

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**FRIDAY  
MARCH 17, 2023  
8:00 A.M.**

**PLANNING DEPARTMENT CONFERENCE ROOM**

## **MEETING NOTES**

**PRESENT:**

MIKE FITZGERALD, CHAIRMAN  
SUE COLLINS, VICE CHAIRMAN  
JOSEPH GILLIS, SECRETARY  
TODD RULISON, TREASURER (ZOOM)  
JOSEPH SEMIONE, MEMBER  
DAVID D'AMORE, MEMBER  
DR. GREG TRUCKENMILLER, MEMBER  
JAMES MRAZ, EXECUTIVE DIRECTOR  
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC (ZOOM)  
SCOTT HENZE, PLANNING DIRECTOR  
GEOFF PECK, FULTON COUNTY CENTER FOR REGIONAL GROWTH (ZOOM)  
ROBERT SMULLEN, ASSEMBLYMAN

### **I. MINUTES FROM FEBRUARY 14, 2023 MEETING:**

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

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

MOTION : Accept as presented.  
MADE BY : Dave D'Amore  
SECONDED : Sue Collins  
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:
2. FCCRG Report: (See attached.) Geoff Peck

IDA DISCUSSION: Geoff Peck reviewed the CRG's monthly report that was attached to the Agenda. Geoff Peck stated that Ron Peters had two (2) questions for the IDA. The first one was "What is the current asking price for raw land at Tryon?" Jim Mraz said \$27,500. The second question was "What's the status of the IDA's rezoning of the Crossroads Business Park." Jim Mraz stated the IDA is not involved with rezoning of the Crossroads Business Park. The rezoning of the Park is solely the responsibility of the City of Gloversville Common Council.

### **V. OLD BUSINESS:**

#### **A. Nexus Renewables:**

- Nothing new to report.

#### **B. Winstanley Enterprises Project:**

- Nothing new to report.

#### **C. Back-up Generator Project:**

- Backup generator has been installed.
- National Grid has turned on gas to generator.

- Koval was at the site on March 7, 2023 to train County Facilities staff. Upon opening the cabinet to the generator, Koval discovered rust and corrosion in numerous locations on the generator.
- Koval summarized that salt spray from the truck that transported the generator to the site got up underneath the generator's enclosure and caused the rust and corrosion.
- Given this finding, the training was cancelled.
- Koval contacted its supplier who contacted Generac to discuss what to do.
- Waiting to hear back from Generac on what they plan to do to address this issue.

#### **D. Benjamin Moore Project:**

##### **1. Background:**

- In 2021, the IDA authorized sales tax exemptions be provided to the proposed Benjamin Moore Project:

Total Project Cost	:	\$17,750,000
Total Costs Subject to Sales Tax	:	\$ 9,000,000
Total Sales Tax Exemptions Approved	:	\$ 720,000

##### **2. Requests to Increase Total Sales Tax Exemptions:**

- In 2022, the IDA approved a request from Benjamin Moore to increase the total sales tax exemptions for their Expansion Project.
- In 2023, Benjamin Moore has submitted a second request to increase the total sales tax exemptions for their Expansion Project:

		<u>Original</u>	<u>2022 Revision</u>	<u>Proposed 2023 Revision</u>
Total Costs Subject to Sales Tax	:	\$9,000,000	\$10,400,000	\$13,400,000
Total Sales Tax Exemptions	:	\$ 720,000	\$ 832,000	\$ 1,072,000

- The reason cited by Benjamin Moore for making this request is inflation continues to drive up the cost of materials.

##### **3. Public Hearing:**

- General Municipal Law requires a public hearing when benefits exceeding \$100,000 are proposed to be provided.
- This request would authorize an additional \$240,000 in sales tax exemptions.
- A public hearing on this request for additional sales tax exemptions was held on Monday, February 27, 2023.
- No one spoke at the hearing.

##### **4. Resolution:**

- See attached Resolution.

IDA DISCUSSION: Joe Semione recused himself from the meeting because he has a potential conflict of interest. Joe Semione left the meeting at 8:10 a.m. Jim Mraz reviewed the information on the Agenda. He reviewed the Resolution that was attached. He asked if there were any questions. There were none.

IDA ACTION:

MOTION: To adopt a Resolution approving of an increase in sales tax exemptions in connection with the Benjamin Moore & Company Project.

MADE BY: Joe Gillis

SECONDED: Dr. Greg Truckenmiller

VOTE: 6 in favor, 0 opposed, 1 abstained (Semione)

(Joe Semione returned to the meeting at 8:13 a.m.)

**VI. NEW BUSINESS:**

**A. Review Audit of IDA's 2022 Financial Statements:**

1. Key Finding:

- Based upon West & Company's review of the IDA's 2022 financial records, West & Company has issued an "unmodified opinion."
- This is the best opinion the IDA can receive.
- The IDA has consistently received unmodified opinions on its audits.
- Draft Audit was emailed to IDA Board members on March 7, 2023.

2. Handout from West & Company:

IDA DISCUSSION: Jim Mraz stated that, due to the rescheduling of this month's meeting from Tuesday to Friday, the West & Company was unable to be present to present the Draft Audit to the IDA Board. He stated Mike Rossi has prepared a summary of the Audit Report. Copies of Mike Rossi's Summary were distributed to all IDA members, along with a copy of the draft Audit. The IDA Board reviewed all of the information contained in Mike Rossi's summary. At the end of the discussion, Jim Mraz asked if there were any questions or comments on the Draft Audit? There were none.

IDA ACTION:

MOTION: To approve the 2022 Audit as submitted by the West & Company and authorize West & Company and the Executive Director to file the Audit in PARIS and with Fulton County Treasurer, Commissioner of Department of Economic Development, NYS Comptroller and to post it on the IDA's website.

MADE BY: Dr. Greg Truckenmiller

SECONDED: Mike Fitzgerald

VOTE: Unanimous

**B. IDA's 2022 Annual Report:**

- IDA's 2022 Annual Report has been prepared in accordance with the ABO's requirements.

- Report was e-mailed to IDA Board members on March 7, 2023.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He asked if there were any questions or comments regarding the Annual Report? There were none.

IDA ACTION:

MOTION: To approve the 2022 Annual Report and authorize and direct the Executive Director to file the Annual Report under PARIS and with the Board of Supervisors and post the report on the IDA's website.

MADE BY: Dave D'Amore

SECONDED: Joe Semione

VOTE: Unanimous

## VII. OTHER BUSINESS:

### A. Hoffman's Carwash Project:

#### 1. Background:

- Kara Lais stated that the IDA closed on this project in December 2021. At that time, the project involved two (2) lots.
- After the closing, Hoffman's subdivided property creating several lots.
- Kara Lais stated that, because of the subdivision, certain lots were created that should not be part of the PILOT.
- Kara Lais stated that the PILOT should only apply to the parcel that the carwash is located on.

#### 2. Resolution:

- Kara Lais reviewed a Resolution that she proposed that would modify the Lease and PILOT Agreements to reflect that they should only apply to the parcel of land upon which the carwash project is located on.

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

IDA ACTION:

MOTION: To approve the Resolution approving certain amendments to the Lease Agreement and Payment In Lieu of Tax Agreement relating to the HDC2 Realty Gloversville LLC (Hoffman Carwash Project).

MADE BY: Mike Fitzgerald

SECONDED: Dave D'Amore

VOTE: Unanimous

## **B. Board Training:**

### **1. Public Work Enhancement Fund:**

#### **a) Background:**

- NYS Department of Labor has a Public Work Enhancement Fund that was established by Chapter 511 of the Laws of 1995 (as amended by Chapter 513 of the Laws of 1997, Chapter 655 of the Laws of 1999, Chapter 376 of the Law of 2003, and Chapter 407 of the Laws of 2005).
- This Law requires each State agency or public benefit corporation (IDA's) that enters into a public work contract to pay one tenth (0.1) of one percent (0.01) of the total cost of the contract to this Fund.

#### **b) Notice of Agency Responsibility:**

- The IDA received, on February 7, 2023, a form from the NYS Department of Labor. (See attached.)
- The form needs to be signed by the Chairman.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated that the IDA received a form from the NYS Department of Labor asking that it be signed by the IDA to acknowledge its responsibilities regarding this Public Work Enhancement Fund. Jim Mraz stated that a motion would need to be made to authorize the Chairman to sign this form. In addition, the IDA entered into a Public Works contract with Koval Contracting last year for the Generator Project at Tryon. He stated the IDA should have issued a payment to the Department of Labor for that particular Public Works project. As such, the motion should also authorize the issuance of a payment to the Public Works Enhancement Fund regarding that project. Jim Mraz asked if there were any questions? There were none.

