



**Economic
Development Center**

ATTENDANCE

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

**Thursday, February 21, 2008
8:00am – GCEDC Offices**

MINUTES

CALL TO ORDER

J. Vincent called the meeting to order at 3:10 pm in the Conference Room of the Genesee County Economic Development Center.

APPROVAL OF MINUTES

H. Upson made a motion to approve the January 22nd meeting minutes seconded by J. Fulmer and approved by all.

OPERATIONS

•**December Financial Statements** – The following comments were made regarding the December financial statements:

- Gray Certified Accounting is currently going through the 2007 audit for the GCEDC & the GGLDC.
- Increased staff and year end salary adjustment contributes to the higher than budgeted personnel and benefits expenses.
- The utilities exceeded the budget as a result of the unplanned cost increase and increased occupancy, but it is offset by the increased rental revenue.
- Projected 2007 fee revenues has been revised from \$1.9M to \$888K, pending 2008 finalization of Darien Lake financial incentives package.
- One Mill Street occupancy is approximately 98% with rental revenues estimated at \$216K.
- Future loan activity will be migrated to the GGLDC to accomplish de-federalization of funds and making funds available for additional economic development activities.

L. Benton made a motion to approve the December 2007 financials as presented by S. Cook, the motion was seconded by J. Fulmer and approved by all.

•**Check Signing Authority** – S. Cook asked the board to consider another authorized check signer, to make the process easier given the availability and busy schedules of our board members.

J. Fulmer made a motion to approve H. Upson as an authorized check signer for the GCEDC & the GGLDC, this motion was seconded by L. Benton and approved by all.

SALES MANAGEMENT (Projects Overview)

•**Certified Graphics & Communications, LLC** – Will Discuss at the next board meeting.

•**UMMC / Senior Housing** – This project is the second phase (upper floors) of the re-development of the old St. Jerome Hospital as an affordable Sr. Housing Development and is consistent with the Genesee County Housing Focus Group housing study which identified Sr. Housing as a major emerging need for the community over the next several years. Specifically, this project focuses on development of 34 one-bedroom and 3 two-bedroom affordable senior apartments, to be financed by equity raised by the syndication of Low Income Housing Credits and the New York State Trust Fund. The proposed development will be located on the top 4 floors of the former St. Jerome's Hospital building. The project will be a joint venture between United Memorial Medical Center and Conifer Realty. In order to maintain rents that are affordable to low income senior citizens and achieve certain funding criteria for the project, it is important that the project receive a Payment in Lieu of Taxes agreement (PILOT). The PILOT as well as sales and mortgage tax exemption will help to stabilize long term rents keeping costs affordable for our community's senior population. The redevelopment of the St Jerome's Hospital building is the cornerstone to redeveloping the Bank Street Campus. The company will invest \$6,330,000 in the project and create 1 new job, they can expect to receive estimated benefits totaling \$315,000.

The PILOT will be applicable to the assessed value, using section 481-a of NYS Real Property Tax Law, for the top 4 floors of project location. The parcel has been on the tax-exempt rolls on an on-going basis given the ownership is a non-profit hospital. The PILOT, in effect, generates tax revenues for taxing jurisdictions not otherwise historically available from this property.

This project is an exception to our uniform exemption policy as benefits will exceed 20 years with a 30 year PILOT proposed. A public hearing will need to be held as benefits are over \$100,000.

After a short discussion L. Benton made a motion to approve the Inducement Resolution #02/2008-01, seconded by L. Benton.

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

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT AGENCY (i) ACCEPTING THE APPLICATION OF BANK STREET SENIOR HOUSING, LLC. WITH RESPECT TO A CERTAIN PROJECT (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT; AND (iii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE AGENCY WITH RESPECT TO THE PROJECT.

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 -	Absent	J. Vincent -	Yes
J. Fulmer -	Yes		

The resolution was approved as presented.

J. Fulmer disclosed that he is a board member for the UMMC and for the Federal Home Loan Bank of NY, he does not have ownership interest in either entity and volunteers for the UMMC board.

REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS

•Med Tech Park:

Commercialization Center – Two applications have been submitted to the second round of the City by City grant, Med Tech Park and the Harvester project. The Med Tech Park project involves a commercialization center that could provide low cost space to companies who are beyond an incubator model, but are not ready to build their own building. By assisting companies in this way, the Center would be helping to anchor the business to this community.

Workforce Development– S. Hyde worked with Marnie LaVigne, Business Development Director with the UB Center for Advanced Biomedical and Bioengineering Technology, NYS Center of Excellence in Bioinformatics & Life Sciences on a grant application specifically focused on leveraging current work being developed by the University of Buffalo related to Career Pathways within the Life Sciences Cluster. This funding will be used to assist in fully funding the production and regional deployment of the Life Sciences Career Pathways to the K-16 population in the WNY and Fingerlakes region.

The Genesee Community college has stepped up to apply for a WIRED grant that will further assist in the workforce development initiatives. The grant will help to develop two introduction Bio-Med classes for students age sixteen to twenty-one

Architectural Review Committee – The committee reviewed the architectural renderings for Pyramid Prosthetics, a local company owned by Dick and Sherry Graham. They are planning on building a 5000 sq ft medical device manufacturing plant at the Upstate Med Tech Park in the spring of 2008. The committee voted unanimously to approve the rendering with the understanding that an earth tone color will be used on the siding and provided that each side of the building will be consistent with each other (as displayed in the drawing).

