



Thursday, February 12, 2009
8:00 am – GCEDC Offices

MINUTES

ATTENDANCE

Agency Members: J. Vincent, L. Benton, W. Hinchey, H. Upson, J. Fulmer
Staff: S. Hyde, S. Lockwood, S. Cook, P. Kennett, C. Suozzi
Guests:
Absent: M. Gerber, J. Andrews (by phone)

CALL TO ORDER / ENTER PUBLIC SESSION

J. Vincent called the meeting to order at 8:07 a.m. in the Conference Room of the Genesee County Economic Development Center.

EXECUTIVE SESSION

W. Hinchey made a motion to enter into executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 8:07 a.m., for the following reasons:

1. To discuss the financial history of particular corporations.
2. The proposed sale / acquisition of property that would otherwise affect the value of the property.
3. To discuss possible litigation.

The motion was seconded by J. Fulmer and approved by members.

RE-ENTER PUBLIC SESSION

H. Upson made a motion to enter back into public session at 9:15 a.m., seconded by J. Fulmer and approved by all.

OPERATIONS

4a. Approval of January 14th Meeting Minutes – J. Fulmer made a motion to approve the January 14th meeting minutes seconded by H. Upson and approved by all.

4b. Approval of 2009 Contract with Genesee County – S. Cook asked the board to approve the Contract with Genesee County, the contract includes their funding contribution for 2009. It was noted that the amount that the County contributes to GCEDC has been the same for a number of years and that the County has said that a 10% cut is possible for next year given the state of the economy.

J. Fulmer made a motion to approve the 2009 contract with Genesee County, the motion was seconded by L. Benton and approved by all board members.

SALES MANAGEMENT

5a. Genesee Valley Agri-Business, LLC / Ag Park – The Genesee Agri-Business, LLC is applying for a package of financial incentives including sales tax, mortgage tax and property tax exemptions and abatements supporting the development and management of a 202+ acre industrial park known as the Genesee Valley Agri-Business Park. Tax exemptions / abatements are being requested by the developer to help minimize the cost of development of the site given the long term positive economic impact this project will offer to the community and region in terms of investment, job creation as well as the development of long term property tax base at the site. This is consistent with the economic development mission of its majority shareholder – the Genesee Gateway Local Development Corporation.

This project is a catalyst project for significant economic enhancement of our community. It creates the environment, by developing and installing the necessary infrastructure and creating a large scale shovel-ready site, to attract companies which will make significant investments & employ hundreds of workers at the site over the long term. Although this project does not directly create jobs – it is essential to enable quality jobs and investment thereby building our area economy over the long term. The direct economic impact analysis completed in February of 2009 suggests the following results over the 25 year horizon as this park builds out through time. Total Direct Economic Impact (benefits) of project: \$3.4B, Project Business/ Capital Investment at Park: \$238M, Square Footage built-out at park 1,400,000; Wages/Payroll and benefits paid during time horizon \$756M; Average Wage per employee \$33,400 (\$16/hr in 2009 \$\$); employees at site at full build out = 1200; estimated assessed value at full build out = \$78M; Direct Econ. Impact Ratio (Benefits to Cost ratio) = 31:1 (for every \$1 of public cost supporting projects in park - \$31 of direct econ. contribution by companies into the local/regional/state economy).

The Company will be investing 6.9 million into the park and can expect to receive an estimated sales tax exemption of \$181,200, estimated mortgage tax exemption of \$56,259, and an estimated \$405,344 in property tax exemptions. This includes 100% tax abatement on the shovel ready land for 20-25 years.

Genesee County Economic Development Center

One Mill Street, Batavia, New York 14020

585-343-4866 Fax: 585-343-0848 Toll Free: 1-877-343-4866
Email: gcedc@gcedc.com Web: www.gcedc.com

Financial assistance shall not exceed \$100,000 until a public hearing is held.

A full Environmental Assessment Form in compliance with Article 8 of the Environmental Conservation Law and Regulations has been completed and the Town of Batavia Planning Board has issued a negative declaration under SEQR with respect to the project.

W. Hinchey made a motion to approve Resolution #02/2009-01. The motion was seconded by L. Benton and approved as follows:

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO (i) TAKE TITLE TO OR A LEASEHOLD INTEREST IN AN APPROXIMATELY 203-ACRE PARCEL OF LAND LOCATED AT EAST MAIN STREET ROAD AND ELLICOTT STREET (THE "LAND"); (ii) APPOINT GENESEE AGRIBUSINESS LLC AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT; (iii) HOLD A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iv) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (v) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING RELATED TO THE PROJECT; AND (vi) EXECUTE RELATED DOCUMENTS; PROVIDED, HOWEVER, THAT ANY SUCH FINANCIAL ASSISTANCE SHALL NOT EXCEED \$100,000 UNTIL SUCH TIME AS A PUBLIC HEARING IS HELD AND A SUBSEQUENT RESOLUTION IS ADOPTED.

The resolution was put to a vote by roll call that resulted as follows:

J. Andrews -	Absent	M. Gerber -	Absent
L. Benton -	Yes	H. Upson -	Yes
W. Hinchey -	Yes	J. Vincent -	Yes
J. Fulmer -	Yes		

The resolution was approved as presented.