#### **IDA ACTION:**

MOTION: To authorize the Chairman to sign the Notice of Agency/Public Benefit Corporation Responsibility Form from the NYS Department of Labor and to authorize a payment in the amount of \$78.20 to the Public Work Enhancement Fund regarding the Koval contract the IDA executed in 2022.

MADE BY: Dr. Greg Truckenmiller

SECONDED: Dave D'Amore

VOTE: Unanimous

### **2. Fulton County's 2018 Housing Strategy:**

#### **a) Key Findings:**

- 1) There is a shortage of new single-family professional and executive level housing in the County.
- 2) There is a current and future need for a variety of housing options for empty nesters to accommodate their increased mobility, reduce maintenance demands and encourage the turn-over of housing that would appeal to younger families.

- 3) There is a shortage of mixed-use neighborhoods outside of the Cities. These types of neighborhoods appeal to the nation's largest demographic segments: baby boomers and millennials.
- 4) There is strong current and future demand for new senior housing to meet changing lifestyles and accessibility needs in the form of apartments and patio homes which are smaller, easier to maintain and provide a good bridge to retirement for many households.
- 5) There are a number of formerly productive, but currently vacant, institutional and manufacturing properties. Some can be adaptively reused but others will need to be demolished, at least in part, and redeveloped.
- 6) The Cities need rich amenities to attract people to live in downtown. Mixed-use places with gathering spaces, public art, open space, recreation trails, attractive streetscapes, Wi-Fi access and adequate and safe parking are needed to meet the contemporary expectations of residents and visitors. Housing is going to occur first in those communities that have these amenities.

b) Goals and Recommendations:

- See attached.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Joe Semione stated that one of the recommendations in the documents attached to the Agenda was to conduct a Housing Summit. Dave D'Amore asked if anything had been done to organize that Summit? Jim Mraz stated not much was done in that regard. Dave D'Amore suggested that the IDA take a role in trying to get a Housing Summit conducted in 2023. Jim Mraz stated that he will be participating in the monthly meeting between Ron Peters, Jon Stead, Scott Henze and himself next week. He recommended that he bring this Housing Summit up at that meeting and suggest that the three (3) entities work together to try and conduct such a Summit in 2023. All IDA members present thought that was a good approach to take.

**C. 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 : Mike Fitzgerald  
 SECOND : Joe Semione  
 VOTE : Unanimous

TIME : 8:47 a.m.

MOTION : To go out of Executive Session.

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

TIME : 9:58 a.m.

#### **D. Desktop Environmental Assessments:**

##### **1. Background:**

- A Desktop Environmental Assessment (DEA) is an engineering evaluation of a tract of land.
- IDA Board budgeted funds to conduct DEA's in 2023.

##### **2. Proposals:**

- IDA has received two (2) proposals to conduct DEA's:
  - Environmental Design Partnership : \$24,000
  - C.T. Male : \$74,800 plus reimbursables

IDA DISCUSSION: Dave D'Amore recused himself from the meeting because of a potential conflict of interest. He left the meeting at 9:58 a.m. Jim Mraz reviewed the information on the Agenda. He asked if there were any questions? There were none.

IDA ACTION:

MOTION: To authorize the Chairman to execute an agreement with Environmental Design Partnership in the amount of \$24,000 to conduct Desktop Environmental Assessments.



MADE BY: Dr. Greg Truckenmiller  
SECONDED: Joe Semione  
VOTE:

Yays : 5  
Nays : 0  
Absent : 1 (Gillis)  
Abstain : 1 (D'Amore)

(Dave D'Amore returned to the meeting at 10:01 a.m.)

**VIII. NEXT MEETING:**

Tuesday  
April 18, 2023  
8:00 a.m.

**IX. CLOSE MEETING:**

MOTION : To close the meeting.  
MADE BY : Sue Collins  
SECONDED : Joe Semione  
VOTE : Unanimous  
  
TIME : 10:02 a.m.

## ***Fulton County Center for Regional Growth***

**March 2023**

### **Business Marketing / Business Leads / Business Inquires**

1. Recently participated in another zoom meeting that provided updates on the State's NANO program and advanced manufacturing efforts in NYS.
2. CRG is currently working on another agricultural loan through the 6-County Job Development Authority Agriculture Loan program.
3. Met with the County, County Planning, and the IDA on the Fulton County Site Development Process.
4. CRG's Fulton County EPA Brownfield Program will be conducting a public outreach meeting in the next 30 days. Date TBA.
5. Both the 2022 Microenterprise and 2021 Microenterprise CARES Act Grant Programs continue to be successful. Looking at the possibility of receiving more Microenterprise Grant money from the state.
6. The second annual six-county Brownfield Developers Summit is taking place on April 25 – 26. Registration is open on the MVEDD website, and a program brochure will be available soon.
7. CRG's first approved City of Johnstown Loan is scheduled to close in two weeks.
8. The Gloversville Downtown Revitalization Initiative administration is underway. We have been meeting with project awardees, making sure they get their updated budgets and costs together, and CRG is initiating contact with state agencies on their behalf.
9. Working with the City of Gloversville on the BOA (Brownfield Opportunity Area), specifically the "Crescent Area" of the city, to help transform sites into community investment properties.
10. Winstanley submitted Tryon in response to a site RFP received by CRG.

Adopted March 17, 2023

Introduced by Joe Gillis  
who moved its adoption.

Seconded by Greg Truckenmiller

**RESOLUTION APPROVING OF AN INCREASE IN SALES TAX EXEMPTION IN  
CONNECTION WITH THE BENJAMIN MOORE & CO. PROJECT**

WHEREAS, Benjamin Moore & Co., a New Jersey corporation, authorized to do business in the State of New York (the "Company"), has received approval from the Agency to undertake a project (the "Project") for the benefit of the Company consisting of: (i) the acquisition of an interest in a certain parcel or parcels of real property located at 161 Union Avenue, City of Johnstown, County of Fulton, State of New York (the "Land") and referred to as tax map parcel number 174.14-1-8; (ii) the construction of an 120,000+/- square foot addition to the existing facility for manufacturing space and equipment storage (collectively referred to as (the "Facility"); and (iii) the acquisition and installation therein of certain furnishing and fixtures (the "Equipment" and together with the Land and the Facility, collectively (the "Project Facility") to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility back to the Company, and (v) the providing of financial assistance to the Company for qualifying portions of the project in the form of sales and use tax exemptions, a mortgage recording tax exemption, if requested, and a partial real property tax abatement consistent with the policies of the Agency, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York and Section 895-c of the General Municipal Law (collectively, the "Act"); and

WHEREAS, the Agency and the Company entered into a Lease Agreement and related documents all dated as of December 4, 2020 in regard to the Project, as more particularly defined therein; and

WHEREAS, due to increased costs, the Company requested and, on March 8, 2022, the Agency approved of an increase in the sales tax exemption authorization to \$832,000, based on \$10,400,000 in purchases and extended the project completion date and sales tax appointment date through May 31, 2023; and

WHEREAS, in order to complete the Project and due to additional increased costs and inflation, the Company has requested an additional increase in the sales tax exemption authorization to \$1,072,000, based on \$13,400,000 in purchases; and

WHEREAS, a public hearing was held on February 27, 2023 pursuant to Article 18-A of the Act before taking official action relating to the Project.

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Agency does hereby approve of an increase in the sales tax exemption authorization to purchases in an amount of Thirteen Million Four Hundred Thousand Dollars

(\$13,400,000.00) (previously \$10,400,00.00), thereby increasing the total sales tax exemption authorization to One Million Seventy-Two Thousand Dollars (\$1,072,000.00).

2. That the Company shall be responsible for any fees, costs and expenses relating to this transaction, including the additional administrative fee due the Agency based on the increase in the total project cost, Agency's legal fees and any other fees and expenses.

3. That the Agency does hereby authorize the Chief Executive Officer or the Chair of the Agency, upon advice and consent of Agency Counsel, to execute and deliver on behalf of the Agency any and all documents necessary to consummate the transaction.

4. This resolution shall take effect immediately.

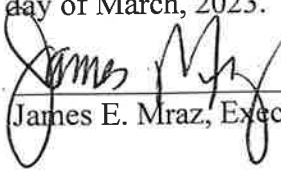
The foregoing resolution was thereupon declared duly adopted.

AYES: 6  
NAYS: 0  
ABSENT: 0  
ABSTAIN: 1 (Semione)

This is to certify that I, James E. Mraz, Executive Director of the Fulton County Industrial Development Agency, do hereby certify that the foregoing is a true and correct copy and the whole thereof of a Resolution duly adopted by the Fulton County Industrial Development Agency on the 14th day of March, 2023.

