



Thursday, May 7, 2009  
4:00 pm – 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, C. Zambito  
Guests: J. Gsell (Genesee County Manager), \*\*P. Mrozack (Batavia Daily News)  
Absent: M. Gerber, J. Andrews (phone)

### CALL TO ORDER / ENTER PUBLIC SESSION

J. Vincent called the meeting to order at 4:11 p.m. in the Conference Room of the Genesee County Economic Development Center.

**3a. Agenda Alterations** - Add to the Consent Items: Authorization for the President and CEO to execute documents between GCEDC and the GGLDC regarding the lease of space at the MedTech Centre.

### OPERATIONS

**4a\*. 1<sup>st</sup> Quarter Financial Statements** – S. Cook reviewed the financial statements with the board, the following was noted:

- The consolidated professional services expense for the quarter is quite large, but includes NYSEDC Public Awareness Campaign (\$25,000), Legal fees for Intrastate America (\$3,443), and Ag Park engineering and archeological fees (\$41,928).
- The One Mill Street transaction may be amended, S. Cook is looking into it.
- First quarter professional services and the One Mill Street cost of sales has driven a Year to date operating loss.
- There is anticipated project revenue of \$180,000 that is due in 60 -120 days.
- The sale of One Mill Street has generated a positive cash flow.

### REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS

**6a\*. Genesee Valley Agri-Business Park** – C. Zambito discussed a \$2 million City-by-City grant from New York State to support the infrastructure development of the Genesee Valley Agri-Business Park. The funds will be used to support construction of electric services, sewer service, stormwater management and grading and roadway installation into the new park. The grant, originally expected to be \$3 million, was reduced to \$2 million. Preliminary indications are that the other \$1 million in grant funding will come from NYS Department of Transportation. Bridge financing is being established as the grant funds cannot be drawn down until the money is spent.

**6b\*. Buffalo East Tech Park: Grant & Re-branding Announcement** –The town of Pembroke is granting the GCEDC \$400,000 to be used for economic development, namely improvements at Buffalo East Technology Park and Pembroke Commerce Park located at the intersection of Routes 5 & 77 via local law #1 of 2009, adopted on Feb 25, 2009. The money will be provided to the GCEDC in one lump sum upon the Board's acceptance and submittal of projected spending to the Town Board. The money is to be used for planning, design, engineering, installation of roadways, utilities or other infrastructure or related improvements to the parks. A written request will be submitted to the Town upon approval of the GCEDC's board and will include a copy of the engineer plan completed by CPL on Nov 20, 2008 and signed by the EDC on Dec 10, 2008.

UPDATE: May 2009: Funds have been received from Pembroke and will be used to enhance Buffalo East Technology Park (including former Pembroke Commerce) North and South Campuses. \$250,000 has been spent to make the park ready to break ground in 40 days, improving time to market. The other \$150,000 has been put aside to help pay for the cost of a turning lane, this will only be done when a company commits to the location.

The Town of Pembroke has been wonderful to work with, great partners.

Re-branding – The Parks located in Pembroke and previously referred to as the Pembroke Commerce Park and the Buffalo East Technology Park have been re-branded. The Parks will now be called the Buffalo East Technology Park North and South Campuses.

### EMPIRE ZONE / FINANCING

**7a\*. Empire Zone Changes** – New York State has enacted significant changes to the Empire Zone Program as part of the budget process. Local boards will now only be able to recommend / sponsor a business for certification, they will not be able to inform businesses of their zone effective date as that date will be the date that the certification is approved by ESD not by our local board.

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Genesee County Economic Development Center

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There are new grounds for de-certifying businesses who are already in the EZ program including businesses having a benefit to cost ratio of less than 1:1, businesses that change ownership (Regency Hospitality would have been disqualified last year if in effect), and “shirt changers”, businesses that reincorporated prior to August 1, 2002 to become eligible for benefits (potential impact to a couple of Genesee County businesses).

