

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**TUESDAY
JULY 14, 2020
8:00 A.M.**

PLANNING DEPARTMENT CONFERENCE ROOM

TRANSCRIPT

PRESENT ON CONFERENCE CALL:

- DAVE D'AMORE, CHAIRMAN
- JOE SEMIONE, VICE CHAIRMAN
- TODD RULISON, TREASURER
- JANE KELLEY, SECRETARY
- TIM MUNN, MEMBER
- MIKE FITZGERALD, MEMBER
- JAMES MRAZ, EXECUTIVE DIRECTOR
- KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
- SCOTT HENZE, PLANNING DIRECTOR
- GREG FAGAN, FULTON COUNTY CENTER FOR REGIONAL GROWTH
- JOHN BLACKMON, LIAISON, ECONOMIC DEVELOPMENT AND ENVIRONMENT COMMITTEE
- KEITH SANDOR, PRESIDENT, NEXUS RENEWABLES
- DAVE HUCKANS, HOMETOWN MORTGAGE

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 JUNE 9, 2020 MEETING:

- MOTION : Accept as presented.
- MADE BY : Joseph Semione
- 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>	—	—	—

NOTE: A transcript of the June 9, 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 : Joseph Semione
SECONDED : Todd Rulison

Jim Mraz: Going down on the revenue side, we received a \$1,050 for leasing lands at Tryon to R & R Farms for growing some crops. We received a reimbursement from Vireo Health in the amount shown there. We received a payment from Johnstown Renewables which included in that the fee to the IDA for terminating the lease and a payment, an amount to pay for legal fees. We also received the Application Fee from Nexus Renewables of \$980. It was \$980 because they submitted \$1,000, which is the application fee, but they did it electronically and the bank charged a \$20 processing fee. And investment earnings of \$161.81 for the month. On the expenditure side, we had salaries and insurances for the Executive Director and the CFO. We had a payment of legal fees for Johnstown Renewables of \$1,530 which came out of that revenue that I mentioned up above. And then there were payments for Tryon which included 3 items: Paying of Vireo's electricity bill. Second, an interim payment for mowing to Greenscapes, and the third one was the emergency work on the sewer system that you guys authorized at the last meeting, that actually is showing up on this month's Budget Report. And then the last one was \$140 payment to the County Clerk which was the fee for recording the termination of lease, and again that came out of the revenue that Johnstown Renewables sent to us, so there was no cost to the IDA for that. Johnstown Renewables sent us all the revenue for that, but we had to pay that bill. That would be it for this month's Budget Report. Any questions or comments? Hearing none, would someone make a motion to that Budget Report be accepted.

Joe Semione: I'll make that motion.

Jim Mraz: Is there a second?

Todd Rulison: I'll second, Jim. This is Todd.

Jim Mraz: Ok. Let's take a roll call vote on approving the Budget Report. We'll go in reverse.

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: Mike Fitzgerald

Jim Mraz: Ok. Under Committee Reports, Monthly Bank Reconciliations, Mike Fitzgerald had the honor this month. Mike, what did you find?

Mike Fitzgerald: I found that all the accounts were in order and were reconciled.

Jim Mraz: Very good. Thank you.

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: Greg Fagan

Jim Mraz: Ok. CRG/Fulton County. John Blackmon is not present here today so we don't have a report.

John Blackmon: I'm here.

Jim Mraz: Oh, John, you are. I'm sorry. I didn't see you come on. Do you have a report from the Board of Supervisors' meeting.

(laughter)

John Blackmon: It's rather short. The first resolution, of course, was in memory of our fellow Supervisor, Richard Handy, who passed away last month. Then, mostly had to do with COVID-19, we increased the expenses for COVID-19 expenses. We passed a resolution on cell towers inside of the Adirondack Park Agency, asking for more towers that can be 10-20' above the tree line or other structures. Since a lot of the projects at FMCC are not getting any matching funds from the State, some of those funds are being redirected toward other things, so like the financial center is not getting their share from New York State, so things are being done a little differently there in the financial classroom. We are still spending the \$61,807 for tourism in the County even though we are not going to get matching funds from the State right now. Whether we do in the future, we don't know yet. So, that basically is it.

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

Greg Fagan: I just as soon not have to read through this. Everyone has a copy of our report for the month. Was there anything in particular that you folks want to discuss rather than bore everyone for reading the whole thing?

Jim Mraz: Just give us a couple of highlights, Greg.

Greg Fagan: Talking about Tryon. We do have a couple of persons interested in the Midas Building and the Maintenance Building that Ron has been working with. We still got a couple of ongoing folks that are interested in looking for 30,000 sq. ft. spaces. Trying to scroll through this while I talk to you. We've done a lot with the Microenterprise Grants this year. A couple of them keep changing them so we keep reissuing checks, but a lot of folks doing a lot of good things around the County with small businesses. We're hoping and it's kind of interesting one of the resolutions we did yesterday was for the Chamber to do an outdoor Palooza over at the Visitor Center and, hopefully, Sacandaga Brewing will be up and running when that goes in September. So, that's one of the folks that we've done loans for. It's got the "coming soon" sign out there but hopefully they will get up and running. But other than that, all of our marketing efforts are ongoing. If anybody's got any questions, I'll be glad to do my best to answer them.

Jim Mraz: Yeah, Greg, I sent Ron an e-mail this morning advising him that we've actually received an offer on one of those buildings at Tryon that we are going to discuss in Executive today.

Greg Fagan: Good.

Jim Mraz: And so encouraged him to, if those folks he's been talking with do have an interest to try to get something into us so that we could have it before a decision is made to sell it to somebody.

Greg Fagan: Good. It looks like that even though it's been about a year late getting that electric upgraded out there, it was right on time.

Jim Mraz: Yes. It ended up being good timing. Any questions of Greg.

Joe Semione: Thank you, Greg.

Greg Fagan: You're welcome.

VI. OLD BUSINESS:

A. Status of Johnstown Renewables (JR) Project:

1. Action Taken at June 9, 2020 Meeting:

- At the June 9, 2020 meeting, the IDA Board adopted a resolution agreeing to:
 - Accept T & F's determinations:
 1. JR took a total of \$84,532 in sales tax exemptions.
 2. JR already paid \$29,882 to T & F.
 3. JR still owes \$54,650.
 4. Upon the receipt of \$54,650 from JR, this would complete the IDA's obligation to recapture sales tax benefits.
 - Direct JR to make a payment of \$54,650 to the IDA.
 - 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.

2. Update:

- On June 18, 2020, Kara Lais sent a letter to the NYS Department of Taxation and Finance transmitting:
 - 1) A \$54,650 check from JR.
 - 2) Form ST-65: IDA report of Recaptured Sales and Use Tax Benefits.
- Termination of Lease Agreement has been executed.
- Lease Agreement Termination Fee of \$3,273.90 has been received.
- Payment received for IDA's legal fees.
- Payment has been sent to Fitzgerald Morris Baker Firth.
- County Clerk recording fee payment was received from JR. Check has been made out to County Clerk.
- All executed documents and checks were sent to Kara Lais on June 26, 2020.