In witness whereof, I have hereto set my hand and affixed the official seal of the Fulton County Industrial Development Agency on this 17<sup>th</sup> day of March, 2023.

[SEAL]

  
James E. Mraz, Executive Director

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

*Adopted March 17, 2023*

*Introduced by Mike Fitzgerald  
who moved its adoption.*

*Seconded by Dave D'Amore*

**RESOLUTION APPROVING OF CERTAIN AMENDMENTS TO THE LEASE  
AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENT RELATING TO  
THE HDC2 REALTY GLOVERSVILLE LLC (Hoffman Car Wash) PROJECT**

WHEREAS, on December 17, 2021, HDC2 Realty Gloversville LLC (the "Company"), and the Agency entered into certain agreements, including, but not limited to an Underlying Lease Agreement, a Lease Agreement and a Payment in Lieu of Taxes Agreement, relating to a project (the "Project") for the benefit of the Company consisting of: (i) the acquisition of an interest in a certain parcel or parcels of real property located at South Kingsboro Avenue, City of Gloversville and Town of Johnstown, County of Fulton, State of New York (the "Land"); (ii) the construction of a 6,400 square foot building and state of the art car wash facility that will include a 160 foot conveyORIZED tunnel, automated blowers with 2 million BTU heating drying (collectively referred to as (the "Facility"); and (iii) the acquisition and installation therein of certain furnishing and fixtures (the "Equipment" and together with the Land and the Facility, collectively (the "Project Facility") to be used in connection with the contemplated uses; and (iv) the lease of the Project Facility back to the Company, and (v) the providing of financial assistance to the Company for qualifying portions of the project in the form of sales and use tax exemptions, a mortgage recording tax exemption, and a partial real property tax abatement consistent with the policies of the Agency, all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York and Section 895-c of the General Municipal Law (collectively, the "Act"); and

WHEREAS, subsequent to the December 17, 2021 closing date, the real property described in the Lease Agreement was subdivided resulting into additional parcels being created that did not include the Project Facility; and

WHEREAS, it is the intention of the Company and the Agency to amend the real property description as set forth in the Underlying Lease Agreement, Lease Agreement and Payment in Lieu of Taxes Agreement to remove certain parcels of real property that are not part of the Project Facility; and

WHEREAS, it is intention to have the following parcels of real property returned to the tax rolls: (a) South Kingsboro Avenue, Town of Johnstown, County of Fulton and being tax map parcel number 149.-1-56.1; (b) South Kingsboro Avenue, Town of Johnstown, County of Fulton and being tax map parcel number 149.-1-56.2; and (c) 342 S Kingsboro Avenue, City of

Gloversville, County of Fulton and being tax map parcel number 149.18-6-1.2.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1. The Agency hereby approves of the First Amendment to the Underlying Lease Agreement, the First Amendment to the Lease Agreement and the First Amendment to the PILOT Agreement to amend the real property description set forth therein to remove the following parcels: ( a) South Kingsboro Avenue, Town of Johnstown, County of Fulton and being tax map parcel number 149.-1-56.1; (b) South Kingsboro Avenue, Town of Johnstown, County of Fulton and being tax map parcel number 149.-1-56.2; and (c) 342 S Kingsboro Avenue, City of Gloversville, County of Fulton and being tax map parcel number 149.18-6-1.2.

SECTION 2. The Chairman or the Vice Chairman is hereby authorized to execute and deliver any and all documents necessitated by this Resolution. It is further authorized that the amended memorandum of lease agreements shall be recorded in the Fulton County Clerk's Office and notice of the amended PILOT Agreement shall be delivered to the affected taxing jurisdictions.

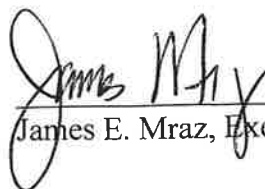
SECTION 3. Effective Date. This resolution shall take effect immediately.

The foregoing Resolution was there upon declared duly adopted.

Ayes	:	7
Nays	:	0
Absent	:	0
Abstain	:	0

This is to certify that I, James E. Mraz, Executive Director of the Fulton County Industrial Development Agency, hereby certify that I have compared the foregoing resolution with the original resolution, adopted by the Fulton County Industrial Development Agency, at a duly called and held meeting of said Agency on the 17th day of March, 2023, and the same is a true and correct transcript there from and the whole thereof.

Witness my hand and official seal  
This 17<sup>th</sup> day of March, 2023

  
James E. Mraz, Executive Director



Fulton County IDA

2022 Audit

Audit of Basic Financial Statements

1. Independent Auditors' report (pgs 1-3)
  - a. Unmodified Opinion
  - b. Highest opinion we have as a profession
2. Management's Discussion & Analysis (pgs 4-13)
  - a. This has been included in the financial statements for the past 20 years
  - b. Gives the user of the financial statement a better understanding of the Organization
  - c. Allows management to add comments about the Organization
3. Statement of Net Position (pg 14)
  - a. Assets are comprised of four different categories
    - i. Cash
    - ii. Restricted cash for the city of Johnstown
    - iii. Investments – US Treasuries
    - iv. Development projects – which are the capitalized investments into the parks
  - b. Liabilities consist of:
    - i. Due to the City of Johnstown (this is equal to the restricted cash)
    - ii. Long-term debt which has been unchanged for years, relates to the crossroads business park
  - c. Net Position is comprised of:
    - i. Net Investment in Capital Assets (total capital assets less long-term debt)
    - ii. Unrestricted net position
4. Statement of Activities (pg 15)
  - a. Shows expenses and revenues for the year. Total change is a (\$27,787)
  - b. New this year is the unrealized and realized gains on securities – US Treasuries
5. Notes to financial statements (pgs 17-21)
  - a. Unchanged from prior years as there were no new accounting pronouncements that the IDA was required to adopt
  - b. Footnotes provide more description of the IDA, its accounting policies and balances on the financial statements.
6. Report on Internal Control over Financial Reporting and Compliance (pgs 22-23)
  - a. No significant deficiencies or material weaknesses
7. Schedule of Civic Facility Bonds
  - a. Shows bond with Fulton County YMCA and the current year pay down by the YMCA
8. Also attached are the code of ethics and certification by CEO & CFO as required by the ABO

Schedule of Investments

1. Independent Auditors Report (pgs 1-2)
  - a. Unmodified Opinion
  - b. Highest opinion we have as a profession
2. Schedule of Investments (pg 3)
  - a. Shows zero as it has in the past because even though the IDA invested in US Treasuries all of the maturities are within 1 year. Thus, like the money market, it is considered to be a cash equivalent.

Overall the audit went well and if you would like me to come to the April board meeting to answer any questions I would be more than happy to, or if any board member has any questions they can contact me at WEST & Company.

Thank you,

A handwritten signature in black ink that reads "Michael W. Rossi". The signature is written in a cursive, flowing style.

Michael W. Rossi



**FULTON COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

**BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**02/22/2023**

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## **INDEPENDENT AUDITORS' REPORT**

To the Chairperson and Board of the  
Fulton County Industrial Development Agency  
Johnstown, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the Fulton County Industrial Development Agency, a public benefits corporation, a component unit of Fulton County, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Fulton County Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Fulton County Industrial Development Agency, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fulton County Industrial Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Fulton County Industrial Development Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fulton County Industrial Development Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fulton County Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fulton County Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fulton County Industrial Development Agency's basic financial statements. The supplemental information on pages 24 through 27 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information on pages 24 through 27 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2023, on our consideration of the Fulton County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fulton County Industrial Development Agency's internal control over financial reporting and compliance.

Gloversville, New York  
March 14, 2023

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

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The following is a narrative overview and analysis of the financial activities of Fulton County Industrial Development Agency (IDA or Agency) for the fiscal year ended December 31, 2022. This discussion is intended to serve as an introduction to the Agency's basic financial statements, which immediately follow this section. The basic financial statements have the following components: (1) management's discussion and analysis (MD&A), (2) Agency-wide financial statements, (3) notes to the financial statements and (4) supplemental schedules.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information. The basic financial statements include two statements that are Agency-wide financial statements that provide both short-term and long-term information about the Agency's overall financial status.

#### Agency-Wide Statements

The Agency-wide statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Agency's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Agency-wide statements report the Agency's net position and how it has changed. Net position – the difference between the Agency's assets and liabilities – is one way to measure the Agency's financial health or position.

- Over time, increases or decreases in the Agency's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Agency's overall health, you need to consider additional nonfinancial factors such as changes in the New York State government, labor forces and land availability.

### 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 IDA's 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.

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 if 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 PILOTs 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 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 will no longer be making "PILOT payments".