New businesses looking for Empire Zone certification will have to meet a new benefit to cost ratio of 20:1 for any non-manufacturing businesses and a 10:1 ratio for any manufacturers, this will take effect on or after April 1, 2009. There are other issues that are still unclear, for instance we do not know if it will be possible to certify a business that falls below the threshold if it is engaged in one of our Strategic Industry Sectors (allowed under the pre-existing rules).

The Real Property Tax Credit has been reduced to 75% of the amount that would have been calculated prior to the change for businesses certified on or after April 1, 2009 (this will have no effect on businesses certified prior to this date). The sales tax exemption has changed from an exemption to a credit or refund for all existing certified businesses after August 31, 2009 and for businesses certified on or after 4/1/09, the sales tax benefit is only available if the County offers a “similar” credit or refund. Therefore, the sales tax benefit may not be available to new zone businesses in Genesee County. The Empire Zone Program’s sunset date has been moved from June 30, 2011 to June 30, 2010.

Another change effects the claiming of refunds, companies claiming a refund of EZ tax credit will have to wait six months after the date on which an EZ Retention Certificate was issued prior to filing for the refund.

S. Lockwood sent a memo to all Genesee County Empire Zone Businesses (attachment 7a-1) letting them know about the changes and the possible impacts that it may have on them. The intent is to thoroughly inform companies of the changes so that they have time to prepare for whatever may affect them.

All certified businesses (with at least 3 years of zone history) will go through a re-certification process that will be conducted by NY State, based upon the Business Annual Report data. The re-certification process will consist of a cost-benefit test, businesses that do not receive at least a 1:1 benefit to cost ratio will be subject to decertification, companies who pass will receive a retention certificate. Based on an internal test, it appears that all Genesee County zone businesses will pass the re-certification test. The retention certificate must be attached to each tax return where EZ benefits are claimed. It is not known when the re-certification process will be completed, but in the mean time no EZ benefits can be claimed without the certificate. If a business attempts to claim an EZ credit without the EZ retention certificate attached, the credit will be denied, the return will be processed without the benefit, and interest will be charged on the resulting underpayment of tax. Once a retention certificate is received an amended return will have to be submitted in order to receive EZ tax credits. The Department of Finance will not allow petitions for refunds based on EZ tax credits to be filed until six months from the date that an EZ retention certificate is issued.

## **MARKETING / WORKFORCE / COMMUNITY DEVELOPMENT**

**8a\*. Workforce Development / DOL Grant -** C. Zambito submitted a brief review of the current progress of the Workforce Development / DOL Grant as follows:

- 1) iSciWNY web site is up and running. The “official” launch will take place in August.
- 2) iSciWNY curricular and career materials will be rolled out to teachers in the GLOW region in September.
- 3) 8 Glow area high schools are piloting GCC’s Introduction to Biotechnology course. The 8 high schools are: Attica, Batavia, Oakfield-Alabama, Notre Dame, Perry, York, Genesee and Monroe.
- 4) Students are earning college credit in biotechnology at no cost to them. GCC and the GCEDC have provided 30,000 dollars in textbooks, supplies and equipment through grant funds so that these schools are equipped to teach biotechnology.
- 5) Thanks to GCC and the GCEDC, 112 high school students are on track to earn these credits. Many more students will be exposed to biotechnology through this effort.
- 6) 12 area high school science teachers are serving as “Life Science Liaisons” in the GV BOCES.
- 7) 24 GV BOCES science teachers participated in 3 weeks of training on careers in the life sciences last summer at UB. These teachers are now able to bring these experiences and new education about careers in this field to 100s of students in our area high schools.
- 8) 20 more teachers will participate in that program again this summer at UB.
- 9) Last January, 120 teachers and students participated in a workshop on careers in biotechnology and the life sciences at GCC.
- 10) Last summer, 40 area high school juniors and seniors earned 7 college credits in a 6 week “life science” camp at GCC paid for through a WIRED grant.
- 11) Both GCC and the GCEDC have had their respective grants renewed for 2009-2010 and more students and teachers will have these opportunities available to them this summer and this school year.
- 12) The success of this initiative is due to the cooperation of GCC, the GCEDC, the GV BOCES and local school district leaders.

