

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TUESDAY
AUGUST 9, 2022
8:00 A.M.

PLANNING DEPARTMENT CONFERENCE ROOM

MEETING NOTES

PRESENT:

JOSEPH SEMIONE, CHAIRMAN
MIKE FITZGERALD, VICE CHAIRMAN
TODD RULISON, TREASURER
DAVID D'AMORE, MEMBER
SUE COLLINS, MEMBER
DR. GREG TRUCKENMILLER, MEMBER
JAMES MRAZ, EXECUTIVE DIRECTOR
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNING DIRECTOR
DR. LESLIE FORD, FULTON COUNTY CENTER FOR REGIONAL GROWTH

I. MINUTES FROM JULY 12, 2022 MEETING:

MOTION : Accept as presented.
MADE BY : Dr. Greg Truckenmiller
SECONDED : Joe Semione
VOTE : Unanimous

II. BUDGET REPORT:

MOTION : Accept as presented.
MADE BY : Mike Fitzgerald
SECONDED : Todd Rulison
VOTE : Unanimous

III. COMMITTEE REPORTS:

A. Nominating Committee:

- No report.

B. Audit Committee:

- Monthly Bank Reconciliation Report: Todd Rulison

IDA DISCUSSION: Todd Rulison 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: Jack Wilson
2. FCCRG Report: (See attached.) Dr. Leslie Ford

IDA DISCUSSION: Dr. Ford reviewed the FCCRG monthly report that was attached to the Agenda. Joe Semione asked a question regarding Comment #4 on the report. Dr. Ford stated she would contact Ron Peters and obtain an answer to Joe's question.

V. OLD BUSINESS:

A. Fulton County Site Inventory Report:

1. Status Report:
 - FCCRG's Site Committee met on June 23, 2022.
 - Follow-up meeting to be scheduled.

IDA DISCUSSION: Jim Mraz stated that there were two (2) outcomes from the June 23rd meeting. The first was that Ron Peters, Scott Henze, Jon Stead and Jim Mraz would meet to review the sites and discuss process. Once that meeting was completed, the Site Committee would meet again to review sites and process. Jim Mraz stated that the first meeting would be held next week. Once that meeting is completed, the CRG would schedule a follow-up meeting of the Site Committee.

B. Nexus Renewables Project:

1. Option Term:

- At June 14, 2022 meeting, IDA Board agreed to extend Option Term in Lease Agreement to December 31, 2022 contingent upon Nexus paying IDA's legal fee invoice sent to Nexus on March 2, 2022.
- Jim Mraz emailed Nexus regarding the Board decision.
- To date, no payment has been received.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated a Zoom meeting he had scheduled for August 8th with Nexus was cancelled.

C. Vireo Health Project:

1. Sale of Vireo Health to Verano Holdings:

- Both companies are seeking shareholder approval of the proposed sale.

2. Status of Construction:

- Construction ongoing.
- Verano has made changes to the interior layout of the 324,000 sf building currently under construction.
- Work on interior has commenced.

3. PILOT/Lease:

- Working with Vireo Health to complete the Lease/PILOT Agreements for its 324,000 SF building.

4. Sales Tax Exemption:

a. Background:

1) On July 13, 2021, the IDA Board adopted a Resolution regarding the Vireo Health Project that:

- a) Appointed Vireo Health as the IDA's Project Agent.
- b) Established the total project cost to be \$55,000,000.
- c) Approved granting up to \$2,251,520 in sales tax exemptions.
- d) Set July 31, 2022 as the date when the sales tax exemptions expire.

b. Requests from Vireo Health:

1) Vireo Health has submitted a formal request to:

- a) Increase the project cost from \$55,000,000 to \$77,465,438.
- b) Increase the amount of sales tax exemptions they can take from \$2,251,520 to \$3,284,535.
- c) Extend the deadline for taking sales tax exemptions from July 31, 2022 to May 31, 2023.

2) Vireo Health is making these requests because:

- a) Unanticipated costs incurred.
- b) Significant escalation in cost of building materials.
- c) Delays in completing project due to proposed acquisition by Verano Holdings and redesigning and re-permitting the project.

- c. Deadline for Receiving Sales Tax Exemptions:
 - At the July 12, 2022 meeting, the IDA Board approved extending the deadline for which Vireo can use their sales tax exemptions from July 31, 2022 to May 31, 2023.
- d. Public Hearing:
 - Vireo’s request for an increase in the total sales tax exemptions they can claim will result in providing more than \$100,000 in additional benefits to the project. As a result, a public hearing must be held.
 - A public hearing was held on Tuesday, July 26, 2022, at 10:00 a.m. in Perth Town Hall.
 - No one spoke at public hearing.
- e. Resolution Approving Increase in Sales Tax Exemptions:
 - See attached Resolution.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He reviewed the Resolution that was attached to the Agenda. He stated that, with respect to the Sales Tax Exemption, Vireo has yet to execute the standard Lease Agreement with the IDA. Delays in getting the lease executed have arisen due to the pending sale of Vireo to Verano. He stated Kara Lais now is recommending that the IDA execute an Agent and Equipment Lease with Vireo if Vireo does not sign the standard Lease Agreement. Jim Mraz recommended that the resolution be approved contingent upon Vireo signing either the Agent and Equipment Lease or the standard Lease. Jim Mraz asked if there were any further questions or comments? There were none.