The following IDA projects have active PILOTs as of December 31, 2022:

Company	Address	Date PILOT Expires
CG Roxane	1 Old Sweet Road, Johnstown, NY	11/2023
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY	2032
Hoffman's Car Wash Project	237 S. Kingsboro Ave Ext, Gloversville, NY	12/2032

#### 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 2022:

Company	Address	Date PILOT Expires
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY	11/2023
Vireo Health of NY, LLC	CR117, Johnstown, NY	2032
Hoffman's Car Wash Project	342 S. Kingsboro Ave Ext, Gloversville, NY	12/2032

### 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, 2022:

Company	Address
CG Roxane	1 Old Sweet Road, Johnstown, NY
YMCA	213 Harrison Street, Gloversville, NY
Benjamin Moore	155 Union Avenue Extension, Johnstown, NY
Vireo Health of NY, LLC	CR117, Johnstown, NY
Hoffman's Car Wash Project	342 S. Kingsboro Ave Ext, Gloversville, NY

## II. SUMMARY OF 2022 ACTIVITIES:

The IDA Board met twelve (12) times in 2022. The following is a summary of the key activities addressed by the IDA Board in 2022:

### 1. 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 square foot 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 the 324,000 square foot building began in 2021 and is scheduled to be completed in 2023.

In 2022, Vireo Health announced it has agreed to be acquired by Verano Holdings located in Chicago. In October, 2022, Verano announced it was no longer pursuing the acquisition of Vireo.



b. 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 243+/- 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	72	1,200,000
	7	18	
	Building 1	12	
	Wetlands	25	
2	3 <sup>(1)</sup>	18	150,000
3	Tryon Development Area	48	350,000
4	5	26	500,000
	6	24	
		<b>Total Acreage = 243+/-</b>	<b>2,200,000</b>

<sup>(1)</sup> 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 (PSA) with WE. WE began its due diligence review of the 243+/- 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. This due diligence was completed in 2022.

In October, 2022, WE advised the IDA that their cost to abate and demolish the buildings on the lands they wanted to purchase was significantly higher than originally expected. As such, WE advised it could not purchase the property for what it originally offered. After discussing options, the IDA Board, at its November 8, 2022 meeting, agreed to reduce the price for the land with the reduction serving as a credit back to WE for what their actual cost will be to abate and demolish the buildings compared to what WE originally estimated the cost to be. The IDA executed Amendment No. 1 to the PSA to formalize the change in the purchase price.

In December, 2022, WE advised the IDA that they were not going to move forward, at this time, to purchase the 243+/- acres at Tryon. WE advised that it would execute a 3-year option with the IDA and continue to market Tryon companies. The IDA Board agreed to this Option and authorized its Chairman to execute a 3-year Option Agreement with WE.

c. Fulton County Sewer District No. 4:

1) Transfer of Sewer System:

The IDA had owned, operated and maintained the sewer system serving Tryon since Tryon was deeded to the IDA in 2014. In 2022, the Fulton County Board of Supervisors created Fulton County Sewer District No. 4 to take over ownership of the sewer system. The IDA Board took two (2) actions in 2022 regarding the Sewer District:

- Hired Ferguson & Foss Surveyors to prepare metes and bounds descriptions of the 35+/- acres of land the IDA would transfer to the Sewer District.
- Hired CBRE to prepare an appraisal of the fair market value of these 35+/- acres. All of the existing sewer infrastructure is located on these 35+/- acres.

c. Fulton County Sewer District No. 4: (Continued)

1) Transfer of Sewer System: (Continued)

In November, 2022, the IDA deeded 35+/- acres of land and all sewer infrastructure over to the Sewer District at no cost to the District.

2) Back-up Generator:

The wastewater pump station that pumps all wastewater generated at Tryon to the City of Gloversville was operating without a backup generator. A backup generator would help ensure that the pump station continued to operate if a power outage occurred at Tryon. In January, 2022, the IDA Board hired Environmental Design Partnership to prepare bid documents for purchasing and installing a backup generator. In April, the IDA Board awarded a contract to Koval Contracting, Waterford, NY to supply and install a new backup generator. Koval began work in 2022. The backup generator was delivered in late December, 2022. It should be completed in January, 2023.

3) Sewer Infrastructure Map:

In December, 2021, the IDA Board hired C.T. Male to prepare a map showing all existing sewer infrastructure at Tryon in anticipation of the IDA deeding over said infrastructure to Fulton County Sewer District No. 4. This map was completed in 2022 and provided to Sewer District No. 4.

d. Waterline:

An existing waterline that runs from County Road 117 to the elevated tank at Tryon crossed over Lot 2 that was sold to Vireo Health. This waterline is owned by the Gloversville Water Department. Vireo Health agreed to relocate and replace this waterline with a new 12" HDPE pipe that was located within the new easement that the IDA granted to the City of Gloversville Board of Water Commissioners. That resulted in approximately half of the waterline being relocated and replaced. The Water Department did not have funds to replace the balance of that waterline to the tank. The estimated cost for this work was \$100,000. The IDA Board agreed to contribute \$75,000 towards the cost of replacing this line with Gloversville contributing \$25,000. Gloversville did not have these funds budgeted for 2022. As such, the IDA agreed to front Gloversville's share with Gloversville agreeing to repay the IDA over a five (5) year period. Work on replacing this waterline was completed in 2022 by Cordos Construction, the company constructing Vireo Health's 324,000 square foot building.

e. Former Maintenance Building

The IDA Board agreed, in April, 2021, to sell the 15,000+/- square foot former Maintenance Building to Lott Holdings, Amsterdam, NY. Lott Holdings is renovating this building and plans on leasing this space out. The closing on this transaction occurred in 2022. In addition, in 2022, the IDA sold to Lott Holdings a 13+/- acre parcel adjacent to this building.

f. 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 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 executed leases with four (4) separate LLCs who will each operate separate solar projects. 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 was expected to start construction in 2022. However, due to inflation, higher construction costs, higher materials cost and higher energy prices, Nexus did not start these projects in 2022. Nexus is hopeful work can commence in 2023.

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 nor 2022. If the project moves forward, these documents would be executed in 2023.

g. Cushman Wakefield:

Due to its intent to sell all lands at Tryon to Winstanley, the IDA Board did not renew its Agreement with Cushman Wakefield to market Tryon Technology Park.

h. Other:

In 2022, the IDA Board approved the following items for the TTP:

1. Hired James Esper to cut grass.
2. Leased lands to R & R Farms, Inc. to grow crops.
3. Hired Adirondack Septic to vacuum tank at wastewater treatment plant.

**2. LABOR MARKET ANALYSIS REPORT:**

In 2014, Fulton County hired DCG Corplan to prepare a Targeted Industry Analysis for the Tryon Technology Park. A component of that Analysis was the preparation of a Labor Market Analysis Report. The Report contained key information about the labor market that Tryon is located in. The Report was completed in March, 2015. The information in this Report is what companies look for when evaluating shovel-ready sites. The 2015 Labor Market Analysis Report is now 7 years old. As such, the information in the Report is outdated. In July, 2022, the IDA Board hired DCG Corplan to update the Labor Market Analysis Report. This update was completed in November, 2022. Copies of the final report were distributed to Winstanley Enterprises and the Fulton County Center for Regional Growth.

**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 square foot 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, Hoffman's 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 was completed in 2022.

**5. IDA WEBSITE:**

Emery Designs continued work in 2022 updating and revising the IDA's website.

## **6. BOARD TRAINING:**

In 2022, the IDA Board received training on the following topics:

1. Reviewed Public Authorities Law that requires the IDA to annually prepare five (5) reports:
  - a. Annual Report
  - b. Independent Audit Report
  - c. Investment Report
  - d. Procurement Report
  - e. Budget Report
2. Reviewed and Revised the IDA's Bylaws.
3. Reviewed Real Estate Purchase Options and how they are used.
4. Reviewed and Updated Property Disposition Policy.
5. Reviewed types of projects IDA's are authorized to participate in which includes:
  - Industrial
  - Manufacturing
  - Warehousing
  - Commercial
  - Research and recreation facilities
  - Industrial pollution control facilities
  - Educational or cultural facilities
  - Railroad facilities
  - Horse racing facilities
  - Automobile racing facilities
  - Continuing care retirement communities
  - Retail: Retail component of total project cost can't exceed 33%
6. Reviewed and Updated Code of Ethics Policy.
7. Reviewed Requirements, Forms and Procedures used in Granting Sales Tax Exemptions.
8. Reviewed Occupancy in Fulton County's Four (4) Existing Industrial/Business Parks.
  - 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.

