

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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

PLANNING DEPARTMENT CONFERENCE ROOM

TRANSCRIPT

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

Jim Mraz: Welcome to our third Zoom conference call meeting. We'll start our meeting with a roll call vote to see who's here.

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.

Jim Mraz: Ok. First item on the Agenda is the minutes from the May 12th meeting. Did everyone have a chance to review those? Are there any questions, comments or changes desired on those notes? If there's none, would someone make a motion to approve those minutes?

Jane Kelley: I'll make a motion.

Jim Mraz: Jane

Joe Semione: I'll make the motion.

Jim Mraz: Any further discussion? Ok. We'll take a roll call vote to approve the minutes.

Jim Mraz: Ok. Good morning, John.

John Blackmon: Good morning.

Jim Mraz: Welcome aboard. And as noted in the minutes, a transcript of that May meeting has been prepared and posted on the IDA's website in accordance with the Governor's orders.

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>	___	___	___

Jim Mraz: Moving onto the Budget Report, which you all received. We received a couple of revenues. One was the annual administrative fee for Johnstown Renewables per their lease and that came in at \$400. At your last meeting, you authorized the sale of that lift, the old lift out at Tryon. So, that was a \$500 revenue that we received in, as well as the reimbursement from Vireo Health for the National Grid bill. On the expenditure side, payroll items and, under the Tryon Technology Park, there's a larger number than usual there. About half of that is the Vireo's electric bill that we pay, but the other part was a payment to Tom's Electric for the work that they had performed to date on the Tryon Electric Project and that was about \$24,351 that was paid to them. And then other expenses, work on the Tryon website and then the \$1,652.94 bill for purchasing those thermometers and batteries that we agreed to purchase on behalf of the County in their COVID-19 battle. So, that's the Budget Report for the month. Any questions on it? Hearing none. Would someone make a motion to accept that Budget Report.

Dave D'Amore: I'll move.

Jim Mraz: Dave D'Amore. Is there a second?

Mike Fitzgerald: I'll second.

Jim Mraz: Mike Fitzgerald. Time for a roll call vote. Joe Gillis? Still working to try and get connected.

IV. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- Monthly Bank Reconciliation Reports: Todd Rulison

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

Jim Mraz: Ok. Under Committee Reports. Audit Committee. This month, it was Todd's turn to review the Monthly Bank Reconciliation Reports. He did. He e-mailed us back yesterday saying that he found those all to be acceptable.

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

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

Jim Mraz: County and CRG Reports. John Blackmon, anything to report from the Board of Supervisors' meeting?

John Blackmon: Not all that much. We had Bob Smullen, New York Assemblyman, talk yesterday. The New York shortfall has gone from about \$6 billion and now they think it will be a shortfall of rent of about \$10 billion for the year. The County, of course, our big thing is the sales tax. Looks like we're down about 27% right now. It could be somewhere between \$3 million and \$6 million shortfall in our budget, and we don't know when Phase 3 opening is going to occur yet. So, any questions at all?

Jim Mraz: Thank you, John. Leslie, anything from the CRG standpoint?

Leslie Ford: Well, I have updates and I'm going to start that with I don't where are update are because when we do this month to month, so if I'm repeating, I apologize. I have a report. So, we have. CRG did do a Business Impact Survey at the beginning of all of this to see what was going on. Would you be interested in the results from that?

Jim Mraz: Ron shared those with us.

Leslie Ford: Ron shared that. Ok.

Jim Mraz: And I passed that around to all the IDA Board members.

Leslie Ford: Perfect. Ok, then I won't report. Did he also share about the Microenterprise Grant Program and how we're doing.

Jim Mraz: No.

Leslie Ford. Ok, so let me start there. So, we did very well is terms of dispersing for four (4) Microenterprise Grants. We have Royal Mountain Inn, Peck's Flowers, Frank's Gun and Tackle Shop and the Great Sacandaga Brewing Company. And then there's four (4) grants up into the State right now, Austin's Glass, the Broadalbin Hotel, Mamabees and Upstate Coffee. So, we'll apply for another round of grants when that opens. We have in the industrial projects, CRG working with Pioneer, financed \$2.4 million purchase of 6 Clermont St. in the Johnstown Industrial Park. This brings their total square footage of industrial space to over 250,000 square feet. So, this is all good news. We're working with two (2) companies looking for 5,000 to 10,000 sq. ft. Basically, 12-15 person companies and then two (2) companies looking for 30,000 sq. ft., so that's in the works right now. Of course, we're not doing any business tours right now. When permissible, these things will start and there's some of that also in the community assistance where we have waiting to do further work with some of the villages and towns. Johnstown - we're in the initial stages of looking at some possible projects downtown. Gloversville - working with the elderly and the DRI, several projects on Main Street and additionally working with a developer on a large parcel in the City. There's been a couple of business marketing inquiries and still working with them. Not sure where some of those are going to go. And then a lot of the CRG effort has been working with the SBA Program and to see what money is available. We've been able because we can work remotely to continue the Microenterprise Grant Online Training, that started June 1st. And then we'll do business training when we can and small business networking and then a Gloversville Small Business Symposium will be in the works. Hopefully soon as things are opening up. So, just to review some of the 2010-20 initiatives we have and haven't been able to make progress on. So, marketing. With initial contacts until we're not able to. Of course developing relationships with businesses. The Farm Program that we identified is somewhat on hold because of COVID-19. Grant opportunities you heard are ongoing. The Workforce Program will start soon. The Incubator Program and Training we're still talking

