

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**TUESDAY  
SEPTEMBER 14, 2021  
8:00 A.M.**

**PLANNING DEPARTMENT CONFERENCE ROOM**

## **MEETING NOTES**

PRESENT:

JOSEPH SEMIONE, CHAIRMAN  
JANE KELLEY, VICE CHAIRMAN (VIA ZOOM)  
MIKE FITZGERALD, TREASURER  
JOSEPH GILLIS, SECRETARY  
TODD RULISON, MEMBER  
DAVID D'AMORE, MEMBER  
JAMES MRAZ, EXECUTIVE DIRECTOR  
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC  
SCOTT HENZE, PLANNING DIRECTOR  
WARREN GREENE, LIAISON, ECONOMIC DEVELOPMENT AND ENVIRONMENT COMM.  
GRANT PRESTON, FULTON COUNTY CENTER FOR REGIONAL GROWTH (VIA ZOOM)

### **I. MINUTES FROM AUGUST 10, 2021 MEETING:**

MOTION : Accept as presented.  
MADE BY : Dave D'Amore  
SECONDED : Mike Fitzgerald  
VOTE : Unanimous

### **II. BUDGET REPORT:**

MOTION : Accept as presented.  
MADE BY : Joe Semione  
SECONDED : Joe Gillis  
VOTE : Unanimous

### **III. COMMITTEE REPORTS:**

#### A. Nominating Committee:

- No report.

#### B. Audit Committee:

- Monthly Bank Reconciliation Report: Mike Fitzgerald

IDA DISCUSSION: Mike Fitzgerald approved the Monthly Bank Reconciliation Reports.

#### C. Governance Committee:

- No report.

#### D. Finance Committee:

- No report.

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

1. Fulton County Report: Warren Greene, Liaison
2. FCCRG Report: (See attached.) Grant Preston

IDA DISCUSSION: Warren Greene stated the Board of Supervisors met yesterday. He stated they passed a Resolution hiring Environmental Design Partnership (EDP) to prepare engineering plans and a Map, Plan and Report for a proposed Sewer District No. 5 that will go out Route 30/30A. The Board also approved a \$1 million grant to the Parkhurst Foundation which will payable in four (4) phases.

Grant Preston announced that the CRG was notified yesterday that it was approved for a \$500,000 Microenterprise Grant. He stated this was great news for the CRG. Grant Preston then reviewed the FCCRG's Monthly Report that was attached to the Agenda.

Joe Semione asked what the status of the Demolition Project was in downtown Gloversville? Grant Preston stated the project should be completed soon.

Scott Henze asked about the Lake Champlain/Lake George Regional Planning Board's Community Navigator Pilot Program. Grant Preston provided a brief explanation and stated that he would send Scott Henze a link to the website.

**V. OLD BUSINESS:**

**A. Nexus Renewables Solar Project:**

1. Status Report:

- Received back executed copies of all documents.
- Kara Lais working with Nexus's attorney on closing documents for providing sales tax exemptions.
- Construction work to start this fall on access road.

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

**B. Fulton County Site Inventory and Assessment Project:**

1. Status Report:

- a. Elan Planning/Landscape Architecture/Engineering D.P.C. is working with MVEDD/FCCRG to prepare assessment of potential sites.

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

**C. Proposed Sale of Former Maintenance Building:**

1. Status Report:

- At the July 13, 2021 meeting, the IDA Board approved extending from July 15<sup>th</sup> to September 15<sup>th</sup> the deadline for Lott Holdings to complete its due diligence on buying this building.
- Lott Holdings is still waiting for National Grid (NG) to provide a quote for NG to run a new electric service to the new transformer Lott Holdings must purchase and install.
- Since National Grid has not been responsive to Lott Holding's request for a quote, Lott Holdings is requesting another extension to the deadline to complete its due diligence on buying this building.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that given that National Grid hasn't provided Lott Holdings with the cost estimate they requested, he was recommending that the IDA Board extend the deadline for Lott Holdings to complete its due diligence to November 15, 2021. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To approve extending the September 15, 2021 deadline for Lott Holdings to complete its due diligence to November 15, 2021.

