

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
JUNE 9, 2020
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT ON CONFERENCE CALL:

DAVE D'AMORE, CHAIRMAN
JOE SEMIONE, VICE CHAIRMAN
JANE KELLEY, SECRETARY
TIM MUNN, MEMBER
MIKE FITZGERALD, MEMBER
JAMES MRAZ, EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNING DIRECTOR
DR. LESLIE FORD, FULTON COUNTY CENTER FOR REGIONAL GROWTH
JOHN BLACKMON, LIAISON, ECONOMIC DEVELOPMENT AND ENVIRONMENT
COMMITTEE

I. ROLL CALL:

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

II. MINUTES FROM MAY 12, 2020 MEETING:

MOTION : Accept as presented.
MADE BY : Jane Kelley
SECONDED : Tim Munn

ROLL CALL VOTE :

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

NOTE: A transcript of the May 12, 2020 meeting has been prepared and posted on the IDA's website in compliance with Governor Cuomo's Executive Order suspending the Open Meetings Law.

III. BUDGET REPORT:

MOTION : Accept as presented.

MADE BY : Dave D'Amore

SECONDED : Mike Fitzgerald

ROLL CALL VOTE :

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

IV. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- Monthly Bank Reconciliation Reports: Todd Rulison

IDA DISCUSSION: Todd Rulison approved the Monthly Bank Reconciliation Reports.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

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

1. Fulton County Report: John Blackmon, Liaison
2. FCCRG Report: Ron Peters, CEO

IDA DISCUSSION: John Blackmon stated that Senator Smullens spoke at the June 8th Board of Supervisors' meeting and advised that the State's deficit was previously \$6 billion and is now estimated to be over \$10 billion. John Blackmon stated that Fulton County's sales tax receipts are down 27%. He stated the County's anticipating a \$3-6 million budget shortfall in 2020.

Leslie Ford provided a report from the CRG. She stated that the CRG completed a Business Impact Survey. The results of which were previously shared with IDA Board members. She reviewed the status of the Microenterprise Grant Program, which is going along very well. She stated the CRG helped Pioneer Windows secure \$2.4 million financing to purchase property on Clermont Street in the Johnstown Industrial Park. This acquisition results in Pioneer Windows now occupying 250,000 sq. ft. of space in the Johnstown Industrial Park. She stated the CRG is dealing with two (2) inquiries seeking 5,000-10,000 sq. ft. of space and two (2) additional ones each seeking approximately 30,000 sq. ft. of space. She also reviewed some of the projects and initiatives the CRG is working on downtown initiatives in both Johnstown and Gloversville.

VI. OLD BUSINESS:

A. 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. Sales Tax Exemptions:

- The IDA initially approved granting JR sales tax exemptions on the purchase of materials to be used in constructing the building and on the purchase of machinery and equipment to install in the building.
- These sales tax exemptions were to be available to JR through December 31, 2017.

- On January 30, 2018, JR filed an ST-340 with New York State's Department of Taxation and Finance (T & F) stating \$960,000 in sales tax exemptions were taken when the building was being constructed. The exemptions were on JR's purchasing materials and the building and on machinery and equipment to install in the building.
 - In 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 authorized:
 - 1) 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.
 - 2) 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.
 - Escrow Agreement has been executed.
 - Johnstown Renewables filed an amended ST-340 form with NYS Department of Taxation and Finance (T & F). The amended amount was based on the estimated sales from the Auction. The amended ST-340 claimed \$55,355.52 in sales tax exemptions.
3. 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.
 - At its December 10, 2019 meeting, the IDA Board authorized:
 - 1) Extending the completion date of the Auction through January 31, 2020.
 - 2) Extending the Project Completion Date identified in the Lease Agreement until February 28, 2020.
4. Update Provided at February 11, 2020 Meeting:
- JR's Counsel advised that the Auction was complete. Once tabulation was complete, figures would be provided to IDA.
 - Funds have been placed into Escrow Account per Escrow Agreement. JR's Counsel did not specify how much has been put into the account.
 - Based on final Auction results, JR may be filing another amended ST-340 with T & F to revise what JR claims to be the sales tax exemptions they've taken.
 - Kara Lais advised JR Counsel that the IDA Board will not accept the amounts in the amended ST-340 without receipt of a written confirmation from T & F that they accept and approve the amount in the amended ST-340.
 - JR wants to proceed with an Early Lease Termination.
 - At its February 11, 2020 meeting, the IDA Board approved an early termination of the IDA's lease and PILOT with JR, subject to JR paying the required fees and to authorize the Chairman to execute all early lease termination documents.

