

FULTON COUNTY INDUSTRIAL DEVELOPMENT
AGENCY

TUESDAY
JANUARY 14, 2025
4:00 P.M.

PLANNING DEPARTMENT CONFERENCE ROOM
ANNUAL MEETING
MINUTES

PRESENT:

MIKE FITZGERALD, CHAIRMAN
SUE COLLINS, VICE CHAIRMAN
JOSEPH SEMIONE, MEMBER
DAVID D'AMORE, MEMBER
DR. GREG TRUCKENMILLER, MEMBER
DAN ROUNDS, MEMBER (ZOOM)
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC
SCOTT HENZE, PLANNING DIRECTOR
RON PETERS PRESIDENT & CEO, FULTON COUNTY CENTER FOR REGIONAL
GROWTH
JON R. STEAD, FULTON COUNTY ADMINISTRATIVE OFFICER
JAMES MRAZ
JEFF PERSCH, TOWN OF JOHNSTOWN CODE ENFORCEMENT OFFICER

I. MINUTES FROM DECEMBER 10, 2024 MEETING:

** Meeting minutes were emailed to all members on December 11, 2024.*

MOTION: To accept as presented.
MADE BY: Joe Semione
SECONDED: Dave D'Amore
DISCUSSION: None
VOTE: Unanimous

II. BUDGET REPORT:

MOTION: To accept as presented.
MADE BY: Mike Fitzgerald
SECONDED: Greg Truckenmiller
DISCUSSION: None
VOTE: Unanimous

III. COMMITTEE REPORTS:

A. Nominating Committee:

1. Report of Nominating Committee: 2025 Officers

Chairman	:	Sue Collins
Vice-Chairman	:	Dr. Greg Truckenmiller
Treasurer	:	Mike Fitzgerald
Secretary	:	Joe Gillis

IDA DISCUSSION: Scott Henze reviewed the proposed slate of officers for 2025 and asked if there were any additional nominations. There were none.

IDA ACTION:

MOTION: To accept the report of the Nominating Committee for 2025 IDA Officers

MADE BY: Dave D'Amore

SECONDED: Joe Semione

DISCUSSION: None

VOTE: Unanimous

**At this time, 2024 Chairman Fitzgerald and 2025 Chairman Collins exchanged seats.*

B. Audit Committee:

- Monthly Bank Reconciliation Report: Joe Semione

IDA DISCUSSION: Scott Henze asked Joe Semione if the Monthly Bank Reconciliation Report was acceptable. Joe Semione stated that it was.

C. Governance Committee:

- No report.

D. Finance Committee:

- No report.

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

1. FCCRG Report: (See attached.) Ron Peters

IDA DISCUSSION: Scott Henze thanked Ron Peters for attending the IDA meeting. Ron Peters congratulated Sue Collins on her position as Chairman. Ron Peters reviewed his CRG report with IDA Board members:

1. **The 2024 \$300,000 Microenterprise Grant is nearly complete. We should be in position to submit for another Microenterprise Grant at the end of this quarter or early next quarter:**
 - Ron Peters indicated that the MicroEnterprise grant program has been a successful one for Fulton County having awarded grants to over 100 small businesses. Ron Peters noted that it is a very time consuming process and requires a lot of “hand holding” of every applicant. Ron Peters thanked Joe Semione for participating on the committee that selects which businesses will receive the grant funding.
2. **No RFP's have been received since last month. We have not heard back on any of the 2024 submission responses.**
 - Ron Peters indicated that oftentimes the State will receive a request from a businesses’ consultant that is looking for information/sites whereby the State will then send out RFP’s to local Economic Development Organizations (EDO) to respond to. Ron Peters stated that when a response is provided to the RFP and then to the perspective company’s consultant, oftentimes said consultant/company will not respond back. He stated that it’s a process.
3. **CRG was one of the session presenters at the recent New York Association of Training and Employment Professionals (NYATEP) Workforce and Economic Development Conference. We invited the Fulton-Montgomery Chamber of Commerce, SUNY Fulton-Montgomery College, and Fulton, Montgomery, Schoharie County Workforce Development Board to participate on the panel.**
 - Ron Peters stated that the CRG was asked to provide a presentation at the NYATEP annual conference and that the presentation was well received. He stated that the CRG is looking forward to continue to work with NYATEP in the future on workforce development in NYS.
4. **Engineering services underway at Johnstown Commerce Park continue to move along as scheduled.**
 - Ron Peters stated that he expects that a report on the engineering services along with a presentation will be coming out within the next 30 days. He stated that the CRG did apply for an additional FAST-NY grant. He stated that this will allow for some additional work to be done on the site to enhance the

site in order to fit what a site selector may be looking for in a site for a particular use.

5. CRG received five responses to our Environmental Consulting Services RFP. We are in the process of reviewing them.

- Ron Peters stated that the CRG sent out an RFP for consulting services for their \$500,000 EPA grant and that a selection was made however the winner has not been notified yet.

