



**Economic  
Development Center**

### ATTENDANCE

Agency Members: J. Vincent, J. Andrews, J. Fulmer, H. Upson, L. Benton, W. Hinchey  
Staff: S. Hyde, S. Lockwood, P. Kennett, S. Cook, C. Zambito, C. Suozzi, S. Tanner, J. Macaluso  
Guests: T. Carpenter (Clark Patterson),  
Absent: M. Gerber

### CALL TO ORDER

J. Andrews called the meeting to order at 8:10 a.m. in the Conference Room of the Genesee County Economic Development Center.

### APPROVAL OF MINUTES

H. Upson made a motion to approve the April 24<sup>th</sup> meeting minutes seconded by J. Vincent and approved by all.

### OPERATIONS

- **April Financials** – S. Cook reviewed the financial statements for April and noted the following:
  - \$150,000 of CNL Darien Lake's \$1,045,000 project participation fee has been recognized in income as the 1<sup>st</sup> of 7 installment payments. The balance is recorded as a receivable / deferred revenue that will be due in years 2009 – 2014. The fee for the final three years is contingent upon receiving certification that the company is using the sales tax exemption for the original intended purpose in years 2011 – 2014.
  - \$55,748 grant was received from USDA Rural Development via the Town of Pembroke to install water & sewer for the Pembroke Park.
  - \$55,545 grant was received by the Genesee Community College and forwarded to the GCEDC to support the cost of connecting the water and sewer from Med Tech Park to the College.
  - Anticipated project fee revenue of \$129,000 is due within the next 60-90 days.
  - Second quarter sale of 12.82 acres of land within Apple Tree Acres Corp Park is expected to generate \$280,000 cash / \$165,000 profit.
  - S. Cook added a column to the financial statements to include last years actual numbers on a consolidated level as J. Andrews had asked at the last meeting.

J. Fulmer made a motion to approve the April financial statements, seconded by L. Benton and approved by all.

### REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS

- **Agri-Park SEQR / Site Plan Review Timeline** - Steve Tanner, a representative of Clark Patterson Associates, informed the board that the Batavia Town Planning Board, as lead agency, has declared a positive declaration under SEQR for this project. This means that they, the planning board, feel that the project could have a negative impact on the environment and more information and studies are necessary to determine how the project could be feasibly implemented. To do this a Draft Generic Environmental Impact Statement (DGEIS) will be completed, as part of the SEQR process. The DGEIS allows for flexibility and will allow for a quicker time to market for companies wishing to locate here, as changes can be made fairly easy.

S. Tanner has tried to attend all of the Town of Batavia Planning Board meetings, even if the subject is not on the agenda as the board has frequent questions that are easily answered while in attendance.

A concept map of how the Park could be designed was displayed for the board.

S. Tanner explained that Phase I includes the roadway, water, sewer, electric and other basic infrastructure needs.

An archeological study will be starting soon.

A traffic study and Topographic map have been completed.

Everything seems to be progressing nicely and S. Tanner hopes that everything will be completed by fall.

### SALES MANAGEMENT (Projects Overview)

• **Project Decision Criteria** – With the use of the new Economic Impact Analysis model, we are now viewing projects differently than we had in the past. Whereas in the past, projects were viewed on a project-by-project basis, in terms of capital investment and job creation, we are now viewing the economic value of a company overall, not just the specific project. This can mean that, even if the expected new job creation and capital investment for a specific project may not be significant, we view it in terms of the overall impact of the company on the local community (and to New York State). O-AT-KA Milk Product's current project is an excellent example of this approach as the expected job creation identified in the Financial Assistance Application for this project does not exceed the projected job creation from prior projects (when considered against current employment). Therefore, there is no net new job creation associated with this project. There is, however, new capital investment for this project. Even so, O-AT-KA Milk has a tremendous impact on our local economy, as is reflected in the Economic Impact Analysis. We look at the company in terms of its community impact, in terms of: 1) Overall capital investment plans (beyond just the plans for a specific

project). 2) Employee payroll and benefits for all employees. 3) Corporate purchases in New York State. 4) Increased local property tax revenue 5) All of those community benefits weighed against the community costs, in terms of financial incentives (property tax abatement, tax exemptions, Empire Zone benefits & grants).

