



Thursday, August 25, 2016
STAMP Committee Meeting - GCEDC
Innovation Zone Conference Room
8:00 am

MINUTES

ATTENDANCE

Committee Members: P. Zelif, P. Battaglia, C. Yunker, J. Rizzo
GCEDC / GGLDC Board Members:
Staff: M. Masse, E. Richardson
Guests: LeeAnn Mullen (Town of Alabama Resident)
Absent:

1. Call to Order / Enter Public Session

P. Zelif called the meeting to order at 8:05 a.m. in the Innovation Zone Conference Room.

2. Executive Session

C. Yunker made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:05 am, for the following reasons:

1. 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.

The motion was seconded by J. Rizzo and approved by all members present.

Re-Enter Public Session

J. Rizzo made a motion to enter back into public session at 8:35 a.m., seconded by P. Battaglia and approved by all.

3. Chairman's Report & Activities

3a. Agenda Additions / Other Business – Nothing at this time.

3b. Minutes: June 30, 2016

C. Yunker made a motion to approve the Minutes from June 30, 2016 the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zelif - Yes
J. Rizzo - Yes
P. Battaglia - Yes
C. Yunker - Yes

The item was approved as presented.

4. Discussions / Official Recommendations to the Board:

4a. National Fuel Area Development Grant – M. Masse shared that the GCEDC has applied for an Area Development Grant in the amount of \$400,000 from National Fuel to help with some of the costs of tapping the Empire Pipeline and bringing gas service to the STAMP site. National Fuel is looking for the GCEDC to authorize the use of \$100,000 of the money to begin the Environmental Permitting process of the line.

J. Rizzo made a motion to recommend approval of utilizing up to \$100,000 of the grant to cover the environmental and permitting costs for tapping the Empire Pipeline and installing a distribution line contingent upon receiving an award letter; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Zelff - Yes
J. Rizzo - Yes
P. Battaglia - Yes
C. Yunker - Yes

The item was approved as presented.

4b. Key Bank Depository – M. Masse shared that the GCEDC’s current \$16M line of credit that is being used as bridge financing for STAMP infrastructure is with First Niagara Bank. Key Bank is currently completing its acquisition of First Niagara Bank, and our line of credit will be transferred over sometime between October 8-10. The GCEDC received some paper work from Key Bank and is requesting the Board pass resolutions that state Key Bank is an official banking partner of the GCEDC, and authorizing the execution of the Depository Collateral Pledge Agreement. The authorized signers on the Key Bank line of credit and corresponding bank accounts will remain the same as the Board appointed for the First Niagara accounts.

C. Yunker made a motion to recommend approval of establishing Key Bank as an official banking partner of the GCEDC, authorizing the same signatories as were listed on the First Niagara accounts, and execution of the Depository Collateral Pledge Agreement; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Zelff - Yes
J. Rizzo - Yes
P. Battaglia - Yes
C. Yunker - Yes

The item was approved as presented.

4c. National Grid SIS Study Payment – M. Masse shared that the GCEDC paid \$125,000 to National Grid to complete a Systems Impact Study (SIS) on the 115 kV lines at the STAMP site as part of the process to tap those lines and construct a substation to support the first tenant at STAMP. National Grid has notified the GCEDC that they have incurred more cost than the \$125,000 can cover, and sent an invoice for \$70,000. The \$70,000 is comprised of \$37,000 in overage to date, plus an additional \$33,000 to complete the remaining work under the study. The Board had requested further documentation from National Grid, which we have received. The revised invoice is for \$67,176.61. Future billings will be done monthly and brought to the Committee for approval.

P. Battaglia made a motion to recommend approval of \$67,176.61 to be paid to National Grid for the SIS Study to be covered under the \$5M ESD Grant; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Zelff - Yes
J. Rizzo - Yes
P. Battaglia - Yes
C. Yunker - Yes

The item was approved as presented.