5. Update Provided at March 3, 2020 Meeting:

- On February 12, 2020, JR Counsel advised Kara Lais that the Auctioneer collected \$35,748 in sales taxes from New York taxable buyers and that said amount was remitted to the NYS Department of Taxation and Finance on February 6, 2020.
- On February 21, 2020, Kara Lais sent JR's Counsel an Early Termination Agreement for JR to execute and return along with a payment to cover Fitzgerald Morris Baker & Firth fees for working on this project as well as the lease termination fee payable to the IDA.
- Upon receipt of the two (2) payments, the IDA Chairman will execute the Lease Termination Agreement.
- Kara Lais' transmittal also requested that JR's Counsel send the IDA the final results of the Auction, the amount placed in escrow that will be turned over to the IDA for remittance to T & F and whether JR will be filing another Amended ST-340 Form with T & F.
- On February 27, 2020, Kara Lais received, by email, a letter from JR's Counsel stating that
 - On February 6, 2020, \$29,882.85 in sales taxes generated on the sale of equipment to be used in New York State was transmitted to T & F.
 - JR will not be submitting another amended ST-340 to T & F.
 - JR offered to pay an additional sum to satisfy what it claims to be the total sales tax benefits JR received on the sale of equipment to be used in New York State.
- The letter did not mention the sales tax benefits JR received on the goods, machinery and equipment originally purchased.
- At this meeting, the IDA Board authorized the Executive Director to send the ST-62 form to T+F with a cover letter asking for T+F to acknowledge back to the IDA whether they recognize JR's original or amended ST-340 as correct.

6. Update Provided at April 14, 2020 Meeting:

- James Mraz filed ST-62 form with cover letter with T & F. Letter requested T & F to confirm whether they acknowledge JR's original or amended ST-340 as correct. No response has been received back from T+F.
- Kara Lais contacted T & F's counsel
- Terry Blodgett, County Treasurer, has advised that JR paid its 2020 County tax bills in the amounts of \$1,968.75 and \$456.75.
- JR has advised Kara Lais that it will be paying the Fonda-Fultonville School tax bill in the amount of \$4,801.66. This tax bill was just recently sent by Fonda-Fultonville School District to the IDA who in turn sent it to Johnstown Renewables.

7. Update Provided at May 12, 2020 Meeting:

- JR's Counsel spoke with Kara Lais on April 29th and advised:
 - JR facility is still for sale.
 - Kara Lais received the executed Termination Agreement.
 - They are still holding all proceeds from the Auction.
 - JR's Counsel asked if the IDA would consent to their law firm being paid from the proceeds of the Auction being held in escrow.
- On May 7, 2020, Kara Lais spoke with Counsel at T & F. T & F requested a copy of the Lease Agreement with JR, ST-60, ST-62 and ST-340 forms, the IDA's

recapture policy and an itemization of the items JR purchased and calculated the \$960,000 in sales tax exemptions they originally reported to T & F.

- Once they receive and review this information, they would make a decision on how much sales tax should be recaptured.

8. Update:

- On May 18, 2020, Kara Lais e-mailed the following documents to T & F:
 - Original ST-60 filed with T & F by JR.
 - ST-340 filed by JR.
 - Letter from JR regarding Amended ST-340.
 - Amended ST-340 filed by JR to T & F.
 - Escrow Agreement between IDA and JR.
 - ST-62 Report filed by IDA for year ending 2019.
 - IDA's Tax Exemption Policy, including recapture policy.
- On May 20, 2020, T & F contacted Kara Lais. Based upon their review of all the documents Kara sent them, they determined:
 - JR was going to be a manufacturing business so most of the machinery and equipment purchases would have been tax exempt under the State's manufacturing production exemption as opposed to the IDA's exemption.
 - JR has already submitted a payment of \$29,882.85 to T & F on the sale, at the auction, of equipment to be used in New York State.
 - JR still owes \$54,650 to T & F.
 - Upon receipt of this \$54,650 payment, this would conclude the IDA's commitment to recapture sales taxes owed by JR. This would bring the total to \$84,532.25. Fifty percent (50%) of that total is State sales tax and the other 50% is local.
- On May 29, 2020, T & F sent Kara an email confirming the above.
- Given T & F's determinations, the following actions are recommended:
 - IDA should accept T & F's recommendations on the amount of sales taxes to be recaptured.
 - IDA should direct JR to make a payment of \$54,650 to the IDA.
 - IDA should authorize filing an ST-65 with T & F and send them a check for \$54,650 as the payment in full of all recaptured sales tax exemptions.

