

Chemung County Industrial Development Agency
Minutes of the Meeting
June 14, 2016

A meeting of the Chemung County Industrial Development Agency was held on Tuesday, June 14, 2016 at 9:00 AM at 203 Lake Street, 2nd Floor, Elmira, New York.

The following members were present: Dawn Burlew, Donna Draxler, Michael Hosey, Kimberlee Middaugh, Donald Quick, Thomas Santulli and Alan Winston.

Also present were: Michael Krusen, Executive Director to the Agency; Susan Katzoff, Counsel to the Agency; Mary Rocchi, Recording Secretary, local labor representatives and media.

There was no public comment.

On Motion No. 2016-55 by Mr. Santulli, seconded by Ms. Burlew and unanimously carried, the minutes of the May 24, 2016 meeting were approved.

Mr. Quick stated there was no Audit report.

Mr. Quick presented the financial report. The IDA is showing a net loss as rents at the Schweizer facility are not covering expenses. There is cash left from the sale of the Sikorsky building. Receivables are timely and there is nothing outstanding. On Motion No. 2016-56 by Mr. Santulli, seconded by Ms. Burlew and unanimously carried the financial report was approved.

Mr. Hosey presented a Governance Report. The Governance Committee met prior to the IDA meeting to discuss approval of the Application for Financial Assistance and new policies that were restructured by NYS Economic Development Council's Policy Committee and the State Comptroller's office. The policies were reviewed by Ms. Katzoff. On Motion No. 2016-57 by Mr. Hosey, seconded by Mr. Quick and unanimously carried, the Application for Financial Assistance was approved with one change.

On Motion No. 2016-58 by Mr. Quick, seconded by Mr. Santulli and unanimously carried, the Project Approval Policy, Project Agreement, Annual Assessment Policy, Recapture Policy, and Annual Reporting Requirements were approved.

Mr. Krusen presented a proposal for the Chemung County IDA to accept a deed for 41 Aviation Drive in Big Flats, New York from Chemung County. No Requests for Proposal were received and there were no attendees at the Pre-Submittal Conference held on June 8th. The IDA has received an offer for 41 Aviation Drive of \$750,000 which is less than it is appraised for at \$1,020,000. Net proceeds for the IDA will be \$600,000-\$700,000. A new Limited Liability Corporation has been formed by Three Cities Research Inc. and will be called 41 Aviation Drive LLC. The LLC will provide aircraft maintenance in the facility and create 1 to 5 jobs per plane. The new owner plans to relocate some of his other businesses in the back offices of the facility. The facility has been vacant for 2 years. It is a good use of space as it is on the airport. On Motion No. 2016-59 by Mr. Santulli, seconded by Ms. Burlew and unanimously carried, the board authorized acceptance of the transfer of 41 Aviation Drive to the Chemung County Industrial Development Agency and the sale of the facility to Three Cities Research Inc. for \$750,000 was approved. It was noted that the purchase price is below what the facility was appraised for.

Mr. Krusen presented an Engineering Services Proposal from James Gensel at Fagan Engineers. Fagan will provide services as requested by the Chemung County IDA on a project to project basis. The proposal amount will not exceed \$50,000. Ms. Middaugh noted that the City staff should not be

mentioned in this proposal that it should be the agency's staff. On Motion No. 2016-60 by Mr. Hosey, seconded by Mr. Quick and unanimously carried, the Engineering Services Proposal was approved.

Mr. Krusen discussed the Center for Governmental Review – IDA Cost Benefit Calculator. Currently the Chemung County IDA is not using a Cost Benefit Analysis. It is now required under the new legislation. The cost of this Cost Benefit Analysis could be up to \$750 per year. There was discussion. On Motion No. 2016-61 by Ms. Draxler, seconded by Mr. Hosey and unanimously carried, the purchase of the Governmental Review – IDA Cost Benefit Calculator was approved.

Mr. Krusen presented an application from James Capriotti who is remodeling row houses located at 389-391, 393-395 and 397-399 West Water Street. Mr. Capriotti is redeveloping these houses into mixed use commercial and residential properties. The estimated project cost is \$1.3 million and the project has received a NYS grant in the amount of \$200,000 and tax credits of approximately \$149,000. Approximately 12 construction jobs will be created and 2-4 permanent jobs for the commercial site. The IDA will enter into a Lease Transaction whereby Capriotti Properties will own the real estate, lease it to the IDA who will then lease it back to Capriotti Properties. The PILOT Agreement was discussed and approved by the City Assessor. Mr. Capriotti is requesting sales tax exemption and a mortgage tax abatement. The estimated cost of this project is \$350,264 and a PILOT deviation letter will be forwarded to all taxing jurisdictions and a public hearing scheduled. On Motion No. 2016-62 by Mr. Quick, seconded by Ms. Burlew and unanimously carried, with Ms. Middaugh abstaining, the application for financial assistance for Mr. Capriotti was approved pending the PILOT Deviation letter and public hearing.

On Motion No. 2016-63 by Mr. Hosey, seconded by Mr. Quick and unanimously carried, Executive Session was convened to discuss a property transfer.

On Motion No. 2016-64 by Mr. Quick, seconded by Mr. Santulli and unanimously carried, Executive Session was dismissed.

Ms. Katzoff presented the following resolution. On Motion No. 2016-65 by Mr. Quick, seconded by Mr. Santulli and unanimously carried, the Chemung County Industrial Development Agency will proceed with the acquisition of First Arena for a total purchase price of \$3.5 million contingent upon and subject to the execution of the revised Memorandum of Understanding and License Agreement between the Chemung County Industrial Development Agency and Victory Associates and subject to execution of a purchase agreement between Chemung County and the Chemung County Industrial Development Agency to purchase deed restriction that the arena remain open to the public for no less than ten (10) years and the building received an appraisal of \$8 million was approved.

Mr. Santulli stated that the Requests for Proposal are due on June 24th and we will make sure someone is in place to run the team and arena. We will find someone with the knowledge and sources to operate the facility. We have an obligation to find someone to run the facility and not put it in the hands of government.

On Motion No. 2016-66 by Ms. Draxler, seconded by Mr. Santulli and unanimously carried, the meeting was adjourned at 10:22 AM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary