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Tioga County Industrial Development Agency

April 5, 2017

Ronald E. Dougherty County Office Building

56 Main Street, Owego, NY 13827

Minutes

1. Call to Order and Introductions

The meeting was called to order by Chairperson R. Kelsey at 4:31 p.m.

2. Attendance

A. IDA Board Members

1. Roll Call: R. Kelsey, A. Gowan, T. Monell, K. Gillette, K. Dougherty, M. Sauerbrey, J. Ceccherelli
 - a. Absent: J. Ceccherelli
 - b. Excused:
2. Guests:
 - a. B. Myers, L. Tinney, C. Haskell, J. Bellis, M. Freeze

3. Privilege of the Floor- J. Bellis

Crown Cork and Seal: Town of Nichols operations: Line 1 is fully operational with 40,000 gallons of water per day; Line 2 is not expected to be fully operational until September 2017; and Line 3 is expected sometime soon. J. Bellis reported there is a lot of pre-treatment with little to no sludge. SRBC is monitoring. J. Bellis reported some improvements are needed to the vault. A. Gowan inquired as to why the vault is leaking. J. Bellis reported this is due to coming up through the sump in the bottom of the vault.

T. Monell arrived at 4:35 p.m.

Freehold: J. Bellis reported there is no visual due to technical difficulty. This project is 5 feet above street and 817.6 feet above sea level at fire station. SJB Services in Cortland, NY will provide the geo-tech services. J. Bellis reported visual is forthcoming.

4. Reaffirm Email Votes

1. ***Stiletto Hair and Nails Loan Application Acceptance –***

Motion to reaffirm the email vote to approve the loan request for Stiletto Hair and Nails in the amount of \$23,500, as recommended by the Loan Committee, with the following terms/conditions: (K. Dougherty, K. Gillette)

**Aye – 6 Abstain – 0
No – 0 Carried**

- Maximum of \$23,500 at 2.5% fixed interest for five years (\$417.06/month).
- Collateral to include a shared second position security interest with VEDA on the real property offered by Roberta's father located at 103 Volunteer Way, Athens, PA 18810. Parcel numbers: 07-020.15-133-000-000 & 07-020.18-004. A shared second security interest with VEDA to the Tioga County IDA's existing loan on all property of the debtor including accounts receivable, inventory, furniture, fixtures and equipment now owned, or hereafter acquired and all sales contracts, leases, and any other agreements relating to the premises.
- Roberta Coleman will provide her unconditional personal guarantee.
- Loan funds will be used for leasehold improvements and the purchase of machinery and equipment.
- Key person life insurance on Robert Coleman at least in the amount of the outstanding debt and assigned to the Tioga County IDA and VEDA shall be provided. A provision can be made for the insurance to decline as the loan is repaid, retaining an insured amount on the policy to equal to the amount of the declining loan balance.
- All applicable local, state, and federal requirements to apply.
- Landlord Waiver
- Roberta Coleman must sign at least a five (5) year lease with the new landlord.
- Roberta Coleman will meet at least semi-annually with an accountant to review her finances and financial statements.

2. ***Atlantic Environmental Consulting, LLC – Asbestos Study – 540 Stanton Hill Road***

a. Maximum Cost: \$2,020.00

Motion to reaffirm the email vote to approve the asbestos study for 540 Stanton Hill Road with Atlantic Environmental Consulting, LLC for a cost not to exceed \$2,020.00. (K. Dougherty, K. Gillette)

**Aye – 6 Abstain – 0
No – 0 Carried**

3. ***Loan Committee – Increase to inter-creditor agreement for Double Aught Lumber, permission to execute contingent on J. Meagher's opinion.***

Motion to approve an increase to the inter-creditor agreement for Double Aught Lumber, permission to execute contingent on J. Meagher's opinion.

(K. Dougherty, M. Sauerbrey)

**Aye – 6 Abstain – 0
No – 0 Carried**

5. Project Updates

A. **Crown Cork & Seal USA, Inc. – B. Myers/J. Bellis**

1. **Update** - B. Myers reported the ribbon cutting event is scheduled for 5/9/17 from 1-3 p.m. B. Myers will send out an email notification to all Board members with formal invitations to follow. B. Myers reported working on getting grant reimbursements started.

B. Tioga Downs Racetrack, LLC Phase 2 & 3 – B. Myers

1. **Update** - B. Myers reported construction is progressing and currently working on the 6th floor of the hotel. In addition, the convention center is also progressing and Tioga Downs is hoping to have the convention center and golf course completed simultaneously.