Jim Mraz: Alright, moving onto Old Business, our Johnstown Renewables Project. Hopefully, a final update. At your last meeting, you adopted a resolution that agreed to a final payment that Johnstown Renewables should have made in terms of how much sales tax they had to pay back, and you authorized the filing of that payment in an ST-45 Form to Taxation and Finance. Subsequent to that meeting, Kara sent that letter with the check that was received from Johnstown Renewables, so hopefully that completes our obligations for recapturing sales tax revenues. The Termination of Lease Agreement has been executed. The fee of \$3,273.90 as the Lease Termination Fee has been received. As we reported in the Budget Report, a payment was received from Johnstown Renewables to cover the IDA's legal fees on the Johnstown Renewables Project and that payment has been sent to Kara's firm. Kara, is there anything else to add? Are we finally at the end of this long endeavor?

Kara Lais: I think we are. Yes. That pretty much wraps it up. We got all the documents to terminate the lease/leaseback. Signed from the Chairman of the IDA and Johnstown Renewables, so that's been sent off to the County for filing. That's pretty much the last step. Everything was submitted to Taxation & Finance. I don't anticipate we hear back from them. So, I think that's a wrap on that particular project.

Jim Mraz: Good.

Joe Semione: I'm so disappointed.

(laughter)

Joe Semione: We won't see it anymore in our reports.

Jim Mraz: Yes, and just so you are aware, Scott gave a report to the Economic Development Committee last month regarding the efforts of the IDA Board to recapture those sales tax revenues and to advise the Committee that the IDA has spent a great deal of time and effort working on that, and the end result was the County is eventually going to receive \$40 some thousand of additional sales tax revenues back because of the IDA's efforts. So, we thought it was important that the Committee be aware of the arduous efforts that the Board has put forward over the year to recapture those sales tax revenues, and I know the Committee was appreciative of those efforts. Alrighty, any other questions on this saga?

Greg Fagan: Yeah, Jim, that building. Who actually owns that? Is that something that...

Jim Mraz: Johnstown Renewables still owns the building. They have made all their tax payments. They are current on all property taxes. And so they still own it and are trying to sell it. I know they have shown it to a few folks, but nothing has been consummated yet.

Greg Fagan: Okay. It would be great if somebody bought that and came in with something.

Jim Mraz: Oh, that would be great.

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:

- No update.

Jim Mraz: Alrighty, moving on, regarding the IDA website. Unfortunately, we have no update to report on that. We haven't worked on the website over the last few weeks. We actually have our next Conference Call with Betsy on Thursday.

C. 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: With Cushman Wakefield, as I mentioned, we have received an offer and we're going to talk about that in Executive. Cushman Wakefield is working daily to try and market those buildings and those properties.

D. 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.
- All work has been completed.
- The cutover was scheduled to be completed on June 30, 2020. However, National Grid cancelled the cutover.
- The cutover is now scheduled for July 14, 2020.

Jim Mraz: Next is the Tryon Electric Project. At your last meeting, I reported that all of the work had been completed and that the cutover to the new electric system was scheduled for June 28th. Unfortunately, that did not happen. National Grid cancelled that cutover. That cutover was rescheduled for today. So, literally, as we speak, that cutover to the new electric system is being work on right now. And so, hopefully, no issues or problems develop, and by the end of today, we can now officially say we are out of the electric service business at Tryon. Okay, any questions on that? Very good.

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

2. May 12, 2020 IDA Board Meeting:

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

3. June 9, 2020 IDA Board Meeting:

- On May 22, 2020, Dave Huckans/Dr. Shri Verma submitted a revised offer to the IDA. Revised offer increased purchase price from \$30,000 to \$90,000 with no contingencies.
- 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.
- At its June 9, 2020 meeting, the IDA Board agreed to meet with Mr. Huckans and Dr. Verma to discuss their revised proposal.

4. Update:

- On June 12, 2020, IDA representatives met with Dave Huckans, Dr. Verma and Baljit Verma to discuss their revised offer.
- Their plan for the property includes the following:
 - Create a business to manufacture and distribute probiotics.
 - Promote organic farming and use the site as a hub for selling organic farm-to-table products.
 - Relocate an existing business to the site.
- On June 15, 2020, a request was made to Dave Huckans and Dr. Verma to prepare and submit to the IDA a more detailed business plan.

- On June 15, 2020, several questions were asked of the IDA about the property. Responses were provided on June 16, 2020.
- National Grid came to the site on June 23, 2020 to mark the location of their gas mains.
- On June 24, 2020, Dave Huckans called to ask that the utility rooms to the existing buildings be opened so he and Gloversville Water Department could see where water lines entered each building. Those utility rooms were opened the same day.
- On July 7, 2020, Dave Huckans submitted a revised business plan summarizing how they intend to develop the site. See attached.

Jim Mraz: Alright. Moving on to the lands on the south side of CR107. As you know, the IDA Board has had that property listed with Coldwell Banker Arlene Sitterly for some time now. At your last meeting, you agreed to meet with Mr. Huckans and Dr. Verma to discuss their revised proposal and, subsequent to that, the meeting was held with those two (2) gentlemen, as well as with Dr. Verma's wife. Their plan for the property includes creating a business to manufacture and distribute probiotics that Dr. Verma has a patent on, to promote organic farming and use the site as a hub for selling organic farm-to-table products and to potentially relocate an existing business to the site. We had asked Dave Huckans and Dr. Verma to prepare a more detailed business plan that you folks had mentioned as something you wanted to see. That business plan was submitted and is attached to your Agenda following the Budget Report. Dave Huckans' and Dr. Verma's offer is for \$90,000 and I know Dave has been doing a lot of work doing due diligence in terms of having discussions with the Gloversville Water Department, with National Grid regarding gas and electric and others. So, with that, Dave, are you still here?

Dave Huckans: I'm here.

Jim Mraz: Could you take a few minutes and just go through this revised updated business plan and kind of explain to IDA Board members what your plan and vision is for this property.

Dave Huckans: We want to salvage as much of what is usable at the site. You know, it appears that the first two (2) buildings on the top of the hill are salvageable. We would change the facades in the front so that the stonework isn't there. It's just a bad design for flat roofs on entrance to those two (2) buildings. The other buildings I think are too far gone and those probably are going to need to be torn down but the slabs could, definitely the infrastructure and the slabs could be reused. We're not interested in creating new infrastructure that's not needed which would just delay, cost money and delay time. But we want to get setup right away in the first two (2) buildings on the top of the hill, get the laboratory setup for testing and manufacturing the probiotic, capsules and starting to work with local farmers to encourage them to grow organic. Specifically, dairy farmers that may want to change their business plan a little bit. Organic farming is a little more expensive, but it's something that we believe in and are passionate about. Dr. Verma, he's a surgeon, and operates on a lot of people who have colon cancer and he definitely believes in healthy organic food and medicine. I think we're on the right track to start testing and creating healthy food and medicine at that site. As far as due diligence, the Gloversville Water Department was very helpful, they came out, they did connect water to the first two (2) buildings. That was great. National Grid definitely, they marked out the gas immediately so we know where all that is. There's still questions about. I just talked to Supervisor Fagan briefly about the road maintenance, and I did order a meter for the site. I'm waiting to hear back from two (2) planners from National Grid to talk to us about how we get a meter, a transformer on the site and I guess the only other question is as far as. We did have a discussion about the Sewer District and my understanding is we would own the pump station and everything is gravity fed down to that pump station, and we would have to maintain the pump station and

everything inside of it and then the Sewer District would own the line from that pump station over to the other side of the road. Is that how, am I understanding it correctly, Jim, about the sewer?

