



Thursday, May 7, 2015
Upstate MedTech Centre – Suite 107
4:00 PM

GCEDC MINUTES

Attendance

Board Members: W. Hinchey, R. Cianfrini, M. Wiater, J. Rizzo, P. Battaglia, C. Yunker
Staff: S. Hyde, L. Farrell, M. Masse, P. Kennett, R. Tabelski, C. Suozzi
Guests: T. Felton (GGLDC Board Member), Hollis Upson (GGLDC Board Member), S. Noble-Moag (GGLDC Board Member)
Absent: P. Zelif

1.0 Call to Order / Enter Public Session

W. Hinchey called the meeting to order at 4:00 pm in the Upstate MedTech Centre Innovation Zone conference room.

1.1 Executive Session

J. Rizzo made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 4:00 pm, for the following reasons:

- Discussions regarding proposed, pending or current litigation.

The motion was seconded by P. Battaglia and approved by all members present.

1.2 Re-Enter Public Session

J. Rizzo made a motion to enter back into public session at 4:18 p.m., seconded by C. Yunker and approved by all members present.

2.0 Chairman's Report & Activities

2.1 Upcoming Meetings – W. Hinchey reviewed the upcoming meetings with the Board.

2.2 Agenda Additions – W. Hinchey asked the Board to approve adding item 5.5 Insurance Requirements for Projects to the agenda.

J. Rizzo made a motion to approve adding item 5.5 Insurance Requirements for Projects to the agenda; the motion was seconded by C. Yunker. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

2.3 March 30, 2015 Minutes

C. Yunker made a motion to approve the March 30, 2015 Minutes; the motion was seconded by R. Cianfrini. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

3.0 C. Suozzi: VP of Business Development

3.1 Depew Lancaster & Western Railroad Co., Inc. – Resolution No. 05/2015-01 – C. Suozzi shared that the company is seeking to purchase additional equipment to include one specialized forklift and two track vehicles for servicing truck and rail at the warehouse facility in the City of Batavia. The total capital investment is approximately \$118,907, the company will be retaining 9 jobs and creating 1 new job. The company is seeking assistance from the GCEDC with a sales tax exemption valued at approx. \$9,512. An economic impact analysis was done and for every \$1 of public benefit, the company is investing \$12.50 into the local economy.

J. Rizzo asked where the company's headquarters was located.

C. Suozzi shared that the company's headquarters is located in the City of Batavia at One Mill Street.

P. Battaglia asked Chris to confirm that they are creating one new job.

C. Suozzi explained that the company is projecting to create one new job and retaining nine jobs.

P. Battaglia mentioned, while reviewing the project information, the benefited amount to the company was awful small, only \$9,500.

C. Suozzi agreed, however, the company ultimately sees this as a benefit no matter how small.

J. Rizzo mentioned that we as an Agency do have a history with this company and they currently have just over 20 current jobs.

R. Cianfrini asked if the company would purchase the equipment if the Agency did not provide the incentives.

C. Suozzi believes that the company needed the incentives in order to justify purchasing the equipment; they would not purchase the equipment without the incentives.

S. Hyde shared that New York is the 49th most expensive state to do business in. It is part of our philosophy to help these core businesses stay competitive.

C. Suozzi asked the Board to approve Resolution No. 05/2015-01.

Resolution No. 05/2015-01

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO (i) APPOINT DEPEW LANCASTER & WESTERN RAILROAD CO., INC. (THE "COMPANY") AS ITS AGENT FOR THE PURPOSE OF UNDERTAKING A CERTAIN PROJECT; (ii) PROVIDE THE COMPANY WITH A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE PROJECT; AND (iii) EXECUTE AN AGENT AGREEMENT, NYS FORM ST-60, BILL OF SALE AND RELATED DOCUMENTS.

P. Battaglia made a motion to approve Resolution No. 05/2015-01 as presented; the motion was seconded by M. Wiater. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

J. Rizzo and R. Cianfrini left the meeting at 4:25pm.

4.0 L. Farrell: Chief Financial Officer

4.1 1st Quarter Financial Statements (as reviewed by the Audit & Finance Committee) - L. Farrell reviewed the 1st Quarter 2015 financial statements with the Board. The financial statements were reviewed by the Audit and Finance Committee on May 5, 2015 and were recommended for Board approval. She noted an operating loss of \$151,023 YTD. Expenditures are in line with the budget, except as noted.

L. Farrell asked the board to approve the 1st Quarter 2015 Financial Statements.

M. Wiater made a motion to approve the 1st Quarter 2015 Financial Statements; the motion was seconded by C. Yunker. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Absent	P. Battaglia -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

J. Rizzo and R. Cianfrini joined the meeting at 4:29pm.

4.2 2014 PARIS Results – L. Farrell presented the GCEDC 2014 PARIS Analysis presentation to the Board. It was noted in the Comptroller’s Audit Report that the IDA’s responsibility is to monitor and evaluate the performance of businesses receiving financial assistance to determine whether the businesses are meeting the goals included in their project application. In the past, staff and management, have reviewed all of the reporting collected from the companies as required by the Authorities Budget Office (ABO) and the Office of the State Comptroller (OSC). Now the staff will be taking that information a step further, working with the Governance Committee, to find an objective way to evaluate the performance of these companies going forward.