C. Tioga Downs Racetrack, LLC Phase IV – B. Myers

1. **Update** - B. Myers reported the PILOT closed on 3/22/17. B. Myers reported the asbestos study and tree removal is moving forward.

D. FedEx Project - B. Myers

1. **Update** – B. Myers reported the ribbon cutting event is scheduled for 4/18/17 from 10 a.m. – 12 p.m.

E. Gateway Project – B. Myers

1. **Update** – B. Myers reported this project is moving along and closing on financing is anticipated to occur in the next 4-6 weeks.

F. Owego Gardens

1. **Update** - B. Myers reported the ribbon cutting event is scheduled for 5/3/17 from 11 a.m. - 1:30 p.m. B. Myers will send out email notification to all Board members with formal invitations to follow.

6. Old Business – B. Myers

A. Public Authority Accountability Act

1. **Audit Committee Report (R. Kelsey, K. Dougherty, A. Gowan) –**
Nothing new to report.
2. **Governance Committee Report (R. Kelsey, K. Dougherty, A. Gowan)**
Nothing new to report.
3. **Finance Committee Report (R. Kelsey, A. Gowan, K. Gillette)**
Nothing new to report.

B. E-Site Phase IB Archeological Study –

- a. **SHPO – No Impact Letter Issued** - B. Myers reported the archeological study is good and SHPO issued a no impact letter.
- b. **Master Plan** - B. Myers reported Clark Patterson Lee will present at the May Board.

C. E-Site Wetland Delineation –

- a. **Update** - B. Myers reported the US Army Corp of Engineers is hoping to be on-site in May.

D. NYSEG – PSC Case – B. Myers reported Otsego County has filed.

E. Building the Southern Tier Magazine Article – B. Myers thanked B. Woodburn and the ED&P staff for their assistance in putting the article together. B. Myers also gave special thanks to B. Woodburn for the article in the Owego Pennysaver.

PILOT Updates – B. Myers

7. **A. 2016 Annual, Investment, Audit, and Procurement Reports** – B. Myers reported all reports have been submitted.

B. PILOT Application Received by SUN8 PDC, LLC on behalf of Distributed Sun

- a. **Project Discussion** - B. Myers reported the IDA has received a completed application, as well as the PILOT application agency fee. B. Myers reported the proposed project is for a 16 megawatt system in the Town of Spencer on a 110-acre parcel. B. Myers reported he is currently working out assessed value of project to determine PILOT impact. B. Myers reported they are currently working with the Town of Spencer and school district to negotiate the best deal for all parties. Ms. Tinney requested the Board accept the application, issue an inducement resolution and set a public hearing date as this will acknowledge the application has been received and will begin the process. L. Tinney and B. Myers will work on preparing the Cost Benefit Analysis for the Board 's review. The tentative public hearing date has been scheduled for Monday, April 24th, at 6:00 p.m. in Spencer, NY. Exact location to be determined and announced. Ms. Sauerbrey reported she will be out-of-town the week of April 24th, therefore, unable to attend the public hearing.

Motion to accept the PILOT application received from SUN8 PDC, LLC, issue an inducement resolution, and set a public hearing date for Monday, April 24th at 6:00 p.m. with location to be determined and announced. (T. Monell, M. Sauerbrey)

Aye – 6 Abstain – 0
No – 0 Carried

8. **Approval of Minutes –**

A. March 1, 2017 Regular Meeting Minutes

Motion to approve the March 1, 2017 Regular Board Meeting minutes (T. Monell, A. Gowan)

Aye – 6 Abstain – 0
No – 0 Carried

B. March 1, 2017 Audit Committee Meeting Minutes

Motion to approve the March 1, 2017 Audit Committee Meeting minutes (T. Monell, A. Gowan)

Aye – 6 Abstain - 0
No – 0 Carried

9. **Financial Reports –**

A. Reports

1. Balance Sheet – Checks are cut and ready for loan closings. Balance sheet reflects decrease in USDA funds.
2. Profit & Loss
3. Transaction Detail – Crown Cork and Seal and Owego Gardens have been moved to the correct accounts that were recently established.
4. Operating Income vs. Operating Expense – 1st Quarter 2017 – This report reflects the IDA is in-line with last year for Q1 2016.