Jim Mraz: Yes it is, Dave. That's been discussed as part of the County's efforts to create a Sewer District out there. The Sewer District would own the force main from that pump station that would go across the street and tie into the existing pump station that services Tryon. You would be responsible for purchasing and installing pumps, grinder pumps or whatever that would be needed to transmit that, whatever wastewater you would generate on that side of the street, across the street to that other pump station. Okay?

Dave Huckans: Okay.

Jim Mraz: Any questions of Dave from IDA members?

Dave D'Amore: Yeah, Jim, I've got a question. Dave D'Amore here. Dave, in your proposal, you're identifying 15 proposed employees, and I think you are indicating that they would be part-time to start. So, can you boil that down to like what a full-time equivalent would be for your employment projection?

Dave Huckans: Full-time for 15 people or how many are full-time and how many are part-time?

Dave D'Amore: Well, no, I mean, you're basically saying 15 part-time employees. So, looking from the point of view if you consolidated that into the number of employees that it would take to run full-time, to run the operation. How many full-time employees would it take versus the number of part-time employees that you are proposing?

Dave Huckans: Well, I think there's a seasonal worker component to that, so it's hard to measure. So, things would ramp up during the growing season and the outdoor growing season. You know, I think we said part-time, I think it means there is going to be seasonal workers during the growing season.

Dave D'Amore: Okay.

Dave Huckans: And then there will be full-time people in the lab, so basically working with farmers to grow organic. That would ramp up during the growing season to make sure things are getting harvested in a clean manner and there can't be any contamination of crops. And then there's going to be testing going on. How the crops make it from the farm to the lab. There's got to be a safe manner of how that happens from the farm to the lab.

Dave D'Amore: So, there's a specific protocol that you guys will have to follow to be able to use that of organic farm source to procure it. Right? Is that what I'm understanding?

Dave Huckans: Yeah. There's probably going to be about 3 years of losses that this, with this business getting setup. There's significant startup costs. So, we're probably looking at about a 3-year window of no profits to get set up and part of that is working with farmers to encourage them to grow organic and go through the steps of getting certified as organic. You know my understanding is that you don't have to take your whole farm and convert the whole farm to organic but you have to identify and isolate a certain acreage that would be organic and there's a process and time to getting certified.

Dave D'Amore: And you've got farm partners ready to go?

Dave Huckans: Yeah, we talked. The general response is very positive from farmers that we've talked to that with what's going on in the dairy industry right now. They are. Ears are wide open as far as how they could convert over to a different model, and they are willing to listen and every farmer we've talked to is definitely open to changing their business model, especially if they are going to get some type of help to do that.

Dave D'Amore: Thank you.

Dave Huckans: You're welcome:

Tim Munn: Tim Munn here. You mentioned when we met out at the site that you guys have cash on hand to purchase the property. In your business plan, you're mentioning about \$150,000 estimate to acquire machinery and another \$150,000 for additional improvements. Are those funds you are in the process of trying to borrow or timeframe wise how quickly do you think you will have those funds to make the improvements that you want to make to the property?

Dave Huckans: We already have access to \$650,000 right now and we're also talking to minority equity partners who would be coming in with other cash. So, on hand, we have about \$650,000 right now and like I said, we're talking to other equity partners. Just a little background, Dr. Verma was involved in a Surgery Center back in Connecticut that he was a minority equity partner in that was sold. The surgery center in Connecticut was sold to a large firm, and I think Dr. Verma, I call him Chris, he was a minority owner and he had a significant payout from the buyer of that surgery center, but he also had partners who are also surgeons in Connecticut who were partners that were part of that buyout. So, we have a formula for how we would bring in new capital from minority equity partners.

Jim Mraz: Dave, what crops do you anticipate you may be working with? Any particular ones that you are focusing on?

Dave Huckans: The patent for the probiotic is confidential. I can tell you that it's 14 different crops. I would rather talk to Dr. Verma about that before I respond to that. But, you know, it may include CBD as one of them, 1 out of the 14. So, obviously, the attitude towards those crops are changing dramatically over the last few years.

Jim Mraz: What is your timeline if all goes well?

Dave Huckans: For?

Jim Mraz: For getting the probiotic business up and running.

Dave Huckans: Well, we'd be looking some time towards this time next year to be producing capsules. There's a process for putting the 14 different organic crops in the capsules, so we'd be looking to have a product ready to sell in 12 months.

Jim Mraz: Okay. Does anyone have any other questions of Dave? Kara, I sent you the draft Purchase Contract that we received for that. How'd that look from your standpoint?

Kara Lais: The contract itself it seemed... I didn't have any concerns with the contract as drafted. There was just a couple of comments I had with respect to how the Board wanted to handle it from a matter with a couple of the transactional items. Like specifics about transfer tax and things like that. I don't know, do you want me to discuss that now or do you want to do that in Executive?

Jim Mraz: Yes.

Kara Lais: Okay. So a couple of comments I had were that the contract indicates that the Seller is responsible for the cost of the title update and that's standard practice in Fulton County. Particularly, in a residential transaction. You could agree to provide this and pay for this expense or you could request an amendment to the contract to transfer this cost to the Buyer. I estimate that to be about \$500. The other item is the cost to transfer tax. In some instances, you have asked the Buyer to cover this expense. In this case, that cost was \$365. In Section 10 of the contract, it's indicated that the Buyer would like the property to be able to be used as a correctional facility. I think this is just a typo that should be amended because clearly that's not their proposal. Maybe it's just the current use that it's listed which became that way. I'm not sure how you want to handle legal fees, and I spoke with Jim, we reviewed your Property Disposition Policy and this would fall outside of the threshold of the 90-day notice to the State. So, those are really my comments. As far as the form of the contract, it's pretty standard as far as the region. I didn't have any concerns there.

Jim Mraz: So, the two (2) fees, the title update you estimated at \$500 and the transfer tax at \$365?

Kara Lais: Yeah that's based on that.

Jim Mraz: And whatever your legal fees would be? Okay, which would be the other cost to the IDA. So, alright, IDA members, a question for you this morning is, do you wish to accept the offer from Dave Huckans and Dr. Verma of \$90,000 to purchase the property on the south side of 107? If so, would there be any stipulations or conditions you would like to put on that acceptance? Or do you prefer to reject the offer and keep the property listed for sale. Those would be your options for consideration and let's open it up for discussion.

Joe Semione: I would like to move forward just the way it is. Mr. Huckans and his group seems like they have done a lot to get this thing up and running. They are going to be putting in a substantial amount of money. We have had other offers, 1 got pulled back. Others were pretty low. So, I think this \$90,000 is fine and I don't think we need to add any contingencies on our side.

