



Wednesday, July 9, 2008
8:00 am – GCEDC Offices

MINUTES

ATTENDANCE

Agency Members: J. Vincent, J. Andrews, J. Fulmer, L. Benton, H. Upson, **M. Gerber
Staff: S. Hyde, S. Lockwood, S. Cook, C. Suozzi, J. Macaluso, Penny Kennett, S. Tanner **C. Zambito
Guests: J. Gsell (County Manager), J. Duval (GC Planning Dept.)**Paul Mrozek (Batavia Daily News)
Absent: W. Hinchey

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 June 9th meeting minutes seconded by J. Fulmer and approved by all.

OPERATIONS

Cash Flow Status – S. Hyde reminded the board that he and S. Cook have been watching the cash flows for the agency very closely, and that we are now up about \$90,000 from project participation fees since the last board meeting.

REAL ESTATE DEVELOPMENT / MANAGEMENT / INDUSTRY SOLUTIONS

Apple Tree Acres – Storm Water Overview / Investment – S. Hyde asked the board to approve an unbudgeted investment of \$80,000 for storm water improvements at Apple Tree Acres Corporate Park to correct design problems and meet park storm water expansion needs. Funding for this investment will come from the Liberty Pumps land sale proceeds at Apple Tree Acres. Our anticipated land sales in 2008 were estimated at \$280,000 and will be exceeded by \$190,000. The land sale proceeds overachievement will fund the needed improvements here at Apple Tree Acres as well as fund the initial land purchase for the WNY STAMP site (formal request forthcoming). The historical design errors (circa 1999-2000) for storm water plus the future expansion needs are quite costly. We will do our best to minimize the cost and align it with available funding, but this \$80,000 investment may not be the full funding necessary to get us aligned with DEC's **current** requirements as well as future development needs. This investment has been included as a part of the quarterly cash flow management process and won't be expended until the funding is available from the closing of the Apple Tree acres land sale.

S. Tanner reviewed the planned storm water improvements with the board. Currently the planned development is out for bid. The plan is to get as much of the work done with the \$80,000 as possible, it **is being** understood that \$80,000 will not completely cover the storm water improvements, but it should provide for a good start on the project. DEC is aware of the plans and is happy with the changes being made.

Town of Batavia Grant – The Town of Batavia has put forth a public hearing for July, which will be followed by a vote on a \$225,000 economic development grant in support of infrastructure at the Genesee Valley Ag Park. This is the third year in a row that the Town of Batavia has helped to seed development **within** the Town. The Town has been a solid partner in their efforts to help support development of Gateway II, Med Tech Park and now the Genesee Valley Ag Park.

** Paul Mrozek (Batavia Daily News) arrived for the meeting.

Pembroke Commerce Park Update – The Genesee County Highway Department has completed the first 510 feet of road at Pembroke Commerce Park, this opens up approximately 15 -20 acres of land for development
C. Suozzi informed the board that Professional Turf will be closing on their land purchase at Pembroke Commerce Park tomorrow.

Med Tech Park Update – S. Hyde informed the board that the Genesee County Highway Department would be starting the paving at Med Tech Park very soon.

Clark Patterson received great pricing on the water and sewer build out at the Med Tech Park, it was estimated to cost \$866,000 for the initial 21 out of 26 acres, but is only going to cost us \$469,000. Clark Patterson has done a great job managing the costs, saving us money for future developments.

S. Hyde is actively working on completing the development plan for the commercialization center; he has been talking with the Genesee Community College and the United Memorial Medical Center who have expressed interest in having a presence within the facility.

Genesee Valley Ag Park - S. Hyde has been actively working on forming the joint venture with Farm Credit; he believes that they are very close to closing.

The Draft Environmental Impact Study is almost finished **up**; the next step will be the Town of Batavia's public review period followed by a public hearing.

Genesee County Economic Development Center

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STAMP:

Phase II Funding – S. Hyde expects the initial drawings, engineering, and the environmental impact study to be complete by the end of August for the STAMP Project, while in California he hopes to review the preliminary plans **with possible tenants**. Land assembly is moving along, J. Macaluso and S. Hyde are actively negotiating 700 acres and we already have over 300 acres under option. Phase II funding is calculated at \$1.5 million and includes the whole design piece. Completion of phase II would allow the sight to be considered shovel ready and state funding is key to moving forward.

S. Hyde trip to SEMICON West Trade Show 7/14 – 7/18/2008 – S. Hyde **reminded the Board that he** is attending the SEMICON West Trade Show in California next week, representatives from CH2MHILL are going to use the time to introduce Mr. Hyde and one of our partners from BNE to key industry leaders.