9. Resolution:

- See attached Resolution.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked if there were any questions. There were none. Jim Mraz asked Kara Lais if she has received a payment from JR. She stated that she received a payment in the amount of approximately \$11,000 which covered legal fees up to a certain date, lease termination fees and recording fees. She stated one (1) additional invoice will be generated for the balance of the legal fees due and that will be submitted to JR for payment. Jim Mraz asked if, upon submission of this final payment to T & F, will the IDA have any additional obligations with respect to recapturing sales taxes? Kara Lais stated, "No."

IDA ACTION:

MOTION: To adopt the resolution accepting an offer in connection with a recapture matter by and between the Agency and Johnstown Renewables, LLC.

MADE BY: Dave D'Amore

SECONDED: Tim Munn

ROLL CALL VOTE:

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

B. IDA Website:

1. Background:

- At its November 12, 2019 meeting, IDA Board hired Emery Designs to update IDA's website.
- Executive Director has been participating in weekly Conference Calls with Emery Designs to discuss various issues.
- At its January 14, 2020 meeting, the IDA Board agreed to consolidate the information on the Tryon Technology Park website (tryontechnologypark.com) into the IDA's website (fcida.org) but retain the domain name Tryon Technology Park.

2. Status Report:

- Contacted EMSI and ESRI regarding purchasing data for website.
- Sent narrative on Workforce Training Programs available in Fulton County to Ron Peters and Jon Stead to put on FCCRG's and Fulton County's websites.
- Sent Emery Designs numerous pictures of local businesses to use on Home Page.
- Numerous changes have been made to the organization and content of IDA website.

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

C. Capital Resources Corporation:

1. Background:

- On January 31, 2008, the provisions of the New York State General Municipal Law that authorized IDA's to issue tax-exempt revenue bonds for charitable entities expired.
- Historically, the ability of IDA's to provide tax exempt revenue bond financing to charitable entities has been an important economic development tool.
- Not-for-profit entities in Fulton County that have benefitted from the Agency's tax-exempt financing include Nathan Littauer Hospital and Fulton County YMCA.

2. Capital Resources Corporation:

- a. An alternative now exists to allow not-for-profit entities to access to tax-exempt revenue bond financing.

- b. This involves the formation of a Capital Resource Corporation (CRC) under New York State's Not-For-Profit Corporation Law.
- c. A CRC would generally exist for the same public purposes as the IDA but have the power to issue tax-exempt bonds for the benefit of not-for-profit borrowers.
- d. The IRS has ruled that CRC's can issue tax exempt financing for not-for-profit entities.

3. Formation of a Capital Resource Corporation:

- a. Three (3) steps would need to be taken to form a Fulton County Capital Resource Corporation:
 - 1) Agency Resolution. The IDA Board would adopt a resolution approving a proposed Certificate of Incorporation and authorize the Chairman or Executive Director to approach the Board of Supervisors regarding the formation of a CRC.
 - 2) Board of Supervisors' Resolution. The IDA would present the proposed Certificate of Incorporation, along with the resolution approving such proposed Certificate of Incorporation, to the Board of Supervisors and request that the Board of Supervisors approve the proposed Certificate of Incorporation and the formation of a CRC. The Board would have to approve this request.
 - 3) Filing of the Certificate of Incorporation. Once approved by the Board of Supervisors, the IDA would file the Certificate of Incorporation and the CRC would begin its existence.

4. Key Terms of the Certificate of Incorporation:

- a. The purpose of the CRC would be to promote community and economic development and creation of jobs in the non-profit and for-profit sectors.
- b. The CRC would be subject to the provisions of the Public Authorities Accountability Act of 2005 and 2009.
- c. The CRC would be authorized to issue bonds.
- d. The CRC's operations would be limited to Fulton County.
- e. The CRC would be managed by a Board of Directors. The Board of Directors would be appointed by and serve at the pleasure of the Board of Supervisors. The CRC's Board of Directors would consist of the members of the IDA. The members of the Board of Directors shall not be entitled to compensation.
- f. The County shall receive an annual financial report from the CRC. The CRC shall be subject to audit by the County, the Authority Budget Office and the Office of the State Comptroller.
- g. The CRC would be a "public body" for purposes of the Open Meetings Law.
- h. The CRC must hold a public hearing with respect to proposed projects with the same notice as required under Section 859-a of the General Municipal Law.
- i. Any amendment of the Certificate of Incorporation or by-laws of the CRC would be subject to approval by the Chairman of the Board of Supervisors.

5. Update provided at March 3, 2020 Meeting:

- At the February 11, 2020 IDA Board meeting, IDA Board members identified several questions about creating a CRC.
- Following that meeting, Jim Mraz contacted Joe Scott, Hodgson Russ and requested responses to their questions.
- The questions and responses are as follows:

Question: What are the costs involved with creating a CRC and who typically pays for those costs?