Jim Mraz: Any other comments? Dave, we had discussed, when we were in the field, reaching out to the Town of Perth and getting kind of an informal feel from the Planning Board as to their reaction to what you are proposing in terms and whether they would be willing to approve that use. Did you have that opportunity to touch base with the Chairman?

Dave Huckans: I did. He seemed very positive and liked the idea of the buildings getting used. It's been sitting there awhile. I mean, at least 9 years since it's been winterized. At least since the top 2 buildings have been winterized. So, I think, overall, his response was very positive and, obviously, it wasn't a formal submission or anything, just of general conversation, but overall I think he felt positive about the site being utilized and working with local farmers to create more revenue stream for them.

Jim Mraz: Okay. That's good. Folks, we had just suggested to Dave that he have an informal conversation with the Chairman of the Planning Board just to make sure that he got a positive feedback. Didn't want to go and sell the property to him only to find out that, for whatever reasons, the Planning Board would not look favorably upon what was being proposed out there but, according to Dave, he did get a positive reaction, so I think that's good news. And, hopefully, when he does officially go to the Planning Board, they will give him a formal Site Plan approval for his proposed project. So, any other questions? Any other comments?

Dave D'Amore: Yeah, Jim, Dave D'Amore here, I've got a question of Dave. Dave, we understand that this is a startup endeavor for you and Dr. Verma and your investors, and I think we're all hopeful that this is something that can really grab hold. You're framing out a 2-3 year period of time of projected losses on the front end, the startup phase of the business. Notwithstanding what any of us could predict for the future, is there some sense of what might happen should the business not be able to achieve its goals within that window. You're projecting an outlay of cash to acquire the property. What happens if the business doesn't take off and you have that property? How would you look to manage any of that kind of unfortunate circumstance, and please don't misunderstand me. I'm not hopeful for such a thing. I'm just concerned it is a property that we have a lot of vested interest in and making sure it gets developed. And it's a secure location for your business into the future, but if that business can't make it happen there, we would have a vested interest in what happens to the property after that. Can you speak a little bit to that? Your thoughts and maybe I'm asking more than is possible because I'm asking you to project into the future here a little bit, but have you given any thought to what happens in the event of not meeting your intended goal.

Dave Huckans: Well, you know, I am a firm believer that the two (2) things that are going to get you are death and taxes. This property is currently assessed for a million dollars, and we've had conversations with the Town of Perth tax assessor, and he's indicated that, obviously, it's an old assessment and no one has paid attention to it just because it's a tax-exempt property currently. So, now, if my sale is approved, I would be reaching out to the assessor again just to get a letter of what we can expect the assessment to be next tax season. So, if that assessment is reasonable, I feel confident we will be able to carry the expenses on this site. Also, the other thing I mentioned, death, both Dr. Verma and myself will be purchasing an extra life insurance policy as any equity partner would be required to purchase so that we would have some extra capital. Important items on our side to ensure our success along with the same protections for the site as anyone else in that Tryon Technology Park, so we want the same zoning and the same support including the road ownership. You know, we don't want any structure that's different from the rest of the Park. So, we very much want to be a part of the Tryon Technology Park as a whole, and we want to help with the success of the Park as a whole, so we feel that we will be able to help you attract more people to the Park and you're going to gain some momentum by approving our sale. So, if you back us up and give us the Town of Perth gives us a reasonable assessment, takes over the road, gives us the same zoning as the rest of the Park, we feel it's going to be a success and the rest of the Park is going to be a success. If, for some reason, we're not turning a profit after 3 years, then we may look to sell to a group larger than us. So, we feel with what's going on with your main business that's in that Park right now. They appear to be in a very good position, and we feel that if we come in and maybe, sounds like you have some interest in some of the other buildings. If they come in, your momentum will carry you and everything will be positive.

Dave D'Amore: Thank you.

Dave Huckans: You're welcome.

Tim Munn: Dave, just have a couple of other questions, too. With Dave's comments and certainly, we would hope that you're successful in getting this up and off the ground. With the beginning of organic farming in the area, I know that, obviously, this is a big industry. Are there obstacles to the farmers that you've had conversations with in terms of getting up and running? I mean, you mentioned the additional costs involved with organic farming. I'm not sure exactly what that would be, but are there.. Did they tell you if there are certain grants or funding that's available to help them do that or did they express that they want to get into this market, but is it cost prohibitive for them to do that? I'm just curious what your thoughts are on that?

Dave Huckans: Well. I mean, organic food, you know, people spend more money on it. But, you know, with what's going on right now with the Virus, and we feel that organic food and medicine is going to do nothing, but the popularity of it is going to increase, even if it's a little more expensive. So, I think we just need to take some baby steps with local farmers and not bite off too large of parcels of land to start with. So, just as an example, if you have a farmer with 400 acres, initially, we would ask for 10% of their crops to be organic and start the process for that. I do have contacts at Farm Credit over near Cobleskill. They're always willing to help farmers restructure and carry their expenses. So, I do have a background in financing and I do refer business to local banks, as well as I broker through national banks. So, I feel, from a lending perspective, I'm able to help some of these farmers get through a tough time here and, if you talk to them, they are going to tell you that they are really taking a hit with the dairy industry right now. So, they are all looking for a different business model and they all need to restructure.

Scott Henze: Scott Henze has a question. Mr. Huckans?

Dave Huckans: Yes.

Scott Henze: Just out of curiosity, as a County Planning Director here, are the farmers that you reached out to so far, are they Fulton County farmers or have you reached down into Montgomery County and some other areas?

Dave Huckans: We've talked with Montgomery County as well, but we've talked to basically two (2) large farmers in Fulton County and one (1) pretty large farmer in Montgomery County.

Scott Henze: Okay. Thank you.

Dave Huckans: But there's always the Amish as well. I mean, that's a whole different ball game. The Amish have been doing it a lot longer than anyone else. But, you have a lot, a very large Amish community in Montgomery County.

Dave D'Amore: I think I would like to echo Joe Semione's support for the project. I think based on what we've heard, I would like to make a motion that we accept the proposed offer and get them to a place where they can start doing what they've got to do.

Joe Semione: I second that motion.

Jim Mraz: Is there any further discussion, questions or comments on this matter? Having none, we're going to take a roll call vote on a motion to accept the offer of Dave Huckans and Dr. Verma to purchase the property on the south side of 107 for the sum of \$90,000 and let's take a roll call vote on that. Alright?

IDA ACTION:

MOTION: To accept the offer of \$90,000 to sell the 27+/- acre parcel of land on the south side of CR107 to Dave Huckans/Dr. Verma and to authorize the IDA Chairman to execute a Purchase Contract for that sale.

MADE BY: Dave D'Amore

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: Okay. The motion is approved and we will be moving forward. Dave, thank you for your time this morning.

Dave Huckans: Thank you.

Jim Mraz: We will be in touch and I can try to get that purchase contract executed and we can start moving forward.

Dave Huckans: Sounds good to me.

Jim Mraz: Okay.

Dave Huckans: Thank you.

Jim Mraz: You're welcome to stay and learn more about what we do or you're welcome to part now and get back to work.

Dave Huckans: Alright. Thank you so much.