EMPIRE ZONE / FINANCING

Tompkins Metal / Grant Agreement – Tompkins Metal Finishing took the initiative to seek out an environmental grant **without** discussing it with the GCEDC. They have since been approved for the grant and found out that they need to include the GCEDC as the terms for the grant require that the GCEDC act as a conduit between NY State and Tompkins Metal Finishing. There will be a grant agreement between NY State and the GCEDC, as well as a Co-Implementer Agreement between GCEDC and Tompkins Metal Finishing. As project milestones are met, the grant funds will flow from the State to the GCEDC, **then** to Tompkins. The project includes installation of a wastewater recycle system, which will recycle 70% of the rinse waters generated by **the** on-site metal finishing processes through the use of reverse osmosis with micro filtration technology. The new system will generate savings in wastewater treatment chemicals, filter cake disposal costs, water, sewer costs and labor, reducing water usage, sewage disposal, hazardous waste generation and disposal, ultimately reducing the company's environmental footprint in New York State and making Tompkins more competitive in the market place. The overall capital budget for this project is \$283,800; the grant is for \$138,000 and will pay for the reverse osmosis system by reimbursement. The company has completely installed the system at the end of December and it is now fully operational.

S. Lockwood asked the board to authorize the grant agreement with NY State to be signed, as well as to execute a Co-Implementer Agreement (drawn up by our attorney Durin Rogers) with Tompkins Metal Finishing. The Co-Implementer Agreement transfers the obligations to Tompkins Metal that the agreement with New York State places on the GCEDC.

J. Vincent made a motion to authorize the grant agreement with NY State as well as the execution of the Co-Implementer Agreement with Tompkins Metal Finishing. This motion was seconded by M. Gerber and approved by all.

** C. Zambito arrived for the meeting.

Summit Wholesale – S. Lockwood **gave updated** the board **on** the status **on of** the Summit Wholesale loan receivable. **Steve reminded the Board that the** company was given authorization to sell the collateral (a truck) back in November. After selling the truck the company paid \$4,945.19 on their loan balance leaving approximately \$3,500 principal on their loan, since that time the company has failed to make a payment. S. Lockwood has made several attempts to contact the company and **has** had our lawyer, Bob Humphrey, sent a letter back in May on our behalf regarding the delinquent account. Mr. Lockwood checked with the County to see if Summit had filed bankruptcy and found that they hadn't, but that they do have a lien filed by one of their suppliers for \$250,000. This is clearly not a good situation; the GCEDC has about a \$3,500 exposure. S. Lockwood asked for the board's advice on how to go forward with the delinquency.

The board felt that we should make a good **faith** effort to move forward in collection, documenting all of our efforts, and understanding that our exposure does not permit us to spend an extravagant amount of money on **the** process. In the mean time the board felt it best to charge off the delinquency against the \$60,000 bad debt reserve.

J. Vincent made a motion to charge off the loan against the bad debt reserve, but to continue to pursue collection. The motion was seconded by L. Benton and approved by all.

MARKETING

Life Sciences Workforce Development – Training Kick-Off – The Life Sciences Workforce Development student and teacher training kicked off on Monday July 7th.

POLICY ISSUES / HUMAN RESOURCES / OTHER BUSINESS

Referral Program – At the last meeting C. Zambito discussed the current referral program / consultant fee schedule with the board and suggested making some changes including a \$10,000 cap and refining who is eligible to participate. After reviewing the program M. Gerber made a motion to accept the referral program as presented, but with an increased cap of \$25,000, the motion was seconded by H. Upson and approved by all board members.

Governance Committee – S. Cook reminded the board that we have to get the Governance Committee active. She distributed a model Governance Committee Charter and asked the board to take the following actions:

1. Appoint L. Benton to replace J. Vincent on the board
2. Appoint the Committee Chairman (W. Hinchey)
3. Approve the Charter

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After discussing the changes and reviewing the Governance Committee Charter, M. Gerber made a motion to appoint L. Benton to replace J. Vincent on the Governance Board, appoint W. Hinchey as Governance Committee Chairman, and to approve the charter as presented by S. Cook. The motion was seconded by J. Vincent and approved by all board members.

Semi-Annual Meeting - GCEDC's semiannual meeting will be held on Tuesday, August 12th at Terry Hills. A business meeting will be held at 4:30 with the social portion of the meeting beginning at 6:00.

Additions to the Agenda:

Marketing – S. Hyde, C. Suozzi, and C. Zambito are trying to meet with the BNE once a month to collaborate on the GCEDC's activities and future endeavors, at the last meeting the entire Business Development staff attended. The BNE has been extremely supportive of the Agency's initiatives.

Policy – The IDA reform bill did not go through the Senate despite extremely heavy lobbying by jobs for justice that IDA's **and what they offer** are broken. The reform bill emphasizes the need for prevailing wage for IDA supported projects even though it would add an additional 28% to a company's project cost and the incentives provided only offer a 10 – 30 % cost savings. **Thus it appears that** prevailing wage requirements would hinder development in NY State.

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 9:25 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.
3. To discuss possible litigation.

The motion was seconded by L. Benton and approved by members.

ADJOURNMENT

As there was no further business, J. Vincent made a motion to adjourn at 10:25 a.m., seconded by H. Upson.

Future Meetings:

Tuesday, July 23rd

- 8:00 am @ GCEDC Offices

****Tuesday, August 12th**

**- Semi Annual Dinner Meeting at
Terry Hills 4:30 pm (Conf. Room)
Cocktails @ 6:00, Dinner @ 6:30**

Tuesday, August 26th

- 8:00 am @ GCEDC Offices