

**FULTON COUNTY
INDUSTRIAL
DEVELOPMENT AGENCY**

2021 ANNUAL REPORT

MARCH 8, 2022

PREPARED BY:

**FULTON COUNTY INDUSTRIAL DEVELOPMENT
AGENCY**

I. GENERAL OPERATIONS:

A. Background:

The Fulton County Industrial Development Agency (IDA) was created in 1970 by an act of the New York State Legislature as a corporate governmental agency constituting a public benefit corporation. The purpose of an Industrial Development Agency (IDA) is:

“to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the state of New York and to improve their standard of living.”

B. Mission Statement:

The IDA’s Mission Statement is as follows:

“The IDA’s mission is to create and promote economic growth and prosperity for both residents and entrepreneurs in Fulton County. The IDA’s role in Fulton County’s Economic Development Program is to develop and maintain an inventory of shovel-ready sites for new and expanding businesses, offer financial incentives, as may be required, to encourage the creation of new and retention of existing jobs and expand the County’s tax base. In doing so, the IDA strives to make Fulton County a desirable place to live and do business.”

C. Tax Exemptions:

The New York State General Municipal Law authorizes IDAs to offer three (3) types of tax exemptions to stimulate private sector investment and create jobs:

1. Real Property Tax Exemptions:

New York State Law designates IDA's as tax exempt entities. When an IDA holds title to real property, New York State Law says all improvements on the property are exempt from real property taxes. However, the land that the improvements are located on remain taxable.

However, for projects the IDA is involved with, the IDA requires companies to enter into a Payment In Lieu Of Tax Agreement (PILOT). A PILOT is a contractual agreement between the IDA and a company that states that even though the project is tax exempt due to IDA ownership, the company shall make PILOT payments to local taxing jurisdictions in lieu of paying taxes. PILOT Agreements stipulate that companies make PILOT payments to local taxing jurisdictions that are based upon a percentage of the property tax that would otherwise be due on the property was not owned by the IDA. Once a PILOT is executed, the company makes the required annual PILOT payments to local taxing jurisdictions in accordance with the PILOT. It is the responsibility of the

local taxing jurisdictions to issue annual invoices under a PILOT to the company and to ensure that payments are received in a timely manner.

The IDA provides Payment in Lieu of Tax Agreements to eligible projects in accordance with its Uniform Tax Exemption Policy (UTEP). The IDA's current UTEP states that it will provide PILOT's modeled after Section 485-b of NYS's Real Property Tax Law. Section 485-b states that a company can receive a 50% exemption on the assessed valuation of the improvements on the property in year 1. The exemption then decreases 5% a year for 10 years. After ten (10) years, the company would make a PILOT payment equivalent to 100% of the amount it would be paying in real property taxes if it owned the property. During that 10-year period, the company would be making "PILOT payments" to local taxing jurisdictions and not "property tax payments." Once the Lease and PILOT Agreement the IDA has with a company expires, the property then returns to the tax rolls. At that time, the company starts making "property tax payments" to local taxing jurisdictions and no longer be making "PILOT payments."

The following IDA Projects have active PILOT's as of December 31, 2021:

Company	Address
CG Roxane	1 Old Sweet Road, Johnstown
Benjamin Moore	155 Union Avenue Extension, Johnstown
Vireo Health of NY, LLC	256 CR117, Johnstown
Hoffmans Carwash	237 S. Kingsboro Avenue Extension, Gloversville, NY

2. Sales Tax Exemptions:

IDA's can offer eligible projects an exemption from New York State and local sales taxes on construction materials and equipment. The exemption is generally limited to the construction, reconstruction or installation period and cannot cover ongoing operational costs.

The following IDA projects had active sales tax exemptions available in 2021:

Company	Address
Benjamin Moore	155 Union Avenue Extension, Johnstown
Vireo Health of NY, LLC	256 CR117, Johnstown
Hoffmans Carwash	237 S. Kingsboro Avenue Extension, Gloversville, NY

3. Mortgage Recording Tax Exemption:

If an eligible project involves a mortgage and that mortgage needs to be filed in the Fulton County Clerk's Office, the IDA can offer an exemption from New York State's mortgage recording tax which is currently 1% in Fulton County.

D. Financing:

IDA's can also provide bond financing for a project. Financial institutions, such as banks, insurance companies or private individuals purchase these bonds as an investment similar to an individual purchasing a U.S. Government Savings Bond. By purchasing a bond, a private investor lends its funds to a business. The business commits to repay the principal and interest, if the bonds are taxable, to the investor. The business and the financial institution, independent of the IDA, negotiate the terms, interest rate and other conditions of the transaction. The IDA acts as an intermediary for this private transaction. There are no IDA or public funds involved in an IDA bond transaction.