to training facilities, but it's on hold right now. And then moving to online Zoom conferencing as we are. So, that's about it.

Jim Mraz: Very good. Thank you, Leslie.

Leslie Ford: You're welcome.

Jim Mraz: Ok.

Joe Semione: I have a question.

Jim Mraz: Joe.

Joe Semione: ??????????????????????

Leslie Ford: I can't understand.

Jim Mraz: Joe, for some reason, you're all garbled as you're coming through. Can you hear us clearly?

Joe Semione: Can you hear me?

Leslie Ford: I'm sorry, Joe, it's very hard to hear you.

Jim Mraz: It's very hard to hear you and your words are garbled for some reason.

Joe Semione: I guess I'm receiving.....Can you hear me?.....

John Blackmon: Leslie?

Leslie: Yes.

John Blackmon: Did you mention about the CRG Building Project?

Leslie Ford: I didn't. I skipped over. Ok. that's what you're asking about. We do have that going. We've been working on the lighting. Here it is. The second phase of the lighting has started and the construction project has also started.

Jim Mraz: Very good. Alright. Joe Semione, is it possible for you to disconnect your audio and try to reconnecting it again to see if that helps. While you're attempting to do that though, we're going to move onto Old Business in the Agenda.

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.

Jim Mraz: First item of Old Business is the status of the Johnstown Renewables Project and the update that we have to offer today is good news to the extent that we have received a determination from NYS Department of T & F regarding the amount of sales tax benefits that we should be recapturing. They made a determination based upon the review of all the documents that they had requested that Kara sent to them and their determination is summarized on the top of page 6 of your Agenda. They determined that Johnstown Renewables 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 and Production Exemption even if they hadn't come to the IDA and gotten sales tax exemptions from the IDA. They determined that, based upon the Auction, that Johnstown Renewables owes an additional \$54,650 to T & F and that, upon receipt of that \$54,650 payment, that would satisfy T & F and conclude the IDA's commitment to recapturing sales taxes owed by Johnstown Renewables. It would bring the total payment to \$84,532.25, half of which would be retained by NYS, the other half would be returned here locally to Fulton County. T & F confirmed that in writing in an e-mail to Kara that was dated May 29th. And so, given what T & F has concluded, I'm presenting to you today a Resolution that was attached to your Agenda that would take several actions. It would accept T & F's recommendations on the total amount of sales tax the IDA should be recapturing from Johnstown Renewables. It would direct Johnstown Renewables to make that final payment of \$54,650 to the IDA and then the IDA would turn around and we would authorize filing a form called ST-65 and send that to T & F with that check as a payment in full for all recaptured sales tax exemptions. So the Resolution was attached to your Agenda. Attached to the Resolution itself is the e-mail from T & F confirming their determination as a matter of record. So, that is kind of where we are today, and this would hopefully conclude our commitment to recapture sales tax benefits from Johnstown Renewables since they did not complete their project as they had promised in their application to the IDA some years ago. So, any questions on where we are or what this resolution would authorize? Kara, anything to add, anything new?

Jim Mraz: Ok. Can't hear you, Kara.

Kara: Alright, I'm muted. No new developments since that time. I did speak to Chris Graham about the Lease Termination documents. They're missing 1 form, but working on getting that to me, so then we can file the Lease Terminations in the County also, but that's just procedural. It just was missed out of the package.

Jim Mraz: And they have sent you a payment.

Kara Lais: They have sent payment for, I don't have it with me, but its \$11,000 in change that they've sent already. We're holding that check right now. We can put together the final. That check is based on legal fees that we submitted up to a certain date, a Lease Termination as of a date certain and then the fees associated with recording, so we'll just have to update all of those figures to be sure that they remit any additional payments and then they'll remit the check for T & F and that will be submitted by the IDA.

Jim Mraz: Ok. Very good. And, Kara, once we submit this check to T & F, we can close the books on this recapturing saga? Correct?

Kara Lais: Correct.

Jim Mraz: I will be glad to take this off the Agenda for future meetings.

(laughter)

Joe Semione: Can you hear me?

