

Chemung County Industrial Development Agency

March 31, 2017

AGENDA

1. Public Comment
2. Approval of Minutes – March 7, 2017
3. Audit Committee Report
4. Financial Report
5. Governance Committee Report
 - a. Update on CCIDA Website
6. New Business
 - a. Solar – Presentation from Heather McDonald, Vice President, Director of Economic Development Services, Tompkins County Area Development
 - b. Transfer of Property to CCIDA – 114 Baldwin Street
 - c. Property Lease with Jim Capriotti – 110-112 and 114 Baldwin Street
 - d. Southern Tier Crossing Bond Financing Prepayment & Document Termination
 - e. STEG/CCIDA Administrative Services Agreement
7. Old Business
 - a. SEPAC – CCIDA Administrative Fee Waiver
– Mortgage Tax
 - b. Schweizer Lease Update
 - c. Maloney Enterprises – Mortgage Tax Exemption
8. Executive Session - Property Matter (Arena)
9. Other Business
10. Adjournment

Chemung County Industrial Development Agency
Minutes of the Meeting
March 31, 2017

A meeting of the Chemung County Industrial Development Agency was held Friday, March 31, 2017 at 8:40 AM at 203 Lake Street, 5th Floor Conference Room in Elmira, New York. The following members were present: Dawn Burlaw, Donna Draxler, Donald Quick, Thomas Santulli and Alan Winston.

Also present were: Michael Krusen, Executive Director of the Agency; Susan Katzoff, Counsel to the Agency (via phone); Heather McDaniel, Executive Director, Tompkins County Industrial Development Agency; Zsuzsi Kadar, Southern Tier Economic Growth; Mary Rocchi, Recording Secretary to the Agency; George Winner, Attorney for Delaware River Solar; Samantha Potter, Chemung County Public Information Coordinator; Robert Thomas, First Arena; and a local media representative.

Mr. Michael Hosey was excused.

Mr. Winston called the meeting to order at 8:40 AM and reported that a quorum was present. A copy of the agenda and documents pertaining to the meeting were emailed to members previously and there will be an Executive Session as well as a Chemung County Capital Resource Corporation meeting immediately following this meeting.

Mr. Krusen introduced Heather McDaniel, Executive Director of the Tompkins County Industrial Development Agency who presented a Power Point on solar energy. If a municipality is interested in pursuing solar power for their community they must first send a letter of support from the home municipality expressing their interest and select their preference for local subscribers. A 20 year Payment In Lieu of Taxes agreement is the maximum PILOT for a solar project. It is \$8,000 per megawatt with a 2% annual increase. The solar panels have a lifespan of 25-30 years and will then have to be replaced or dismantled. Ms. McDaniel's reviewed solar projects in Massachusetts and New Jersey. New York State uses a sliding scale starting at 40 cents per kwh and ending with 9 cents per kwh over 7 to 10 years. A developer has to reserve a spot in the program. The issues with NYSEG and interconnection fees have been worked out. Jurisdictions can opt in or out. Chemung County has opted out. Municipalities interested in solar power would have to come to the IDA for a PILOT. From project approval to implementation it normally takes six to nine months.

There was no public comment.

On Motion No. 2017-23 by Mr. Santulli, seconded by Mrs. Draxler and unanimously carried, the minutes of the March 7, 2017 minutes were approved.

Mr. Quick reviewed the audit. The Audit Committee met with the auditors to review the report and received a clean opinion. There is an operating loss of \$616,000 which is down from \$1 million in 2015. The management of the website needs to be updated. Mrs. Kadar reported that all areas of the website have been updated with the exception of the Internal Control Structure and Procedures, which is being worked on. Mrs. Kadar explained that the Authorities Budget Office requests that a Procurement Officer be appointed. On Motion No. 2017-24 by Mr. Santulli, seconded by Mr. Quick and unanimously carried, Tara Cofone, Business Manager for Southern Tier Economic Growth, appointment as Procurement Officer

was approved. On Motion No. 2017-25 by Mrs. Draxler, seconded by Ms. Burlew and unanimously carried, the Audit was approved as presented.

Mr. Quick reported there was no finance report as we met March 7th and approved the February report.

There was no Governance report.

Mr. Krusen discussed accepting the transfer of property located at 114 Baldwin Street, formerly Shreibmans, to the Chemung County IDA from Chemung County. The County Legislature will vote on the transfer on April 10, 2017. On Motion No. 2017-26 by Mr. Quick, seconded by Mr. Santulli and unanimously carried, accepting the transfer of 114 Baldwin Street upon approval of the County Legislature was approved.