Motion to acknowledge financial statements (M. Sauerbrey, T. Monell)

Aye – 6 Abstain – 0
No – 0 Carried

10. New Business – B. Myers

A. DOT Eminent Domain –

B. Myers reported the IDA received a letter dated 3/9/17 from NYS DOT regarding two parcels owned by the IDA located in Harford, NY (Cortland County) they plan to acquire via eminent domain. B. Myers reported appraisal is forthcoming. The purpose of acquiring the properties is in association with a bridge relocation project which is anticipated to start in September 2017. B. Myers reported Steve May was notified and requested the opportunity to remove the track on these parcels prior to NYS DOT taking ownership, which they were agreeable.

B. FOIL Request – IBEW

B. Myers reported IBEW submitted a FOIL request regarding Diekow Electric and the Nichols Waste Water Treatment Plant (WWTP). B. Myers worked with J. Bellis and a letter of response was sent out on March 24th. B. Myers acknowledged he was thanked for the information provided, therefore, believes the information provided was sufficient.

C. Leadership Tioga Presentation: State Line Auto – 4/11 – B. Myers and L. Tinney will be making a presentation to Leadership Tioga in regards to the IDA mission, incentive programs, projects, and the loan program.

D. Manufacturers Resource Session: Binghamton University – 4/12 – B. Myers will be attending the Manufacturers Resource Session to provide information on loan programs, incentive programs, etc.

E. Tioga County IDA Representative on Regional Council – L. Tinney reported Tioga County has not had voting representation on the Regional Council since the representative from Lockheed Martin resigned several years ago. L. Tinney stated the importance of having a voting member representing Tioga County, therefore, submitted IDA Chair Kelsey's name for consideration. However, the Regional Council suggested L. Tinney serve as the Tioga County IDA representative.

Motion to authorize L. Tinney to serve as the IDA representative on the Regional Council (T. Monell, K. Gillette)

Aye – 6 Abstain – 0
No – 0 Carried

11. Reports

A. Railroads – B. Myers

1. Committee Report (T. Monell, K. Gillette)

a. Income to Date – B. Myers reported the 2017 railroad income received to date is \$22,886.

B. Loan Program – B. Myers

- a. **USDA Site Visit 3/9/17** – B. Myers reported the USDA site visit went well with the exception of the issue of bank collateral statements, as it was noted that the USDA accounts are not separated on the statements. B. Myers reported all USDA accounts are 100% collateralized, which was accepted for 2017.
- b. **LINC Report** – B. Myers reported the USDA LINC Report will be filed by end of week.
- c. **Owego Parkview – Façade Loan Application** - B. Myers reported the Loan Committee met just prior to this meeting and approved the \$35,000 façade loan request for windows and other façade improvements at 0% interest for 6 years (\$490.00/mo.)
Motion to approve the façade loan application for Owego Parkview in the amount of \$35,000 at 0% interest for 6 years, as recommended by the Loan Committee.
(A. Gowan, K. Dougherty)
Aye – 5 Abstain – 1 (R. Kelsey)
No – 0 Carried
- d. **Raymond-Hadley** – B. Myers reported the IDA received a request from Raymond-Hadley to cash in the life insurance policy on the existing HUD loan. The Loan Committee reviewed and approved the request providing Raymond-Hadley pays off the existing HUD loan in full.
Motion to approve the Loan Committee’s recommendation to allow Raymond-Hadley to cash in the life insurance on the existing HUD loan once the loan is fully satisfied. (A. Gowan, T. Monell)
Aye – 5 Abstain – 1 (R. Kelsey)
No – 0 Carried
- e. **Gigglebox Playhouse** – B. Myers reported the loan closed on 3/30/17

12. Executive Session –

Motion to move into Executive Session at 5:25 p.m. pursuant to Public Officers Law Section 105 to discuss financial matters and property acquisitions.

(A. Gowan, T. Monell)

Aye – 6 Abstain – 0
No – 0 Carried

K. Dougherty exited the meeting at 6:05 p.m.

Motion to exit Executive Session at 6:23 p.m. (T. Monell, K. Gillette)

Aye – 5 Abstain – 0
No – 0 Carried

Motion to authorize contract with LDG for testing and initial study work on Project Freehold.

(T. Monell, K. Gillette)

Aye – 5 Abstain – 0
No – 0 Carried

Motion to authorize B. Myers to make an offer on the property in Lounsberry not to exceed \$200,000 (T. Monell, A. Gowan)

Aye – 5 Abstain – 0
No – 0 Carried

13. Next Meeting – Wednesday, May 3, 2017

14. Adjournment –

Motion to adjourn at 6:25 p.m. (K. Gillette, R. Kelsey)

Aye – 5 Abstain – 0
No – 0 Carried