Jim Mraz: Nope. Are you using your phone for a connection?

Joe Semione: No.

Jim Mraz: Joe, this is like watching a movie that is in slow motion.

(laughter)

Joe Semione: ????

Jim Mraz: Ok. Are there any questions regarding the action to be taken here today or on this matter? If there are none, would someone be willing to make a motion to approve this resolution as presented?

Dave D'amore: Dave D'Amore move.

Jim Mraz: Is there a second to that motion?

Tim Munn: Tim Munn second.

Jim Mraz: Tim Munn. Any other questions or comments? We'll take a roll call vote then to approve the Resolution accepting an offer in connection with a recapture matter by and between the Agency and Johnstown Renewables LLC.

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>	___	___	___

Jim Mraz: Ok. The motion and the resolution has passed, and we will hopefully get this matter wrapped up.

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.

Jim Mraz: Ok. Moving on to the IDA website. Not much to report there, just continuing work on that. There have been a number of changes made to the organization and content of the website but work is still not completed. We will continue work with that. Betsy has simply been overwhelmed with other clients getting their websites updated relative to COVID-19 and understandably so.

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.

Jim Mraz: The next item is our Capital Resources Corporation discussion. I finally received feedback from Jason Brott, the County Attorney. As you recall, we had discussed this a couple of meetings ago and kind of left it to find out if the County Attorney would be willing to support creating the CRC if we were going to advance it, because he had raised some questions about it when we last brought it to the Board of Supervisors a couple of years ago. Jason has advised that he has reviewed all of the materials that we provided to him on the creation of a CRC and is comfortable with the concept of creating it. And there

appears to be no liability to the County for the debt of a CRC, and he said should the IDA wish to recommend the creation of the CRC to the Supervisors, he would not have an objection. So, that kind of clears the path for pursuing this. So, I think the issue now for the IDA Board is do you wish to pursue creating it now or pursue creating it if and when a project would come to the IDA asking for funding through a CRC? Pros and cons. If we create it now, the good news is it would be in place so that when a project did come here when a CRC was in place. The downside is, there's a potential cost of \$5,000 to \$10,000 to create it and then that organization would exist and like I said you would have to do an audit each year and there would be some O & M expenses that we would be incurring that the IDA would probably have to fund until such time as there was a project that would generate the revenue that would be needed to help pay for that organization. We also talked about how long it would take to create a CRC. The estimate was 2 to 3 months, and we thought that would fit within the timeline of a potential project that came to us that we would probably be able to create the CRC and pursue that project currently and not really delay that particular project. So, the question to you folks is do we want to try and move to create this now or sit back and just wait knowing that we got the approval of the County Attorney to do so and look to create this if and when a project comes? Thoughts, comments?

Tim Munn: This is Tim Munn. How long would this process take if we waited until a project came along.

Jim Mraz: The estimate, Tim, is 2 months.

Tim Munn: 2 months.

Jim Mraz: Basically, what has to happen is the IDA Board has to meet and approve it. It goes to the Board of Supervisors. They have to meet and approve it and then paperwork has to be filed. It's a fairly a simple process. There has to be 2 meetings. One (1) of the IDA and then one of the Board of Supervisors. Ok.

Tim Munn: Ok.

Jane Kelley: I guess my only question, Jim, would be having it in place now, would that be a better perception to have one in place now or does it really make no difference like marketing wise to have one established?

Jim Mraz: It may from a perception standpoint, Jane. It may look better. But, I think if a company approached us and said we want financing through a CRC. If we told them that we are prepared to create it and are willing to do so and have cleared the path with the County to do so, that I hope that would be enough for that company to still want to pursue a project here.

Jane Kelley: Thank you.

Mike Fitzgerald: Jim, is it the primary function of the CRC to be issued tax-exempt bonds for not-for-profit corporations.

Jim Mraz: Correct. Financing for not-for-profits. That is correct, Mike. That is the sole purpose. Again, IDA's used to be able to do that until the Legislature, probably 10 years ago, took that away and so the tax attorneys found an alternate way for issuing that tax-exempt financing and that is through the creation of these CRC's. Okay. We have only one instance of issuing tax-exempt financing for a not-for-profit that the IDA did, which was for the YMCA project back in 2008 I believe it was.

Leslie Ford: Jim, is it proper to make a statement from a bystander?

Jim Mraz: Sure.

Leslie Ford: Ok. I just didn't want to interrupt the meeting. But I think we're all probably struggling. All of these thoughts have occurred and we're in the middle of this unknown pandemic and we don't know whether to slow down or speed up. All of those things. That's what's going on for CRG as well. Just keep in mind that even during these times. I mean, schools are thinking the same way. We started the Incubator, we've got the training programs, we're trying to have that, as we've talked about that tool kit and I realize that there's expenses involved, and I'm certainly not trying to make a decision for you. There is that piece of doubt as things open up and, potentially, Fulton County is going to look like a really good place to be if you're in Brooklyn. You know, or other places where you might want to bring home your business. Just saying.