## 6. **BOARD TRAINING: (CONTINUED)**

9. Reviewed Requirements and Procedures for Granting Payment in Lieu of Tax Agreement (PILOT's).
10. Reviewed Discretionary Funds Policy on Use of IDA Funds.
11. Reviewed and completed Annual Board Performance Questionnaire.
12. Reviewed and revised the IDA's Internal Financial Control System.

## 7. **OTHER:**

In 2022, 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 2023 Budget.

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

## III. **SUMMARY OF FINANCIAL RESULTS**

**Table A-1**

### **Condensed Statements of Net Position**

	<u>2022</u>	<u>2021</u>	<u>Dollar Change Increase/ (Decrease)</u>
<b>Assets</b>			
Current assets	\$ 2,174,897	\$ 2,340,556	\$ (165,659)
Development projects	<u>3,134,083</u>	<u>2,995,598</u>	<u>138,485</u>
<b>Total Assets</b>	<u>5,308,980</u>	<u>5,336,154</u>	<u>(27,174)</u>
<b>Liabilities</b>			
Current liabilities	370,589	369,976	613
Long-term debt	<u>514,708</u>	<u>514,708</u>	<u>0</u>
<b>Total Liabilities</b>	<u>885,297</u>	<u>884,684</u>	<u>613</u>
<b>Net Position</b>			
Net investment in capital assets	2,619,395	2,480,890	138,505
Unrestricted	<u>1,804,288</u>	<u>1,970,580</u>	<u>(166,292)</u>
<b>Total Net Position</b>	<u>\$ 4,423,683</u>	<u>\$ 4,451,470</u>	<u>\$ (27,787)</u>

## Changes in Net Position

The IDA's revenue was \$83,025 (see Table A-2).

The total cost of all programs and services amounted to \$110,812 for 2022. The expenses are comprised predominantly of salaries and benefits costs (30.2%), and professional fees (60.3%).

Net position for the year decreased by \$27,787.

**Table A-2**

### Changes in Net Position from Operating Results

	<u>2022</u>	<u>2021</u>	<u>Dollar Change Increase/ (Decrease)</u>
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for services	\$ 31,456	\$ 27,748	\$ 3,708
<b>General Revenues</b>			
Interest income	3,304	1,479	1,825
Administrative fee	1,800	188,025	(186,225)
Gain on sale of land	37,800	956,340	(918,540)
Realized and unrealized gain on securities	7,015	0	7,015
Miscellaneous revenue	1,650	7,290	(5,640)
<b>Total Revenues</b>	<u>83,025</u>	<u>1,180,882</u>	<u>(1,097,857)</u>
<b>Expenses</b>			
Development project costs	2,031	14,329	(12,298)
Miscellaneous expense	6,694	4,198	2,496
Salaries and benefits	33,450	28,587	4,863
Memberships	1,850	1,850	0
Professional fees	66,787	55,429	11,358
<b>Total Expenses</b>	<u>110,812</u>	<u>104,393</u>	<u>6,419</u>
<b>Increase (Decrease) in Net Position from Operations</b>	<u>\$ (27,787)</u>	<u>\$ 1,076,489</u>	<u>\$ (1,104,276)</u>

#### **A. LONG-TERM DEBT:**

As of December 31, 2022, the IDA had \$514,708 in long-term debt outstanding. More detailed information about the IDA's long-term debt is included in the notes to basic financial statements.

**Table A-3**

### Outstanding Long-Term Debt

	<u>2022</u>	<u>2021</u>
City of Gloversville	\$ 150,267	\$ 150,267
Board of Water Commissioners	89,124	89,124
Community Development Agency	74,961	74,961
Promote Gloversville Development Agency	50,089	50,089
Fulton County Economic Development Corporation	150,267	150,267
<b>TOTALS</b>	<u>\$ 514,708</u>	<u>\$ 514,708</u>

#### **IV. CONTACTING THE IDA'S FINANCIAL MANAGEMENT**

If you have questions about this report or need additional financial information, please contact:

Fulton County Industrial Development Agency  
1 East Montgomery Street  
Johnstown, NY 12095  
Phone: 518-736-5660

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

DECEMBER 31, 2022

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**ASSETS**

**CURRENT ASSETS:**

Cash in bank	\$ 797,822
Cash - restricted	370,589
Investments	<u>1,006,486</u>

<b>Total current assets</b>	<b>2,174,897</b>
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<b>DEVELOPMENT PROJECTS</b>	<b><u>3,134,083</u></b>
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<b>TOTAL ASSETS</b>	<b><u>5,308,980</u></b>
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**LIABILITIES**

**CURRENT LIABILITIES:**

Due to City of Johnstown	<u>370,589</u>
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<b>Total current liabilities</b>	<b>370,589</b>
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<b>LONG-TERM DEBT</b>	<b><u>514,708</u></b>
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<b>TOTAL LIABILITIES</b>	<b><u>885,297</u></b>
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**NET POSITION**

Net investment in capital assets	2,619,395
Unrestricted	<u>1,804,288</u>

<b>TOTAL NET POSITION</b>	<b><u>\$ 4,423,683</u></b>
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See notes to basic financial statements.



**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2022**

	<b>Program Revenue</b>			<b>Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Other Program Revenues</b>	
<b>FUNCTION/PROGRAMS</b>				
Development projects	\$ 2,031	\$ 0	\$ 0	\$ (2,031)
Miscellaneous expense	6,694	0	0	(6,694)
Memberships	1,850	0	0	(1,850)
Professional fees	66,787	(31,456)	0	(35,331)
Salaries and benefits	33,450	0	0	(33,450)
<b>Total function/programs</b>	<b>\$ 110,812</b>	<b>\$ (31,456)</b>	<b>\$ 0</b>	<b>(79,356)</b>
<b>GENERAL REVENUE</b>				
Interest income				3,304
Administrative fee				1,800
Gain on sale of land				37,800
Realized and unrealized gain on securities				7,015
Miscellaneous revenue				1,650
<b>Total general revenue</b>				<b>51,569</b>
<b>CHANGE IN NET POSITION</b>				<b>(27,787)</b>
<b>TOTAL NET POSITION - BEGINNING OF YEAR</b>				<b>4,451,470</b>
<b>TOTAL NET POSITION - END OF YEAR</b>				<b>\$ 4,423,683</b>

See notes to basic financial statements.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2022**

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**CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:**

Change in net position	\$ (27,787)
Adjustments to reconcile change in net position to net cash:	
Net realized and unrealized (gains) on long-term investments	(7,015)
(Increase) in developmental property	(138,485)
Increase in due to City of Johnstown	613
	<u>613</u>
<b>Net cash (used) by operating activities</b>	<u><b>(172,674)</b></u>

**CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:**

Purchase of investments	(1,250,471)
Sale of securities	251,000
	<u>251,000</u>
<b>Net cash (used) by investing activities</b>	<u><b>(999,471)</b></u>

<b>NET (DECREASE) IN CASH</b>	<b>(1,172,145)</b>
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<b>CASH - BEGINNING OF YEAR</b>	<b>2,340,556</b>
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<b>CASH - END OF YEAR</b>	<b><u>\$ 1,168,411</u></b>
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**RECONCILIATION TO STATEMENT OF NET POSITION**

<b>CASH</b>	<b>\$ 797,822</b>
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<b>CASH - RESTRICTED</b>	<b><u>370,589</u></b>
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<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 1,168,411</u></b>
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See notes to basic financial statements.

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Fulton County Industrial Development Agency (Agency) have been prepared in conformity with U.S. generally accepted accounting principles. Significant accounting policies are:

#### **Organization**

The Agency is an Industrial Development Agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 665, Section 895C, of the Laws of 1970 of the state and is a public benefit corporation of the state.

The Agency was formed for the purpose of encouraging economic growth in the County of Fulton. The Agency is exempt from federal, state and local income taxes. The Agency, although established by the Fulton County Board of Supervisors, is a separate entity and operates independently of the County of Fulton.

#### **Basis of Accounting**

The Agency is required by New York State to maintain its books on the accrual basis of accounting.

#### **Budgetary Accounting**

In accordance with Section 861 of the General Municipal Law, the Agency prepares and adopts annual budgets.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Advertising Costs**

The Agency's advertising costs are expensed as incurred. There was no advertising expense for the year ended December 31, 2022.

#### **Fair Value of Financial Instruments**

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

#### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, management considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Development Project Assets**

Development project assets, consisting of land and site improvements acquired by the Agency, are stated at cost (or estimated historical cost) and include interest capitalized during construction where applicable. Contributed assets are recorded at fair market value at the date received. Major additions and betterments are capitalized, while maintenance and repairs, which do not appreciably extend the useful lives of the related assets, are charged to expense as incurred. There are no reversionary interests by the grantor in the assets (see also Notes 2 and 4 following).