MADE BY: Dave D'Amore  
SECONDED: Joe Semione  
VOTE: Unanimous

**D. Vireo Health's Proposed Expansion Project:**

(Dave D'Amore stated that he had a conflict with the Vireo and Hoffman projects that were about to be discussed. Dave D'Amore excused himself and left the meeting.)

1. Status Report:

- Building demolition work complete.
- Site work began during week of August 23, 2021.

2. Waterline Project:

- At August 10, 2021 meeting, Board members agreed to still pay for 75% of the project cost, which was increased from \$85,000 to \$100,000.
- Board members requested that the Gloversville Board of Water Commissioners also consent to paying for 25% of this \$100,000 cost.
- Gloversville Board of Water Commissioners has agreed to pay 25% of estimated \$100,000 cost to replace section of water main.
- An Agreement has been executed regarding how the cost of this waterline project will be shared.

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

3. Sales Tax Exemption:

- Processed paperwork for sales tax exemption.
- Sales tax exemption will be available to Vireo through July 31, 2022.
- Vireo sent a partial payment of IDA's Administrative Fee for processing sales tax exemption paperwork separately.

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

4. Lot Sale:

- In June, the IDA issued the required 90-day notice to New York State of its intent to sell land by negotiation to Vireo Health of NY.
- 90-day period ends on September 13, 2021.
- Closing scheduled for September 15<sup>th</sup>.
- Kara Lais and Jim Mraz participated in an August 24<sup>th</sup> and September 8<sup>th</sup> Microsoft Team meetings with Vireo's attorneys to go over all documents needed to close.

IDA DISCUSSION: Kara Lais stated that she participated in a call yesterday with the attorneys for Innovative Industrial Properties (IIP) and Vireo. She stated IIP's counsel requested some additional language be incorporated into the documents regarding defaults. She stated that the lot sale will be

completed this Friday, September 15<sup>th</sup>. The execution of the lease documents and PILOT agreement will take place a little later.

5. Project Structure:

a. Background:

- Vireo Health of NY will be working with Innovative Industrial Properties, Inc. (IIP) on the financing of their expansion project.
- IIP is located at 11440 West Bernardo Court, STE 100, San Diego, California.
- IIP is a real estate investment trust for the medical-use cannabis industry.
- A real estate investment trust (REIT) is a corporation that combines the capital of many investors to acquire income producing real estate.
- IIP buys properties from state licenses medical-cannabis operators.
- The cannabis operators then invest the capital generated by the sale into other areas of their business.
- IIP acquires medical-use cannabis facilities in states that permit medical-use cannabis operations. New York State is one of those states.
- IIP will be purchasing the 325,00 sf facility Vireo is currently constructing at Tryon.

b. Project Structure:

- IDA will deed to Vireo the 92+/- acres at Tryon.
- Vireo will deed the property to IIP.
- IIP will lease the property back to Vireo to operate through a ground lease.
- Vireo will sublease the project to the IDA. The IDA will sublease it back to Vireo.

c. IDA Approvals Needed:

1. The deed and transfer of the property from Vireo to IIP.
2. The ground lease between IIP and Vireo.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked if there were any questions. Todd Rulison asked if the ABO will approve this structure? Kara Lais stated, "Yes." She stated that the State has indicated their approval for IDA's accepting a lease hold interest in a project in order to provide its financial incentives to the project.

IDA ACTION:

MOTION: To approve having Vireo Health of NY deed and transfer title to IIP to the property the IDA is selling to Vireo.