5b. PILOT Payment Delays – S. Cook has recently become aware that PILOT payments for three companies are delinquent. One company has made arrangements with the taxing entities to pay their arrears in installments and C. Suozzi is working with another on a possible payment plan to make their payments current as well. Automotive owes the County \$14,407 (40%), Angelica owes the School district \$3,248 (69%), and Batavia Senior Living Facility owes \$57,271 (95%) in back taxes.

Addition to the Minutes:

5c. Smile Development, LLC (Genesee Dental) – Smile Development is the real estate entity and Genesee Dental is the operating entity in a 2741 square foot office facility located in the Genesee Country Mall. The dental office recently bought an adjoining office (2040 s/f), and plans to renovate the space and merge it with their existing space, thus creating a large state of the art dental office (4781 sf). Genesee County is stated as a Health Professional Shortage Area (HPSA), thus will qualify as a unique facility. The company is planning to invest \$300,000 and create 8 additional health care jobs over the next 3 years. The PILOT will be the traditional 60% abatement over 10 years on the increased assessment only. Based on a consolidated view of the company, for every \$1 of public benefit, the company is investing \$581 into the local economy. A public hearing will not have to be held as benefits are less than \$100,000.

The project constitutes a “retail” project, but the predominant purpose of the Project would be to make available services that are not reasonably accessible to the residents of the City of Batavia as Genesee County has been designated as a “health professional shortage area” by the US Department of Health and Human Services.

The project involves an unlisted action under SEQR, constituting a negative declaration for purposes of SEQR.

C. Suozzi asked the board to also approve a \$750 referral fee to be paid to Rusty Breton, a general contractor who made the referral to Chris Suozzi regarding this project.

H. Upson made a motion to approve Resolution #02/2009-02, the motion was seconded by W. Hinchey and approved as follows:

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO (i) TAKE TITLE TO OR A LEASEHOLD INTEREST IN CERTAIN LAND LOCATED AT 37 BATAVIA CITY CENTRE, BATAVIA, NEW YORK (THE "LAND"); (ii) APPOINT SMILE DENTAL, LLC AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING RELATED TO THE PROJECT; AND (vi) EXECUTE RELATED DOCUMENTS.

The resolution was put to a vote by roll call that resulted as follows:

J. Andrews -	Absent	M. Gerber -	Absent
L. Benton -	Yes	H. Upson -	Yes
W. Hinchey -	Yes	J. Vincent -	Yes
J. Fulmer -	Yes		

The resolution was approved as presented.

H. Upson made a motion to approve the \$750 referral fee to be paid to Rusty Breton, seconded by W. Hinchey and approved by all.

REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS

6a. Approval of Expenditure: Ag Park Engineering Fees via Town of Batavia Grant Funds – S. Cook explained that the GCEDC originally received a \$225,000 grant from the Town of Batavia to be used for the Ag Park. The board had previously approved engineering fees to be paid to Clark Patterson (Part 2 Task 2) with these funds; the engineering funds paid totaled \$204,360, leaving a balance of \$20,640 remaining grant funds. S. Cook requested approval from the board to use the remaining \$20,640 in grant funds to pay portion of Clark Patterson Engineering fees (Part 1 Task 1). This will leave a balance of \$171,450 to be paid by the Genesee Agri-Business Park, LLC.

H. Upson made a motion to approve the \$20,640 expenditure to Clark Patterson for engineering fees using the balance of the Town of Batavia Grant funds, the motion was seconded by W. Hinchey and approved by all.

6b. GCEDC Mill Street Lease Approval – C. Suozzi presented the board with a tentative lease agreement with Harris Mill Street Properties. The lease rate is \$1,000 per month plus \$500 utilities and snow removal, with an option to renew for an additional year at the same rate.

J. Fulmer made a motion to approve the lease agreement with Harris Mill Street Properties, seconded by H. Upson and approved by all.

EMPIRE ZONE / FINANCING

7a. Automotive Corp / Loan Deferral Request – Automotive Corporation has made a request to defer their February and March loan payments until March 31st. The company had received a \$635,000 loan from the GCEDC through the Small Cities program, the term of the loan is 10 years and it matures on 6/1/2013. They pay 2% interest and make monthly payments of \$5,842.85. S. Lockwood noted that the company has a very good history of keeping their payment current, but they have experienced a significant decrease in sales volume since December from its primary customers (Ford, GM, Nissan).

The board decided to not only approve their request, but to also offer an interest only option for up to six months with the principal deferred to the end of the note. This would keep the company paying regular monthly payments and help them through the rough time that they are going through.

J. Fulmer made a motion to approve two proposed options for Automotive to choose from, a deferment of their February and March loan payments until March 31st or six months interest only with the principal placed at the end of the note. The motion was seconded by L. Benton and approved by all.

7b. Empire Zone Cost Benefit Critique – Will discuss at the next meeting.

7c. Empire Zone A/B PILOT Issue – Will discuss at the next meeting.

POLICY ISSUES / HUMAN RESOURCES / OTHER BUSINESS

9a. Reminder: The Annual Meeting will be on Friday, March 13th at GCC – Please bring your name badge with you if you did not give it back at the Holiday Reception.

ADJOURNMENT

As there was no further business, L. Benton made a motion to adjourn at 9:55 a.m., seconded by son and passed unanimously.

Future Meetings:

Tuesday, February 24th

- 8:00 am @ GCEDC Offices

Friday, March 13th

- Annual Meeting at GCC - 12:00 pm