Jim Mraz: Thank you.

Mike Fitzgerald: Jim, right now, in the banking industry, we're not finding a lot of desire for tax-exempt financing because the interest rate environment is so low right now. The costs associated with the bonds are typically much much higher with the closing costs to get bond attorneys, so we did a \$15 million tax-exempt financing for a tax-exempt entity in March. We used additional financing because there was no advantage for pursuing any kind of bond because interest rate environment was so low. There was no savings for the tax-exempt entity. So, my point, right now, I don't know if we can even make that decision of forming it now, with no projects in the works and no advantages of taking tax-exempt financing.

Jim Mraz: Okay. Joe Semione just texted that he kind of agrees to hold on pursuing this at this time. Knowing that we have everything in place to move quickly if we had to. Anyone else? There were a couple of comments let's just hold on this for now and move on it in the future if we have a project ready to go.

Dave D'Amore: I agree with that.

Jim Mraz: Is that a fair assessment?

Tim Munn: Yes. I would agree as well.

Jim Mraz: Ok.

Jane Kelley: Yeah, I agree.

Jim Mraz: What I think we would do is notify the County that, at some point in time in the future, the IDA, if it receives a project, we would be recommending the creation of a CRC. Put them on notice. Tell the Economic Development Committee that the County Attorney has signed off on it, on creating it. Just so that there is an awareness that if something comes to the IDA, we're going to be asking them to move quickly on getting something created. So, if we can communicate that to the Board of Supervisors just so that they're aware of the position that this Board has taken on this matter. I will communicate that to the

Board of Supervisors. We won't necessarily have to take a vote on that. That will just be a consensus item of the IDA Board.

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.

Jim Mraz: Moving on. Cushman Wakefield. Again, just projects listed. Haven't heard anything from them. They're struggling like everybody else in terms of office activity and stuff. But, properties are listed. I think it's important to note that I forwarded everybody a copy of the e-mail blast that the CRG sent out regarding marketing Tryon, which was great. That went to, Ron estimated between 500-600 businesses advising them of the shovel-ready sites and buildings that are available at Tryon. So, the CRG is working to try and get that information out there. They also sent out an e-mail blast to a bunch of realtors on the multiple listing service about our Development Areas. So, that's another great piece of marketing that the CRG has undertaken. So, we're appreciative of that work that they are doing in that regard.

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.

Jim Mraz: Moving on to the Tryon Electric Project. For the most part, the construction work, all the installations are done out there. We are simply waiting for final terminations to be made, in the buildings, at the transformers and at switchgears. All those connections are going to be made by National Grid and Tom's Electric. There's a meeting going to be held Thursday of this week. At which time, there will be a coordination plan put together for cutting over the service from the old service, which is ours, to the new service, which will be National Grid's. I don't know yet what that timeframe is going to be. We won't know that until Thursday. But, the end is near. And so the project's gone very well. Scott and Chris Stankes from the Planning Department have been doing a great job overseeing this and dealing with

National Grid. So, hopefully, at our next meeting, we're going to be able to report that the IDA is, hopefully, out of the electric business at Tryon, which would be great. Any questions on that?

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.

Jim Mraz: Okay. Moving on to our potential solar project. As reviewed in the Agenda, as you recall, we received an inquiry from this company expressing an interest in developing a Solar Project. In summary form, the status of that, is that the project has hit a snag dealing with property taxes. The company had originally thought that, because they were going to be building a solar project on IDA land that would be tax-exempt, that their facilities would also be tax-exempt. Well, that's not the case here in New York State. Proprietary property that sits on tax-exempt land can be assessed and taxed. And, once they were made aware of that, we suggested that they contact the Town of Johnstown Assessing Office to get an estimate of what their potential property tax liability could be. They did that, and the numbers that came back were pretty significant in the opinion of the developers and has put into question the financial viability of this proposed project. They had another discussion yesterday with the Town Assessor and exploring a couple of ideas and those are going to be reviewed by the Town. They're supposed to get back to the solar folks later this week and then a final decision will be made by that solar company on whether they are willing to pursue this project or not. Even with them being given a PILOT by the IDA, as well as potentially sales tax exemptions by the IDA, it still wouldn't be enough to overcome the tax liability that that project would face once the property tax exemptions from the IDA went away. They were talking about a 25-year lease with three (3) 5-year extensions. That could bring the total lease term to 40 years. If the IDA grants a PILOT ...

(Phone ringing)

Jim Mraz: Everybody jumped wondering if it was their phone.