4d. 345kV Electric Transmission SIS Study Consultant Proposal – M. Masse shared that the GCEDC is looking to contract with Robert Gage for the following work:

- Prepare and submit study request to NYISO
- Scoping meeting with all involved parties to discuss the proposed and alternative interconnection options.
- Review and make recommendations for the SIS agreement.
- Prepare RFP to solicit bids for consulting firm to complete SIS.
- Coordinate completion of the SIS with firm selected.
- Review initial draft report.
- Provide advisory services as requested to the GCEDC on strategy pertaining to STAMP and the electrification on infrastructure.

The contract is not to exceed \$24,800 and will be covered under the \$5M ESD Grant.

J. Rizzo shared that his concern with the contract is how did we select this firm. Spending money from the Buffalo Billion is being closely monitored these days and how we select firms is a big piece of that. We need to be able to justify how we selected this firm.

M. Masse shared that Robert Gage was a consultant to one of the bidders who responded to the Request for Proposal (RFP) we did for the 115kV substation design and engineering. That bidder was not awarded the bid however, Mr. Gage emailed us directly after that and requested a meeting to discuss opportunities of working with the Agency. He has a unique skill set as it relates to National Grid. S. Hyde offered him a \$4,800 contract as a way to be able to assess his potential skill set. S. Hyde was very pleased with his services.

P. Zelff shared that he had previous experience working with Robert Gage on a few of his projects with National Fuel.

C. Yunker asked if we requested proposals for these services.

M. Masse stated that the Agency did not request proposals for these services.

C. Yunker asked how many other firms are out there might have bid on this project.

M. Masse shared that he doesn't know of any.

P. Zelff shared that he could think of two other companies that would be capable of this work but that the Agency would want to be sure that there is a larger group of companies to bid on the design of the 345kV, and if awarded the 345kV SIS work, that would preclude them from bidding on the design and engineering for the substation. Mr. Gage does not have the capabilities to be able to bid on the design and engineering for the 345kV substation.

P. Battaglia shared that he doesn't think there is any uncomfortableness, but that J. Rizzo's point is that with all the scrutiny going on, we need to be able to justify why we are not going out to bid for these services. This contract is not a large dollar amount. Maybe going forward, we should think about doing an RFP for these services.

J. Rizzo shared that he is not worried about the result, but worried about the process. We need to be conscious with anything that is involved using these funds.

P. Zelff shared that he is a proponent of going out to bid for all services; he doesn't care if the funds are from the Buffalo Billion or not.

J. Rizzo shared that we need to keep the pool of bidders for the design & engineering of the 345kV as large as possible. We are willing to narrow the field on these types of services in order to potentially save money on the design and engineering piece.

P. Battaglia made a motion to recommend approval a contract with Robert Gage for Engineering Consulting Services not to exceed \$24,800 to be covered under the \$5M ESD Grant; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Zeliff - Yes
J. Rizzo - Yes
P. Battaglia - Yes
C. Yunker - Yes

The item was approved as presented.

4e. Recent NYS ESD Approvals – M. Masse shared that last Thursday, ESD approved the remaining \$28M of the \$33M for the infrastructure project. They also approved the \$18M that will go to 1366 Technologies towards the construction of the facility. There will be a public hearing in September for these awards.

J. Rizzo asked how is the Agency doing with the \$33M? Are we going to be able to accomplish everything that we planned with these funds? Have we needed to shift funds from “A” to “B”?

M. Masse shared that we have not needed to shift any funds at this point. Whether we can get all the work done that we need under the \$33M will largely depend upon the construction bids. Construction is estimated to be approx. \$22M of the \$33M. We have spent \$5M so far. As of right now, with estimated construction costs, there is a potential shortfall of approx. \$900K. By deferring some future land acquisitions, that will help lower the shortfall.

J. Rizzo shared that in essence, the Agency has prioritized the expenditures of the \$33M so that the Agency can stop at some point and stay within \$1M of that number.

LeeAnn Muller joined the meeting at 9:00am.

C. Yunker asked if there is a contingency included in the budget.

M. Masse shared that there is a small contingency included in the \$33M budget. The budget for the construction estimates also includes a contingency as well. Clark Patterson Lees’ construction estimates are conservative

Adjournment

As there was no further business, P. Battaglia made a motion to adjourn at 9:05 a.m., seconded by J. Rizzo and passed unanimously.