The IDA does not have a loan fund or pool of money to use to help finance projects. The financing referred to here is private funds coming from banks, financial institutions or private investors.

The IDA, Fulton County Government or Fulton County taxpayers do not lend any public money nor do they assume any responsibility for repaying bonds if a company defaults on any payment. There is also no financial liability on the IDA, Fulton County or taxpayers. Bond payments are solely the responsibility of the company borrowing the money.

E. IDA Projects:

The following is a list of all active IDA projects as of December 31, 2021:

Company	Address
CG Roxane	1 Old Sweet Road, Johnstown, NY
YMCA	213 Harrison Street, Gloversville, NY
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY
Nexus Renewables	881 CR107, Johnstown, NY
Vireo Health of NY	256 CR117, Johnstown, NY
Hoffmans Carwash	237 S. Kingsboro Avenue Extension, Gloversville, NY

II. SUMMARY OF 2021 ACTIVITIES:

The IDA Board met eleven (11) times in 2021. The following is a summary of the key activities addressed by the IDA Board in 2021:

1. COVID 19:

Due to the ongoing COVID 19 Pandemic, the IDA Board, for part of 2021, conducted Zoom Conference Call meetings in lieu of in person meetings. These Zoom Conference Call meetings were authorized by Executive Orders issued by the Governor. The Board returned to regular meetings during the year.

2. TRYON TECHNOLOGY PARK:

a. Vireo Health:

The IDA Board sold approximately 92 acres of land to Vireo Health of NY that Vireo used to start construction of a new 324,000 SF building. This sale included Lots 1 and 2 in the Tryon Technology Park (TTP) as well as additional acreage located adjacent to the Park. This building will be used to grow and process adult-use cannabis. In 2021, the NYS Legislature legalized the adult use of cannabis in the State. Construction of this 324,000 SF building is scheduled to be completed in 2022. Vireo projects hiring 180+/- full-time persons.

b. Easement:

The Gloversville Water Department owns, operates and maintains the water supply and distribution system at the TTP including:

- The 12” water main that runs along CR117.
- The waterline that transmits water from the 12” water main to the elevated tank.
- The pump station that pumps water up to the 300,000 gallon elevated water storage tank.
- The 300,000 gallon elevated water storage tank.

The waterline to the tank had been located on IDA-owned lands. In addition, an Access Road runs from CR117 to the elevated tank that is used to access the tank. The IDA and Gloversville Board of Water Commissioners executed an easement to provide Gloversville with permanent access to the key water facilities they own at the TTP.

c. Waterline:

The existing waterline that runs from County Road 117 to the elevated tank at Tryon crosses over Lot 2 that was sold to Vireo Health. Vireo Health agreed to relocate and replace this waterline with a new 12” HDPE pipe that will be located within the new easement that the IDA granted to the City of Gloversville Board of Water Commissioners. That will result in approximately half of the waterline being relocated and replaced. This waterline is owned by the Gloversville Water Department. The Water Department did not have funds to replace the balance of that waterline to the tank. The estimated cost for this work is \$100,000. The IDA Board agreed to contribute \$75,000 towards the cost of replacing this line with Gloversville contributing \$25,000. Work on replacing this waterline should be completed in 2022.

d. Winstanley Enterprises:

In October 2021, the IDA Board executed a Letter of Intent (LOI) with Winstanley Enterprises (WE), LLC of Concord, MA. The LOI stated that the IDA was interested in selling 236+/- acres of land in the TTP to WE. The LOI further stated that WE would use these lands to pursue the construction of the following buildings:

Site #	Parcel #/Bldg. #	Acreage (+/-)	Proposed Building Size (SF)
1	4	69.09	1,200,000
	7	17.24	
	Building 1	12.00	
	Wetlands	25.00	
2	3 ⁽¹⁾	16.77	150,000
3	Tryon Development Area	45.00	350,000
4	5	26.61	500,000
	6	24.87	
		Total Acreage = 236.58	2,200,000

⁽¹⁾Site 3 would be considered for a separate standalone building. However, in the event Site 3 is required to facilitate a larger development on Site 1, then Winstanley Enterprises, LLC will utilize Site 3 to accomplish this.