It was noted that the planning board for the town of Batavia approved the planned unit development regarding this project.

J. Vincent stood in as the GCEDC board representative, but a permanent representative still needs to be chosen by the board. After a short discussion, J. Fulmer made a motion for L. Benton to serve on the Architectural Review Committee for the Med Tech Park as a GCEDC Board representative; the motion was seconded by H. Upson and approved by all.

•WNY STAMP – The GCEDC has received a formal resolution of support from the town of Alabama to continue with the WNY STAMP study given the survey results. It was unanimously approved by the board.

•Swan / Harvester Project – The GCEDC received a formal resolution of support from the Batavia City Council for the commercialization grant application for the Swan / Harvester Project.

EMPIRE ZONE / FINANCING / GRANTS

•Zone Regulation – S. Lockwood received notification that Empire State Development has enacted emergency regulatory changes that include: 1) the time period for businesses to create jobs for purposes of regionally significant projects has been changed from 5 years to 3 years. 2) Restrictions on the eligibility for regionally significant projects to export or traded businesses where a substantial portion of a business' product or service is sold/ delivered outside the State and at least 60% or more of a business' products or services are sold outside of the metropolitan statistical area, or outside of the County for those counties that are not part of a metropolitan statistical area. 3) Raised the ratio for the empire zone cost benefit analysis from 15:1 to 20:1 and establish a minimum ratio of 5:1 for projects that are justified based on non-quantifiable factors. Added definitions for strategic industry cluster and supply chain businesses. By these added definitions, it will ensure that only businesses that are truly part of a strategic industry cluster or its supply chain can qualify based on the non-quantifiable factors of the cost-benefit analysis. In addition the review of the non-quantifiable justifications for projects that do not meet the 20:1 ratio will be strengthened. These changes will make it even harder to qualify a business for empire zone benefits.

•Zone Board Meeting –In order to approve Certified Graphics & Communications, LLC at the last Empire Zone board meeting it had to meet the new cost to benefit ratio of 20:1. It fell short with 18:1, but S. Lockwood was able to bring up the ratio by giving the company a 45% PILOT. The company would have passed the cost to benefit ratio prior to the emergency regulations without a problem.

•Small Cities Process – S. Lockwood is working with the Town of Batavia on a \$400,000 Small Cities grant application for Certified Graphics & Communications, LLC.

•DEV Enterprise – The board had previously approved a \$100,000 loan to DEV Enterprises to purchase the Comfort Inn. The project has been on hold, but seems to be moving forward, S. Lockwood expects to ask the board for a recommitment at the next board meeting.

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

MARKETING / STRATEGY / PUBLIC POLICY

•**IDA Reform Status** – The Hoyt Bill on IDA reform would severely hurt Ida's. It is trying to drive prevailing wage into IDA assisted projects, which would inflate the cost so much that the benefits would be minimal, if not null.

A report done by the Center for Governmental Research was distributed to the board, the findings indicate that there will be a very significant **negative** impact on the ability of NY regions to compete for projects if prevailing wages were extended to IDA projects in New York.

•**CGR Study** – A study was completed by the Center for Governmental Research on job creation and New York State Ida's, in response to the Jobs with Justice report that was critical of Ida's and claimed that out of the 217,000 jobs that companies predicted to create, only 79,000 had been created in 2005. The CGR report found the following.

- In 2005, the number of jobs created from IDA-assisted projects was 309,504 (124% higher than projected), not 79,334 as reported by Jobs with Justice.
- Ida's exceeded their job creation goals by almost 60,000 jobs, about ¼ more than was estimate to be created. Jobs with Justice reported that only 37% of the aggregate target was created.
- The Center for Governmental Research's analysis of the record found only a single IDA reported overall job loss in 2005, not 13 as reported with Jobs for Justice.
- The Center for Governmental Research found that 16% of projects posted job losses, not 25% as reported by Jobs with Justice. One-third of these involved fewer than 10 jobs.

The report also found that about ½ of the projects that fell short of job projections still created 60,000 jobs in their communities that would not have otherwise been created.

•**Civic Facilities Update** – The NYS Department of Health is proposing a 0.3% (30 basis points) bond issuance/project management fee on civic facilities bonds, the fee gets progressively more costly through time as the 0.3% fee is charged annually on the original principal. Civic facilities bonds have not been reauthorized at this time.

OTHER BUSINESS / POLICY ISSUES

•**The Annual Meeting will be held March 14th**

EXECUTIVE SESSION

H. Upson made a motion to enter into executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 4:20pm, for the following reasons:

1. To discuss the financial history of several corporations.
2. Employment history for Ron Nowatchic.

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

L. Benton made a motion to enter back into regular session seconded by H. Upson and approved by all members.

After returning from the Executive session, the board took the following actions:

Because of special circumstances and considering a benefit reimbursement received from the State Workers' Compensation Board, a motion was made by H. Upson and seconded by L. Benton approving the conversion of 5 days of Ronald Nowatchik's 2008 sick leave to 5 days of vacation leave.

ADJOURNMENT

As there was no further business, H. Upson made a motion to adjourn at 5:10pm, seconded by L. Benton.

Future Meetings:

- | | |
|-----------------------------------|---------------------------------------|
| Tuesday February 26 th | - Cancelled |
| Friday, February 29 th | - 8:00 am @ GCEDC Offices |
| Friday, March 14 th | - Annual Meeting at the GCC – 11.45am |
| Tuesday, March 25 th | - 8:00 am @ GCEDC Offices |