



Friday, February 29, 2008
8:00am – GCEDC Offices

MINUTES

**Economic
Development Center**

ATTENDANCE

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

CALL TO ORDER

J. Vincent called the meeting to order at 8:12 a.m. in the Conference Room of the Genesee County Economic Development Center.

APPROVAL OF MINUTES

H. Upson made a motion to approve the February 21st meeting minutes seconded by L. Benton and approved by all.

SALES MANAGEMENT (Projects Overview)

•**Special Needs Housing** – This is a 40 bed, supported apartment’s project for mentally challenged adults to be located on East Main Street in the City of Batavia. The existing structures on the property will be torn down and a new 43,000 square foot, two story building, a parking lot, and a gated entrance will be constructed. The PILOT will be fixed at \$300 per unit for 40 units; total payment will be \$12,000 yearly for 30 years. The escalator is based upon the average annual tax increase of the taxing jurisdictions and the assessed value is based on section 581A of NY Real Property Tax Law for affordable housing. It was calculated at approximately 269,029 using a sensitivity analysis approach based on input from the company, standard assessed value models would suggest much greater taxable value, but do not apply in this situation given NY State Law. The current property taxes on the property totals \$10,567, thus the new proposed \$12,000 rate will increase tax rolls immediately. The company will invest approximately \$6.7 million, retain 6 jobs and create 2 new jobs as a result of the benefits provided. A public hearing will need to be held as benefits are over \$100,000.

After a short discussion H. Upson made a motion to approve the Inducement Resolution #02/2008-03, seconded by M. Gerber.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (i) ACCEPTING THE APPLICATION OF BATAVIA SPECIAL NEEDS APARTMENTS, L.P. 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 WITH RESPECT TO THE PROJECT

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

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

The resolution was approved as presented.

****W. Hinchey arrived for the meeting****

•**Professional Turf Services** – The Company would like to build a 10,000 square foot warehouse with offices at the Pembroke Commerce Park to allow their company to expand over the upcoming years. The PILOT will be applicable to the pre-project value of the land, plus added value as a result of the project. Professional Turf Services will create 3 jobs, retain 3, and invest an estimated \$350,000. Estimated benefits provided total \$100,455, and include a sales tax exemption of \$10,400, a mortgage tax exemption of \$4,375, and a property tax exemption of \$85,680. 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 #02/2008-04, seconded by H. Upson.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (i) ACCEPTING THE APPLICATION OF PROFESSIONAL TURF SERVICES, INC., 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:

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

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

The resolution was approved as presented.

•**Certified Graphics & Communications, LLC** – This is a new company formed as a strategic extension of two existing, successful businesses. The formation will allow the group to dramatically expand their customer base, capture additional services, while leveraging the MBE status. Certified Graphics will make a capital investment of approximately \$2,550,000, creating approximately 35 jobs and can expect to receive estimated benefits totaling \$848,971. This includes: a sales tax exemption of \$6,000, a mortgage tax exemption of \$11,250, a property tax exemption of \$128,218, and Empire Zone benefits of \$703,503.

The direct benefit to cost ratio is 33.27 over the first year, 67.39 for the five year view, and 124.59 for the 10 year view. This ratio clearly supports the value of this project and supports our incentive package.

The project includes the purchase of a building that is currently in the Empire Zone, Certified Graphics expects to be certified in the zone in March of 2008. Due to new Emergency Empire Zone regulations that changed the benefit to cost ratio from 15:1 to 20:1, the company will need a PILOT. The PILOT will bring their benefit to cost ratio (from 18:1) to one that will qualify them for Empire Zone benefits (on the remainder of their property taxes). The PILOT will be on the pre-project value of the land, plus added value as a result of the project improvements, at a flat 45% rate over 10 years. The property is in the 10th year of an existing PILOT and at an 80% repayment schedule, thus the new PILOT schedule will result in a lower tax payment to local municipalities.

The resolution includes a Sale Lease Back and / or an Industrial Development Revenue Bond as the company is looking at different bond options.

A public hearing will need to be held as benefits are over \$100,000.

After a short discussion M. Gerber made a motion to approve the Inducement Resolution #02/2008-06, seconded by W. Hinchey.

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 FOUR ACRE PARCEL OF LAND LOCATED AT 4300 COMMERCE DRIVE IN THE CITY OF BATAVIA, GENESEE COUNTY, NEW YORK (THE "LAND"); (ii) APPOINT CERTIFIED GRAPHICS & COMMUNICATIONS, LLC AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT; (iii) HOLD A PUBLIC HEARING WITH RESPECT TO THE PROJECT; (iv) NEGOTIATE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (v) PROVIDE CERTAIN 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; (vi) ISSUE ITS TAX-EXEMPT OR TAXABLE BONDS TO PAY ALL OR A PORTION OF THE COST OF UNDERTAKING THE PROJECT, SUBJECT TO THE CONDITIONS CONTAINED HEREIN; AND (vii) EXECUTE RELATED DOCUMENTS.