The IDA previously purchased a building at 110-112 Baldwin Street and seeks authority to negotiate a property lease with James Capriotti to develop both 110-112 and 114 Baldwin Street if received from the County. On Motion No. 2017-27 by Mr. Quick, seconded by Mr. Santulli and unanimously carried, the CCIDA approves negotiation of a lease with James Capriotti for a development project at 110-112 and 114 Baldwin Street, in accordance with the Agency's policies.

Mr. Krusen stated that future agendas would have a section for informational items and a section for action items.

Ms. Katzoff presented a request from DDR Horseheads LLC for bond financing prepayment and document termination. There are two bonds dated December 1, 2007, one of which is paid off, bond 2007A. Bond 2007B has a few years left on it. DDR Horseheads Inc. is exercising its right to prepay Bond 2007B as the company is selling the facility. On Motion No. 2017-28 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, the board will consent to the drafting, execution and delivery of all necessary documents to allow prepayment of Bond 2007B and to terminate all related documents, including but not limited to the lease and PILOT Agreement with the company upon prepayment of the bond, was approved. Discussion followed.

Mr. Krusen presented the Administrative Services Agreement between Southern Tier Economic Growth and the Chemung County Industrial Development Agency. The agreement for 2017 will be \$110,000 and effective January 1, 2017. On Motion No. 2017-29 by Ms. Burlew, seconded by Mrs. Draxler and unanimously carried, the Administrative Services Agreement between Southern Tier Economic Growth and the Chemung County Industrial Development Agency for \$110,000 for 2017 and retroactive to January 1, 2017 was approved.

Mr. Krusen revisited the SEPAC agenda item from the March 7, 2017 meeting. Since SEPAC is only asking for a sales tax and mortgage tax exemption, the \$750 application is sufficient to cover the IDA's staff time for this project and asked that the 1% administrative fee be waived. On Motion No. 2017-30 by Ms. Burlew, seconded by Mrs. Draxler and unanimously carried, the waiving of the 1% administrative fee for SEPAC was approved. Ms. Burlew commented that SEPAC did not originally ask for the mortgage tax exemption and asked IDA staff to check the application. Mr. Krusen stated that the company requested the mortgage tax exemption after the initial presentation of the application as there will be a transfer of the business SEPAC is purchasing that would require a commercial loan transaction. On Motion No. 2017-31 by Ms. Burlew, seconded by Mrs. Draxler and unanimously carried, the mortgage tax exemption for SEPAC and waiver of the 1% administrative fee was approved.

Mr. Krusen reported that an update of the current appraisal is required for 1250 Schweizer Road now that Incubatorworks is not occupying space in the building. The IDA will proceed with commercial leases with current tenants as the sale of the tenant's progresses. Transactional expenses will be picked up by the tenant. Richard Keyser is representing the buyer. M. Krusen recommended Steven Agan to represent the IDA on this transaction as he is familiar with it. On Motion No. 2017-32 by Mr. Quick, seconded by Ms. Burlew and unanimously carried, the Chemung County IDA will enter into an agreement with Steven Agan to provide a commercial lease for the Schweizer facility located at 1250 Schweizer Road was approved.

Mr. Krusen revisited the Maloney Enterprises project. Their financial structure has changed and they now would like to receive a mortgage tax exemption. The mortgage tax exemption will be \$5,250. Therefore, another public hearing will not be required. On Motion No. 2017-33 by Mrs. Draxler, seconded by Ms. Burlew and unanimously carried, a mortgage tax exemption for Maloney Enterprises was approved.

On Motion No. 2017-34 by Mrs. Draxler, seconded by Mr. Santulli and unanimously carried, Executive Session convened to discuss a property matter at 9:30 AM.

On Motion No. 2017-35 by Mrs. Draxler, seconded by Mr. Quick and unanimously carried, Executive Session dismissed at 10:00 AM.

On Motion No. 2017-36 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, with respect to the current year expenses, the Executive Director of the Agency was authorized, subject to the Treasurer's review and approval to expend up to \$50,000 for current expenses through April 18, 2017 of the First Arena and to pay an amount not to exceed \$50,000 per month after April 18, 2017 for First Arena overhead expenses, was approved. Once hockey season ends, monthly revenue should cover the arena's expenses.

On Motion No. 2017-37 by Mr. Quick, seconded by Mrs. Draxler and unanimously carried, the meeting adjourned at 10:01 AM.

Respectfully submitted,

Mary K. Rocchi
Recording Secretary