6. The second-round application for the Make It Prize Grant to the Department of Energy was submitted. CRG is participating with four other organizations: Herkimer County Industrial Development Agency, Mohawk Valley Economic Development District, Mohawk Valley Economic Development Growth Enterprises Corporation, and Mohawk Valley Community College's Advanced Institute for Manufacturing. Our group was successful and was awarded \$100,000.

- Ron Peters stated that the group submitted a first-round application whereby they were awarded a \$50,000 grant (1 out of 30 groups in the USA). He stated that the group then applied for a second-round application for \$100,000 and were awarded (1 out of 12 groups in the USA). He stated that the group will now apply for the grant prize which is \$250,000. He stated that if awarded, they will be looking into promoting an advanced manufacturing operation supporting renewable energy, such as a solar manufacturing operation or basically an operation that produces energy. He stated that he has some ideas to bring an operation into Fulton County that would advance manufacture or parts distribution for solar farms.

7. The Gloversville Downtown Development Specialist continues to meet with ORI project awardees and is currently working on the capital stacking process for each project.

- Ron Peters stated that each project has its own individual nuances and requires a lot of handholding of projects. He stated that he expects that five (5) of the DRI projects should be breaking ground in the spring of 2025. He stated that the GRIP program which is the grant program out of the DRI includes twenty-four (24) individual requirements for each of the projects. He stated that the smaller “mom and pop” projects are finding it difficult to meet the 24 requirements and therefore it takes a lot of time and hand holding to get them through.

8. The Gloversville DDS continues to work with downtown related activities including the Local Waterfront Revitalization Program and the City's Brownfield Opportunity Area (BOA).

- Ron Peters stated that the LWRP and BOA are important as projects that are located within each will be awarded more points on grant applications within the State's Consolidated Funding Application (CFA) program.

Ron Peters asked if there were any questions by the IDA Board.

Dave D'Amore – Asked if Ron was seeing property owners/developers backing out of their projects/doing the work due to the difficulties in obtaining the capital stacking etc. and if it is creating a hurdle to fulfilling the DRI?

Ron Peters – Stated that he is not seeing that yet but there may come a time that they are encouraged to move aside. He stated that there are a few projects that the owner is considering to sell and move on rather than bringing a developer in. He stated that so far the State has been rather accepting to the idea of shifting monies from one project to another project. Ron Peters referenced similar difficulties with other DRI communities experiencing the same thing. He stated that simply the monies are not being expended fast enough within the DRI projects within NYS.

Dave D'Amore – Questioned how much of readiness (project) was factored into the DRI application/award?

Ron Peters – He stated that project readiness was not a factor. He stated that there was a fifteen (15) member committee/public hearing that projects were submitted to with said committee asking questions and providing input. He stated that overall there were three (3) public hearings and projects were either approved or removed etc.

Joe Semione – Stated that Ron Peters provided a presentation to the Rotary Club recently on the status of the Gloversville DRI whereby a comment was made that even though the Gloversville DRI was awarded in 2022 it is further ahead in the process than many of the other DRI awards in previous years.

Ron Peters – Stated that that was a comment made by NYS Officials. He stated that it is a very intensive process.

2. County Report: Jon Stead

Jon Stead stated that the Board of Supervisors is just getting off the ground noting that the new Chairman of the Board (Jared Goderie) will bring a slightly different perspective to the board given his agricultural background and being a small business owner. He stated that the Vice Chairman (Joe DiGiacamo) is also an individual that started a small business and grew said business into a larger business. He stated that he feels as though these individuals will be more poised to ask questions similar to what IDA members may ask when issues arise. He stated that the County Committee meetings will be starting at the end of the month and encouraged any IDA Board Member to attend if they had the opportunity to do so. He stated that both Scott and Ron report to the Economic Development & Environment Committee meetings. He stated that Ron

has been asked to provide an overview of all of the MicroEnterprise grant programs at committee meetings. He stated that three (3) of the programs have been finished and one is nearly finished. Mr. Stead stated that this program has been a very positive one that has provided an infusion of cash into various smaller businesses that have been start-ups or existing businesses etc.

Joe Semione stated that since he has been involved he has seen some of the small business grow from 1-3 employees to at times fifteen (15) employees. He stated that also unfortunately some businesses have not made it. He stated that the businesses that are chosen to be awarded are based upon worthiness and that we want them to succeed and last the five (5) years or longer etc.

Ron Peters stated that there is some misconception of the program. He stated that the funding is from NYS Office of Homes and Community Renewal (HCR) and not NYS Economic Development Corporation (EDC). He stated that the jobs that are created have to be 51% low/mod income. He stated that the applicant themselves can be low/mod income level as well. He stated that basically it is a job creating project funded through HCR.

Jon Stead that what also makes the program a challenge is that even the owner of the business often times has very limited business experience, in particular on the start-ups.