(laughter)

Jim Mraz: Even if the IDA granted them a PILOT, that PILOT's only good for 10 years. And, so. Yes, it would help them in the first 10 years, but for the remaining 30 years of that term, they would have to pay full property taxes. It's during that time period where the project goes from being potentially viable to not being. So, the long and short of it is, it's in jeopardy at the moment, but a final decision won't be made

until either later this week or early next week. So, I think it's best to not necessarily go through this information on here, because let's wait and see if we still have a project to consider. Any questions? I guess we're just in a waiting pattern. Mike?

Mike Fitzgerald: Yeah, Jim, just a comment. The information you shared with me yesterday on the Route 67 Solar Project, which is assessed at \$625,000 per megawatt. The assessment that was in the e-mail that you provided us was \$925,000 per megawatt. So, the Town had been inconsistent on their applications. So, when I ran the numbers, I think it moved the angle of tax burden from \$181,000 to about \$113,000. I still don't know if that makes sense with my numbers to be viable. But, it seems... I know we don't have any control over the Town Assessor, but it just seems that they are not being consistent with their applications and how they assess these projects.

Jim Mraz: Yeah, agree, Mike. Saw those same numbers. We all did. But, we're not party to those conversations between the developer and the assessor. That's between them. And, so, I don't know if there's a rational basis for how they're assessing those two (2) different projects. They may have one. It may be justifiable. I don't know. But, those were the numbers. The Solar company shared those numbers with the Town and, again, I'm not sure what the reaction was. All I was told by the solar company in my conversation with them yesterday was that they were going to hear back from the Town later this week and then assess that information one more time to see if the project was going to be viable or not. Alright. So, we'll report back when we hear additional information from them.

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.

Jim Mraz: Moving on. Again, put into the Agenda the confirmation that, at your last meeting, you agreed to purchase two (2) tripod mounted infrared thermal scanners for the County to use in reopening the County Office Building, and we estimated the cost of those two (2) units to be \$4,400. Almost the next day, the County decided to not purchase those tripod mounted scanners, but to purchase hand-held ones and with the 20 of those, came to about \$1,800. Those have been purchased and received. And Jon Stead has certainly expressed his appreciation to the IDA Board for that gesture that the IDA Board made in helping the County.

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	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.

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.

Jim Mraz: The last thing I want to bring up under Old Business that's not on your Agenda is the matter of the lands on the south side of CR107. I sent you a lot of information over the last couple of days regarding that matter. But, for the record, at your last meeting, you had reviewed the three (3) offers that had been submitted to purchase the property on the south side of 107. Based upon your review of those offers, you accepted the offer from Squires and McCashion for \$90,000 to purchase that 27 acres. Subsequent to that, yesterday, we received an e-mail from Clayt Sitterly, who represents those two (2) gentleman, that they had decided to not pursue their project and were therefore rescinding their offer to purchase the property. In addition to that, immediately after last month's meeting, Terri Easterly, representing Coldwell Banker,

notified the two (2) other entities who had submitted offers that the IDA Board did not accept their offers and went with Squires and McCashion. Shortly after that, the two (2) gentlemen, Huckans and Verma, submitted a revised offer to the IDA Board matching the dollar amount that Squires and McCashion had put in. And, they did so with the understanding that the IDA Board had accepted the other offer but put it in in the event something happened. Well, something has happened. Squires and McCashion have withdrawn their offer and so we're in a position now to go back to the other offers that you received and say do you wish to change course and now accept another offer, or do you wish to reject all offers and continue to list the property with Coldwell Banker. So, since the other offer matched the one (1) that you had, I am just assuming you would like to pursue that particular one because of the dollar amount of that offer. As I indicated to you yesterday in my 1 e-mail to you, I would suggest that, before you make a decision to accept that offer, that you meet with that group, to hear a little bit more detail about what they are proposing to do with that. They have offered to meet this Friday afternoon. The gentlemen would be willing to meet this Friday afternoon to have that discussion if you're interested in pursuing. Discussion?

Dave D'Amore: Jim, this is Dave D'Amore. I would just like to assert... I think it behooves us to move to the next viable offer from Huckans and Verma and I think for myself I would like to know a little bit more about their plan for the property. Make sure it's a viable plan. Notwithstanding that, they did up their offer to match the original offer we were accepting. So, I think if we can get that scheduled for Friday. I just want to be sure that there's opportunity for us to take action on that offer before it's off the table because I understand that that offer is only good until next Tuesday. Is that still the case?

Jim Mraz: We have asked to extend it. They have expressed a willingness to do so, but we have not gotten a firm confirmation on that.

Dave D'Amore: Okay.

Jim Mraz: So, but I believe there's a willingness to do so. I was hoping to have that confirmed as of this morning, but we haven't.

Dave D'Amore: Okay.

Jim Mraz: I think the next step is to get the meeting scheduled. If that's okay? Joe Semione called in and said that he thinks having a meeting would be the appropriate thing to do. So, Joe and Dave and I see some other heads nodding up and down. Anyone else have any comments?

