



Tuesday, May 2, 2017
GGLDC – Andrews Conference Room
Audit & Finance Committee Meeting
3:00 p.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia, H. Upson, T. Felton
 Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde
 Guests: M. Gray (GCEDC Board Member)
 Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

T. Felton called the meeting to order at 3:55 p.m. in the Andrews Conference Room.

1a. Executive Session – P. Battaglia made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 3:55 p.m., for the following reasons:

1. To discuss 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 H. Upson and approved by all members present.

1b. Re-Enter Public Session - P. Battaglia made a motion to enter back into public session at 4:15 p.m., seconded by H. Upson and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business – Nothing at this time.

2b. Minutes: March 30, 2017 –

H. Upson made a motion to accept the March 30, 2017 Meeting Minutes as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
 P. Battaglia - Yes
 H. Upson - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. 1st Quarter 2017 Financial Statements – L. Farrell presented the 1st Quarter Financial Statements to the Committee and noted the following:

- Unrestricted cash consists mostly of MedTech Centre funds.
- \$8,500 National Grid grant draw request is for Buffalo East Tech Park all ready to go out this week.

- The Empire Pipeline Community Benefit Agreement payment dedicated to support development at the GVAB was received. It flows through the GCEDC and pays annual principal and interest on the bond.
- Most expenses are within budget; expenses that are not within budget amounts are directly related to grant revenues.

P. Battaglia made a motion to recommend approval of the 1st Quarter 2017 Financial Statements as presented; the motion was seconded by H. Upson. Roll call resulted as follows:

T. Felton - Yes
 P. Battaglia - Yes
 H. Upson - Yes

The item was approved as presented.

3b. Strategic Investments Update – L. Farrell reviewed the Strategic Investment Analysis Summary as included in the Committee packet. The following was noted:

- It was noted that all items in red are not yet approved by the Board.
- \$500,000 MedTech Centre reserve was moved out to 2021.
- Extended the \$300,000 Economic Development Program Grant through 2020.
- The Workforce Development contract is in red, but a contract has been approved through August of 2017.

3c. Waste Water Treatment Facility Expansion - BETP – M. Masse informed the Committee that the County will be meeting tomorrow to act on a resolution for the Yancey Fancy PILOT Increment Financing (PIF). The PIF will be used to help cover expenses related to waste water treatment facility expansion in the Village of Corfu. Once the PIF is in place an additional \$440K in funding will be brought forward for Board consideration.

3d. Batavia Brewing Co. Loan Request – The Batavia Brewing Company is currently renovating the old Newberry's Building in downtown Batavia. The project will convert the basement into a brewing facility, the first floor into a bar/restaurant with two spaces for Freshlab tenants, and the second and third floor will be renovated from vacant space into apartments.

This project fits the eligibility criteria of the Batavia Micropolitan Redevelopment Loan Funds. The purpose of this fund is to "facilitate redevelopment of underutilized buildings and sites including adaptive reuse projects including mixed-use projects that may include a housing component".

M. Masse recommend approval to the full Board of the Batavia Brewing Company's Micropolitan Redevelopment Loan Fund application in the amount of \$150,000. This approval will require the personal guarantee of the members of Batavia Brewing Corporation, a second lien position in the building behind the bank, and a cross corporate guarantee from the real estate entity.

P. Battaglia made a motion to recommend approval of the Batavia Brewing Co. Loan Request as presented; the motion was seconded by H. Upson. Roll call resulted as follows:

T. Felton - Abstain
 P. Battaglia - Yes
 H. Upson - Yes

The item was approved as presented.

3e. Liberti Valvo & Associates Loan Request – On April of 2011, Liberti, Valvo & Associates were approved for a \$50,000 loan from the GCEDC's loan fund. These funds were used for inventory of their business, and the inventory was pledged as collateral on the loan. Liberti, Valvo & Associates are a manufacturer's representative of wholesale and retail sales of safety products. This loan will be paid off in mid-2018. They have been on time with all payments of this loan. Liberti Valvo is now requesting an additional loan to restructure some debt with the Bank of Castile. The Bank of Castile has committed to providing \$225,000 in financing, and they are looking for the GGLDC to cover the gap of \$50,000 in the total project of \$275,000. This money would be used as working capital, would serve (along with the Bank of Castile funding) to retain the two jobs that were just created. This loan would be a high-risk loan as there would be no collateral that could be pledged against this since it would be for working capital, although personal guarantees would be required.

M. Masse asked the Committee to recommend approval of a \$50,000 loan to Liberti Valvo & Associates.

The committee reviewed the loan information, but did not approve it. They asked that it be brought directly to the Board for approval.

3f. Mowing Contract for Corporate Parks – M. Masse reviewed bids received for mowing at the parks with the Committee. It was recommended that S&S Trucking be awarded the contract as the lowest responsive, responsible bidder for Buffalo East Tech Park property for a price not to exceed \$1,750 and McKenzie Landscaping to be awarded the contract as the lowest responsive, responsible bidder for Gateway II for a price not to exceed \$390.

H. Upson made a motion to recommend approval of the Mowing Contracts for the Corporate Parks as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
H. Upson - Yes

The item was approved as presented.

3g. First Wave Technologies Loan – In January of 2016, First Wave Technologies submitted to the GGLDC the following request:

- Continuation of the 2015 monthly principle and interest payment of \$5,379.92 vs the currently scheduled increase on 2/1/16 of \$13,117.05, along with an extension of the maturity date, and;
- Consent to share the lien position on all the assets of First Wave Tech pro-rata with the new \$750,000 of monies.

The GGLDC approved those terms contingent upon First Wave making a \$100,000 balloon payment on January 1, along with extending the term of exercising the options for both the GCEDC and the GGLDC by another five years. First Wave has not made the \$100,000 balloon payment yet, but has continued to make the monthly principal and interest payments at the reduced amount (\$5,379.92). We have been in continuous contact with First Wave about the \$100,000 payment and they are still working on closing the financing that would provide them the funds to make that balloon payment.

M. Masse recommended approving a reduced principal and interest payment amount of \$5,379.92 that First Wave is currently paying.

The Committee decided not to approve anything at this time, but asked M. Masse to have First Wave provide a written request for a 60 day extension and to bring the written request before the Board to review and ask for approval.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at approximately 4:50 p.m., seconded by H. Upson and passed unanimously.