MADE BY: Joe Gillis

SECONDED: Jane Kelley

VOTE: 5 in favor, 0 opposed, 1 abstained (Dave D'Amore)

MOTION: To approve the ground lease between IIP and Vireo.  
MADE BY: Todd Rulison  
SECONDED: Joe Semione  
VOTE: 5 in favor, 0 opposed, 1 abstained (Dave D'Amore)

**E. Proposed Hoffman Carwash Project:**

1. Status Report:

- Construction expected to start in mid September.
- Construction is expected to take approximately 10 months to complete.

2. Public Hearing:

- The IDA conducted a public hearing on Hoffman's request for financial incentives. The public hearing was held in Gloversville since that is where the project is being developed.
- The project will be built on the parcel of land the former Travers Diner was located on. Most of the parcel is located in the City of Gloversville.
- However, there is a small sliver of land on that parcel that is actually located in the Town of Johnstown. This was just discovered upon receipt of the Title Report.
- This sliver was previously part of the NYS Route 30A ROW. NYSDOT determined this sliver to no longer be needed so they auctioned it off. The sliver was acquired by the previous owner of the Travers.
- The sliver was added to the original parcel. So, even though most of the parcel the car wash will be built on lies in the City of Gloversville, a small sliver is in the Town of Johnstown.
- When the public hearing was scheduled, the Town of Johnstown was not notified.
- Kara Lais and Hoffman's attorneys both agreed that another public hearing should be conducted. As a result, another public hearing needs to be conducted and the Town of Johnstown must be notified and invited to the hearing.

3. Resolution:

- See attached Resolution scheduling the public hearing to be held on:

Tuesday  
10 a.m.  
October 5, 2021  
2753 State Highway 29  
Johnstown, NY 12095

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Mike Fitzgerald asked if the property could be annexed into the City of Gloversville and would that be easier than having another public hearing? Jim Mraz stated it would be much more complicated to pursue an annexation.

IDA ACTION:

MOTION: To approve a Resolution to schedule a second public hearing relating to the HDC2 Company, LLC Project.

MADE BY: Mike Fitzgerald

SECONDED: Todd Rulison

VOTE: 4 in favor, 1 opposed (Joe Gillis), 1 abstained (Dave D'Amore)

(NOTE: Dave D'Amore returned to the meeting.)

**F. Background Studies on 20-Acre Parcel in Johnstown Industrial Park:**

1. Background:

- At the August 10, 2021 meeting, the IDA Board authorized Hanson Van Vleet to prepare a Phase I Environmental Site Assessment and C.T. Male to prepare a Geotechnical Evaluation on the 20+/- acre parcel of land the IDA owns in the Johnstown Industrial Park.

2. Phase I Environmental Site Assessment:

- Hanson Van Vleet completed its work.
- Based upon their review of all available information and site inspection, no Recognized Environmental Conditions (REC's) were revealed and no further environmental site assessment work is recommended.

3. Geotechnical Investigation:

- C.T. Male had an excavator onsite on August 30, 2021 to dig numerous test pits across the 20+/- acre site.
- The Geotechnical Report was received on September 13, 2021.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated these documents will be helpful if and when a company expresses an interest in this lot. He asked if there were any questions. There were none.

**VI. NEW BUSINESS:**

**A. Proposed 2022 IDA Budget:**

- IDA Board must adopt a 2022 Budget by November 1, 2021.
- Draft Budget attached. Key details include:
  - Proposed 2022 IDA Budget totals \$201,140, a decrease of \$34,020 or 14.5% from 2021.
  - Proposed 2022 Tryon Technology Park budget totals \$73,000, a decrease of \$39,400, or 35.1% from 2021.
  - Funds are allocated to work on preparing shovel-ready sites and to market these sites.
  - No subsidy from Fulton County.

