



Tuesday, February 24, 2009
8:00 am – GCEDC Offices

MINUTES

ATTENDANCE

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

CALL TO ORDER / ENTER PUBLIC SESSION

J. Vincent called the meeting to order at 8:08 a.m. in the Conference Room of the Genesee County Economic Development Center.

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 8:08 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.

The motion was seconded by W. Hinchey and approved by members.

RE-ENTER PUBLIC SESSION

W. Hinchey made a motion to enter back into public session at 8:55 a.m., seconded by L. Benton and approved by all.

SALES MANAGEMENT

5a. Batavia Senior Living / Victorian Manor – Manor House, LLC is purchasing the "Victorian Manor" facility from Sunwest. In 2006, Sunwest purchased the existing 40 unit facility with plans on expanding it by 50 additional units to 90 units. The project was halted in 2008 at about 75% complete due to Sunwest's insolvency. Manor House plans to purchase the existing facility and assume existing debt along with financing an additional \$362k and making additional equity investments in the project. The bank is requiring the new entity to establish a property tax escrow account. The "rescue" plan for the facility will allow the new entity to have the necessary cash flow to eliminate the existing mechanics liens on the property, complete the construction on the 50 unit expansion and allow the facility to increase revenues based on the planned lease up of the additional 50 units. In order for Manor House to carry out their plan, the following three items are being requested from the GCEDC: 1). Assignment of the remaining portions of the 1999 and assignment of the 2006 Payment In Lieu Of Tax (PILOT) contracts (having an estimated 10 year property abatement valued at \$821k). 2). A PILOT modification will occur to recoup and bring current the currently in default school tax PILOT payment totaling (\$57k) over a 12 month period plus interest subject to approval by the Batavia School District. 3). A minor increase in local tax incentives is being requested based on an additional 2009 investment which will bring the expansion project to completion including a sales tax exemption valued at \$20,603 (based on \$257k sales taxable building materials), a mortgage tax exemption valued at \$4531 (based on \$362k mortgage increase vs. the 2006 project). Significant accountability measures are being taken given the troubled history of this project in terms of PILOT payment timeliness. The GCEDC is requiring a review of the company's proforma financials to assure the tax escrow plan is sufficient, documented proof that all contractors (many of which are local) receive payment based on agreements struck with the new company along with copies of lien releases, and finally "claw back" language will be inserted in the PILOT contract which will empower the GCEDC to cancel the PILOT agreement upon any default in PILOT payment requirements allowing the GCEDC to "claw back" (recapture) all property payments abated since implementation of the 2006 expansion project being finalized and implemented as a part of this transaction.

W. Hinchey made a motion to approve Resolution #02/2009-03. The motion was seconded by H. Upson and approved as follows:

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER AUTHORIZING (1) THE ASSIGNMENT BY BATAVIA SENIOR LIVING, LLC TO MANOR HOUSE, LLC OF THE RIGHTS AND OBLIGATIONS CONTAINED WITHIN CERTAIN AGENCY DOCUMENTS AND (2) THE EXECUTION AND DELIVERY OF ANY DOCUMENTS NECESSARY AND INCIDENTAL THERETO.

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 - Absent

The resolution was approved as presented.

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.

9b. The next meeting will be March 5th at 4:00 pm in the GCEDC conference room (following our new schedule, the first Thursday of the month).

9c. Employment Contract Extension – J. Vincent asked the board to approve a health care buy out plan for all employees who have alternative health care options, the buy out plan should match the plan that Genesee County has in effect.

H. Upson made a motion to approve a health care buy out plan for all employees who have alternative health care options, the buy out plan should match Genesee County's plan. The motion was seconded by L. Benton and approved by all.

9d. Employment Contract – J. Vincent asked the board to approve the Chairman and Vice Chairman authorization to approve Steve Hyde's employment contract with the GCEDC for 2009.

H. Upson made a motion to approve the Chairman and Vice Chairman authorization to approve Steve Hyde's employment contract with the GCEDC for 2009. The motion was seconded by L. Benton and approved by all.

ADJOURNMENT

As there was no further business, L. Benton made a motion to adjourn at 8:58 a.m., seconded by H. Upson and passed unanimously.

Future Meetings:

Thursday, March 5th - 4:00 pm, GCEDC Conference Room
Friday, March 13th - Annual Meeting at GCC - 12:00 pm
Thursday, April 2nd - 4:00 pm, GCEDC Conference Room