Response: We typically charge \$5 - \$9,500 for setting up a CRC. If there is a project that the IDA is setting the CRC up for, we would consider no charge or rolling any setup charge into the fees to do the financing for the project.

Question: If a CRC has no projects, do they still have to have an audit conducted?

Response: Yes.

Question: If a CRC has not generated any revenues from projects, where do the funds come from to pay for operating costs like audits and staff time for preparing PARIS Reports?

Response: Funding from the County or from the IDA. We also have several CRC's that have an annual funding arrangement with the entities that they have done projects for (i.e., an annual fee). The annual fee funds the current operation costs of the CRC.

6. Update provided at April 14, 2020 Meeting:

- Jim Mraz sent letter to Jason Brott on March 11, 2020 asking if he would have any concerns about Fulton County creating a CRC. No response has been received

7. Update Provided at May 12, 2020 Meeting:

- Jim Mraz e-mailed Jason Brott on April 23, 2020 asking for a response to his March 11, 2020 letter.

8. Update:

- Jason Brott has advised that:
 - 1) He has reviewed all of the materials provided on the creation of a CRC and is comfortable with the concept of creating a CRC in that there appears to be no liability to the County for the debt of the CRC.
 - 2) Should the IDA wish to recommend the creation of the CRC to the Board of Supervisors, he would not have an objection to same.

9. Options:

- Proceed now with creation of CRC.
- Proceed with creating a CRC if and when a potential project is submitted to the IDA.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated the issue now for the IDA Board is whether to proceed now with creating a CRC or wait until a project comes to the IDA Board to create a CRC. Tim Munn asked how much time it would take to create a CRC? Jim Mraz stated it should take approximately 2 months. He stated two (2) actions would be needed. The IDA Board would have to approve creating a CRC and recommending its creation to the Board of Supervisors. The Board of Supervisors would then need to meet and approve the creation of a CRC. Once those two (2) approvals were granted, paperwork would need to be filed in Albany. Jane Kelley asked if there is any value in terms of perception of having a CRC in place? Jim Mraz stated that there may be. He stated, however, if a company understands that both the IDA and the Fulton County Board of Supervisors are willing to create a CRC, that should allay any concerns a potential project may have on their abilities to secure tax exempt financing from a CRC. Mike Fitzgerald asked if the purpose of creating a CRC was to provide tax-exempt financing for not-for-profit projects? Jim Mraz stated, "Yes." Mike Fitzgerald stated there's not much

interest in tax-exempt financing at present because bond rates are so low, there's no financial advantage to pursue tax-exempt financing given the fees that are associated with obtaining that type of financing. Leslie Ford stated that there are a lot of unknowns at present during these pandemic times. She stated, however, there may be value in having a CRC created to have in terms of the perception of being ready to assist a potential not-for-profit project.

After further discussion, it was the unanimous consensus of all IDA members present to wait on creating a CRC if and when a potential project is submitted to the IDA.

Jim Mraz stated that he would communicate the IDA's position on creating a CRC to the Board of Supervisors so that they are aware that the IDA may in the future approach the Board of Supervisors and ask for the creation of a CRC.

D. Cushman Wakefield:

1. Background:

- At its April 14, 2020 meeting, the IDA Board authorized the Chairman to execute a Listing Agreement with Cushman Wakefield to market Tryon.
- Listing Agreement has been executed.

2. Status Report:

- Cushman Wakefield has listed Tryon's shovel-ready land and the two (2) buildings onto their website as follows:
 - The land is listed at \$27,500 per acre.
 - The 15,000+/- sf Building 60/the former Maintenance Shop is listed at \$150,000.
 - The 15,000+/- sf portion of Building 3 referred to as the Midas Building is listed at \$350,000.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated he has not received any feedback from Cushman Wakefield on potential interest in properties at Tryon.

E. Tryon Electric Project:

1. Background:

- National Grid is installing a new, primary electric service for the a Tryon Technology Park
- National Grid's work includes:
 - Installing new overhead service from CR107 to CR117
 - Installing new underground electric service along CR117 to a point just past Vireo Health.
 - Install new underground service laterals to Vireo Health, wastewater pump station, water booster station and elevated tank
 - The service laterals will terminate at transformer pads.
- The new underground service will start in front of Building 60 and run on the outside of CR 117 to a point just past Vireo Health.
- In the future, if a company comes in and locates somewhere at Tryon where the primary service is not extended to, that project will have to include extending the underground primary electric service to that site.