The project constitutes an “unlisted action” under SEQR.

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

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

The resolution was approved as presented.

J. Vincent abstained due to his involvement with the building that is being purchased by Certified Graphics.

R. Gaenzle arrived for the meeting

•**Darien Lake / CNL** – S. Hyde has been through intense negotiations with CNL / Darien Lake and the Town of Darien regarding the assessment of the property. The assessor requested that the State provide an assessment for the project, the State came back with an assessment of 36.1 million, S. Hyde had expected the assessment to be around \$45.2 million given the recent appraisals done surrounding the sale to CNL from Six Flags. S. Hyde proposed the following anticipated tax assistance in exempting / abating new taxes triggered by CNL’s acquisition of Darien Lake:

- Sales Tax Exemption – Valued at approximately \$5.1 million over a multi-year horizon
- Mortgage Tax Exemption – N/A – not occurring at this time, but should this occur in the future the GCEDC will give due consideration subject to a separate application.
- Real Property Taxes – Total savings valued at \$2.63 million over a multi-year horizon
 - Assignment of the existing PILOT tax abatement agreements currently placed on \$11.7M of the 2007 assessed value of the park to the new ownership. Valued at \$.56M to new owners.
 - Providing a 20 year full 100% abatement on the increased assessed value of the park based upon the difference between the 2007 assessed value of the park at \$32.9M and the final 2008 preliminary assessed value at \$2.07M over 20 years (approx. \$103,000 savings annually).
- The total value of Tax Assistance for this project: \$7.73 Million

In light of the significant total benefits of this tax assistance and the multi-community impact of Darien Lake’s operations, Genesee County has a

continuing need to enhance the infrastructure in Western Genesee County to continue supporting development opportunities as it relates to the Pembroke I-90 interchange and the NY Route 77 corridor leading to the Darien Lake Theme Park. In consideration of the aforementioned community support provided by Genesee County to the owner / operators of Darien Lake theme park – The Darien Lake owners / operators agree to in turn commit to funding a Community Benefit Agreement totaling \$1.83M over 20 years based upon annual payments of \$93,000 per year to the GGLDC in support of infrastructure development and deployment, for the public benefit, in Genesee County.

This incentives package is demonstrative of Genesee County's appreciation and commitment to the new owners of Darien Lake given its regional presence, economic impact and the fact that it is a major economic engine for a multitude of communities and taxing jurisdictions throughout Genesee County given its level of employment and payments of taxes (Sales and Property Tax).

The PILOT is based upon the \$3.2M of increased assessed value due to the sale of the park, only. The 20 year PILOT would provide the company with an initial 3 year 100% exemption (given the community benefit agreement), following one year renewals.

GCEDC's project participation fee will be paid in installments over 7 years.

The board suggested contacting the effected jurisdictions explaining the final tax incentives structure so that they understand what we are doing and why.

A public hearing was held on April 30, 2007.

After a short discussion W. Hinchey made a motion to approve the Resolution #02/2008-05, seconded by M. Gerber.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE "AGENCY") AUTHORIZING (1) THE NEGOTIATION, EXECUTION AND DELIVERY OF THE AMENDMENT AND RESTATEMENT OF EACH OF THE ORIGINAL LEASEBACK AGREEMENTS, (2) THE NEGOTIATION, EXECUTION AND DELIVERY OF THE AMENDMENT AND RESTATEMENT OF THE ORIGINAL PILOT AND (3) THE EXECUTION AND DELIVERY OF ANY AND ALL DOCUMENTS NECESSARY AND INCIDENTAL THERETO.

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

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

The resolution was approved as presented.

REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS

•**Ag Park** – Closing on the land purchase for the Ag Park has been held up due to the federal tax liens that exist on the property that we need an easement through. S. Hyde has asked Harris Beach to review the documents to ensure that it is iron clad and will not cause future problems. The best option is to pay off the lien and purchase the property. S. Hyde is still working through the process.

•**Apple Tree Acres Land Sale** – Previously the board had approved the sale of 10 acres of land in Apple Tree Acres Corporate Park to Liberty Pumps. After looking at the property again Liberty has asked for an additional 2.8 acres that would give the Company access to route 19. The narrow strip of land would be of little use to the GCEDC. C. Suozzi asked the board to approve the sale of the 2.8 acres for \$30,000.

