membership Renewal Fee: \$850

IDA ACTION:

MOTION: To authorize a payment of \$850 to the NYSEDC.

MADE BY: Joseph Gillis
SECONDED: Joseph Semione
VOTE: Unanimous

VII. OTHER BUSINESS:

A. Invoices from Fitzgerald Morris Baker Firth (FMBF):

- 1. The IDA has received the following invoices from FMBF:
 - a. General Legal Services : \$7,060.50
 - b. Vireo Health : \$ 486.00
 - c. Union Coast/Pioneer Windows : \$1,706.00

IDA ACTION:

MOTION: To authorize the payment of these three (3) invoices.

MADE BY: Jane Kelley

SECONDED: Tim Munn

VOTE: Unanimous

B. SPEDES Permit for Tryon:

- NYSDEC has advised that SPEDES permit for Tryon must be renewed.
- Fee: \$110

IDA ACTION:

MOTION: To authorize a payment of \$110 to NYSDEC to renew the Tryon SPEDES Permit.

MADE BY: Jane Kelley

SECONDED: Joseph Semione

VOTE: Unanimous

C. 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 Semione
SECOND : Tim Munn
VOTE : Unanimous
TIME : 9:20 a.m.

MOTION : To go out of Executive Session.

MADE BY : Joseph Semione
SECOND : Tim Munn
VOTE : Unanimous
TIME : 10:25 a.m.

D. New Member:

- Mike Fitzgerald, Johnstown, NY, has expressed his interest in becoming a member of the IDA Board.
- Mike Fitzgerald currently works for Berkshire Bank in Johnstown.

IDA ACTION:

MOTION: To recommend to the Fulton County Board of Supervisors that Mike Fitzgerald be appointed to the IDA Board to replace George Doherty.

MADE BY: Jane Kelley
SECONDED: Todd Rulison
VOTE: Unanimous

VIII. NEXT MEETING:

Annual Meeting
Tuesday
January 14, 2019
5:00 p.m.

IX. CLOSE MEETING:

MOTION : To close the meeting.
MADE BY : Tim Munn
SECONDED : Joseph Semione
VOTE : Unanimous
TIME : 10:30 a.m.