2. Tom's Electric:

- At its October, 2019 meeting, the IDA Board authorized hiring Tom's Electric to install new electrical services from the transformer pads at the wastewater pump station, water booster station and elevated tank into each of these facilities. The total cost was approximately \$39,600.
- Due to National Grid deciding to wait until 2020 to undertake the project, Tom's Electric's cost of purchasing materials increased.
- Total cost increase: \$985
- As a result, the revised total cost for Tom's Electric's work is now estimated to be \$40,585.
- Tom's Electric submitted an initial invoice for \$24,351. This invoice has been paid.

3. Status Report

- National Grid started work on the overhead line on April 6, 2020.
- National Grid started work on the underground service on April 20, 2020.
- The following work has been advanced:
 - All poles have been set.
 - Five (5) manholes along CR117 have been installed.
 - Three (3) transformer pads have been installed.
 - 1,600' of 5" conduits have been installed along CR117 between five (5) manholes.
 - All underground service laterals from CR117 to transformer pads are installed.
 - Installation of overhead wires on CR107 has started.
 - Install switchgear at five (5) manholes along CR117.
 - Install transformers.
 - Install underground service laterals from transformer pads into water booster station, wastewater pump station and elevated tank.
 - Complete installation of overhead wires from CR107 to CR117.

4. Next Steps:

- Make connections to switchgear, transformers and buildings.
- Cutover.

5. Additional Costs:

- Fulton County has paid for these additional costs:
 - A backhoe with an 18" bucket had to be rented to install conduit. Total cost: \$2,500
 - A vacuum truck had to be rented to dig trench over culvert. Total cost: \$2,320
 - Sand had to be purchased and hauled to site to use in trenches.

IDA DISCUSSION: Jim Mraz stated that most of the work on the project has been completed. He commended both Scott Henze and Chris Stankes for their work overseeing this project. A meeting is being held this Thursday to develop a coordination plan for cutting over from the old service to the new service. He stated he's not sure when the cutover will actually occur. He stated once the cutover occurs, the IDA will officially be out of the electric service at Tryon.

F. Potential Solar Project:

1. Background:

- On April 9, 2020, the IDA received an introductory e-mail from Keith Sandor, President, Nexus Renewables (NR) providing background information about NR and asking if the IDA had any property that it would be interested in having a solar project developed on it.
- On April 13, 2020, Jim Mraz sent an e-mail response back to Keith Sandor with a map showing a 60+/- acre tract of land adjacent to the Tryon Technology Park that the IDA owns that may be suitable for a solar project.
- On April 13, 2020, Keith Sandor responded saying that Nexus was interested in this site and would get back to Jim Mraz.
- On April 27, 2020, NR conducted a Zoom Meeting with Jim Mraz, Dave D'Amore and Scott Henze to further discuss their interest in developing a solar project on this parcel.

2. Nexus Renewables:

- NR is a renewable energy developer that builds, owns, operates and finances renewable energy assets.
- NR is based in Canada.
- NR has been operational for approximately 1 year.
- NR has already contracted with 15 projects of which four (4) have been in New York State. Three (3) projects have been with NYS Gas and Electric and one (1) with Con Edison. All four (4) of these projects are solar PV projects.
- NR's projects in Canada are all Battery Energy Storage Systems (BESS).

3. Potential Site for Solar Project:

- The 60+/- acre site for the potential project is adjacent to the Tryon Technology Park.
- The 60+/- acres is not part of the Tryon Technology Park.
- It was part of the 515 acres of land New York State deeded to the IDA as part of Tryon.
- This land was previously looked at by another solar company several years ago.

4. Potential Solar Project:

- NR desires to develop a 6.875 MW solar project on the site.
- NR would pay for all costs associated with developing, constructing and operating the solar project.
- IDA would incur no costs.
- NR would lease land from the IDA for this project.
- IDA would generate two (2) revenues:
 - 1) Land Lease: NR would pay a flat rate per acre per year
 - 2) Solar Energy Generated: NR would pay a flat rate per kWh of solar energy generated

5. Status Report:

- On May 12, 2020, a letter was e-mailed to Keith Sandor with comments on draft Lease Agreement.
- On May 22, 2020, a letter was e-mailed to Keith Sandor with comments on the draft Power Purchase Agreement.

- Nexus Renewables responded to both letters with comments.
- The following are the key terms of the Lease Agreement:

1. **Phases of Lease Agreement:**

a. Option:

- 1 year
- NR may extend two (2) 6-month periods
- This would be the due diligence time period for NR
- At the end of the Option period, NR can either walk away or exercise the Option.

b. Development Term:

- If NR exercises the Option, NR would issue an Exercise Notice.
- The date of Exercise Notice would represent the Lease Commencement Date.
- Development Term continues to Commercial Operation Date.

c. Commercial Operation Date:

- Commercial Operation Date is date when a power purchasing utility first receives and purchases power produced by the project.
- The lease would expire 25 years after the Commercial Operation Date.