H. Upson made a motion to approve the sale of 2.8 acres of land for \$30,000 to Liberty Pumps; the motion was seconded by L. Benton and approved by all.

•**Verizon Wireless Lease** – C. Suozzi let the board know that he has finally received a signed lease from Verizon Wireless; the GCEDC can expect to receive \$16,000 annually from the lease of land located in the Town of Leroy for a cell tower.

EMPIRE ZONE / FINANCING / GRANTS

•**DEV Loan Request** – S. Lockwood asked the board to approve a recommitment to DEV Enterprise as their existing commitment has expired. It is for the same project amount of \$3,150,000, with the Bank of Castile financing \$2,550,000 and a loan request in front of the board for \$100,000. The GCEDC will now be in second lien position behind the Bank of Castile, as NYSBDC / SBA will no longer be involved in the project, the GCEDC will also have the personal guarantees of Romesh Dev and Rashi Dev. The RLF will have a five year term and the interest rate will be around 4.8% as prime has dropped to 6% since it was last approved. They expect to close on March 14th.

H. Upson made a motion to approve the \$100,000 loan request from the revolving loan fund to DEV Enterprise; the motion was seconded by L. Benton and approved by all.

•**Empire Zone Update** – S. Lockwood set up a conference call with nine other empire zone coordinators to discuss the recent emergency regulations handed down by Empire State Development. As a result of the discussions S. Lockwood compiled a good presentation sheet that explains the concerns and offers some recommendations. S. Lockwood is trying to get it out to Dan Gunderson and hopes that it will be used in the March workshops offered by ESD as points of discussion.

•**Summit Wholesale** – Summit Wholesale has not made a payment since the lump sum payment was made in November from the proceeds of selling the truck that the GCEDC released as collateral. The balance of the loan is about \$3,500 and will mature in July of 2008. We do still hold a personal guarantee.

The board recommended sending a certified letter and advised S. Lockwood to get legal advice on how to proceed.

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•**Small Cities Project / Certified Graphics & Communications, LLC** – S. Lockwood is working with Certified Graphics & Communications on the possibility of a \$416,000 Small Cities Grant. As discussed earlier in the meeting Certified Graphics is looking at purchasing the former Genesee Precision building to house the newly created company. The proposed structure of the grant will be as follows: The Town of Batavia will be the applicant, who will in turn grant the funds to the GGLDC, who will be responsible for disbursement of the proceeds to Certified Graphics and setting the loan terms. \$16,000 will be used to cover administrative costs associated with the loan disbursement. The \$400,000 loan directly to Certified Graphics will be broke into two parts, \$200,000 will be a term loan used to purchase equipment, the other \$200,000 will be a deferred loan / grant if conditions are met.

The funds will be de-federalized when paid back by Certified Graphics.

The board recommended that the interest rate be consistent with what we have done in the past with similar projects.

MARKETING / STRATEGY / PUBLIC POLICY

•**Discuss Ag Presentation in Saratoga** – S. Hyde and C. Zambito presented the Ag Park at the American Farm Land Trust conference in Saratoga. They received positive feed back and a lead for a company possibly interested in the park.

OTHER BUSINESS / POLICY ISSUES

•**Resolution recognizing Mary Lou Rath** – C. Zambito asked the board to approve a resolution recognizing Mary Lou Rath as a major advocate of economic development in Genesee County by securing funding, dedicating her efforts and visions through the implementation of “Smart Growth” and the Genesee County Water Project. Senator Mary Lou Rath will be presented with the resolution and a “Golden Valve” Award, symbolizing the interconnection of Lakes Erie and Ontario made possible by the completion of the Genesee County Water Project. M. Gerber made a motion to approve the resolution, seconded by H. Upson and approved by all.

•**Mary Pat Hancock: County response to the letter from the City of Batavia** – Mary Pat Hancock replied to a letter received form the City of Batavia Council asking for additional representation on the GCEDC board by the City of Batavia. She informed the Council that there are representatives from the City of Batavia currently on the board and that given the activity and effectiveness of the board, she has no intention of changing the make-up of the current members.

•**Schedule another board meeting** – The board agreed to meet after the Annual luncheon meeting in the Presidents Conference Room of the Genesee Community College for a short meeting.

•**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 9:48am, for the following reasons:

1. To discuss the financial history of several corporations.

The motion was seconded by M. Gerber and approved by members.

ADJOURNMENT

As there was no further business, H. Upson made a motion to adjourn at 10:05am, seconded by L. Benton.

Future Meetings:

Friday, March 14th

- Annual Meeting at the GCC – 11.45am

Tuesday, March 25th

- 8:00 am @ GCEDC Offices