Jim Mraz: Thanks, Dave, bye.

Dave Huckans: Bye.

VII. NEW BUSINESS:

A. Proposed Amendment to Uniform Tax Exemption Policy (UTEP):

1. Background:

- In January 2020, the IDA Board approved an amendment to its UTEP by adopting a policy to not grant real property tax exemptions to solar or wind energy system and farm-to-waste to energy system projects.
- This policy dealt solely with real property tax exemptions for solar projects.
- It did not address whether the IDA Board would offer sales tax and mortgage recording tax exemptions to solar projects.

2. Proposed Amendment to UTEP:

a. New Section 8: Commercial Solar Policy:

- 1) It shall be the policy of the IDA to offer certain incentives for commercial solar projects that provide renewable energy to residential, commercial and industrial customers.
- 2) The types of solar projects eligible to receive incentives include:
 - a) Community distributed solar/shared solar.
 - b) Off-site solar generation projects that have a wholesale Power Purchase Agreement with 1 or more users.
 - c) Solar and energy storage facilities
 - d) Projects that are 10 megawatts or less.
- 3) This policy shall offer two (2) incentives to eligible solar projects:
 - a) Sales Tax Exemptions to be offered in accordance with this UTEP.
 - b) Mortgage Recording Tax Exemption to be offered in accordance with this UTEP.

4) Real Property Tax Policy:

a) Background:

1. New York State's Real Property Tax Law Section 487, adopted in 1977 and amended on April 12, 2019, provides a 15-year real property tax exemption for solar, wind and farm waste energy systems.
2. These energy generating systems are classified as capital improvements to real property.
3. Section 487 was intended to encourage the construction of these energy systems.
4. Section 487 affords local governments the opportunity to "opt out" of this real property tax exemption.
5. By opting out, these energy projects would be required to pay property taxes to the local governments that opt out.

b) Fulton County Board of Supervisors' Local Law 3 of 2019:

1. In September 2019, the Fulton County Board of Supervisors adopted Local Law 3 of 2019 titled "Opting out of Section 487 of NYS Real Property Tax Law Exemptions for Solar Energy System, Wind Energy System and Farm Waste Energy System Projects."
2. As a result, no real property exemption under Section 487 shall be applicable to Fulton County taxes with respect to solar or wind energy systems and farm waste energy systems.

c) IDA Policy:

1. It shall be the policy of the IDA to also not grant real property tax exemptions to solar or wind energy system and farm waste to energy system projects.

- b. Proposed Revision to Section 3(a) General Policies:
- 1) Section 2 shall be revised to read:
 In order to receive any tax exemptions, the Agency will have the right, in its sole discretion and in accordance with applicable provisions of the New York State General Municipal Law, to determine whether a project is a qualified project. When evaluating whether a project is qualified for financial assistance, in addition to the applicable laws of New York State, the IDA will consider project factors such as:
 - a) The nature of the project (e.g. manufacturing, commercial, tourism, high tech, etc.).
 - b) The nature of the property before the project begins (e.g. vacant land, vacant building, brownfield site, blight, adaptive reuse, etc.).
 - c) The economic condition of the area at the time of application and the economic multiplying effect the project will have on the community.
 - d) The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained, and the level of wages paid.
 - e) The estimated value of tax exemptions to be provided.
 - f) The economic impact of the project and the proposed tax exemptions on affected taxing jurisdictions.
 - g) The impact of the project on existing businesses in the community.
 - h) The amount of private investment generated by the project.
 - i) The effect of the project on the environment.
 - j) The extent to which the project will require additional services including but not limited to infrastructure, roads, transportation, education, fire protection, police protection, etc.
 - k) The extent to which the project will provide a benefit (economic or otherwise) to the municipality in which the project is located.
 - l) The extent to which the project will provide additional sources of revenue for municipalities and school districts in which the project is located.
 - m) The extent to which the project enhances the quality of life of people in the community (recreation, removal of blight, brownfield redevelopment).

Jim Mraz: Okay. Moving on with our Agenda, folks. We're going into New Business. First item of business is proposed amendments to our Uniform Tax Exemption Policy. Back in January, the Board approved an amendment to the UTEP as it's called by adopting a policy to not grant real property tax exemptions to solar and wind energy projects. As you will recall, that was done in response to the Board of Supervisors opting out of 487 of the Real Property Tax Law. Unfortunately, when we did that, we did not address whether the IDA Board would still be willing to offer sales and mortgage recording tax exemptions to solar projects. So, the proposed amendment to the UTEP would be to clarify that, even though the IDA Board is not going to grant PILOTS because of it being consistent with the Board of Supervisors, that it is still willing to offer sales tax exemptions and mortgage recording tax exemptions to solar projects. And, so that is what is being proposed for dealing with commercial solar projects. The second proposed amendment to the UTEP deals with revising Section 3, one of the General Policies in the UTEP. Right now it says in order to receive any tax exemption, real property, sales tax or mortgage recording tax, that the project must create a significant number of new jobs or retain a number of new jobs. That's it. And when looking at other IDA's around the State, found that all other IDA's have much broader criteria for granting tax exemptions. And so what I am proposing is that we follow that format and broaden the number of criteria that you could point to as the basis for granting tax exemptions for a particular project. And, so I listed items in the Agenda ranging from the nature of the project, the nature of the property, before the project began, the economic condition of the area, the extent to which it would create jobs, the estimated value of tax exemptions, the economic impact of the project and a host of others. It would just broaden the criteria that you could use as the basis for granting tax exemptions to a particular project. So, those are the two (2) proposed changes to the UTEP that I'm presenting to you this morning. And does anyone have any questions on either of those two (2) proposed amendments? One, to clarify

that you would still be willing to still grant sales and mortgage recording tax exemptions to solar projects and two, secondly, to broaden the criteria for what projects you would be willing to grant any tax exemptions to.

Todd Rulison: Jim, this is Todd. In reference to change #1, is it necessary for us to make that change and be that specific? Currently, it doesn't say that we can't allow those exemptions?

Jim Mraz: I think, in talking with Kara, it's believed it would be the appropriate thing to do. Kara, anything to add on that?

Kara Lais: Yeah, I think you just to specify that this is, that you are going to allow these types of exemptions for a solar project. You're specifically not allowing a real property tax exemption.

Jim Mraz: Just to make sure there's clarity to what we're doing, what we are willing to do for solar projects. So that's all this is really about, just adding clarity.

Mike Fitzgerald: Jim, just some historical background. It predates me. But, was there a specific reason that the County didn't want to provide exemptions for solar and wind projects?

Jim Mraz: The Board of Supervisors chose to opt out of 487, Mike, because of a couple of things. One, it was believed that some prime developable land was being allocated for solar projects, as opposed to developable projects that could generate some tax base. And, secondly, they were having issues with dealing with solar companies in terms of negotiating PILOTs. So, those were the two (2) primary reasons that the Board of Supervisors, it is my understanding, that they chose to opt of 487. 487 basically says that solar projects can receive a 15-year tax exemption. Alright, on real property taxes, so Fulton County has opted out of that resulting in solar projects having to pay full County taxes, it's Fulton County taxes.