2. **Lease Agreement:**

a. Key Provisions:

- NR would lease approximately 39+/- acres of land from the IDA.
- The exact number of acres to be leased would be finalized during Development Term.
- NR would pay for all costs associated with planning, designing, constructing, operating, maintaining, repairing and decommissioning the project.
- NR would be responsible for paying all property taxes that may be imposed onto the proprietary improvements made to the IDA's property.
- No overhead wires or poles would be allowed in the Tryon Technology Park in accordance with the Park's Design Standards.
- NR would need to obtain a Special Use Permit from the Town of Johnstown Planning Board.

b. Lease Term:

- Initial Term : 25 years after Project's Commercial Operation Date
- Options : NR would have sole option to extend Lease for three (3) additional five (5) year terms.
- Total
Maximum
Term : 40 years

3. Power Purchase Agreement (PPA):

a. Key Provisions:

- NR shall own and operate the project at its sole cost.
- NR shall install a utility grade kilowatt-hour (kWh) meter to measure the electrical energy provided by the project.
- NR shall make monthly payments to the IDA based upon the energy generated by the project in the preceding month.

b. Term:

- Term of PPA shall be the same as the Lease Agreement.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He referenced several e-mails that he sent over the past day or two (2) to IDA Board members providing updates regarding this proposed solar project. He stated that the proposed project has run into a hurdle with respect to property taxes. He stated that the developer spoke with the Town of Johnstown Assessor regarding how their proposed project would be assessed and taxed. Based upon the tax liability the project would incur, the project is no longer financially viable. He stated the developer spoke again yesterday with the Town of Johnstown Assessor regarding some potential ideas and options. He stated that the Town Assessor would be reviewing these ideas and options and getting back with the developer later this week. Once the Town gets back to the developer, a final determination will be made at that time on whether the project will proceed or not. Jim Mraz advised IDA Board members that once he hears back from the developer, he will advise IDA Board members of what they decided.

G. COVID-19 Pandemic:

1. Status Report:

- At its May 12, 2020 meeting, the IDA Board agreed to purchase two (2) tripod mounted infrared thermal scanners for Fulton County to use in reopening the County Office Building. The estimated cost of these two (2) units was \$4,400.
- Shortly after this meeting, Fulton County decided to purchase twenty (20) handheld infrared thermal scanners. The estimated cost of these 20 units was \$1,800.
- The 20 handheld units have been purchased.
- Fulton County reopened the County Office Building on June 8th.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated the County has expressed its appreciation back to the IDA for their assistance in helping with the COVID-19 Pandemic.

H. Lands on South Side of CR107:

1. Background:

- IDA Board retained Coldwell Banker Arlene M. Sitterly to market the 27+/- acre parcel of land on the south side of CR107.

2. Summary of Offers Received:

- The IDA Board received four (4) formal offers to purchase the property. One of the offers was subsequently withdrawn.

- The following three (3) offers were received:

1. ALAN SQUIRES AND JOHN MCCASHION:

A. Submitted	November 2019
B. Amount	\$90,000
C. Contingencies	1) Purchaser shall obtain, at purchaser's expense, all government approvals and/or permits necessary to use the premises as residential multi-family development.
D. Proposed Use of Property	<ol style="list-style-type: none"> 1) Improve the driveway roadway and lighting completed within the first year of ownership. Get permission from the City of Gloversville to connect the existing water tap to the City and check/repair any infrastructure leaks. If the connection to the sewer will not be allowed, individual septic system will be installed as the improvements take shape. 2) Redevelop buildings one and two (the most easterly two office structures to create and accommodate four (4) to five (5) residential units in each of the two (2) structures. This would be completed within the two (2) years of ownership. 3) Remove the damaged left over concrete slab that had supported a structure (#3). 4) Raze and remove the structures known as #4, #5, #6, #7 and #8 as they suffer from any number of deficiencies and all are deteriorated beyond salvage. This would be completed within the two (2) years of ownership. 5) New structures would be built on the existing and enhanced concrete slabs sites #3, #4, #5, #6, #7, #8 to provide at a minimum two (2) units per site and a maximum of four (4) units per site. These would be built as time permitted yet at a minimum of one during each of the succeeding years after the second year. 6) The intent would be to have all sites improved and the development completed within a 6-8 year period. All units would be engineered and designed to meet all existing codes and approved by the Town code enforcement personnel. 7) Rents would be at or above market rents for similar rental units and would not be restricted or discriminated toward any person who otherwise qualified financially. 8) Should it not prove to be cost effective to develop the rental sites, we would investigate a subdivision for residential home sites or other acceptable uses.