A few key notes:

- There were 92 projects reported in our current portfolio for 2014.
- There were 99 projects reported in 2013.
- 15 projects expired at the end of 2013 and are now on the tax rolls paying full taxes.
- There were a significant amount of projects in the City of Batavia and the Town of Batavia reported in 2014.
- There were 8 financial assistance projects that closed in 2014, making a job creation commitment of 123 collectively.
- Two projects had outstanding PILOT payments as of 12/31/14; in April 2015 those payments had been made.
- Total PILOT payments to taxing jurisdictions in 2014 equal approx. \$1.97M.
- 35 projects are within the 3 year ramp-up period.
- 28 projects outside of the 3 year ramp-up period met or exceeded job creation goals.
- 29 projects outside of the 3 year ramp-up period are classified as underperforming.

4.3 D&O Insurance Limit Increase – L. Farrell shared that in 2013 the GCEDC increased its Directors & Officers Liability Coverage from \$2M to \$5M. At that time the Board discussed potentially increasing the limit again in the future.

Lawley Genesee has provided a proposal for an additional \$5M limit for Directors & Officers Liability Insurance. The total premium quoted for one year of coverage is \$15,000. The premium would be paid 50% by the GCEDC and 50% by the GGLDC.

The current policy in place, as approved at the February 5th Board Meeting, has a \$5M limit and the total premium is \$16,771 (50% GCEDC / 50% GGLDC).

At the March 5th Board Meeting, Lawley Genesee representatives were asked to provide the Board with sample D&O claims for review. We have received that information and it is included in the meeting materials.

The 2015 budgets do not include allocations for these additional expenses. 2015 budget modification adjustments were discussed with the Audit & Finance Committee on May 5th.

C. Yunker shared that a part of what was discussed at the Audit & Finance Committee was that the potential amount of risk will increase once STAMP ramps up. The Committee feels at this time they are comfortable with the limits that are currently in place and can revisit an increase once STAMP gets going. This item was also not in the budget. The Committee has deferred any action at this time.

5.0 M. Masse: Senior VP of Operations

5.1 Gateway I: Purchase & Sale Contract – M. Masse shared that the GCEDC has been presented with a proposed Purchase & Sale Agreement (PSA) for approximately 3.1 acres located in the Gateway I Corporate Park. The GCEDC proposed a sale price of \$124,000 for the 3.1 acres.

M. Wiater shared a concern regarding section (I) on page 2 of the contract. If the purchaser is requesting this other contingency, she suggests having some specific amount of time that they are required to meet that contingency.

M. Masse stated that the purchaser has a 9 month contingency for financing and asked if that was an appropriate amount of time for them to meet their other contingency as well.

M. Waiter stated that it would be sufficient.

M. Masse asked the Board to approve the Gateway I: Purchase & Sale Contract for approx. 3.1 acres for a sale price of \$124,000 as long as the language in section (I) on page 2 includes meeting the contingency within 9 months of acceptance by Seller.

P. Battaglia made a motion to approve the Gateway I: Purchase & Sale Contract as modified; the motion was seconded M. Wiater. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zeliff -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

5.2 Memorandum of Understanding (MOU) with the Village of Medina (as recommended by the STAMP Committee) – M. Masse shared that Phillips Lytle prepared the MOU that outlines the proposal for the Village of Medina to treat up to 2.5M GPD of wastewater from the STAMP site.

P. Battaglia pointed out a few inconsistencies between this agreement and the agreement with the Village of Oakfield that is up for discussion next on the agenda. Both are small things; one being the headings of the agreements are different. One says STAMP Wastewater Services and the other is for STAMP Water Supply. Secondly, one agreement mentions that STAMP will create up to 10,000 jobs and the other states 9,000.

M. Masse stated that he would adjust both agreements to reflect a heading that states STAMP Wastewater Services and 10,000 jobs to be created.

M. Masse asked the Board to approve the Memorandum of Understanding with the Village of Medina as modified.

R. Cianfrini made a motion to approve the Memorandum of Understanding with the Village of Medina as modified; the motion was seconded J. Rizzo. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zeliff -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

5.3 Memorandum of Understanding (MOU) with the Village of Oakfield – M. Masse shared that this MOU outlines the proposal for the STAMP site to purchase up to 200,000 GPD of water from the Village of Oakfield and that he will adjust the agreement to reflect a heading that states STAMP Water Services and 10,000 jobs to be created, to be consistent with the previous MOU.