**Lot Sales**

Certain lot sales are capitalized lease purchase agreements. The leases are structured to receive full payment at lease inception and are recorded as sales by the Agency at that time. Other lot sales are direct sales in which title to the property transfers to the purchaser. There were two direct lot sales in 2022:

1. 6+/- acres to Lott Holdings Corporation
2. 13+/- acres to Lott Holdings Corporation

**NOTE 2 – CASH – RESTRICTED/DUE TO CITY OF JOHNSTOWN**

- A. The Agency entered into an agreement with the City of Johnstown whereby the Agency is to develop the Johnstown Industrial Park (Park). The City of Johnstown (City) conveyed title to 175 acres of land to the Agency pursuant to Local Law No. 2 of 1989.

The Agency is to develop, operate and manage the Park. All revenues generated from the lot sales in the Park are to be allocated between the City and the Agency as follows:

1. Seven percent of gross revenues are to be retained by the Agency for administrative costs.
  2. Of the remaining balance:
    - a. Fifty percent shall be paid to the City; and
    - b. Fifty percent shall be retained by the Agency and deposited in an interest-bearing account dedicated solely for the use in future industrial and economic development-type projects within the City, or outside the City with their approval.
- B. Restricted cash balances at December 31, 2022, are as follows:
- |                              |                   |
|------------------------------|-------------------|
| City of Johnstown (a. above) | <u>\$ 370,589</u> |
|------------------------------|-------------------|
- C. During the year the Agency received no requests from the City of Johnstown for bonds from this account. The total amount paid to the City was \$-0-.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**NOTE 3 – DEVELOPMENT PROJECTS**

The Agency's development projects at December 31, 2022, are as follows:

Crossroads Industrial Park	\$ 120,000
Crossroads Business Park	1,925,000
Johnstown Industrial Park	305,629
Tryon Technology Park	<u>783,454</u>
<b>TOTAL</b>	<b><u>\$ 3,134,083</u></b>

The development projects consist of land acquisition costs and site improvements; i.e., roads, water and sewer lines and landscaping.

**NOTE 4 – LONG-TERM DEBT**

As part of the Crossroads Business Park project, the Agency entered into an agreement with five local governmental and nonprofit entities. Each entity, including the Agency, provided funds necessary to meet the \$665,000 local match requirement of the EDA grant. The agreement provides that the Agency retain the first \$100,000 received for sale of lots of the Crossroads Business Park. Thereafter, the Agency, after deducting an administrative fee and any other customary sale or lease expenses, shall repay the project participants (including the Agency) at the percent of participation that each entity provided to the total \$665,000 local match.

Interest was accrued at 5½% on the unpaid balances for a maximum of seven years (ending in 2005). Therefore, for the year ended December 31, 2022, interest expense totaled \$-0-.

This balance is comprised of amounts due to the following entities:

City of Groversville	\$ 150,267
Board of Water Commissioners	89,124
Community Development Agency	74,961
Promote Groversville Development Agency	50,089
Fulton County Economic Development Corporation	<u>150,267</u>
<b>TOTAL</b>	<b><u>\$ 514,708</u></b>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

As required by FASB ASC, *Fair Value Measurement*, the Agency is required to value investment and debt securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2022

**NOTE 5 – FAIR VALUE MEASUREMENTS – (CONTINUED)**

- B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2022, are as follows:

	<b><u>Fair Value Measurements Using</u></b>			
	<b><u>Fair Value</u></b>	<b><u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u></b>	<b><u>Significant Other Observable Inputs (Level 2)</u></b>	<b><u>Significant Unobservable Inputs (Level 3)</u></b>
<b><u>December 31, 2022</u></b>				
Long-term debt	\$ 514,708	\$ 0	\$ 514,708	\$ 0

**NOTE 6 – CIVIC FACILITY BONDS AND NOTE TRANSACTIONS**

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the state. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. As a result of the COVID-19 Pandemic, the YMCA applied for and received two 3-month deferrals of its principal and interest payments from NBT Bank. This deferral extended the maturity date of the bonds to January 1, 2031. At December 31, 2022, the original issue value of bonds issued aggregated was \$ 30,727 and the outstanding balance was \$ . Refer to the Schedule of Civic Facility Bonds on page 24.

**NOTE 7 – INVESTMENTS**

The Agency's investment policies are governed by state statutes. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

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**NOTE 7 – INVESTMENTS – (CONTINUED)**

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States Government and its agencies and obligations of any state and its municipalities and school districts.

At December 31, 2022, all deposits are fully collateralized.

**NOTE 8 – SUBSEQUENT EVENTS**

The Agency has evaluated subsequent events through the issuance date of the report. None were considered material to the issued financial statements.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Chairperson and Board of the  
Fulton County Industrial Development Agency  
Johnstown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Fulton County Industrial Development Agency, a public benefit corporation, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 14, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fulton County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fulton County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fulton County Industrial Development Agency's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Fulton County Industrial Development Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gloversville, New York  
March 14, 2023

**FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF CIVIC FACILITY BONDS**

**DECEMBER 31, 2022**

<u>PROJECTS</u>	<u>CURRENT INTEREST RATE</u>	<u>OUTSTANDING BEGINNING OF YEAR</u>	<u>ISSUED</u>	<u>PRINCIPAL PAID</u>	<u>INTEREST PAID</u>	<u>DECEMBER 31, 2022 BALANCE</u>
Fulton County YMCA, Inc.	3.25%	\$ 1,401,532	\$	\$	\$	\$

See accompanying notes.

## FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### **POLICY 04: CODE OF ETHICS**

#### **1. Introduction:**

This Code of Ethics shall apply to all members, staff and other employees of the Fulton County Industrial Development Agency (AGENCY). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the AGENCY's directors and employees and to preserve public confidence in the AGENCY's mission.

#### **2. Responsibility of Directors and Employees:**

- (i) Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- (ii) Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- (iii) Directors and employees shall not accept or receive any gift in excess of seventy-five dollars (\$75), whether it be in the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the AGENCY.
- (iv) Directors and employees shall not use or attempt to use their official position with the AGENCY to secure unwarranted privileges for themselves, members of their family or others, including employment with the AGENCY or contracts for materials or services with the AGENCY.
- (v) Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
- (vi) Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
- (vii) Directors and employees shall manage all matters within the scope of the AGENCY's mission independent of any other affiliations or employment. Members, staff and employees employed by more than one government shall strive to fulfill their professional responsibility to the AGENCY without bias and shall support the AGENCY's mission to the fullest.
- (viii) Directors and employees shall not use AGENCY property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the AGENCY's mission and goals.
- (ix) Directors and employees shall also comply with the provisions of Section 74 of Public Officers Law.

3. Implementation of Code of Ethics:

- (a) This Code of Ethics shall be provided to all Directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.
- (b) The AGENCY may designate an Ethics Officer, who shall report to the AGENCY and shall have the following duties:
  - i. Counsel in confidence AGENCY members, staff and employees who seek advice about ethical behavior.
  - ii. Receive and investigate complaints about possible ethics violations.
  - iii. Dismiss complaints found to be without substance.
  - iv. Prepare an investigative report of their findings for action by the Executive Director or the board.
  - v. Record the receipt of gifts or gratuities of any kind received by the director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

4. Penalties:

- (a) In addition to any penalty contained in any other provision of law, an AGENCY, Directors or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

5. Reporting Unethical Behavior:

- (a) Directors and employees are required to report possible unethical behavior by a member, staff or employee of the AGENCY to the Ethics Officer. Ethics complaints may be filed anonymously and are protected from retaliation by the policies adopted by the AGENCY.

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Adopted: September 30, 2008

Revised: June 14, 2022

### **CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, James Mraz, certify that I am the Chief Executive Officer of Fulton County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2022.

Signature:   
Title: Chief Executive Officer

### **CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Carol Ellis, certify that I am the Chief Financial Officer of Fulton County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2022.

Signature:   
Title: Chief Financial Officer

New York State Department of Labor  
State Office Campus Bldg 12, Rm 130  
Albany NY, 12226

WE ARE YOUR DOL



Department  
of Labor

Kathy Hochul, Governor  
Roberta Reardon, Commissioner

Fulton County Industrial Development Agency  
1 East Montgomery Street

JOHNSTOWN NY, 12095

February 2, 2023

FEB 27 2023  
*One*

**RE: Public Work Enforcement Fund**

Dear James Mraz,

As a State agency or public benefit corporation engaged in certain construction or reconstruction, maintenance or repair contracts, it is your responsibility to contribute to the Public Work Enforcement Fund (PWEF) as established by Chapter 511 of the Laws of 1995 (as amended by Chapter 513 of the Laws of 1997, Chapter 655 of the Laws of 1999, chapter 376 of the Laws of 2003, and Chapter 407 of the Laws of 2005).