V. OLD BUSINESS:

A. Nexus Renewables :

- Nexus continues to wait until the Town of Johnstown Moratorium expires so it can file an application for a new Special Use Permit.

B. Crossroads Park Housing:

- Howard Hannah continues to market the 26 +/- acres for housing

VI. NEW BUSINESS:

A. 2025 Committee Appointments:

- Per the IDA’s Bylaws, the Chairman shall annually appoint members to the IDA’s Committees.
- The following are the Chairman’s Committee appointments for 2025.

<u>Committee</u>	<u>2024 Appointees</u>	<u>2025 Appointees</u>
1. Audit	1. Joseph Semione 2. David D’Amore 3. Dr. Greg Truckenmiller 4. Sue Collins	1. Dr. Greg Truckenmiller 2. Joe Semione 3. Mike Fitzgerald 4. Sue Collins
2. Governance	1. David D’Amore	1. Joe Semione

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|---------------|---------------------------|---------------------------|
| | 2. Dr. Greg Truckenmiller | 2. Dr. Greg Truckenmiller |
| | 3. Dan Rounds | 3. Dan Rounds |
| 3. Finance | 1. Joe Gillis | 1. Joe Gillis |
| | 2. Mike Fitzgerald | 2. Dan Rounds |
| | 3. Dan Rounds | 3. Mike Fitzgerald |
| 4. Nominating | 1. D. Greg Truckenmiller | 1. Mike Fitzgerald |
| | 2. Mike Fitzgerald | 2. Joe Gillis |
| | 3. Joe Gillis | 3. Sue Collins |
| | 4. Sue Collins | 4. Dr. Greg Truckenmiller |

B. Staff Appointments:

1. The IDA's Bylaws require that the IDA Board annually appoint:
 - Executive Director
 - Chief Financial Officer
 - Auditor

2. Appointment of Executive Director:

IDA ACTION:

MOTION: To appoint Scott Henze to serve as the IDA's Executive Director for 2025 at a salary of \$25,500 year.

MADE BY: Sue Collins

SECONDED: Joe Semione

DISCUSSION: None

VOTE: Unanimous

3. Appointment of Chief Financial Officer

IDA ACTION:

MOTION: To appoint Carol Ellis as the Chief Financial Officer for 2025 at a salary of \$8,150.

MADE BY: Joe Semione

SECONDED: Mike Fitzgerald

DISCUSSION: None

VOTE: Unanimous

4. Appointment of Auditor:

- It is recommended that the IDA retain West & Company as the IDA's Auditor.
- Total Fee: \$10,000
- These funds are included in the 2025 Budget.

IDA ACTION: Scott Henze stated that Amy Pedrick will continue to be the IDA's lead auditor in 2025.

MOTION: To appoint West & Company to serve as the IDA's Auditor for 2025 and to authorize the Chairman to execute an Agreement with West & Company to audit the IDA's 2024 financial statements at a fee of \$9,500 and to provide 2025 payroll services for \$500.

MADE BY: Dave D'Amore
SECONDED: Mike Fitzgerald
DISCUSSION: None
VOTE: Unanimous

C. Legal Services:

- It is recommended that the IDA retain Fitzgerald, Morris, Baker, Firth, PC to serve as IDA Counsel in 2025.
- Budgeted: \$9,000

IDA ACTION:

MOTION: To authorize the Chairman to execute an Agreement with Fitzgerald, Morris, Baker and Firth, PC to provide legal services in 2025.

MADE BY: Joe Semione
SECONDED: Sue Collins
DISCUSSION: None
VOTE: Unanimous

D. Consultant Services:

- It is recommended that the IDA retain Jim Mraz as a consultant in 2025.
- Budgeted: \$5,000.

IDA ACTION:

MOTION: To authorize the Chairman to execute an Agreement with Jim Mraz to provide Consulting Services in 2025.

MADE BY: Sue Collins
SECONDED: Joe Semione
DISCUSSION: None
VOTE: Unanimous

E. Depositories of IDA Funds:

- Per the IDA's Investment Policy, it is recommended that NBT Bank, Citizens Bank, Community Bank and Key Bank all be designated as eligible depositories of IDA funds.

IDA ACTION:

MOTION: To designate NBT Bank, Citizens Bank, Community Bank and Key Bank as eligible depositories of IDA funds for 2025.

MADE BY: Greg Truckenmiller
SECONDED: Dave D'Amore
DISCUSSION: Scott Henze stated that Mike Fitzgerald will need to abstain.
VOTE: 5-0-1 (Mike Fitzgerald abstained)

F. 2024 Financial Report:

- Chief Financial Officer has finalized the IDA's 2024 Financial Report.
- The Financial Report has been sent to West & Company to audit.

IDA DISCUSSION: Scott Henze stated that the financial report has been submitted to West & Company.

G. 2024 IDA Board Performance Questionnaire:

- The 2009 Public Authorities Reform Act requires IDA Board members to annually evaluate its performance.
- Evaluation forms were completed by all IDA Board members at the November 12, and December 10, 2024 meetings.
- Executive Director has collected the forms and tallied the results.
- See attached results.