S. Lockwood asked the board to recognize that this is a different approach than the one taken by New York State, and that we should / must be able to support our rationale through the Economic Impact Analysis.

S. Hyde noted that this analysis gives us a value for giving a company incentives and a quantitative basis for the board’s decision to assist a company.

J. Fulmer asked the board and staff to consider the GCEDC’s reputational risk if the economic impact analysis bar is set too low, as it’s reputation will not hold as much clout. We may need to walk away from some projects in order to ensure that we are complying with state regulations and meeting our own justification criteria consistently. The fewer exceptions that are made, the more reputable our decisions become.

**•Resolutions:**

**Darien Lake** – CNL Income Properties / Darien Lake is looking for SLB benefits on the installation of a new roller coaster and related site work, foundation, and construction of a support structure. The proposed incentives will include a standard 60% property tax abatement over ten years on the final assessed value of the project (the pre-project value of the land / building will be excluded). The company can expect to receive a sales tax exemption of approximately \$256,800 and a property tax exemption of \$84,183, for total estimated benefits of \$340,983. The company will make a capital investment of approximately \$3,420,000 and create 2 full time jobs.

The 10 year direct economic impact analysis related to Darien Lake was updated for this project. The company will make direct economic impact investments in the local, regional and NY economy totaling an estimated \$273.9 million with total tax payments during this period (sales/use and property / PILOT taxes only) in excess of \$29 million. The fiscal impact ratio of 4.51:1 (for every \$1 of tax exemptions provided to the company over 10 years – the company pays \$4.51 in tax payments) is very significant. The direct economic impact ratio of 42.7:1 decreases slightly given this project vs. previous economic impact projections, but is still very significant to the local / regional economy by any measure. It can be interpreted that for every \$1 of tax exemptions provided to the company over 10 years, \$42.70 will be paid back into the local, regional, and NY State economy with a predominant amount of funds flowing here locally.

This request for Sales Tax Exemption and Property Tax Abatement is related to the companies continued re-investment in the Park as promised. A public hearing was held April 28, 2008. There were no objections noted.

After a short discussion J. Fulmer made a motion to approve Resolution# 05/2008-01, seconded by H. Upson.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE PROJECT

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

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

The resolution was approved as presented.

**Summit Lubricants** – Summit Lubricants is buying the former Pepsi building as it is virtually in their backyard. The building had a PILOT that was cancelled when the building was sold. The building will be converted into a manufacturing facility for grease lubricants. Most of the equipment was secured a few years ago in anticipation of the expansion. The company was certified in the Empire Zone in 2003 and will be utilizing its benefits accordingly. The company can expect to receive a sales tax exemption of approximately \$16,000 and a mortgage tax exemption of \$20,000, for total estimated benefits of \$36,000. The company will make a capital investment of approximately \$2,000,000, retain 50 jobs and create 17 full time jobs. The results of the direct economic impact analysis show that for every \$1 of public benefit, the company is investing \$18.95 into the local economy, based on a consolidated view of the company.

The company had planned to make this expansion in another County and even purchased property outside of Genesee County for the expansion, property that they now plan to sell. Keeping the expansion within the County along with the benefits provided will help to root them more firmly in Genesee County.

A public hearing will not be held as benefits are below \$100,000.

The project constitutes a “Type II” action under SEQR and therefore no further action is required under SEQR.

After a short discussion J. Vincent made a motion to approve Resolution# 05/2008-02, seconded by L. Benton.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER APPROVING (i) FINANCIAL ASSISTANCE FOR THE BENEFIT OF SUMMIT LUBRICANTS INC. WITH RESPECT TO A CERTAIN PROJECT, AND (ii) THE EXECUTION AND DELIVERY OF ALL DOCUMENTS AND INSTRUMENTS NECESSARY AND INCIDENTAL THERETO.

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

J. Andrews -	Yes	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 disclosed that Summit Lubricants purchases from his place of Business.