This Law requires each State agency or public benefit corporation (e.g. public authority) that enters into a public work contract to pay one tenth (0.1) of one percent (0.01) of the total cost of the contract to this Fund. The full explanation is contained on the accompanying notice.

Please sign and return the affirmation notice attesting to your review of the supplied information and your agency or public benefit corporation's responsibility concerning the Public Work Enforcement Fund.

If your signed notice is not received within 30 days of the date of this letter, your agency or public benefit corporation will be referred to the Office of the State Comptroller for further action

Sincerely,

A handwritten signature in cursive script that reads "Shaun McCready".

Shaun McCready  
Director  
Bureau of Public Work

# WE ARE YOUR DOL



## Bureau of Public Work

### Public Work Enforcement Fund

#### Notice of Agency/Public Benefit Corporation Responsibility

As a State agency or public benefit corporation engaged in certain construction or reconstruction, maintenance or repair contracts, it is your responsibility to contribute to the Public Work Enforcement Fund (PWEF). This Law requires each State agency or public benefit corporation (e.g. public authority) that enters into a public work contract to pay one tenth (0.1) of one percent (0.01) of the total cost of the contract\* to this Fund.

\*(Total Cost of Contract x 0.001 = Amount to be paid to Fund)

For contracts which are not approved or administered by the Office of the State Comptroller, monthly reports and payments for deposit into the Public Work Enforcement Fund must be sent to: Department of Labor, Administrative Finance Bureau- PWEF Unit, Building 12, Room 464, State Office Campus, Albany, NY 12226 within 30 days of the end of each month or on a payment schedule mutually agreed upon with DOL.

Reports should contain the following information:

- Name and billing address of State agency or public benefit corporation;
- State agency or public benefit corporation contact and phone number;
- Name and address of contractor receiving the award;
- Contract number and effective dates;
- Contract amount and PWEF assessment charge (if contract amount has been amended, reflect increase or decrease to original contract and the adjustment in the PWEF charge); and
- Brief description of the work to be performed under each contract.

Any questions regarding submission of monthly reports and/or payments should be directed to NYSDOL's Administrative Finance Bureau-PWEF Unit at (518) 485-9730 and any questions regarding Public Work Contracts should be directed to the Bureau of Public Work at (518) 457-5589. Albany, NY 12226

Please sign and return this notice to:

Public Work Enforcement Fund Notice  
NYS Department of Labor, Bureau of Public Work  
SOBC, Bldg. 12, Rm. 130  
Albany, NY 12226

To the best of my knowledge and belief I affirm that for all construction or reconstruction, maintenance or repair contracts let by our agency/public authority, we will adhere to the requirements of the Division of Budget Policy & Reporting Manual, section B-610, regarding the Public Work Enforcement Fund.

Signature

Print Name and Title

Agency / Public Authority

Date

W. Averell Harriman State Office Campus  
Building 12, Room 130, Albany, NY 12226

[www.labor.ny.gov](http://www.labor.ny.gov)

## **J. Implementation Plan**

The following goals and recommendations are provided:

### **GOAL ONE: MARKETING AND PROMOTION**

The County has completed a marketing campaign that focused on quality of life and sending e-newsletters to developers to increase awareness of the County's offerings. However, additional promotion must be undertaken to attract new households and new workers. Fulton County has a professional planning and economic development staff and capable strategic partners. However, successful implementation of the Housing Strategy will require the commitment of additional staff and/or consultant time.

#### **1. Fulton County should market and promote the Fulton County Housing Strategy.**

- a) Fulton County should pursue dedicating existing staff time, hiring new staff or hiring a consultant to promote development of new housing and rehabilitation of existing housing.
- b) Fulton County should aggressively market and promote this Housing Strategy as an overarching blueprint to expand housing supply and choice.
- c) Fulton County should provide the submarket summaries and detailed profiles in *Appendix A: Housing Submarket Profiles* to potential developers to facilitate discussion of market opportunities.
- d) Fulton County should distribute the Housing Strategy to all municipalities and assist municipalities to identify sites for residential development.
- e) Fulton County should distribute the Housing Strategy to the real estate community.

#### **2. Fulton County should market and promote its property values, affordability and quality of life.**

- a) Fulton County should educate developers about its natural environment, abundant recreational resources and quality of life in communities where "affordable" means undiscovered value and convenience.
- b) Fulton County should market and promote itself to millennial individuals and family households.
  - i. Conduct listening sessions with current millennial families to understand why they have remained in or moved to Fulton County. Share those stories at the Housing Summit and with potential developers.
  - ii. Increase housing choice including downtown living options, market-rate rentals, lofts and other open plan housing choices.
  - iii. Integrate this housing with concentrated small business enhancement, especially in modern "convenience" services like coffee shops, local food vendors, farm-to table restaurants and unique eating and drinking establishments.



- iv. Encourage the construction of new smaller homes. Since affordability is an issue for current families, millennial households and some empty nesters, providing well-designed smaller homes on smaller lots will minimize the amount of subsidy required for homes to sell.
- c) Fulton County should market the County as a place to live, work and play, its competitive land price, wage rates, healthy community/recreation and growing diversity in housing products including:
  - i. Integrate messages about livability into all business recruitment marketing.
  - ii. Target millennial and family households.
  - iii. Develop unique products, materials, advertising and video that communicate how rewarding it is to live in Fulton County.
  - iv. Produce a marketing profile for each submarket to advertise its opportunities and work closely with the communities to integrate the profile into their local promotion efforts.
  - v. Continue to use E-Newsletter to make developers aware of opportunities and keep Fulton County front and center as they think about future development opportunities.
  - vi. Support local efforts to develop a strong branding and promotional program for each community as part of an overall county strategy.

**3. Fulton County should market and promote specific sites across the County:**

- a) Fulton County should market the three Primary Development Areas: Hales Mills, Vail Mills, Tryon; the two priority housing sites at County Route 107 in Perth and Hales Mills Road Site (near the Golf Course) in Johnstown and specific sites identified for adaptive reuse by the Cities.
- b) Fulton County should establish internal priorities among the sites with unique marketing messages, and allocate marketing and promotion efforts accordingly. As new sites are identified, graphic site plans and color renderings should be prepared to promote them and add to the County's portfolio.

**4. Fulton County should conduct a Housing Summit.**

- a) Fulton County should conduct an annual Housing Summit like the Vision 2026 Summit conducted in 2016. The goals of this Summit would be to bring together municipal leaders, property owners, housing developers and the real estate community to network, develop partnerships and learn about the Housing Strategy.
- b) Fulton County should design the Summit to present the Housing Strategy, introduce regional housing developers, identify preferred residential development sites in each community, share new programs for housing rehabilitation and homeownership, and educate about financial incentives for developers, homebuyers and renters.

**GOAL TWO: CREATE A DIVERSE CHOICE OF HOUSING PRODUCTS**

While existing housing and land suitable for new residential development is readily available and relatively affordable, Fulton County should support more modern choices of housing types at a variety of price points.

**1. Fulton County should encourage the development of new senior housing initiatives for baby boomers and empty nesters of all incomes and activity levels.**

- a) Fulton County should meet with developers of active senior retirement communities to look at the Hales Mills Development Area and the Hales Mills Road Extension residential area adjacent to the golf course. Although Fulton County has incredible recreation amenities, it lacks active retirement or adult (age 55+) communities linked to recreation like a golf course.
- b) Fulton County should encourage the Fulton County Community Heritage Corporation (CHC), a NYS designated Rural Preservation Company to consider developing additional senior housing.
- c) Fulton County should encourage the Cities, Towns and Villages to consider co-housing models and elder cottage/tiny homes, in-law cottages and other forms of elder housing which offer more community support than cottage communities.

**2. Fulton County should conduct a housing developer solicitation to pursue mixed-use developments with a strong residential component.**

- a) Fulton County should advance mixed-use development at Hales Mills, Vail Mills, and Tryon Development Areas and sites identified by the Cities.

**3. Fulton County should encourage development of middle income and executive level single-family housing and market-rate rental housing.**

- a) Fulton County should conduct a housing developer solicitation to pursue site specific housing projects at the five development areas and sites identified by the Cities.
- b) Fulton County should market the Hales Mills and Tryon Development Areas for executive level housing.
- c) Fulton County should work with realtors and local companies to track demand for housing.

**GOAL THREE: PROMOTE DOWNTOWN REVITALIZATION IN THE CITIES**

Fulton County should continue to partner with the Cities of Gloversville and Johnstown, supporting them to become thriving and creative centers to live, work, shop and visit.

