

CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Minutes of Meeting
July 12, 2007

A meeting of the Chemung County Industrial Development Agency was held on Thursday, July 12, 2007, at 8:30 a.m. in 5th floor conference room of the Hazlett Building, 203 Lake Street, Elmira, New York. The following members were present: John Flory, Thomas J. Santulli, Donald Quick, Cornelius Milliken, Alan Winston, G. Thomas Tranter, Jr. and John Burin. Also present were George Miner, President of STEG; Jamie Johnson, Vice President of STEG; Thomas F. O'Mara, Esq., CCIDA Counsel; David Vandermark, City Chamberlain; and Sharon Chrisjohn, recording secretary.

Mr. Flory called the meeting to order.

On Motion No. 2007-50 by Mr. Santulli, seconded by Mr. Quick and unanimously carried, the minutes of May 11, 2007 were approved as presented.

Mr. Quick reviewed the financial statement for the period ending June 30, 2007 noting that cash is low because we are waiting for grants to come in.

On Motion No. 2007-51 by Mr. Santulli, seconded by Mr. Burin and unanimously carried, the financial statement was approved.

Mr. Miner advised we will have the 2006 annual report which was prepared by Carnevale at the August meeting.

Mr. Miner presented a new proposal for Fortuna Energy. The interest rate has been lowered and the balloon payment has been removed. It is a straight 15 year loan. He would like approval from the IDA for the new proposal. Mr. Santulli added that the good thing is that we got the land back and we will not own the building.

On Motion No. 2007-52 by Mr. Santulli, seconded by Mr. Quick and unanimously carried, it was

RESOLVED, that the Chemung County Industrial Development Agency will provide a \$1,125,000 loan to Fortuna and/or a private developer for a term of 15 years at an annual interest rate of 2%. The loan will be secured by a letter of credit from Talisman Energy, Inc. The loan will be made available after a Certificate of Occupancy is secured, along with other permanent financing; and be it further

RESOLVED, that the Chemung County Industrial Development Agency will provide a 4.4 ± acre parcel of land it owns in the Airport Corporate Park, known as Lot #3, under the following terms:

The land will be sold to Fortuna and/or a private developer for \$35,200 (\$8,000/acre) and the Chemung County Industrial Development Agency will require no payment of interest over a 15 year term yielding a monthly payment of \$195.55.

Mr. Miner explained that the signatures of the officers of the IDA on file with HSBC are not current.

On Motion No. 2007-53 by Mr. Quick, seconded by Mr. Tranter and unanimously carried, it was

MOVED, that the current officers of the IDA are authorized to sign a Banking Resolution with HSBC.

Mr. Miner stated that in order for Time Warner to run a line from the street to the Lagonegro building requires an easement.

On Motion No. 2007-54 by Mr. Tranter, seconded by Mr. Burin and unanimously carried, it was

MOVED, that the Chairman of the Chemung County Industrial Development Agency is authorized to sign an easement with Time Warner Cable to run a line to the Lagonegro building.

Mr. Miner explained that to resolve a cash flow situation, he received authorization from the officers of STEG to lend the IDA \$80,000.

On Motion No. 2007-55 by Mr. Quick, seconded by Mr. Tranter and unanimously carried, it was

MOVED, that the Chairman of the Chemung County Industrial Development Agency is authorized to sign a Promissory Note in the amount of \$80,000 payable to Southern Tier Economic Growth within 12 months, without interest.

Mr. Miner reported that in March we entered into a grant agreement with Eaton Electrical in the amount of \$700,000 payable over 5 years to subsidize rent. There is a new landlord and Eaton will be paying \$280,000 in rent for the first year. Mr. Johnson added that renovations to the building have begun. He is requesting that the IDA waive the \$300,000 paid rent requirement for the first year.

On Motion No. 2007-56 by Mr. Tranter, seconded by Mr. Santulli and unanimously carried, it was

MOVED, that the Chemung County Industrial Development Agency hereby waives the \$300,000 paid rent requirement for the first year of the grant.

Mr. Miner advised that the NYS Dormitory Authority has requested a resolution regarding the cash equity from the IDA on the Schweizer/Sikorsky.

On motion by Mr. Tranter and seconded by Mr. Quick, the attached Resolution No. 207-57 "SIKORSKY HAWKWORKS @ SCHWEIZER AIRCRAFT FINANCING RESOLUTION" was unanimously carried.

Mr. Miner has received an application from Riverside Realty of Elmira, LLC for a lease transaction to provide sales tax, mortgage tax and real property tax exemptions should they not received Empire Zone benefits. Fortuna Energy would be the tenant.

Attorney O'Mara stated there are 2 resolutions – the first is the SEQRA which authorizes the coordinated review and the second resolution is authorizing a public hearing.

On motion by Mr. Tranter and seconded by Mr. Santulli, the attached Resolution No. 2007-58 "RESOLUTION DIRECTING THE EXECUTIVE DIRECTOR OF CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF RIVERSIDE REALTY OF ELMIRA, L.L.C" was unanimously carried.

On motion by Mr. Santulli and seconded by Mr. Winston, the attached Resolution No. 2007-59 "RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF RIVERSIDE REALTY OF ELMIRA, L.L.C." was unanimously carried.

Attorney O'Mara advised that a resolution has been requested by bond counsel, Hodgson Russ, outlining their scope of services.

On motion by Mr. Winston and seconded by Mr. Quick, the attached Resolution No. 2007-60 "RESOLUTION APPOINTING SPECIAL COUNSEL, AND/OR BOND COUNSEL FOR CHEMUNG COUNTY INDUSTRIAL DEVELOPMENT AGENCY" was unanimously carried.

Attorney O'Mara stated that DDR has requested another extension of the exemption letter. Mr. Tranter would like to put pressure on to close. After discussions, it was agreed to grant an extension to August 1, 2007.

On motion by Mr. Winston and seconded by Mr. Quick, the attached Resolution No. 2007-61 "RESOLUTION AMENDING THE FOURTH AMENDED AGENT RESOLUTION FOR A CERTAIN COMMERCIAL PROJECT FOR DDR HORSEHEADS LLC" was unanimously carried.

Attorney O'Mara advised that the April minutes relative to Motion No. 2007-31 should be amended to clarify that the CCIDA accepts Empire Pipeline's offer of a non-PILOT ten year host community benefit fund agreement for economic development and authorizes the CCIDA to execute documents in connection with the host community benefit agreement. The April 19, 2007 minutes inaccurately described the host community benefit fund payment as an alternate PILOT payment. The host community benefit agreement was offered by Empire to be consistent with agreements reached with the other county IDA's along the pipeline

On Motion No. 2007-62 by Mr. Tranter, seconded by Mr. Winston and unanimously carried, it was

MOVED, that the April 19, 2007 minutes Motion No. 2007-31 be clarified to read that the CCIDA accepts Empire Pipeline's offer of a ten year host community benefit fund agreement for economic development with annual payments of \$54,814 payable to the CCIDA and authorizes the CCIDA to execute documents in connection with the host community benefit agreement.

Mr. Burin introduced David Vandermark, Elmira City Chamberlain, who will be Acting City Manger.

There being no further business, on motion by Mr. Tranter, seconded by Mr. Winston and unanimously carried, the meeting adjourned.