M. Masse asked the Board to approve the Memorandum of Understanding with the Village of Oakfield as modified.

P. Battaglia made a motion to approve the Memorandum of Understanding with the Village of Oakfield as modified; the motion was seconded M. Wiater. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

5.4 Scalia’s Landscaping Mowing Contract – Not to exceed \$11,000 – M. Masse shared with the Board a contract with Scalia’s Landscaping to mow the properties that the Agency has acquired at the STAMP site and Gateway I. The proposal presented also included Gateway II and Buffalo East Tech Park, however those will be paid for by the GGLDC and are not expected to exceed \$5,000, the threshold in which Board approval is required.

S. Hyde had a special request; he was able to receive a late bid and asked if the Board would be willing to approve a “up to” amount, however he asked the board not specify a vendor to allow time to evaluate the option of this late bid.

P. Battaglia is worried about voting on this without knowing who the contract will be awarded to in case a conflict of interest arises.

S. Hyde shared that the other landscaping company would be McKenzie Landscaping out of Leroy. He shared that he was doing some work with them personally and mentioned the mowing work that needed to be done. They satisfied the insurance requirements and was interested in submitting a bid. That’s why the bid came in after it was discussed with the STAMP Committee.

R. Gaenzle cautioned doing so because the new bidder can see the amount the Board is authorizing and possibly undercut their bid.

J. Rizzo added that if we have an approval of not to exceed \$11,000 for either Scalia’s Landscaping or McKenzie Landscaping then we should give Scalia’s another opportunity to bid. He mentioned his concern that he shared with the STAMP Committee about not following the Agency’s own procurement policy.

M. Masse shared that the Agency did follow the policy. The Agency contacted the number of companies required by policy; a minimum of three. McKenzie Landscaping didn’t happen to be one of them.

S. Hyde shared that he was looking for a way to save money and thought that McKenzie Landscaping was competitive.

P. Battaglia thought that it wasn’t right to send out a request for proposal, collect several proposals then have a late bidder and not offer the other companies a chance to rebid.

S. Hyde agreed and shared that he can go back to McKenzie Landscaping and let them know that we will contact them for a bid on the mowing contract for next year if that would make the Board more comfortable.

C. Yunker made a motion to approve the Scalia’s Landscaping Mowing Contract not to exceed \$11,000 as presented; the motion was seconded J. Rizzo. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

5.5 Insurance Requirements for Projects (as recommended by the Governance & Nominating Committee) – M. Masse shared that the GCEDC currently has a standard \$1M/\$3M General Liability insurance coverage requirement in place as well as a hold harmless agreement for additional coverage. This applies to any project that is seeking a mortgage tax exemption, a sales tax exemption and/or a PILOT either individually or collectively. We have found that on some of the smaller projects, the increased cost of changing the insurance coverage for the time period of the benefits is not cost effective for them to seek financial assistance. At the January 10, 2013 meeting, the Board discussion was that the GCEDC was not going to offer lower insurance coverage limit exceptions to companies related to projects that would put the IDA in the chain of title. It was discussed that we would offer those projects sales tax exemptions only. In reviewing the minutes, this was a discussion point only, and the pricing policy was not amended to reflect this.

M. Masse asked the Board to approve an amendment to the policy to include language allowing approval of lower insurance limits for sales tax exemption only projects that would be reviewed on a case by case basis.

C. Yunker made a motion to approve an amendment to the Pricing Policy as presented; the motion was seconded P. Battaglia. Roll call resulted as follows:

W. Hinchey -	Yes	C. Yunker -	Yes
P. Zelif -	Absent	M. Wiater -	Yes
R. Cianfrini -	Yes	P. Battaglia -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

6.0 S. Hyde: President & CEO

6.1 Niagara County Water District (NCWD) Letter of Support – S. Hyde shared that on March 12th, M. Masse and himself, along with representatives from Clark Patterson Lee, attended a meeting with the Chairman, Executive staff, legal staff and their engineers to provide the water district an update on STAMP’s development. The meeting went very well. They invited us back to do a full presentation to the water district board of directors on April 16th. The presentation also went exceedingly well and we have the Niagara County Water District’s full support to provide us what we call the “big water” solution for STAMP for the long term. Included in the meeting materials is a letter of support from the Niagara County Water District stating their willingness to partner and be the STAMP “big water” provider of up to 13mgd. This helps provide surety to large projects in the future looking to locate at STAMP. Meanwhile, Tim Hens and the Genesee County water resources board is actively working with the Monroe County Water Authority to effect “carve out” language enabling this. We have an interim resolution of support from Monroe County Water Authority in hand that supports STAMP and our request.

7.0 R. Tabelski- Marketing & Communications Director

7.1 Nothing at this time.

8.0 Other Business

8.1 Nothing at this time.

9.0 Adjournment

As there was no further business; P. Battaglia made a motion to adjourn at 5:07 p.m., seconded by M. Wiater and passed unanimously