IDA ACTION:

MOTION: To approve a Resolution approving an increase in Sales Tax Exemptions in connection with the Vireo Health of NY Expansion Project contingent upon Vireo executing the standard Lease or an Agent and Equipment Lease with the IDA.

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

D. Hoffman Carwash Project:

- Construction ongoing.

E. Winstanley Enterprises Project:

- Winstanley’s Tryon Technology Park website is now up and running: www.tryontechnologypark.com.
- Winstanley targeting December 20, 2022 to close on purchasing lands in Tryon Technology Park.

F. Fulton County Sewer District No. 4: Tryon:

1. Back-up Generator Project:

- EDP has approved Koval’s submittal on generator and automatic transfer switch.
- Both items have been ordered by Koval.

- Both items projected to be delivered in September.

2. Sale of Land to Lott Holdings:

- Survey has been completed.
- Kara Lais preparing documents to close.

IDA DISCUSSION: Jim Mraz stated that Kara Lais brought the closing documents to today’s meeting for the Chairman to sign. In addition, Lott Holdings has asked if the IDA would be willing to deed over to Lott Holdings an additional strip of land on the north side of the creek that forms the northern border of the parcel the IDA recently sold to Lott Holdings with the former Maintenance Building. Jim Mraz reviewed an aerial image of the Lott Holdings property to show IDA Board members the additional parcel Lott Holdings is inquiring about. He stated Lott Holdings has cleared all of the scrub brush on the south side of the creek that sits on the property they recently purchased from the IDA. He stated Lott Holdings would like to clear the other side of the creek from the same type of brush and maintain both sides of the creek to improve the aesthetic appearance of that area. Jim Mraz stated that if the IDA Board was interested in doing so, a revised deed would be prepared and filed with the County Clerk’s Office. It was the unanimous consensus of all IDA members present that deeding a 30’+/- strip of land on the north side of the creek would be in the IDA’s best interest given that Lott Holdings would be willing to maintain both sides of the creek.

MOTION: To authorize transferring a 30’+/- strip of land on the north side of the creek to Lott Holdings and authorizing the filing of a revised deed with the County Clerk’s Office.

MADE BY: Dr. Greg Truckenmiller

SECONDED: Mike Fitzgerald

VOTE: Unanimous

3. Survey:

- Waiting for survey of two (2) parcels to be deeded to Fulton County Sewer District No. 4.

4. 90-Day Notice to New York State:

- Kara Lais sent the 90-day letter to the State dated June 9, 2022.
- 90-day period ends on September 8, 2022.

G. Treasury Bills:

- Met with Kevin Corkery, Financial Consultant for NBT Bank, to go over process for investing in Treasury Bills.
- Three (3) forms need to be completed and submitted to NBT.
- Need to create a brokerage account with NBT to use to transfer funds from Money Market account into.
- Targeted August 16th as date to purchase T-Bills.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated he circulated a form that all members of the Audit Committee needed to sign. He stated once fully signed, this form, as well as two (2) others would be submitted to NBT Bank.

H. Labor Market Analysis Update:

- Agreement with DCG Corplan has been executed.
- Processed down payment per Agreement.
- Reviewed questions DCG Corplan is proposing to ask in Business Survey.
- Survey Monkey will be used.
- DCG Corplan has contacted Chamber of Commerce for assistance in getting word out about survey and asking Chamber members to participate in survey.
- The CRG was also contacted to encourage its members to participate in the survey.
- The survey is expected to go live on August 15th and run for three (3) weeks.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Mike Fitzgerald asked if the largest companies in the Johnstown and Crossroads Industrial Parks are members of the Chamber and/or CRG? He stated he wants to make sure that those companies are advised of the availability of this survey in hopes that they would complete it. He stated he'd hate to have our largest companies not be aware of the existence of this survey and participate in it. Joe Semione stated those companies are members of the Chamber.

I. Air Conditioner for Conference Room:

1. Status Report:

- The Conference Room contains approximately 600 sq. ft.
- To calculate the number of BTU's needed to cool this area, the square footage needs to be multiplied by 25 or 30.
- This calculation shows that between 16,250 to 19,500 BTU's would be needed to cool the Conference Room.
- The midpoint of this range is approximately 18,000 BTU's needed.
- Most residential-sized units have a maximum BTU of 14,000 to 15,000.
- The two (2) options for the IDA would be to buy one (1) 14,000 BTU portable air conditioner or buy two (2) 10,000 BTU portable air conditioners.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked IDA members which their preference was. It was the unanimous consensus of all IDA members present to purchase two (2) 10,000 BTU units. Jim Mraz stated that the IDA cannot directly purchase and pay for these by check. He stated that he would need to personally purchase them on his credit card and seek reimbursement from the IDA. All IDA members present approved this approach.