Mike Fitzgerald: Jim, I just have a question. It's Mike Fitzgerald. The other deal fell through because they did not want to pay the operating and maintenance annual fee for the sewer connection. Correct?

Jim Mraz: That was an issue, Mike. I didn't get confirmation from Clayt Sitterly if it was that or they just decided to not pursue the project for other reasons. But that sewer issue was raised. Okay. And it certainly was a factor but it may have been just the fact they just didn't want to pursue the project given the pandemic or whatever the case may be.

Mike Fitzgerald: Now, is that sewer connection on the south side or is it on the other side within the Tryon Technology Park?

Jim Mraz: There is a sewer line. All of those buildings, Mike, on the south side, all have a gravity sewer line that leaves from them and flows to a pump station on that side of the road. From that pump station

on the south side, a sewer main runs all the way from the south side to the other side of the street, up and over the hill, through the woods and connects into the main pump station over in the Tyron Technology Park. Okay. They were going to be willing to restore that sewer line and put in their own pump station to service the south side. And, as we got talking about it, again, because we talked about this when we met with them. You know, we just said you were going to have to pay a sewer fee. And they said, "Yeah, we understand." And then that sewer fee would consist of the main fee that is charged by Gloversville and then there would be an O & M fee. And that's where... What do you mean an O & M fee? And that's where it came from. Now, everybody pays an O & M fee on your sewer bill. It's a part of everybody's sewer bill. So, I wasn't sure why that became an issue because we never had an opportunity to meet and talk about it other than, I would communicate through Clayt, Clayt would communicate to the developers, back through Clayt, back to me. It was never face to face.

Mike Fitzgerald: Okay. Well, that's helpful. Because I didn't understand how the infrastructure tied together over there. I appreciate the understanding. Thank you.

Jim Mraz: Okay. Is there consensus to move forward and meet with Huckans and Verma to discuss their proposal further?

Dave D'Amore: Jim, just a quick question. How would you conduct the meeting at this point? Through a Zoom?

Jim Mraz: I would like to meet out at the site.

Dave D'Amore: Okay.

Jim Mraz: Have an open meeting. Friday is supposed to be a beautiful day. And it would be helpful to me for them to, as we're talking, that building, we were looking to do this with and be able to have some type of visual understanding of what their vision is for the property.

Dave D'Amore: I will be unavailable on Friday. So, my hope is that somebody else from the Board would be able to attend.

Jim Mraz: Once I get a time confirmed and that they're willing to meet out at the site, I will e-mail everybody on the Board and ask anyone whose schedule would allow to please join us at the site that day. If that's okay.

Tim Munn: Jim, their offer still stands at \$90,000? Correct?

Jim Mraz: That is correct.

Tim Munn: Are they aware that the other party pulled out?

Jim Mraz: That was communicated I believe through Terri Easterly. Again, I don't have direct contact with them. Okay. And once I get confirmed that they will extend their deadline for their offer to a month. If that is confirmed, then there will not be a need to meet next week. If they are not willing to extend, we will have to have our face-to-face meeting on Friday and then have to have a special IDA Board meeting next Tuesday. Okay. Now, a couple of you have responded on your availability for next Tuesday

morning. While I've got all of you here, based upon your current schedules, would you be available to meet next Tuesday at this time for a quick Zoom meeting? Tim, yes?

Tim Munn: Yes.

Jim Mraz: Mike?

Mike Fitzgerald: Yes.

Jim Mraz: Jane, would you be available?

Jane Kelley: Yes, I am. I put it on my calendar.

Dave D'Amore: I guess it would depend on what time. I've got another meeting scheduled for 8 a.m., Tuesday, the 16th. So, if it were like at 9 a.m., I would be available.

Jim Mraz: Okay. Tim, Mike, Jane, would 9 be a possibility for you?

Jane Kelley: I can..

Mike Fitzgerald: I can't do 9.

Jim Mraz: Okay.

Dave D'Amore: I'll make adjustments.

Jim Mraz: I'm hoping that we don't have to meet.

Dave D'Amore: I might have some flexibility, Jim. So, just schedule what you've got to schedule and let me know.

Jim Mraz: Okay. We'll get confirmed whether we have to meet or not. Hopefully, today. So, okay. Any other questions on that matter?

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+/-

Jim Mraz: Alright. Let's move on to New Business. The sewer line work out at Tryon. As I e-mailed you, we had a problem develop with a sewer line near the pump station that got partially blocked. Adirondack Septic was called. They were out there three (3) days working on it. The long and short of it is they found a way to reroute the flow to avoid and go around the blocked sewer line. And so their total cost for the three (3) days they were out there was about \$6,000. That does not include the... Bless you, Dave? You can't hide.