**8b. Approval of the Annual Contribution Increase to GRE from \$5,000 to \$10,000 per year** – The Greater Rochester Enterprise has increased their cooperation and the number of opportunities with the GCEDC, becoming more of an asset and a great partner. Given that, it is recommended that their annual contribution be increased from \$5,000 per year to \$10,000 per year.

## **POLICY ISSUES / HUMAN RESOURCES / OTHER BUSINESS**

**9a\*. IDA Reform** – C. Zambito gave a brief update on IDA reform related events and marketing initiatives.

**9b. Reminder:** The next scheduled meeting will be June 4<sup>th</sup> at 4:00 in the GCEDC conference room (the first Thursday of the month).

**9c. Reminder:** The Semi-Annual Meeting / 30<sup>th</sup> Anniversary Celebration will be held on August 6<sup>th</sup> at Terry Hills.

**\*\*\*Chad Zambito noted that we were given “honorable mention” for our annual report and news letter by NYSEDC in the 2009**

marketing awards.

H. Upson made a motion to adjourn the meeting and enter into the GGLDC meeting at 4:35, the motion was seconded by W. Hinchey and approved by all.

L. Benton made a motion to re-enter the GCEDC meeting at 4:40 p.m., seconded by J. Fulmer and approved by all.

**EXECUTIVE SESSION**

J. Fulmer made a motion to enter into executive session under the Public Officers Law, Article 7, Open Meeting Law Section 105, paragraph d, at 4:40 p.m., for the following reasons:

- 1. To discuss the financial history of particular corporations.
- 2. Employment of a particular person.

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

\*S. Hyde and C. Suozzi joined the meeting at about 4:45.

**ENTER PUBLIC SESSION**

H. Upson made a motion to enter back into public session at 7:02 p.m., seconded by L. Benton and approved by all.

\*\*Paul Mrozack joined the meeting at about 7:05.

**SALES MANAGEMENT (Projects Overview)**

5a\*. **Sales Funnel Update** – The economy has had an impacted on the deal flow, as there is very limited activity from our core local businesses. So far in 2009 we are working on 9 projects, last year at this time we had 18 projects. We continue to work through our sales leads along with working on infrastructure projects. The housing projects, DePaul and UMMC /Bank St along with Genesee Valley Transportation are in progress and will keep our cash flow moving. However, our strategic industry position has kept us very busy with 3 major projects running simultaneously. We have had two site visits from one major project and three site visits from another major project within the last 30 days. The third project had great momentum this past December and now is back on line. All three projects have rated Buffalo East Technology Park (North and/or South Campus) as number 1 in New York State.

**CONSENT ITEMS**

10a.\* **1st Quarter Financial Statements (discussed above 4a)**

10b.\* **Amendment to Vacation Policy** – Request to amend vacation policy to reflect that the Senior VP’s vacation schedule will be based on their employment contract and that all other exempt employees (excluding the Pres/CEO and Senior VP) will receive 10 days off for vacation in years two through four, previously other exempt employees were given 15 days in there third year of service. (Per attachment 10b-1)

10c. **New Hire CFO (S. Lockwood’s Replacement)** – Authorization to hire Lezlie Farrell as our new CFO.

10d. **Approval of the Annual Contribution Increase to GRE from \$5,000 to \$10,000 per year (discussed above 8b)**

10e. **Approval of the April 2nd Meeting Minutes**

**Agenda Alteration / Addition:**

10f. **Authorization for the President and CEO to execute documents between GCEDC and the GGLDC regarding the lease of space at the MedTech Centre.**

W. Hinchey made a motion to approve the Consent Items, the motion was seconded by H. Upson. Roll call 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 Consent Items were approved as presented.

**ADJOURNMENT**

As there was no further business, H. Upson made a motion to adjourn at 7:15 p.m., seconded by L. Benton and passed unanimously.

**Future Meetings:**

Thursday, June 4<sup>th</sup> - 4:00 pm, GCEDC Conference Room