IDA DISCUSSION: Scott Henze reviewed the summary results noting that for the past 2 (two) years the same question in regards to the Board knowing the statutory obligations of the IDA and

whether or not the IDA is in compliance with State Law has received a “Somewhat Agree” performance. Scott Henze stated that many of the board trainings have been provided so that Board members understand what the Board’s obligations are. Scott Henze asked if Board members had any suggestions as to what else the Executive Director can do to accommodate. The Board provided no suggestions.

IDA ACTION:

MOTION: To authorize the Executive Director to post the 2024 Summary of IDA Board Performance Questionnaire on the IDA’s website and include it into the Annual Report.

MADE BY: Mike Fitzgerald

SECONDED: Sue Collins

DISCUSSION: None

VOTE : Unanimous

H. 2024 Performance and Measurement Report:

1. Background:

- The 2009 Public Authorities Reform Act requires public authorities to develop performance measures to help determine how well they are carrying out their mission.
- Performance measures assist the IDA Board and management to evaluate and monitor whether the IDA’s authority’s policies and operating practices are in accordance with its mission.

2. Review 2024 Performance and Measurement Report:

- See attached.

IDA DISCUSSION: Scott Henze reviewed the Performance and Measurement Report with Board members and asked if there were any questions. There were none.

IDA ACTION:

MOTION: To authorize the Chairman to sign the 2024 Performance and Measurement Report, to authorize the Executive Director to post this report on the IDA’s website and to include it into the Annual Report.

MADE BY: Joe Semione

SECONDED: Dave D’Amore

DISCUSSION: None

VOTE: Unanimous

I. 2024 Assessment of the Effectiveness of the IDA’s Internal Financial Control System:

1. Background:
 - The IDA’s Policy 11 requires the IDA Board and management to complete an Annual Assessment of the Effectiveness of the IDA’s Internal Financial Control System.
2. IDA Board’s Assessment of IDA’s Internal Financial Control System.
 - The IDA Board reviewed the financial control system at its December 10, 2024 meeting and found it to be acceptable.
3. Management’s Assessment of Internal Financial Control System:
 - IDA management has assessed the Internal Financial Control System and has found it to be effective. No changes are recommended at this time.
4. Internal Financial Control System Certification Statement:
 - IDA’s Policy 11 Annual Assessment of the Effectiveness of Internal Controls requires the IDA Board to adopt a certification statement upon completion of its annual review of the IDA’s Internal Financial Control System.
 - Proposed 2024 Certification Statement reads as follows:

“The IDA Board has documented and assessed the Internal Financial Control System of the Fulton County Industrial Development Agency for the year ending December 31, 2024. The IDA Board has determined that the existing internal financial controls are acceptable.”

IDA DISCUSSION: Scott Henze reviewed proposed Certification Statement with Board Members and asked if there were any questions. There were none.

MOTION: To adopt the Certification Statement presented above, to authorize the Executive Director to acknowledge in PARIS that said Certification Statement was approved by the IDA Board, to authorize the Executive Director to post this certification on the IDA’s website and to include it into the Annual Report.

MADE BY: Greg Truckenmiller
SECONDED: Mike Fitzgerald
DISCUSSION: None
VOTE: Unanimous

J. Fulton County Center for Regional Growth Membership:

- In 2016, the IDA became a Gold Member of the FCCRG.
- FCCRG has revised its membership categories to now be:
 - 1) Tier 1 – Level \$150.00 (Tier 1 Micro Business 1-5 employees)
 - 2) Tier 2 – Level \$250.00 (Tier 2 Business w/ 6-20 employees)
 - 3) Tier 3 – Level \$500.00 and up (Tier 3 Business w/21 or more employees)
- In 2024, the IDA was a Tier 3 member at \$1,000.
- It is recommended that the IDA renew as a Tier 3 level for \$1,000.
- \$1,000 is included in the 2025 Budget for this membership.

IDA DISCUSSION: None

IDA ACTION:

MOTION: To approve a Tier 3 Level Membership with the FCCRG and to authorize a \$1,000 membership payment for 2025.

MADE BY: Dave D'Amore
SECONDED: Joe Semione
DISCUSSION: None
VOTE: Unanimous

K. 2024 IDA Goals:

1. 2024 Goals:
 - a) Continue Board training.
 - b) Get a liaison from the Board of Supervisors.
 - c) Find shovel-ready sites.
 - d) Market Crossroads Business Park for housing.
 - e) Participate in the preparation of County Economic Development Strategy.
 - f) Hire a grant writer to obtain grants.
 - g) Hold meeting between FCCRG and IDA Boards.