2. DAVE HUCKANS AND BALJIT K. VERMA:

A. Submitted	April 2020
B. Amount	\$30,000
C. Contingencies	None
D. Proposed Use of Property	<ol style="list-style-type: none"> 1) CBD/marijuana processing, extraction facility, which is urgently needed for the area farmers, they generally have to take their produce to long-distance places, many times out of the State, creating huge financial burden and losses to the farmers – a big deterrent for economic growth from alternative crops (please refer to further detailed explanation of the business plan on this activity to be provided) 2) A highly needed community interaction and a coordinating office on one of the front buildings, complete with a spa and multiple aesthetic procedures, conducted by highly qualified professionals. 3) One of the facilities will be used as an art center, for easy access to arts and artist exchanging commercial and social benefits.

	4) Another building will be a storefront for multiple products produced locally at the center. 5) We plan to utilize the land for a farm to table experience and maybe involve the community in a farmer's market setting. 6) Some area will be allocated for solar panels to make us energy self-sufficient and diminish our carbon footprints and making it a complete green organic facility.
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3. JOHN KONASZ:

A. Submitted	November 2019
B. Amount	\$27,500
C. Contingencies	1) Buyer getting zoning approvals for multiple apartments to be constructed on property.
D. Proposed Use of Property	1) Apartment buildings.

4. MARK GILLIE:

A. Submitted	March 2020
B. Amount	\$100,000
C. Note	1) In March, Mark Gillie notified the IDA that, because of the COVID-19 Pandemic, the lender that was financing the project withdrew its commitment to fund the project. As a result, Mr. Gillie withdrew his offer.

3. May 12, 2020 IDA Board Meeting:

- At its May 12, 2020 meeting, the IDA Board unanimously agreed to accept the offer from Squires/McCashion.

4. Status Report:

- On June 8, 2020, Clayt Sitterly emailed the IDA advising that his clients, Squires/McCashion, had decided to not pursue its project and was therefore withdrawing its offer to purchase the 27+/- acres on the south side of CR107.
- On May 22, 2020, Huckans/Verma submitted a revised offer to the IDA. Revised offer increased purchase price from \$30,000 to \$90,000 with no contingencies.

IDA DISCUSSION: Jim Mraz provided an update to the IDA Board on the status of the offer from Squires/McCashion. He stated that Clayt Sitterly, on June 8, 2020, notified the IDA that his clients decided to not pursue their project and formally withdrew their offer to the IDA to purchase those 27+/- acres on the south side of CR107. Jim Mraz then advised that Huckans/Verma Group submitted a revised offer to the IDA on May 22, 2020 that increased the amount it offered to purchase the property from \$30,000 to \$90,000. Jim Mraz asked if the IDA Board wanted to consider another offer given the withdraw from Squires/McCashion? Dave D'Amore stated that he thinks it would be best to move to the next viable offer which is from Huckans/Verma. Joe Semione agreed. Jim Mraz recommended that, if the IDA Board wants to consider the Huckans/Verma offer, the IDA Board should schedule a meeting with them to further discuss their proposed plans for the property. Joe Semione stated the IDA Board should accept this offer to meet. After a brief discussion, it was the unanimous consensus of all IDA members present to meet with Huckans/Verma. Jim Mraz stated that he would contact Terri Easterly to schedule this meeting. He stated once he hears back from Terri Easterly on the time, he will e-mail all IDA members and ask them to advise whether they can attend this meeting or not.

Dave D'Amore asked if Huckans/Verma offer is still valid through June 16, 2020? Jim Mraz stated, "Yes." He stated that he asked Terri Easterly to ask Huckans/Verma if they would extend their offer through the July IDA Board meeting. If they do, the IDA Board could make a decision at that meeting on whether to accept their offer or not. If they do not, a special IDA Board meeting would need to be held next Tuesday, June 16th, to make a decision on whether to accept their offer or not. He stated once he hears back from Terri Easterly on whether they will extend their offer deadline or not, he will communicate that to IDA Board members.

VII. NEW BUSINESS:

A. Sewer Line at Tryon Technology Park:

1. Background:

- A sewer line near the pump station got partially blocked at Tryon.
- Adirondack Septic was contacted and spent three (3) days onsite. Day 1 was trying to identify where blockage was located. Day 2 was to address blockage.
- Blockage was located. Adirondack tried sewer jetting but couldn't clear blockage. Only way to clear blockage is to cut out section of pipe and replace it.
- Adirondack found way to reroute sewer flow around blocked pipe. Wastewater redirected through screening building.
- Adirondack jetted and vacuumed grit from channels wastewater was rerouted to.