IDA DISCUSSION: Jim Mraz reviewed the draft 2022 IDA and Tryon Budgets that were attached to the Agenda. He went through a line-by-line review of both budgets. He advised IDA members that they are now required to adopt the budget at this meeting. He stated the IDA Board could adopt the Budget at its October meeting since the Budget does not need to be approved until November 1, 2021. Joe Semione asked what the \$25,000 for marketing included? Jim Mraz stated that his intent was to have dollars put into the Budget to identify a shovel-ready site at Tryon. He stated that once the property that is sold to Vireo, the primary parcel of land that will be left at Tryon would be that parcel on the east side of former Building 3. He stated he would like to have that parcel identified, to have a geotechnical evaluation done on it, to have a Phase I Environmental Site Assessment done, to have some topo done and any other background studies completed. He stated he thought this would be the best way to try and market this parcel of land. Dave D'Amore stated that maybe this item should be listed as development planning and not marketing. Jim Mraz stated that he would make that change to the proposed budget.

There was a discussion about the IDA's website. Joe Gillis asked how much usage the website is getting? Scott Henze stated that the IDA does received a monthly Google analytics report. Jim Mraz stated that he will commence distributing that report to IDA members.

Todd Rulison suggested that the IDA Board wait until its October meeting in order to adopt the Budget. He stated this would give time for the Governance Committee to complete its review and recommendations regarding staff salaries for 2022. It was the unanimous consensus of all IDA Board members to not adopt the Budget at this meeting but to do so at its October meeting.

**B. Board Training:**

1. Real Property Owned by IDA:
  - a. The ABO's Policy guidance regarding websites states that the IDA should have posted on its website a list of real property owned by the IDA.
  - b. Attached is a comprehensive list of all real property currently owned by the IDA.
  - c. Review map of properties owned by IDA.
  - d. This list will be posted on IDA's website.

IDA DISCUSSION: Jim Mraz reviewed the list of properties that was in the spreadsheet that was attached to the IDA Agenda. The IDA Board reviewed a parcel of the land that the IDA owns in the Glove Cities Industrial Park, as well as parcels owned by the IDA in the Johnstown Industrial Park and on the east side Clermont Street and NYS Route 30A. It was the consensus of all IDA members present to try and sell these parcels. Jim Mraz then reviewed the two (2) parcels on the west side of NYS Route 30A by the Johnstown Industrial Park that are also owned by the IDA. He suggested that those two (2) parcels be combined into a single one and to have investigations done to determine how water and sewer services can be provided to those parcels. He stated it may be possible to create this as another shovel-ready site.

2. Board Training Completed to Date in 2021:

January	ABO's Best Practices: Public Meetings and Open Meetings Law
February	General Municipal Law: Sections 850-888 Public Authorities Accountability Act of 2005 (PAAA) Public Authorities Reform Act of 2009 (PARA)
March	Administering an IDA Project Key Reporting Date for the IDA
April	Fulton County's Economic Development Program History of Industrial/Business Parks

May	Input received from recent visits by Corporate Site Selectors
June	Authority Budget Office Frequently Asked Questions on how IDA's operate
July	Conflicts of Interest
August	History of Tryon Technology Park
September	ABO's Requirement for having on website a list of Real Property Owned by the IDA

3. Future Board Training Topics:

- Review Internal Financial Controls
- Review Board of Directors Evaluation
- Board Member Training
- Other

IDA DISCUSSION: Jim Mraz reviewed some of the future Board Training topics that he was considering. He asked Board members if they have a particular topic that they would like to have addressed in a future training session to please send him an email.

**VII. 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.**

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 : Joe Semione  
VOTE : Unanimous

TIME : 9:08 a.m.

MOTION : To go out of Executive Session.

MADE BY : Joe Semione  
SECOND : Dave D'Amore  
VOTE : Unanimous

TIME : 10:13 a.m.

**VIII. NEXT MEETING:**

Tuesday  
October 12, 2021  
8:00 a.m.

**IX. CLOSE MEETING:**

MOTION : To close the meeting.  
MADE BY : Mike Fitzgerald  
SECONDED : Joe Semione  
VOTE : Unanimous

TIME : 10:14 a.m.