Mike Fitzgerald: That's helpful.

Dave D'Amore: Jim, that's just for County taxes. Other taxing jurisdictions may afford the opportunity to offer PILOT's of their own? Correct?

Jim Mraz: Correct. Each taxing entity makes its own decision on whether to stay in or opt out of 487.

Dave D'Amore: So, the County opting out of 487, it really isn't a blanket policy for every entity?

Jim Mraz: That's correct. The County can't make decisions relative to a town or School District tax. Okay?

Dave D'Amore: Okay.

Jim Mraz: Any other questions on the proposed amendments? Hearing none, is someone willing to make a motion to either approve or disapprove?

Joe Semione: I'd like to make a motion to approve both amendments.

Jim Mraz: Okay, Joe, thank you. Is there a second to that motion?

Mike Fitzgerald: I'll second it, Jim.

Dave D'Amore: I'll second it.

Dave D'Amore: I'll give it to Mike.

Mike Fitzgerald: Thanks, Dave.

Jim Mraz: Okay. Let's take a roll call vote on the motion to approve the two (2) proposed amendments to the IDA's UTEP.

IDA ACTION:

MOTION: To accept the proposed amendments to the Uniform Tax Exemption Policy.

MADE BY: Joseph Semione

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: Motion is approved.

B. Proposed Nexus Renewables Solar Project:

1. 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).

2. Proposed Project:

- NR is proposing to develop a solar project on a 29+/- acre parcel adjacent to the Tryon Technology Park.
- The 29+/- 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.
- NR desires to develop a 6.875 MW solar project on the site.
- Total Project Cost: \$10,500,000
- The project includes:
 - 1) The installation of +/- 980 freestanding, tracking solar tables (total +/- 23,700 modules/panels. Each row of solar tables will be approximately 5.5 ft. in height, 6.5 ft. in width, vary in length, and anchored into the ground via H piles. While the project has approximately 25.2 acres of ground disturbance, it will only result in an increase in impervious surface of approximately 0.03 acres.
 - 2) The array will have 50' setbacks from property lines and be surrounded by a 6' high chain-link fence with 3-strands of barbed wire affixed to the top for security purposes.
 - 3) For visual screening, a landscape buffer will be planted along the perimeter that abuts the New York State Department of Corrections (NYSDOC) Hale Creek Correctional Facility and the Don Brown Bus Sales site. The remaining portions of the perimeter will be screened by existing wooded vegetation.
 - 4) Other project elements include planting low-growth pollinator-friendly seed mix underneath the solar tables, both underground and overhead electrical lines, small operational and control structures, and mostly unimproved access roads.
 - 5) Nexus will participate in the NYSERDA NY-Sun Initiative to provide clean energy to local businesses and residences.
- 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

3. Project Application:

- NR has submitted a Project Application to the IDA requesting the following IDA benefits:
 - 1) Sales Tax Exemptions.
 - 2) Mortgage Recording Tax Exemptions.
- Total benefits requested would exceed \$100,000.
- Since NR's Project Application requests financial assistance greater than \$100,000, a public hearing must be held.
- The Application requests no real property tax exemptions from the IDA. NR has requested a PILOT from the Broadalbin-Perth Central School District.

4. Public Hearing:

- A public hearing will be held on Tuesday, July 28, 2020, at 10:00 a.m. in the Town of Johnstown Town Hall.
- See attached Resolution.

Jim Mraz: Next on the Agenda is the proposed Nexus Renewables Solar Project. Nexus Renewables, based in Canada, is proposing a solar project on a 29-acre parcel of land that the IDA owns that is adjacent to the Tryon Technology Park. Again, for point of clarity, the 29 acres is not part of the Tryon Technology Park, but it is part of the 515 acres that the IDA took title to as part of the transfer of Tryon over to the IDA. Nexus is proposing a 6.88 megawatt solar project. Total project cost is estimated to be \$10,500,000, and the project would include the installation of 983 standing tracking solar tables and a host of other things that were listed in your Agenda. Nexus would pay for all costs associated with developing, constructing and operating the project. The IDA would incur no costs, and the IDA would generate two (2) forms of revenue, a land lease and a solar-energy generated payment based upon the amount of kilowatt hours of solar power that was generated. Nexus has submitted a Project Application to the IDA requesting two (2) benefits - sales tax exemptions and mortgage recording tax exemptions. And the total benefits requested would exceed \$100,000 and, since that is the case, a public hearing must be held on this Project Application. The Application requests no real property tax exemptions from the IDA. Nexus Renewables has requested a PILOT from the Broadablin-Perth Central School District. And that is something they are working on directly with that School District. And so it is proposed to have a public hearing on the Project Application to be held Tuesday, July 28th, at 10 a.m., in the Town of Johnstown Town Hall and actually I e-mailed to everybody yesterday afternoon a revised Resolution authorizing the scheduling of the public hearing and looking to have a motion made to adopt this Resolution that would schedule the public hearing for this project on Tuesday, July 28th, at 10 a.m., in the Town of Johnstown Town Hall. Does anyone have any questions so far on the need for the public hearing on this proposed application?

Mike Fitzgerald: Jim, just a question. Do you have a breakdown of what the benefits would be between the sales tax and the mortgage recording tax?

Jim Mraz: The estimated sales tax is about \$840,000, and estimated mortgage recording tax would be about \$80,000 and that based upon their estimate of \$10.5 million of purchases that would be subject to sales tax terms. Okay? Would someone make a motion to adopt the Resolution to schedule a public hearing on this proposed project?

Todd Rulison: I'll make that motion.

Jim Mraz: Todd Rulison. Is someone willing to second?

Jane Kelley: I'll second.

Jim Mraz: Thank you, Jane. Alright. We're going to be taking a roll call vote to adopt this Resolution to schedule a public hearing related to the Nexus Renewables Project.

IDA ACTION:

MOTION: To adopt the Resolution to schedule a Public Hearing related to the Nexus Renewables Project.

MADE BY: Todd Rulison
 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: Motion is approved to schedule the public hearing.

5. Project Structure:

- NR will lease the property at Tryon to the IDA.
- The IDA will lease the facility back to NR.

Jim Mraz: Alright, moving on. The project structure for this is the Nexus Renewables will lease the property to the IDA and the IDA is going to lease it back. Kara, is that still the case?

Kara Lais: Yeah. I actually spoke with Nexus' Counsel yesterday about this structure and how we are going to work on that since we're in ownership of the property already. We're working out those details. And, it's my understanding that, well when you get to the next part, there will be a master lease and then a couple of subleases. So, I did speak with Mike Logan who is working with Dan Spitzer on this file yesterday. We're talking about the structure, but it is going to be similar to that.

6. Project Number:

- The project has been assigned Project Number: 1701-20-01-A

7. Subdivision:

- NR desires to subdivide the 29+/- acre parcel they will be leasing into four (4) separate parcels.
- Each parcel will house a separate solar project.
- NR has retained a local surveyor to prepare descriptions of each parcel.
- NR will need to apply to the Town of Johnstown Planning Board for a subdivision approval.