IDA DISCUSSION: Scott Henze reviewed the IDA's 2024 goals with Board Members indicating that the majority of the goals set out by the IDA had been achieved. He asked Board members if there were any new goals for 2025. Scott Henze suggested the following goals for discussion:

- Continue Board and Executive Director Training – (IDA Academy)
- Maintain an IDA presence at the Brownfield Developers Summit and attend one (1) other Economic Development Conference.
- Determine the Feasibility and develop an action plan for the development/re-development of sites/buildings within the City of Johnstown, Gloversville and Villages for housing and/or light industrial/high tech uses.

- Commence the implementation of Building Fulton County's Future: Housing, Tourism & Economic Growth Strategy (Round About Housing Hub, Tryon Residential Incubator Site, Building Demolition & Substation Supporting Tryon Technology Park)
- Commence an update to the FCIDA website.
- Hold meeting with representatives of the FCCRG and FMRCC Boards

Sue Collins stated that during the joint executive meetings that have been held between the IDA, CRG and Chamber, Betsy Emory has indicated that each organization's websites are competing with one another. Sue stated that one goal could be to have Betsy Emory take a look at the IDA's website and remove items that are in competition with other stakeholder websites.

Dave D'Amore questioned what was meant by in competition with one another means?

Sue Collins stated that when someone does a google search using certain key phrases they may land on the IDA's website rather than say the 44 Lakes website depending on the phrases used etc. She stated that the IDA's website mentions 44 Lakes as well as wording in regards to tourism etc.

Dave D'Amore stated that it sounds as though there is some redundancy that is occurring that is pulling traffic away from what their intended search was meant for.

Greg Truckenmiller stated that he would like to rephrase the goal to include what the intended goal was coming from the joint executive group in regards to creating the shared toolbox with all of the organizations working together.

Mike Fitzgerald recommended that the projects/goals identified within the County's new Development Strategy whereby the IDA is involved should be broken out separately.

Dave D'Amore stated that given the issues that the IDA has faced with finding suitable greenfield sites that have adequate power there needs to be some effort to find what already exists and prep those sites for suitable development in keeping with the local municipals zoning requirements etc.

Sue Collins stated that she would like one of the goals to include each IDA Board member attending one (1) Board of Directors meeting of the Fulton-Montgomery Regional Chamber of Commerce in 2025. Dave D'Amore asked Scott Henze to develop a meeting schedule for the member Chamber meetings as has been done for the CRG Board meetings. Sue Collins suggested to Ron Peters that the CRG also consider the same goal. Ron Peters agreed.

Jon Stead suggested that the Board consider utilizing the County's new dashboard matrix software that is a component of the Building Fulton County's Future: Housing, Tourism & Economic Growth Strategy in order to track progress of goals set by the IDA.

2. 2025 Goals:

- a) Continue Board and Executive Director Training.
- b) Maintain an IDA presence at the Brownfield Developers Summit and attend one (1) other Economic Development Conference.
- c) Determine the Feasibility and develop an action plan for the development/re-development of sites/buildings within the City of Johnstown, Gloversville and Villages for housing and/or light industrial/high tech uses.
- d) Commence the implementation of Building Fulton County's Future: Roundabout Housing Hub.
- e) Commence the implementation of Building Fulton County's Future: Tryon Residential Incubator Site.
- f) Commence the implementation of Building Fulton County's Future: Building Demolition & Substation Supporting Tryon Technology Park.
- g) Implement the coordinated final goal of the Joint Executive Committee in relation to a shared toolbox/landing page web concept (IDA, CRG, FMRCC, Workforce Development) to include an audit of the IDA's website.
- h) Utilize the County's Dashboard Matrix (Airtable) to track IDA goal progress.
- i) Each member attend one (1) Board of Directors meeting of the Fulton-Montgomery Regional Chamber of Commerce.

L. 2024 ST-340 Forms:

1. Background:

- Any company receiving sales tax benefits from an IDA is required to file an ST-340 Form with the NYS Department of Taxation and Finance.
- ST-340's must be filed by the end of February for the previous year.
- ABO wants IDA's to review these forms to verify that the project met or exceeded its total project cost.
- Vireo Health has filed their ST340 form for 2024 with NYS Taxation and Finance and the IDA (see attached)

2. Vireo Health Project:

- 1) In 2021, the IDA authorized sales tax exemptions be provided to the proposed Vireo Health Project. The following is a summary of what has transpired since 2021:

➤ Total Project Cost: Original	: \$55,000,000
➤ Total Project Cost: Revised	: \$77,465,438
➤ Total Costs Subject to Sales Tax: Original	: \$28,144,000
➤ Total Cost Subject to Sales Tax: Revised	: \$41,056,682
➤ Total Sales Tax Exemptions Approved: Original	: \$ 2,251,520

➤ Total Sales Tax Exemption Approved: Revised	: \$ 3,284,535
➤ Total Sales Tax Exemptions Claimed in 2021	: \$ 1,086,510
➤ Total Sales Tax Exemptions Claimed in 2022	: \$ 1,010,843
➤ Total Sales Tax Exemptions Claimed in 2023	: \$ 684,574
➤ <u>Total Sales Tax Exemption Claimed in 2024</u>	: \$ 126,039
➤ Total Sales Tax Exemptions Available	: \$ 376,569
➤ Original Deadline for Using Exemptions	: July 31, 2022
➤ Revised Deadline for Using Exemptions	: May 31, 2023
➤ Revised Deadline for Using Exemptions	: March 31, 2024

- 2) As shown above, Vireo did not take more sales tax exemptions than was authorized by the IDA Board.