(laughter)

Jim Mraz: That does not include the eventual cost to still come back to replace and repair that blocked line. They are still seeing if there's a way that they are going to try a different method for trying to unplug that sewer line and actually send balloons in there that they pressurize and try to slightly expand the pipe a little bit and see if they can wedge that thing out of there. So, for now, we've got a bill of approximately \$6,000 that we, unfortunately, need to pay. And then come back at future meetings to see what additional work, if any, may be needed. So, for now, I'm asking for someone to make a motion to authorize a payment of up to \$6,000 to Adirondack Septic for the emergency work on the sewer line at the Tryon Technology Park.

Jane Kelley: I'll make the motion.

Jim Mraz: Jane Kelley. Joe Semione says as a second. Is there any further questions on this matter. Hearing none, we'll do a roll call vote.

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>	___	___	___

Jim Mraz: Motion was carried. Very good.

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.

Jim Mraz: Next item is our Tryon insurance. At Joe Semione's request, we began looking at this. And, as you will recall, at your last meeting, I mentioned that that one (1) idea that we had talked with Bill VanGorder about was to reduce the value of the insurance on Building 3 from \$4 million to \$1 million. And that he was working out pricing for that savings. Subsequent to that, we've had further discussions and it centered around even keeping it at a million dollars. The question became, these two (2) buildings, the Midas Building and Building 60 out there, both are around 15,000 sq. ft. in space. And, if we insure

those buildings for a million dollars and they burnt to the ground, the million dollars of coverage wouldn't be enough to rebuild those buildings, at 15,000 sq. ft., with cleanup costs to start with and then building from scratch. Okay. So, that begs the question, "Why insure them at all?" If you're not going to insure them for a value that you're going to be able to rebuild them with, why insure them at all. Well, Bill VanGorder had a good point. He says, if something did happen to them, casualty wise, lightning strike, fire, whatever, policies, as written, 25% of that value could be used towards clean up and debris removal. So, if Building 60 did burn down, we wouldn't want to leave a pile of debris there, we'd want to have it cleaned up. So, we said alright, well, at a million dollars worth of coverage, 25%, that would give us \$250,000 for each building for clean up. Well, that seemed to be too much. So, we said what about if we reduce the limits to \$500,000. At \$500,000 for each building, that would give you \$125,000 to clean up a mess. That seemed reasonable. So, what we ended up doing was going back to Bill VanGorder and said, Bill, change the limits on both buildings to just a half a million dollars, eliminate the contents coverage and what would that do to our premium? And, he came back and has advised that that would save somewhere between \$5,000 and \$6,000 on our \$10,000 premium. We still have about, of our \$10,200 bill, about \$3,100 of that is liability insurance that we get, an excess liability that we get through the County's policy with NYMIR. That's going to stay. We can't eliminate our liability coverage. But our building insurance would drop between \$5,000 and \$6,000. That's the savings that would occur by going from \$4 million of coverage on Building 3, \$1 million of coverage on Building 60, reducing those both to \$500,000. Does everybody understand that proposal? Okay. Since this insurance is provided through Fulton County's policy with NYMIR, we can't go to NYMIR directly and say make these changes. We have to recommend them to the County and then the County has to recommend those to NYMIR directly. So, my suggestion to you today is to recommend those changes to the Board of Supervisors so that they would pass those onto NYMIR and those changes would be reflected in the next premium that we receive later this year.

Tim Munn: Jim, so we're talking about a specific savings to the IDA.

Jim Mraz: Yes. NYMIR bills the County and the County bills the IDA. NYMIR bills the County for its whole policy. The County pulls out from there the costs associated with Tryon and they send us a bill. We get two (2) bills a year, each for \$5,100/\$5,200 a year. Okay. So, yes, this would be a direct savings to the IDA.

Tim Munn: Okay. Thank you. The second question I have, and obviously, when you talk about building value and replacement cost, I totally get where you are coming from, where Bill's coming from, with the.. our plans, if you're not going to rebuild the building, yes, you don't need that much insurance, but we should also consider what happens if there's a partial loss on any of those buildings and that's really where co-insurance comes into play and property casualty insurance. If you have a partial loss and the building is significantly under insured, there's a potential that that loss payment would be depreciated significantly. If they are writing it on a blanket schedule, it may not impact that. But that would be a question to ask, by lowering that limit so significantly, would they depreciate a partial loss on any one of those buildings. I get what would happen if the building burned to the ground, but we need to know what would happen if we sustained a partial loss.

Jim Mraz: Okay. I can ask Bill that question. Any other questions? How do you wish to proceed then? You want to wait until we get an answer on this question or?

Tim Munn: Well, I think we can proceed. I just think it's just a question to ask. I mean because a partial loss is a bit more common than a total loss to the building. If we're not concerned about that overall. I know there's nothing operational out at those buildings.