**OATKA** – O-AT-KA Milk Products Cooperative, Inc.’s project will provide new men’s and women’s locker rooms and rest rooms with shared facilities, an employee lunch room and safe access from the facility to the parking lot. The project will provide 300 men’s lockers and 90 women’s lockers. The expansion is 12,650 square feet and includes the relocation of the building’s load out docks and traffic changes. The jobs are indirectly created / supported as the facilities are a necessary prerequisite to growth. The company is investing \$1,984,000 into the employee facilities project, of which the GCEDC would supply them with a 4% sales tax exemption (local tax) on the \$720,000 used for building materials only. The company will use their Empire Zone certificate to assist them with the state portion of the sales tax and credit for real property on the incremental increase in assessed value. The company can expect to receive a sales tax exemption of approximately \$28,800 and will retain 279 jobs. The results of the direct economic impact analysis show that for every \$1 of public benefit, the company is investing \$820.29 into the local economy, based on a consolidated view of the company.

A public hearing will not be held as benefits are below \$100,000.

The project constitutes a “Type II” action under SEQR and therefore no further action is required under SEQR.

After a short discussion J. Fulmer made a motion to approve Resolution# 05/2008-03, seconded by H. Upson.

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO (i) APPOINT O-AT-KA MILK PRODUCTS COOPERATIVE, INCORPORATED AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT; (ii) NEGOTIATE AND EXECUTE AND DELIVER AN AGENT AGREEMENT AND RELATED DOCUMENTS; (iii) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE UNDERTAKING OF THE PROJECT AND (iv) EXECUTE RELATED DOCUMENTS.

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

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

The resolution was approved as presented.

J. Vincent abstained due to his relationship with the company.

**Crocker** – Crocker, LLC / Carolina Eastern Crocker will construct a seed storage facility which will help advance their business. The facility will be 60’ wide by 136’ long by 18’ in height. It will include a fiber reinforced concrete floor and two 7’6” X 8’9” overhead dock doors. A 10 x 16 x 16 breezeway will connect this warehouse to an existing warehouse. Its intended use will be to store and organize a greatly expanded inventory of palletized bags of corn, soybean, alfalfa, and other agricultural crop seeds. Without this investment, CEC will not be able to serve the changing and growing needs of production agriculture in the region. These individual varieties of crops now carry a much wider number of individual traits which require seed dealers to carry a much wider inventory. Thus CEC’s business is shifting to technology delivered through seed, rather than chemicals.

The company can expect to receive a sales tax exemption of approximately \$5,600, a mortgage tax exemption of \$1,650 and a property tax exemption of \$34,057, for total estimated benefits of \$41,307. The company will make a capital investment of approximately \$165,000, retain 28 jobs and create 5 full time jobs. The results of the direct economic impact analysis show that for every \$1 of public benefit, the company is investing \$235.14 into the local economy, based on a consolidated view of the company.

A public hearing will not be held as benefits are below \$100,000.

The Town of Stafford Planning Board has issued a negative declaration with respect to the project as it involves an “unlisted action” under SEQR.

After a short discussion W. Hinchey made a motion to approve Resolution# 05/2008-04, seconded by L. Benton.

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO (i) TAKE OR RETAIN TITLE TO OR A LEASEHOLD INTEREST IN A PARCEL OF LAND LOCATED IN THE TOWN OF STAFFORD, GENESEE COUNTY, NEW YORK (THE "LAND"); (ii) APPOINT CROCKER, LLC, OR AN ENTITY TO BE FORMED (THE "COMPANY") 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; (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.

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

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

The resolution was approved as presented.

H. Upson and J. Vincent disclosed that the company does business at their place of employment.

J. Fulmer abstained due to the company’s ongoing relationship at his place of employment.

• **Addition to the Agenda:**

**Conflict of Interest Issues** – S. Cook presented the following comments from Russ Gaenzle relative to the Board Member conflict of interest issues that came up at a recent board meeting.

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**Genesee County Economic Development Center**

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1. Re: Situation where a Board Member's company is doing business with a company that is requesting financial assistance: That is OK, as there is no bright line rule. Russ's suggestion is that if there are instances where there is even an appearance of conflict and if it does not impact the project timetable, to postpone adoption of the resolution until we have a "clean" quorum.
2. Our position is that if an IDA Board Member's company wants to do as IDA project and that Board Member is also a director of the applicant, he or she should resign from the IDA board before any financial assistance is provided – recusal is insufficient.
3. In instances where a board member's company is financing a project (i.e. Castle / Fulmer) he can recuse and should leave the room prior to the discussion and vote.