2. Invoices:

- Total Invoice: \$6,000+/-

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked if there were any questions. There were none. Jim Mraz stated that Adirondack Septic may still need to come back and replace the clogged section of sewer line. This payment does not include the cost of that additional work. He stated Adirondack Septic will be trying one additional method for trying to unclog the sewer line. If that is not successful, then they will need to submit a price for replacing that clogged section of sewer line.

IDA ACTION:

MOTION: To authorize a payment of up to \$6,000 to Adirondack Septic for work on sewer line at Tryon Technology Park.

MADE BY: Jane Kelley

SECONDED: Joe Semione

ROLL CALL VOTE:

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

B. Tryon Insurance:

1. Background:

- NYMIR currently insures Tryon through Fulton County's policy.
- At present, the following coverages exist:
 - Building 3
 - \$4,000,000 Property Coverage
 - \$10,000 Contents Coverage
 - Building 60
 - \$1,000,000 Property Coverage
 - \$10,000 Contents Coverage
 - Approximately 25% of the property coverage could be used for debris removal.
 - General Liability
 - Excess Liability
- The annual cost to the IDA for these coverages:

• Property	:	\$ 7,056.68
• General Liability	:	\$ 1,775.44
• <u>Excess Liability</u>	:	<u>\$ 1,433.32</u>
• Total	:	\$10,265.44

2. Proposed Changes to Insurance Coverage:

- a. Building 3:
 - Reduce property coverage from \$4,000,000 to \$500,000 and have it apply to just the Midas Building.
 - Eliminate contents coverage.
- b. Building 60:
 - Reduce property coverage from \$1,000,000 to \$500,000.
 - Eliminate contents coverage.
- c. Estimated cost for these revised limits would be \$1,200 vs. \$7,056.
- d. IDA needs to submit any recommended coverage changes to the County.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that since this insurance coverage is provided through the County's policy with NYMIR, the IDA cannot directly ask NYMIR to make these changes. He stated the changes will need to be recommended to Fulton County, who will in turn then recommend them to NYMIR themselves. Tim Munn stated that a question should be put back to Bill VanGorder on whether there would be any co-insurance penalty on a partial loss in a building. Jim Mraz stated that he would pose that question to Bill VanGorder and contact all IDA members with his response.

C. Grass Cutting at Tryon:

1. Background:

- IDA Board hired Greenscapes to cut grass at Tryon this year.
- Citizens in Community Service (CICS) has, for several years now, been cutting the grass at the entrance to Tryon and around the entrance sign. However, due to Coronavirus Pandemic, they have not been able to do so.
- As a result, Greenscapes was asked for a quote to mow these areas on regular basis.
- \$80/mow

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated Greenscapes' contract calls for them to charge \$480 for each finish mowing that they do at Tryon. By adding this area at the front entrance to the areas to be finish mowed, they would be increasing their price from \$480 to \$560 per mow. Jim Mraz estimates that there are approximately five (5) additional finish mowing cuts to be completed, which will result in a total increase to their contract of approximately \$400.

IDA ACTION:

MOTION: To authorize amending Greenscapes' contract by increasing the price for finish mowing from \$480 to \$560 per mow.

MADE BY: Dave D'Amore

SECONDED: Jane Kelley

ROLL CALL VOTE:

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

D. Transformers at Tryon Technology Park:

1. Background:

- There are numerous transformers at Tryon that were used at various buildings.
- These transformers will no longer be used once power is transferred from the IDA's system to National Grid's new electric system.
- The IDA received an inquiry on June 8, 2020 from an electrical contractor who is interested in purchasing some of these old transformers at Tryon.
- The electrical contractor hasn't provided a price yet for purchasing these transformers. However, if the IDA can generate a revenue from selling a transformer that it otherwise is going to have to pay somebody to remove, this represents a good opportunity for the IDA to avoid a cost and generate a revenue. Jim Mraz recommended that authorization be given by the IDA Board to sell any and all transformers at Tryon.

DISCUSSION: Jim Mraz asked if there were any questions. There were none.

MOTION: To authorize the sale of all transformers at Tryon that are no longer needed.

MADE BY: Mike Fitzgerald

SECONDED: Jane Kelley

ROLL CALL VOTE:

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

VIII. NEXT MEETING:

Tuesday
July 14, 2020
8:00 a.m.

IX. CLOSE MEETING:

MOTION : To close the meeting

MADE BY : Dave D'Amore

SECONDED : Tim Munn

ROLL CALL VOTE :

	Aye	Nay	Abstain	Absent
Dave D'Amore	<u>X</u>	___	___	___
Joe Semione	<u>X</u>	___	___	___
Todd Rulison	___	___	___	<u>X</u>
Jane Kelley	<u>X</u>	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

TIME : 9:12 a.m.