VI. NEW BUSINESS:

A. Board Training:

1. Occupancy in Fulton County's Four (4) Existing Industrial/Business Parks:

a. Johnstown Industrial Park:

1) Background:

- At present, there are 14 completed buildings located on the 17 lots in the Johnstown Industrial Park:

- Two (2) lots are vacant.
 - * One is owned by Pioneer Windows on Union Avenue Extension.
 - * One is a 20-acre parcel owned by the IDA on Opportunity Drive.
- One (1) lot has a partially completed building that was previously owned by Johnstown Renewables.

2) Buildings:

- All 14 completed buildings in the Park are currently occupied and being used.
- These 14 buildings total over 2.2 million sf of space.

3) 10 Companies Located in these 14 Buildings:

- Benjamin Moore
- Pioneer Windows (3 buildings)
- Walmart Food Distribution
- FAGE (2 buildings)
- Euphrates (2 buildings)
- Electrometrics
- DHL Supply Chain
- K & M Tire
 - K & M Tire is a family-owned regional tire distributor headquartered in Delphos, OH. K & M owns and operates 33 distribution centers throughout the Great Lakes, Midwest and Great Plains regions and distributes 50+ brands of passenger, light truck and medium truck tires and 12+ brands of agricultural, industrial and specialty tires. K & M offers numerous associate dealer and marketing programs to tire retailers across the United States. Because K & M does not own or operate any retail locations, nor does it sell directly online to consumers.
- Propak Logistics
 - Propak is a proactive provider of leading-edge logistics, transportation and supply chain management solutions. Propak provides reverse logistics, warehousing, transportation, packaging and technology solutions.
- Frasier Enterprises

b. Crossroads Industrial Park:

1) Background:

- At present, there are 9 lots in the Crossroads Industrial Park:
 - There are 7 buildings.
 - Two (2) lots are vacant totaling 6.3 acres.

2) Buildings:

- All 7 buildings in the Park are currently occupied and being used.
- These 7 buildings total over 437,000 sf of space.

3) 6 Companies Located in these 7 Buildings:

- Lippert
- Midwest Fasteners
- Inmar (2 buildings)
- Century Linen
- NE Water Jet

- Alnico

c. Crossroads Business Park:

1) Background:

- At present, there are 23 lots in the Crossroads Business Park:
 - There are 2 buildings.
 - 21 lots are vacant.

2) Buildings:

- The 2 buildings in this Park are currently occupied and being used.
- These 2 buildings total over 36,000 sf of space.

3) 2 Companies Located in these 2 Buildings:

- EPIMED
- Wells Fargo

d. Tryon Technology Park:

1) Background:

- At present, there are 8 lots at Tryon:
 - There is 1 completed building.
 - There is 1 building under construction.
 - There are 6 vacant lots.

2) Buildings:

- 1 building is occupied and being used.
- 1 building is under construction.
- The 2 buildings total 379,000 sf of space.

3) 1 Company Located in the 1 Existing Building:

- Vireo Health of NY

2. Property Taxes Generated by Companies in each Park:

- See attached.

3. Summary:

Park	# Buildings	# Buildings Occupied	# Companies	Total Assessed Valuation
Johnstown	14	14	10	\$ 113,294,100
Crossroads	7	7	7	\$ 10,272,400
Crossroads Business	2	2	2	\$ 1,531,000
Tryon	1	1	1	\$ 915,000
Total	24	24	20	\$ 126,012,500

4. Key Findings:

- **At present, there are 24 completed buildings in Fulton County's four (4) industrial/business parks.**
- **At present, all 24 buildings are occupied and in use.**

- **There is one (1) new building under construction (Vireo).**
- **There is one (1) partially completed building (Johnstown Renewables).**
- **20 companies currently occupy these buildings.**
- **Several companies occupy two (2) or more buildings.**
- **The 20 companies in these four (4) Parks generate over \$126,000,000 in assessed valuation. This is equivalent to 1,260 homes assessed at \$100,000 each.**
- **These 20 companies paid over \$5 million in property taxes to local taxing jurisdictions in 2022.**
- **These 20 companies currently employ approximately 2,000 people.**

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He reviewed the spreadsheet that's attached to the Agenda showing the property taxes paid by companies in each Park in 2022. Dave D'Amore asked which companies have received PILOTS are currently receiving PILOTS. Jim Mraz stated that he would provide that information as part of Board Training at the September meeting. Dr. Ford stated that this information demonstrates the need to acquire new sites. The fact that all existing buildings are occupied and in use says that new sites are needed so new buildings can be developed.

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 : Sue Collins
SECOND : Dave D'Amore
VOTE : Unanimous

TIME : 8:55 a.m.

MOTION : To go out of Executive Session.

MADE BY : Dr. Greg Truckenmiller
SECOND : Sue Collins
VOTE : Unanimous

TIME : 9:35 a.m.

VIII. NEXT MEETING:

Tuesday
September 6, 2022
8:00 a.m.

IX. CLOSE MEETING:

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

TIME : 9:35 a.m.