The board discussed the recommendations provided and decided that in regards to comment #1, the GCEDC Board will take the position that board members can vote on providing financial assistance to companies that they might be doing business with as long as we're able to adequately provide justification supporting our rationale (i.e. via an economic impact analysis).

•**Professional Turf Services** – Professional Turf Services is progressing nicely, C. Suozzi expects them to close on the land within the next 30 days.

•**COR Mortgage Tax Exemption** - COR Veteran's Memorial Drive, LLC will need an additional \$1 million in financing in 2008 to support the major destination tourism project that was approved in 2006 and 2007. They can expect to receive a mortgage tax exemption of \$12,500, as the final resolution that was adopted by the board on December 13, 2006 authorizes mortgages with respect to the project. Therefore an additional resolution will not be needed, but S. Hyde asked the board if they would approve the additional benefits anyway because the total benefits being provided has changed. The additional benefits being provided to the company will cause an additional fee of \$4,000 to be charged.

After a short discussion J. Fulmer made a motion to approve the mortgage tax exemption for COR Veteran's Memorial Drive, LLC as discussed. The motion was seconded by L. Benton and approved by all.

### **REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS**

•**Housing Activities** – C. Zambito is moving forward with housing initiatives on Stringham Drive and looking at additional housing opportunities out by the old waste water treatment plant in Batavia.

•**National Grid Grants** – There has been a flurry of National Grid Grant applications submitted by the GCEDC recently. S. Lockwood submitted two Shovel Ready Grants, one for Pembroke Park and another much larger one for Med Tech. C. Zambito has submitted a Build Now Grant to help cover soft costs related to the possible Commercialization Center at Med Tech Park.

### **EMPIRE ZONE / FINANCING**

•**Boundary Revision Process** – S. Lockwood has received a preliminary approval for submission of the Empire Zone boundary revision application and will be moving forward with the final approval process. This will include legislature approval and a public hearing, if all goes well S. Lockwood expects to submit the application for approval by the end of June. Most of the changes that are being made to the Empire Zone Boundary relate to the Agri-Business Park as we are now in the process of purchasing the land for the Park and know exactly where the boundaries should lie. S. Lockwood noted that Boundary Revisions are only allowed once per year and that the entire available Empire Zone acreage will be used.

### **MARKETING**

•**Ag Park Marketing** – C. Zambito had anticipated showing the board the new marketing video clip that will be used for the Agri-Business Park, but it is not quite ready. He hopes to be able to show it to the board at the next meeting.

•**Business Facilities** – C. Zambito distributed a copy of an article in the Business Facilities Magazine regarding the Agri-Business Park.

•**Life Sciences Workforce Development Update** – C. Zambito informed the board that they hope to have the Project Manager position filled and the sub contractors in place for the Life Sciences Workforce Development Project by June 1<sup>st</sup>. This project has attracted a lot of attention across the state, in fact S. Hyde and Marnie LaVigne will be presenting the Project in Cooperstown at the NYSEDC Conference.

### **POLICY ISSUES / OTHER BUSINESS**

**Semi-Annual Meeting: 4:30 Meeting / 6:30 Dinner @ Terry Hills** – After discussing possible dates for our Semi-Annual Dinner Meeting, it was decided that the best date would be Wednesday, July 16<sup>th</sup>.

### **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 9:45 a.m., for the following reasons:

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

The motion was seconded by H. Upson and approved by members.

**ADJOURNMENT**

As there was no further business, W. Hinchey made a motion to adjourn at 10:00 a.m., seconded by L. Benton.

**Future Meetings:**

- |                                  |                           |
|----------------------------------|---------------------------|
| Tuesday, May 27th                | - 8:00 am @ GCEDC Offices |
| Wednesday, June 11 <sup>th</sup> | - 8:00 am @ GCEDC Offices |
| Tuesday, June 24th               | - 8:00 am @ GCEDC Offices |

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