The IDA Board, in November 2021, executed a Purchase and Sale Agreement with WE. WE began its due diligence review of the 236+/- acres it desired to purchase from the IDA. This included conducting a number of studies including survey, topo, geotechnical, wetlands, utilities, zoning and environmental and others. Once these studies were completed, WE would then prepare Site Plans for each proposed building. WE would then seek to obtain all local, State and federal permits and approvals that may be required. This due diligence will be completed in 2022. At that time, WE will decide if it wants to purchase these 236 acres.

e. Former Maintenance Building:

The IDA Board agreed in April 2021 to sell the 15,000+/- SF former Maintenance Building to Lott Holdings, Amsterdam, NY. The closing on this transaction should occur in 2022.

f. Lands on South Side of CR107:

The IDA Board sold the 27+/- acres of land it owned on the south side of CR107 to Tryon Organics Enterprises.

g. Nexus Renewables Project:

In 2021, the IDA Board executed leases with Nexus Renewables for Nexus to construct and operate four (4) community solar facilities on approximately 29+/- acres of IDA-owned land adjacent to the TTP. The 29+/- acres leased to Nexus was not part of the TTP. The Leases are for 25 years with three (3) five (5) year options. The IDA will generate annual revenues from each solar project that will financially benefit the IDA's operations. Nexus obtained all State approvals in late 2021 and is expected to complete construction in 2022. The IDA executed leases with four (4) separate LLC's who will each operate separate solar projects.

The IDA Board also approved granting sales tax exemptions to the project. The documents that need to be executed to provide these exemptions were not executed in 2021. They will be executed in early 2022.

h. Sewer Infrastructure Map:

The IDA Board hired C.T. Male to prepare a map showing the sewer infrastructure at Tryon in anticipation of the IDA deeding over said infrastructure to Fulton County Sewer District No. 4 that Fulton County is in the process of creating.

i. Cushman Wakefield:

The IDA Board continued to work with Cushman Wakefield to market the Tryon Technology Park.

j. Marketing:

The IDA worked with the Fulton County Center for Regional Growth in submitting proposals to prospective companies looking for a site. The TTP was offered to several prospective companies in 2021.

k. Other:

In 2021, the IDA Board approved the following items for the TTP:

1. Hired Evergreen to cut grass.
2. Leased lands to R & R Farms, Inc. to grow crops.

3. **BENJAMIN MOORE EXPANSION PROJECT:**

In 2020, Benjamin Moore advanced plans to expand its latex paint manufacturing plant in the City of Johnstown. Benjamin Moore proposed to construct a 120,000 sf addition to its existing facility. The Company applied to the IDA for two (2) financial incentives:

- 1) Real Property Tax Exemption
- 2) Sales Tax Exemption

The IDA Board approved these exemptions. Benjamin Moore commenced work on the Expansion Project in late 2020. The expansion is expected to be completed by 2023. The project will create new jobs and property tax revenues for local taxing jurisdictions.

4. **HOFFMAN'S CARWASH PROJECT:**

In 2021, Hoffmans Carwash applied to the IDA for real property and sales tax exemptions for a new state-of-the-art carwash project that was proposed to be built in the City of Gloversville. The IDA Board approved those exemptions. Construction started in 2021 and is expected to be completed in 2022.

5. **IDA WEBSITE:**

Emery Designs continued work in 2021 updating and revising the IDA's website.

6. **20-ACRE PARCEL IN JOHNSTOWN INDUSTRIAL PARK:**

- The IDA owns one (1) vacant parcel of land in the Johnstown Industrial Park. The parcel is approximately 20 acres in size.
- At the recommendation of Ron Peters, President and CEO of the Center for Regional Growth, the IDA, in 2021:
 - 1) Hired C.T. Male to prepare a Geotechnical Evaluation of the site.
 - 2) Hired Hanson VanVleet to conduct a Phase I Environmental Site Assessment.
- These background studies will help the CRG in the marketing of that 20-acre parcel.

7. **BOARD TRAINING:**

In 2021, the IDA Board received training on the following topics:

- ABO's Best Practices: Public Meetings and Open Meetings Law
- General Municipal Law: Sections 850-888
- Public Authorities Accountability Act of 2005 (PAAA)
- Public Authorities Reform Act of 2009 (PARA)
- Administering an IDA Project
- Key Reporting Dates for the IDA
- Fulton County's Economic Development Program
- History of Industrial/Business Parks
- Input received from recent visits by Corporate Site Selectors
- Authority Budget Office Frequently Asked Questions on how IDA's operate
- Conflicts of Interest
- History of Tryon Technology Park
- ABO's Requirement for having on website.
- List of Real Property Owned by the IDA
- Review IDA's Internal Financial Controls

8. **OTHER:**

In 2021, the IDA Board also took the following additional actions:

- a. The IDA renewed its Gold Membership with the Fulton County Center for Regional Growth.
- b. The IDA Board adopted a 2022 Budget.

The IDA Board appreciates the strong partnership it has with the Fulton County Board of Supervisors and looks forward to continuing that partnership.