IDA DISCUSSION: Scott Henze reviewed the background information identified in the agenda. Mr. Henze reiterated that Vireo Health’s total project cost far exceeded what the IDA Board’s application approval included and that they have not exceeded the total approved Sales Tax Exemptions.

M. Vireo Sales Tax Exemptions:

1. Background:

- a. In 2021, the IDA Board, authorized granting sales tax exemptions to the Vireo Health Project.
- b. The Project was the construction of a 324,000 sf facility at Tryon.
- c. The IDA Board’s basis for granting these exemptions included:
 - 1) **Vireo would make a private sector investment of \$55 million.**
 - 2) **Vireo would create approximately 120 new jobs.**
- d. Vireo has honored its commitment to invest \$55 million however, it has yet to create the 120 new jobs.

2. Status:

- Vireo recently completed the construction of its 324,000 sf facility.
- It took a significantly longer time to complete the construction of this facility.
- At present, Vireo has only completed ½ of the interior spaces on this 324,000 sf facility.
- Vireo is now looking to complete the other ½ of the interior spaces in the facility. However, to do so it needs additional power from National Grid.
- On December 13, 2024, Vireo was asked to develop and submit to the IDA a plan and schedule for creating the 120 new jobs it said it was going to create.
- Vireo has submitted this plan and schedule: See handout.

3. Recapture:

- The IDA Uniform Tax Exemption Policy (UTEP) includes the following language regarding recapturing sales tax exemptions:
 - 1) Pursuant to Section 875 of the Act, the Agency shall recapture unauthorized New York State and local sales and use tax benefits whenever the benefits were:
 - Not entitled or authorized to be taken
 - In excess of the amounts authorized
 - For unauthorized property or services or
 - For property or services not used according to the terms of the project agreement with the Agency.
 - 2) When the Agency determines that unauthorized sales tax exemption benefits were taken, the Agency shall notify the Project Operator, in writing, that:
 - a. Unauthorized sales tax benefits were taken by the Project Operator.
 - b. Identify the amount of unauthorized sales tax exemption benefits taken that is being recaptured.
 - c. Identify the date when the amount of unauthorized benefits shall be repaid to the Agency.
 - d. The consequences for not repaying the unauthorized sales tax benefits.
 - 3) The failure by a Project Operator to repay the Agency the unauthorized sales tax exemption benefits received shall be ground for the New York State Tax Commissioner to assess and determine State sales and use tax due from the Project Operator under article twenty eight of the New York State Law together with any relevant penalties and interest due on such amounts.
 - 4) When the Agency recovers or recaptures unauthorized or excessive sales tax exemptions the Agency shall, within (30) days, remit said sales tax to the Commissioner of the NYS Department of Taxation and Finance using Form ST-65 IDA Report of Recaptured Sales and Use Tax Benefits.
 - 5) The Agency shall:
 - a. Keep records of the New York State and local sales tax exemptions provided to each project, with such records available to the New York State Tax Commissioner upon request.
 - b. Report within thirty (30) days of providing any financial assistance in the form of a sales and use tax exemption, the project, the estimate amount of the exemption and other information as may be required by the New York State Tax Commissioner (Form ST-60).
 - c. The Agency shall file an annual report Form ST-62 with the New York State Tax Commissioner detailing its terms and conditions and its activities in recapturing any unauthorized New York sales and use tax exemptions.

4. Next Step:

- It is recommended that the IDA Board consent to Vireo's Plan and Schedule to create 120 new jobs and that if this Plan and Schedule is not adhered to, the IDA Board pursue recapturing the sales tax exemptions taken by Vireo.

IDA DISCUSSION: Scott Henze reviewed the background information as identified in the agenda and Vireo's submitted plan to create 120 jobs dated January 8 and January 13,

2025. He stated that it is the IDA’s responsibility to make sure that Vireo is complying with what the IDA agreed to in regards to providing sales tax exemptions and creating the 120 jobs. He noted that to date, between Vireo’s medical cannabis operation and project Bluebird (Adult Use) Vireo has identified that they have 68 total positions and of the 68 total positions they have created ten (10) new positions for project Bluebird. Scott Henze stated that based upon Vireo’s plan, they are proposing the following:

DATE	TOTAL NEW POSITIONS
June 2025	68
December 2025	85
June 2026	120

Joe Semione asked for clarification in reference to Vireo creating 68 new positions as of June 2025 in relation to the total 68 current positions and 10 new positions.