- 1. The Cities should build/create/develop amenities in their downtowns to attract people to live downtown.**
  - a) Fulton County should support the Cities by helping to identify important public space, historic preservation, streetscaping, gateway improvements, and trails and recreation projects that improve quality of life.
  - b) Fulton County should provide planning support and assistance with preparing and administering grants for priority projects.
  - c) Fulton County should structure larger Countywide programs that advance multiple projects rather than having individual communities compete against each other for limited funds.
- 2. Fulton County should partner with the City of Gloversville to implement its Downtown Development Strategy.**
  - a) Fulton County should continue its collaboration with the City of Gloversville and implement its Downtown Development Strategy.
- 3. Fulton County should encourage and assist the City of Johnstown to hire a professional consultant to prepare a Downtown Development Strategy.**
  - a) Fulton County should work with the City of Johnstown to hire a consultant and develop a strategy consistent with the preliminary plan.
- 4. Fulton County should secure Technical Assistance and Implementation Grants from the New York State Homes and Community Renewal's Main Street (NYMS) Program.**
  - a) Fulton County should seek \$500,000 in NYMS funding. The Main Street Technical Assistance program provides small grants for planning activities and market assessments to determine the most feasible Main Street investments. Fulton County should use the NYMS funding to hire an architect and/or engineer to evaluate downtown properties in each City and prioritize properties with the best odds of being reused.
  - b) Fulton County should complete site and target area or site specific financial feasibility and market analysis to facilitate identified residential development projects.

**GOAL FOUR: PROMOTE A VARIETY OF HOUSING PROGRAMS AND INCENTIVES.**

Fulton County should take a lead role in developing a County Housing Program that involves a housing rehabilitation program and the development of new housing. Fulton County should hire an experienced housing consultant to guide and assist in developing this program and obtaining initial funding.

- 1. Fulton County should hire a housing consultant to lead and guide implementation of Countywide housing programs.**
  - a) To supplement existing staff capacity, Fulton County should hire an experienced housing consultant to guide implementation of the Housing Strategy.
- 2. Fulton County should develop a Countywide Housing Rehabilitation Program.**
  - a) Fulton County should hire a consultant who specializes in housing rehabilitation and in developing affordable and mixed-income housing. The consultant should inventory and prioritize potential housing rehabilitation target areas Countywide, apply for funding to rehabilitate existing housing, abate problems including lead paint, preserve historic features and address code deficiencies, deliver the housing rehabilitation assistance program, and develop model housing rehabilitation guidelines and materials that can be used Countywide.
  - b) Fulton County should encourage the Cities, Towns and Villages to apply for funds through NYS Homes and Community Renewal Community Development Block Grant Program and through the Consolidated Funding Application process to promote housing rehabilitation throughout Fulton County.
- 3. Fulton County should develop a Countywide Homebuyer Assistance Program with a focus on attracting millennial families.**
  - a) Fulton County should direct its housing consultant to apply for funding through NYS Homes and Community Renewal to fund a first-time homebuyer program that can assist with the purchase of existing for-sale properties as well as new construction housing projects. The consultant should develop program guidelines that target assistance to households the County needs to attract – with a focus on attracting millennials.
- 4. Fulton County should develop a Countywide Anchor Building Rehabilitation/Reuse Program to promote rehabilitation and adaptive reuse of important properties.**
  - a) Fulton County should direct its housing consultant to apply for funding through NYS Homes and Community Renewal NYMS to fund this program.
- 5. Fulton County should establish a Countywide Neighborhood Preservation Company to develop an affordable housing program.**
  - a) Fulton County should reach out to surrounding communities including the Capital Region Community Loan Fund or Better Neighborhoods Inc. in Schenectady County to partner on

specific affordable housing projects or components of mixed-income and mixed-use development initiatives.

#### **GOAL FIVE: PROMOTE AND ENCOURAGE SMART TARGETED DEVELOPMENT**

Fulton County should help communities make their local land management frameworks supportive of residential development and control key parcels with the greatest odds of sustainable housing investment.

- 1. Fulton County should promote adoption of regulations in Cities, Towns and Villages that are housing friendly.**
  - a) Fulton County should encourage local communities to make their local land management frameworks supportive of residential development and to control key parcels with the greatest odds of sustainable housing investment. Housing-friendly codes can offer developers flexibility and reduce infrastructure and land development costs, making housing more affordable.
- 2. Fulton County should educate its Cities, Towns and Villages to adopt special land management tools to encourage investment.**
  - a) Fulton County should help its municipalities to adopt development-friendly land use tools including cluster zoning, planned development districts, conservation design subdivisions, density bonus, LEED standards, and design standards. Codes should protect single family housing in the Cities, encourage upper story residential uses, encourage mixed use, and allow smaller lot sizes to reduce land purchase costs and allow smaller lots and homes to increase affordability.
- 3. Fulton County should help the Cities and Towns to develop and implement code compliance programs to help property owners bring their buildings into compliance with the NYS Uniform Fire Prevention and Building Code.**
  - a) Fulton County should help the Cities, Towns and Villages to focus code enforcement and blight reduction in target areas to make a visible impact, and address property maintenance and building code violations. They should also obtain State grants to assist downtown property owners to make second and third floor space usable for offices and residences.
- 4. Fulton County should track land that becomes municipally owned through tax foreclosure and develop a preferred redevelopment program with incentives.**
  - a) Fulton County should take advantage of the considerable supply of properties in the foreclosure process that represent affordable targets for rehabilitation and redevelopment if they can be assembled and offered to pre-qualified buyers with financial incentives. Preference in homebuyer grant awards could be given to households that agree to rehabilitate a foreclosed home.

**5. Fulton County should consider development of a land bank to assemble sites.**

- a) Fulton County should review and understand the means to create a land bank provided within the State of New York Land Bank Act (Section 1600 of the NY Not-For-Profit Corporation Law). At the Housing Summit or other venue, discuss the potential of forming a land bank and consider whether an existing non-profit organization exists that could serve as a land bank.

**GOAL SIX: IMPLEMENT SUBMARKET RECOMMENDATIONS**

Fulton County should help the submarkets to accomplish the recommendations made for each.

1. Fulton County should help the Hales Mills submarket by distributing the Hales Mills Development Area brochure, completing infrastructure extension, developing a phasing schedule to coordinate buildout, adjusting land management tools to facilitate development, and marketing the proposed housing near the golf course as an active senior neighborhood.
2. Fulton County should help the Vail Mills Submarket by distributing the Vail Mills Development Area brochure, implementing findings of hotel make analysis, ensuring that retail investments happen concurrent with residential building and adjusting land management tools to facilitate development, as necessary.
3. Fulton County should help City of Gloversville and City of Johnstown submarkets to promote urban character and opportunities for social connections that appeal to millennials, empty nesters and young families, develop mixed-use modern apartment complexes and assisted-living/senior housing, modernize homes, and use programs like the NY Main Street Program to encourage building restoration and incentives for upper story housing.
4. Fulton County should help the Mayfield Submarket to focus on families with children and encourage development of senior housing and other options to meet the needs of the increasing elderly year-round population. They should help the Town to apply for State and Federal financial assistance to develop new housing and improve substandard housing through modernization and rehabilitation, and promote the Town through ongoing County marketing efforts.
5. Fulton County should help the Northampton/Northville Submarket to advance housing related actions identified in the Town of Northampton and Village of Northville local plans to develop senior housing, housing rehabilitation, housing attractive to young families, and reuse of upper story spaces. They should promote Northampton in ongoing Fulton County marketing efforts. The County should support current efforts to update zoning in Northville to build on amenities and attractions including walkability, mobility, cultural destinations, and shopping to maintain a highly social environment. They should consider ways to link projects to the Great Sacandaga Lake to create unique economic assets.
6. Fulton County should help the Broadalbin/Perth Submarket to advance housing related actions identified in the Town of Perth and Town of Broadalbin local plans including accessory apartments and consider use of elder cottages, apartment buildings, multi-family attached housing and senior housing. They should promote the Tryon Primary Development located in



the Town of Perth and develop a phasing schedule to coordinate build out of various elements at Tryon and County Route 107.

7. **Fulton County should help the Caroga/Bleecker Submarket to advance housing related recommendations in local plans including promoting housing diversity and concentration of housing in the Town Center to support the growth and development at its core. In Ephratah, develop low-maintenance types of housing including senior housing, apartments, condominiums, and assisted living centers. It should also promote Caroga/Bleecker in ongoing County marketing efforts, adjust land management tools to facilitate development, as necessary and consider ways to link projects to the various lakes.**