Jim Mraz: Okay. Very good. The project is also going to involve a subdivision of the IDA's parcel. The IDA's parcel is about 62 acres in the Town of Johnstown. Again, they're looking to lease 29 acres. They want to subdivide those 29 acres into four (4) separate parcels because they are actually going to be developing four (4) smaller solar projects that, combined, would total about 6.88 megawatts of power. So, this project, again, will also include a subdivision and that is being presented to the Johnstown Planning Board for their review and approval.

8. SEQR:

- NR has submitted a Full Part I Environmental Assessment Form (EAF) to the IDA.
- The EAF identifies the following potential Involved Agencies:
 - IDA
 - Town of Johnstown Planning Board
 - Town of Johnstown Town Board
 - NYS Energy Research and Development Authority
 - NYS Department of Environmental Conservation
 - Broadalbin-Perth Central School District
 - U.S. Army Corps of Engineers

- Review EAF.
- See attached SEQR Resolution

Jim Mraz: Next item is SEQR. Nexus Renewables has submitted a Full Part I EAF to us. It identifies seven (7) potential Involved Agencies. I sent that EAF out to everyone to review, and it's pretty straight forward in terms of the information presented in there. And so what the motion being proposed for today would be to start the SEQR process by having the IDA propose itself to serve as the Lead Agency in conducting a Coordinated SEQR review and to authorize distributing the EAF to all Involved Agencies asking them to respond and their support of having the IDA serve as the SEQR Lead Agency. This is kind of the standard process that we've used over the years. And so that is the proposed motion that I am presenting here today. Any questions on the SEQR process.

Mike Fitzgerald: Jim, does the County Planning Board have any laws in that, too, or no.

Jim Mraz: They will. They will have a 239 review to conduct. The Town Planning Board will act on that tonight and forward that request to the County Planning Board. They meet next Tuesday. And so a 239 review will be conducted because the proposed project will border the Town of Johnstown/Town of Perth boundary. Alright. Would someone be willing to make a motion dealing with SEQR.

Dave D'Amore: I'll make that motion, Jim.

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

Todd Rulison: I'll second it, Jim.

Jim Mraz: Todd Rulison. Any further questions or comments? Roll call vote.

IDA ACTION:

MOTION: To adopt the Resolution Classifying the proposed Nexus Renewables Solar Project adjacent to the Tryon Technology Park as a Type I Action, under the State Environmental Quality Review (SEQR), to proposed that the IDA serve as Lead Agency to conduct a coordinated SEQR review and to seek the consent of Involved Agencies to the IDA serving as Lead Agency

MADE BY: Dave D'Amore
 SECONDED: Todd Rulison
 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 is approved.

9. Evaluation of Project Application:

a. Background:

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

b. Section 8:

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

c. Review of Nexus Renewables' Project Application:

- 1) Will project create or maintain jobs?
 - New Jobs : 2 part time

2) What are the wages to be paid for the new jobs created?

Category of Jobs to be Retained and Created	Average Annual Salary Hourly Rate for New Job Created	Average Salary or Range of Salary for Jobs Retained
Other	\$10,000	

3) What is total private sector investment?

- \$10,500,000

4) How much local labor will be utilized during construction?

- Projected : 25+/- construction jobs

5) How much will property values and property taxes increase for local taxing jurisdictions?

- It is projected that the proposed solar project will be assessed for approximately \$4,200,000. This assessment will generate significant property tax revenues for the Broadalbin-Perth School District, Fulton County and the Town of Johnstown.

Jim Mraz: Okay. The next thing we have to do is conduct an evaluation of the Project Application. And, in the Project Application, it says that the, we will utilize certain criteria for evaluating whether to provide benefits, and it says will the project retain or create jobs, what are the wages to be paid for the new jobs, what's the total private sector involvement, how much local labor will be utilized during construction and how much will property values and property tax revenues increase with local taxing jurisdictions. Okay. And so what the Project Application says, is that the project will create two (2) part-time jobs. The wages will be \$10,000 annually. The total private sector investment is significant. We're talking about \$10,500,000 of private sector investment. How much local labor? Again, the Application says there will be 25 construction jobs create. And the last question was how much will property values and property taxes increase for local taxing jurisdictions? And the answer to that is there is going to be some significant property tax revenues generated because the Town of Johnstown is projecting to assess the improvements on the property at about \$4.2 million. They have a formula for assessing solar projects that's based upon a certain dollar value per megawatt, and at the 6.8 megawatts, it comes out to be this number. So, the question to you folks is, is the private sector investment and the fact that this project is going to generate significant property tax revenues for school, County and Town of Johnstown taxes enough of a basis for you to grant financial benefits to this project?

Mike Fitzgerald: Jim, in our prior discussions, didn't we discuss that this parcel was not part of the Technology Park because it's not of any value to be developed for commercial use.

Jim Mraz: That is correct.

Mike Fitzgerald: Whether it being a building or other business.

Jim Mraz: So, we're taking a fairly useless piece of property and getting a \$10.5 million private sector investment and thousands of dollars of property tax revenues being generated from it. And again, I think that's the basis for you folks saying yes we're comfortable granting property tax or financial incentives to this project.

Joe Semione: Will we prices as to how much they're paying each year for this lease with us or is it going to be 25 years still also?

Jim Mraz: We'll discuss that in a second. Fair enough

Joe Semione: Okay. Sorry.

Jim Mraz: Is there consensus that the private sector investment and property tax generation is a strong enough basis for granting financial incentives?

Todd Rulison: I believe that there is.

(everyone says "yes")

10. Waiver of Legal Representation:

a. Background:

- Hodgson Russ is representing Nexus Renewables on its proposed solar project.
- Hodgson Russ has served as IDA Bond Counsel on previous projects.
- Hodgson Russ has asked the IDA Board to consider whether they are okay with them representing Nexus Renewables and still be open to representing the IDA on future projects.

Jim Mraz: Alright. Next item. A Waiver of Legal Representation. Hodgson Russ is representing Nexus Renewables on its proposed solar project. Hodgson Russ has also served as IDA Bond Counsel on previous projects, and Hodgson Russ contacted me last week and asked if it would be okay for them to represent Nexus Renewables and still be open to representing the IDA on future projects. I have no issue with them doing this on this particular matter. Joe Scott has been a good partner with the IDA on Bond Counsel projects over the years and don't think we need to risk losing him because they are going to be, his renewable energy division of his firm with it in New York City is representing Nexus Renewables on this project, but it's not my decision, it's yours. If you are okay with it, I would just have the notes reflect that is the case. If you do not want them representing Nexus Renewables or don't want them doing both, then we would have to give them up as Hodgson Russ. They'd had to close the file on them serving as Bond Counsel for us. That would not be my recommendation. Mine is to allow this to happen.

Dave D'Amore: Jim, to be clear. We are talking about two (2) different business components of Hodgson Russ.

Jim Mraz: Correct.

Dave D'Amore: We've got the Bond Counsel and then Nexus Renewables would be hiring from Hodgson Russ' renewable energy division. Separate offices. While they carry the same business title, different people operate each of those services. I have no objection to allowing them or us to use Hodgson Russ. Just because of the distinction in services provided.

Todd Rulison: Kara, do you have an opinion?

Kara Lais: I don't think there's any issue there.