Kara Lais stated that it is confusing but the 68 total positions that they are proposing to create as of June 2025 will include the 10 new positions that Vireo is claiming that they have created for project Bluebird to date. She noted that it sounds as though some of the positions are working at both operations.

Sue Collins asked if Vireo was going to reduce the number of positions when they remove the outdoor greenhouse cultivation areas?

Kara Lais stated that she does not know whether that will affect the number of positions.

Scott Henze asked Jim Mraz if he had heard whether or not Vireo would lose jobs when removing the greenhouses?

Jim Mraz stated that he had not and that Vireo has stated that they will continue to cultivate medical cannabis within the existing facility but simply not within the greenhouses.

Mike Fitzgerald commented that growing cannabis at the indoor facility was noted to be more efficient.

Jim Mraz reiterated that growing cannabis indoors has proven to produce a better product for Vireo and they will continue to produce the same amount of product.

Joe Semione stated that Vireo will need to provide the IDA with an accurate report on the job creation as of June 2025. He stated that he would not want to wait until June of 2026 to find out that they have not created the number of jobs that they said that they would.

Kara Lais stated that the IDA asked Vireo to submit a plan to create the 120 jobs that was part of the original approval issued by the IDA to provide tax incentives. She stated that when Vireo reports on the status of the jobs created in June 2025 they may indicate that they have only created 50 of the 68 jobs. She stated that at that time, the IDA Board can

either agree to the number of jobs being created or disagree and move toward the recapture of the sales tax benefits.

Greg Truckenmiller questioned how many opportunities would the IDA have to recapture the sales tax benefits provided?

Kara Lais stated that the IDA has the full discretion to make a determination that Vireo has not complied with the job creation as was agreed to to date but if the IDA agrees to Vireos plan that has been submitted, then the IDA would not really have the ability to do so until that first June 2025 timeframe. She stated that at that time, if Vireo has not created the 68 new positions then the IDA would have grounds to start the recapture process. Kara Lais stated that the process to recapture would start by the IDA determining that they would like to start the recapture process providing the reasoning as to why. She stated that the IDA would then need to communicate that to Vireo. She stated that at that point, Vireo would be afforded the opportunity to attend an IDA meeting to explain why they have not been able to meet the obligation. She stated then the IDA and Vireo would discuss further etc. She stated that under State law, the IDA is required to monitor the project and recapture the sales tax exemptions if the company is not meeting up to the expectations that were agreed upon.

Scott Henze stated that he will require Vireo to provide the IDA with a detailed report of the progress of the new job creation by June 30, 2025 whereby the IDA board would then discuss at the July 2025 meeting.

Kara Lais stated that there have been verbal progress reports provided throughout the process.

Sue Collins asked whether or not the recapture is an all or nothing approach?

Kara Lais stated that with sales tax, it is a full recapture.

Mike Fitzgerald stated that Vireo has been negatively impacted by the NYS Office of Cannabis Management's rollout of the operating procedures/Adult Use licenses etc.

MOTION: To consent to Vireo's Plan and Schedule for creating 120 new jobs/positions for project Bluebird (Adult Use) as provided via correspondence dated January 8 and 13, 2025 and to require that Vireo submit a written report to the IDA on the status of the job creation on or prior to June 30, 2025, December 31, 2025 and June 30, 2026 and that if that Plan and Schedule is not adhered to, the IDA Board would pursue recapturing all of the sales tax exemptions taken by Vireo.

MADE BY: Sue Collins
SECONDED: Joe Semione

DISCUSSION: Dave D'Amore questioned what would happen if Vireo meets the benchmark of creating the 120 jobs and if there is a timeframe whereby they need to keep that level of jobs. He noted that once they meet the 120 job requirement they could then lay all of them off etc.

Kara Lais stated that that would be a substantial change to what was approved and would fall back into the recapture policy.

Dave D'Amore asked what type of duration Vireo has to maintain the 120 jobs?

Kara Lais stated that she believes that it is ten (10) years. She noted that Vireo provides a job count to the IDA every year as well.

VOTE: Unanimous

N. Winstanley Enterprises Project:

1. Background:

- In November 2021, the IDA executed a Purchase and Sale Agreement with Winstanley Enterprises (WE) to purchase all 240+/- acres of land at Tryon.
- In November 2022, the IDA and WE executed Amendment No. 1 to reduce the purchase price of the lands higher than anticipated due to the costs WE would incur to demolish the existing buildings.
- In December 2022, the IDA and WE executed Amendment No. 2 to extend the Due Diligence completion date from December 31, 2022 to February 28, 2023.
- In January 2023, the IDA and WE executed Amendment No. 3 to convert the Purchase and Sale Agreement in a 3-year Option Agreement with said option Agreement expiring on February 28, 2026.
- In December 2023, the IDA and WE executed Amendment No. 4 which reduced the annual payment under the Option Agreement to \$25,000 and stipulated that WE would return all Tryon domain names back to the IDA if Winstanley decided to not renew Option Agreement.