Jim Mraz: Correct.

Tim Munn: If that's not a concern to the Board, then I think agreeing to do this, with that amount of savings would be a significant savings certainly.

Jim Mraz: Well, let me pose the question to Bill. Okay. And, let me get his response first. And maybe it's just understanding how a partial loss would be dealt with. How it would be depreciated. Maybe we just need to understand what that would be in a case of a partial loss just so that we know.

Tim Munn: Yeah. To simplify matters, if you're insured at 50% of your value of what the insurance company would deem the replacement cost of that building, if you have a partial loss, and you're at 50% insurance value, they're going to depreciate that partial loss by 50%. And maybe there's.. I'm not familiar with NYMIR's forms, but that's a valid question to ask them. Again, if they're writing it on an overall blanket schedule, they may eliminate the co-insurance clause. It may not be an issue at all. And, if so, I think we wouldn't have an issue doing that given the fact that there are no plans to rebuild any of those buildings. Correct?

Jim Mraz: Correct. Okay. Let me ask the question. Joe, you have a question? Oh. Okay. I will get an answer, e-mail it to everybody and then we will move forward and notify the Board of Supervisors of what the Board wants to do at that time.

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

Jim Mraz: Okay. Next item on New Business is our contract with cutting grass at Tryon. We hired Greenscapes this year to cut grass at Tryon. Over the last number of years, the CICS program has been sending clients of theirs out to Tryon as a work site for those who have to perform community service and they've been cutting grass at the front entrance of Tryon near the sign on both sides of the entrance road. Unfortunately, because of the pandemic and budget cuts, they are not going to be able to do that this year. So, as a result, we need to have Greenscapes add that area to their scope of work. I met with Glen Henry out there yesterday. He's looked at it. He charges now \$480 every time he comes out and does finish mowing around Building 3, the area we're trying to keep mowed fairly closely. To add this piece would be about \$80 each trip out there. So, his price for finish mowing would go from \$480 to \$560. He's probably got five (5) or more finish mowings to complete this year. So, we're talking about an add on of about \$400 to his contract. But I think it's necessary to do so because we have to keep that front entrance looking as clean as possible. So, I'm asking for authorization to amend Greenscapes' contract by

increasing their finish mowing price from \$480 per mow to \$560. Would someone be willing to make that motion?

Jane Kelley: I'll make the motion.

Jim Mraz: Dave made a motion. Jane made the second.

Jane Kelley: Yup.

Jim Mraz: Any further discussion. Okay, we'll take a roll call vote on that motion.

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>	___	___	___

Jim Mraz: Alright. Motion has passed. Thank you.

Dave D'Amore: Jim, could you let us know what Joe Semione's vote was?

Jim Mraz: He voted yes.

Dave D'Amore: Okay. Cause he's on a call with you there at the office. Right.

Jim Mraz: That is correct.

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.

Jim Mraz: Alright. One last thing to add to the Agenda dealing with some old transformers that are located out at Tryon. As we convert from the old system to this new system, once we disconnect the old system, there are a number of transformers that used to be there to that service, existing buildings, that are no longer going to be needed or used. And one of the electricians working on the site, yesterday, inquired about their potential availability. Would the IDA be willing to sell those transformers to this company? And my response was if we can be paid to have those removed as opposed to us having to pay to have those being removed is something that would be of interest I think. So, he hasn't gotten back to us yet with a number but, again, if we're able to generate a revenue by them taking something that otherwise we're going to have to pay to have removed, I think is a good venture on our part. And, I just wanted to bounce that off of the group to see if that's something you are interested in. If you are, I would ask that you approve a motion to authorize the sale of any excess transformers at the site for whatever dollar amount is offered to us. I just think if we can make a few dollars and avoid a cost, it's a win-win situation for us. Any thoughts, any comments, concerns.

Dave D'Amore: Anybody want to make a motion?

Jane Kelley: Sure I'll make a motion.

Mike Fitzgerald: I'll make a motion.

Jim Mraz: Okay. Mike Fitzgerald, Jane Kelley with a second. So, the motion is to authorize the sale of excess transformers at Tryon. Let's do a roll call vote on that motion. Let's go backwards.

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>	___	___	___

Jim Mraz: Okay. That's all that I have for today's meeting. Does anyone have any other business to bring up at today's meeting? Very good. I will let everybody know about this meeting on Friday, and I would ask each of you to please let me know if your schedule will allow if you can be there or not and so I will know who will be able to attend and, again, once I get confirmed whether we have to meet again next week or not, I'll let you know. That's it.

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.

Jim Mraz: I need a motion to close the meeting.

Dave D'amore: I move.

Jim Mraz: Second?

Tim Munn: I'll second.

Jim Mraz: Roll call vote. Meeting is closed at 9:12 a.m. Thank you folks.