Todd Rulison: Okay. Thank you.

Jim Mraz: Is there a consensus?

(everyone says "yes")

Jim Mraz: Okay. The notes will reflect such.

11. Special Use Permit/Site Plan/Subdivision Approval:

- On July 7, 2020, NR submitted its Site Plan to the Town of Johnstown Planning Board in accordance with the Town's Zoning Ordinance.
- The proposed project will require the issuance of a Special Use Permit, Site Plan and subdivision approval by the Planning Board.
- The Town of Johnstown Planning Board will meet on July 14, 2020 to commence its review of the proposed solar project.

Jim Mraz: And, lastly, again, Nexus has applied to the Town of Johnstown for a Site Plan, Special Use Permit and Subdivision approval. They actually, the Town of Johnstown Planning Board meets tonight and they will start that review of this project at their meeting tonight.

C. Proposed Fulton County Sewer District No. 4:

1. Background:

- Fulton County hired Environmental Design Partnership to prepare a Map, Plan and Report for creating a Sewer District for the Hales Mills Road Extension Area and Tryon.
- A County Water District has already been created.
- Work on the County Sewer District was put on hold pending a commitment from the State of New York to transfer ownership of the sewer line and pump stations serving the Hale Creek Correctional Facility.
- In 2019, New York State advised that they were starting work on drafting an Agreement to transfer ownership of that sewer line and pump station over to Fulton County.
- As a result, EDP was directed to start work on the Map, Plan and Report for proposed Fulton County Sewer District No. 4.
- New York State has yet to submit to Fulton County an Agreement to transfer ownership of the sewer line and pump station.
- As a result, Fulton County is going to create Fulton County Sewer District No. 4 and initially just have the lands at Tryon in the Sewer District.
- Once the State transfers ownership of the sewer line and pump station over to Sewer District No. 4, additional parcels will be incorporated into Sewer District No. 4.
- When the District is created, the IDA will transfer ownership of the sewer lines and pump station at Tryon over to Fulton County Sewer District No. 4.

2. Wastewater Pump Station:

- With the completion of the new electric service at Tryon, an electric meter will start operating at the pump station.
- Until the Sewer District is created, the monthly electric bill for operating this pump station will be sent to the IDA.
- Once the Sewer District is created, the invoices will be sent to the Sewer District.

Jim Mraz: Alrighty. Last item on this open Agenda is talking about proposed Sewer District No. 4. The County has hired Environmental Design Partnership to create a Sewer District for the Hales Mills Road Extension area all the way out to Tryon. A County Water District has already been created. But work on the Sewer District was put on hold pending a commitment from the State to transfer ownership of the sewer line and pump station serving Hale Creek. New York State has indicated that they are going to be moving forward with that and so work on the Sewer District has commenced, and once that Sewer District is created, the sewer lines and pump stations at Tryon will be deeded over from the IDA to the Sewer District and the Sewer District will operate and maintain those from that point forward. As I mentioned to you in an e-mail recently, with the completion of the new electric service at Tryon, an electric meter will start operating at the pump station, and until that Sewer District is created, that monthly electric bill will be sent to the IDA. But once the District is created, the invoices will be sent to the Sewer District. Don't know what the fees/costs are going to be. We'll find that out once we get our first bill. But just wanted to make you aware of that and will keep you posted on the creation of that District. Hopefully, it will be done by the end of this year.

VIII. OTHER BUSINESS:

A. Executive Session:

1. Upon a majority vote of its total membership, taken in an open meeting pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, a public body may conduct an executive session for the below enumerated purposes only, provided, however, that no action by formal vote shall be taken to appropriate public moneys:
 - i. matters which will imperil the public safety if disclosed;
 - ii. any matter which may disclose the identity of a law enforcement agent or informer;
 - iii. information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
 - iv. discussions regarding proposed, pending or current litigation;
 - v. collective negotiations pursuant to article fourteen of the civil service law;
 - vi. the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
 - vii. the preparation, grading or administration of examinations;

viii. the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

Jim Mraz: Okay. I am now asking for a motion to go into Executive Session to discuss the proposed acquisition sale of real property.

Dave D'Amore: I'll make that motion.

Jim Mraz: Dave. Second?

Jane Kelley: I'll second.

Jim Mraz: Jane. Roll call vote.

MOTION: To go into Executive Session to discuss the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

MADE BY : Dave D'Amore

SECOND : 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>	___	___	___

TIME : 9:20 a.m.

MOTION : To go out of Executive Session.

MADE BY : Joseph Semione

SECOND : Dave D'Amore

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	___	___	___	___
Mike Fitzgerald	<u>X</u>	___	___	___
Joseph Gillis	___	___	___	<u>X</u>
Tim Munn	<u>X</u>	___	___	___

TIME : 10:00 a.m.

IX. NEXT MEETING:

Tuesday
August 11, 2020
8:00 a.m.

X. CLOSE MEETING:

MOTION : To close the meeting
MADE BY : Mike Fitzgerald
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	—	—	—	—
Mike Fitzgerald	<u>X</u>	—	—	—
Joseph Gillis	—	—	—	<u>X</u>
Tim Munn	<u>X</u>	—	—	—

TIME : 10:00 a.m.

Jim Mraz: Okay. And then a motion to close the meeting.

Mike Fitzgerald: I'll make that motion.

Jim Mraz: Mike. Second?

Tim Munn: Second.

Jim Mraz: Motion to close.

(roll call)

Jim Mraz: Our next meeting will be held on Tuesday, August 11th, unless there is a need to call a special meeting which we will know more about once we get those revised numbers.

Joe Semione: When do you think we are going to be able to meet back at the building again? Just curious.

Jim Mraz: Well, technically, we could meet now, Joe.

Joe Semione: Right. That's what I was thinking.

Jim Mraz: The challenge is the dynamics of the room. And we can't fit all seven (7) IDA members and myself at the table and maintain 6' spacing. Okay? So, we're trying to figure out is there a way. We'd have to have people set separately along the sides of the room.

Joe Semione: Right.

Jim Mraz: And I don't know how conducive that is. Because if you're not sitting at a table, you can't have an Agenda in front of you or you'd have to hold it. So, it's more that than anything else right now.

Joe Semione: Is there anything downstairs that would be a better setup?

Jim Mraz: It's the same situation.

Joe Semione: Okay.

Scott Henze: We don't have the technology downstairs either, unfortunately, to use it. I mean the other option as well is. I mean if you wanted to, some of you could come and do zoom and some of you could be sitting here. Split it up if that's preferred.

Joe Semione: And then we could also check up with Joe Gillis because I know the last two (2) times, he's had some technical difficulties.

Jim Mraz: We did with that. We got it all cleared up.

Joe Semione: Okay. Good.

Jim Mraz: Scott worked that through with Joe but, unfortunately, Joe was probably at the fire today.

Joe Semione: Right, I would assume that, too.

Jim Mraz: Right after the last meeting, we got that cleared up with Joe.

Joe Semione: Alright. Good.

Jim Mraz: Alright folks. Thank you. We'll be in touch.

Greg Fagan: Great meeting.

Jim Mraz: Thanks, Greg.