2. Proposed Amendment No. 5

- It is recommended that the IDA approve Amendment No. 5, which would extend the expiration date of the Option to February 28, 2029.

IDA DISCUSSION: Scott Henze reviewed the background information as identified in the agenda.

Joe Semione stated that they would still be required to maintain the mowing reimbursement as well as pay the \$25,000 annually.

IDA ACTION:

MOTION: To authorize the Chairman to execute Amendment No. 5
MADE BY: Dave D'Amore
SECONDED: Greg Truckenmiller
VOTE: Unanimous

VII. OTHER BUSINESS:

A. Fire Tax Bills:

1. Background:
 - IDA owns vacant land on the east side of NYS Route 30A and in the Tryon Technology Park in the Town of Johnstown.
 - Even though the IDA is tax exempt, it is not exempt from Fire Taxes.
2. Town of Johnstown Fire Tax Bill for Property on NYS Route 30A:
 - 2025 Fire Tax Bill:
 - 174.-2-65 : \$ 47.89
3. Town of Johnstown Fire Tax Bill for Tryon Technology Park Property:
 - 2025 Fire Tax Bills are:
 - 164.-2-16.5 : \$ 656.00

IDA DISCUSSION: Scott Henze stated that the IDA at one time owned three (3) parcels of which two (2) were within the Tryon Technology Park however the IDA transferred one (1) of the parcels to Fulton County Sewer District No. 4: Hales Mills and therefore no longer is required to pay the Fire Tax Bill for that property.

IDA ACTION:

MOTION: To authorize the payment of these two (2) Town of Johnstown Fire Tax bills.

MADE BY: Greg Truckenmiller
SECONDED: Joe Semione
DISCUSSION: None
VOTE: Unanimous

B. Board Training:

1. Duties and Responsibilities of IDA Board Members per Section 2824 of Public Authorities Law and IDA Bylaws:

- (a) Execute direct oversight of the Agency’s Executive Director, Chief Financial Officer, Legal Counsel, Auditor and other staff in the effective and ethical management of the Agency.
- (b) Understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency.
- (c) Establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the Executive Director and management. **[NOTE: All adopted.]**
- (d) Adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in section seventy-four of the public officers law. **[NOTE: Adopted]**
- (e) Establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the Agency, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services. **[NOTE: The IDA Board has adopted the following policies]:**

<u>Policy</u>	<u>Date Adopted/Amended</u>
01. Compensation and Reimbursement	9/30/2008
02. Attendance	9/30/2008
03. Travel	9/30/2008
04. Ethics	6/14/2022
05. Procurement	9/30/2008
06. Property Disposition	4/12/2022
07. Whistleblower Protection	9/30/2008
08. Extension of Credit to Board Members and Staff	9/30/2008
09. Check Writing	1/31/2013
10. Credit Card	9/3/2010
11. Annual Assessment of the Effectiveness of Internal Controls	1/14/2020
12. Approval of Subleases	2/11/2011
13. Discretionary Funds Policy	6/6/2013
14. Uniform Tax Exemption Policy	10/10/2023
15. Investment Policy	7/12/2022
16. Sexual Harassment Prevention Policy	11/14/2018

- (f) Adopt a defense and indemnification policy and disclose such plan to any and all prospective board members. **[NOTE: The IDA Board and staff are covered under the County’s Public Officer Liability Policy provided by the New York Municipal Insurance Reciprocal]**
- (g) Perform each of their duties as board members, including but not limited to those imposed by this section, in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the authority, its mission and the public.
- (h) At the time that each members takes and subscribes his or her oath of office, execute an acknowledgment, in the form prescribed by the Authorities Budget Office after consultation with the Attorney General, in which the board member acknowledges that he

or she understands his or her role, and fiduciary responsibilities and acknowledges that he or she understands his or her duty of loyalty and care to the organization and commitment to the Agency's mission and the public interest. [NOTE: All members have signed this Acknowledgement Form]

IDA DISCUSSION: Scott Henze reviewed the information identified within the agenda with Board members.

Greg Truckenmiller noted that many of the policies that have been adopted are rather old (2008) and asked Scott Henze to review the older policies to verify whether or not they are still acceptable or should be amended. Scott Henze stated that he would do so.

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.**

IDA ACTION: Scott Henze stated that he has no items to discuss in Executive Session.

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:
SECOND:
VOTE :
DISCUSSION:
TIME :

MOTION: To go out of Executive Session.

MADE BY:
SECOND:
DISCUSSION:
VOTE:
TIME:

VIII. OTHER BUSINESS:

IDA DISCUSSION: Scott Henze asked if there was any other business that would like to be discussed at this time. There was none.

IX. NEXT MEETING:

Tuesday
February 11, 2025
8:00 a.m.

X. CLOSE MEETING:

MOTION: To adjourn at 5:15p.m.
MADE BY: Dave D'Amore
SECONDED: Sue Collins
DISCUSSION:None
VOTE: Unanimous