



Thursday, October 1, 2009  
4:00 p.m. – GCEDC Conference Room

## MINUTES

### ATTENDANCE

Agency Members: J. Andrews, J. Vincent, H. Upson, J. Fulmer, W. Hinchey  
Staff: S. Hyde, S. Lockwood, S. Cook, P. Kennett, C. Suozzi, L. Farrell, C. Zambito  
Guests: Jay Gsell (GC Manager), Paul Mrozack (Batavia Daily News)  
Absent: M. Gerber, L. Benton

### CALL TO ORDER / ENTER PUBLIC SESSION

J. Andrews called the meeting to order at 4:10 p.m. in the Conference Room of the Genesee County Economic Development Center

### 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 4:10 p.m., for the following reasons:

1. To discuss the financial history of particular corporations

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

J. Vincent made a motion to leave the executive session at 5:35pm, seconded by H. Upson and approved by all.

### 5:35 Break for Dinner

### RE-ENTER PUBLIC SESSION

W. Hinchey made a motion to enter back into public session at 6:05 p.m., seconded by J. Fulmer and approved by all.

### OPERATIONS

**4a. August Financial Statements** – S. Cook noted the following regarding the August 2009 financial statements:

- Received \$103,146 in workforce development grant revenue during the month of August. Since then the GCEDC has also received \$228,150 for reimbursements for year one, and \$125,000 which was a 25% advancement for year two. The grant is a reimbursement based grant, including salaries of staff's time involved in the grant.
- Darien Lake's project participation fee of \$150,000 was recorded as deferred revenue in 2008, but was received in August of 2009.
- Received UMMC's project participation fee of \$84,323.
- The total uncommitted loan funds' available is \$716,000.

S. Cook asked the board to approve the August Financial Statements under consent items.

### SALES MANAGEMENT (Projects Overview)

#### **Resolutions:**

**5a. Vanderhoof Electric** – The new company, Vanderhoof Electric Supply, is conducting an asset purchase of Falcone Electric. Falcone Electric began in 1955 and has been a very stable wholesale electric supply business. The new owner is looking to keep the same name and staff that has contributed to the company's long term success. The company plans to invest \$50k in computer upgrades in a few months and a \$50k upgrade to the facade in the spring of 2010. GCEDC is seeking to assist in this project with a sales tax exemption on the equipment and building materials of approximately \$6,000, a mortgage tax exemption (based on \$300K building value) of approximately \$3,750, along with a PILOT on the incremental increase in assessed value from the facade improvements of approximately \$6,542. In addition, the company is seeking to obtain \$100k from GCEDC's Revolving Loan Fund (RLF) to assist in capitalizing the project. The company will be creating one job and retaining 8. They can expect to receive approximately \$16,292 in total benefits.

Based on a consolidated view of the company, for every \$1 of public benefit, the company is investing \$1,642 into the local economy. A public hearing will not be held as benefits are under \$100,000.

The agency constitutes a negative declaration for purposes of SEQR, as the project involves an unlisted action as defined under SEQR.

Resolution No. 10/2009 - 01

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER: (i) APPOINTING VANDERHOOF ELECTRIC SUPPLY, INC. AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT; (ii) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AND RELATED DOCUMENTS; (iii) PROVIDING FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, RECONSTRUCTION, UPGRADING AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING OR REFINANCING RELATED TO THE PROJECT; AND (iv) AUTHORIZING THE EXECUTION OF A MORTGAGE AND RELATED DOCUMENTS.

C. Suozzi asked the board to approve the resolution under consent items.

**5b. Sanzo & Sons Inc.** – Sanzo and Sons is a beverage distributor with locations in Olean, Salamanca and Batavia. The company is planning on making their distribution center in Batavia more efficient. The project calls for an expansion of the office area with an additional 1222 s/f. This will allow for a conference room and storage area for marketing materials. In addition, the company is planning upgrades to the roof and upgrades to equipment; forklifts and delivery trucks. GCEDC is assisting the project with a PILOT on the incremental increase in assessed value of the property based on the 1,222 s/f addition, benefits are estimated at \$11,191. The sales tax exemption will be based on a combination of building materials and equipment, benefits are expected to be approximately \$16,000. The company is planning on financing the project via a mortgage and will be eligible for a mortgage tax exemption of approximately \$3,125. Three jobs will be created, 17 will be retained, the company will invest a total of \$250,000 and can expect to receive approximately \$30,316 in total incentives.

Based on a consolidated view of the company, for every \$1 of public benefit, the company is investing \$2,086 into the local economy.

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

The agency constitutes a negative declaration for purposes of SEQR, as the project involves an unlisted action as defined under SEQR.

Resolution No. 10/2009 - 02

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO (i) ACQUIRE A LEASEHOLD INTEREST IN A PARCEL OF LAND LOCATED AT 11 APOLLO DRIVE, CITY OF BATAVIA, GENESEE COUNTY, NEW YORK (THE "LAND"); (ii) APPOINT SANZO & SONS, INC. AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT AS MORE FULLY DESCRIBED BELOW; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY AS FOLLOWS (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 PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR THE FINANCING RELATED TO THE PROJECT; AND (vi) EXECUTE RELATED DOCUMENTS.

C. Suozzi asked the board to approve the resolution under consent items.

## **EMPIRE ZONE / FINANCING GRANTS**

**7a. Cue Stock** – Deferred until the next meeting.

**7b. Jeffres Loan Request** – Jeffres Ag Service compliments the Jeffres main business, RL Jeffres & Sons Inc., which is a 9,000+ acre diversified crop operation. Jeffres Ag Service operates as a stand-alone entity buying and selling product. It employs two full-time and three part-time employees. It subcontracts its labor and leases its trucks and fertilizer application equipment from RL Jeffres and Sons, Inc..

Jeffres Ag Service is requesting a loan of \$100,000 from the GCEDC revolving loan fund with a term of 5 years and a guarantee of the parent company, RJ Jeffres & Sons Inc. The loan would be for a fixed rate of interest at 80% of New York Prime and will be used for construction of a 2,500 s/f addition connecting two existing storage buildings.

L. Farrell asked the board to approve the loan request for Jeffres Ag Service under consent items.

**7c. Falcone Electric / Vanderhoof Electric Supply, Inc. Loan Request** – Vanderhoof Electric Supply, Inc. is seeking a financial package which includes the purchase of a building and property, all inventory and small assets, operating capital, and start-up expenses. The company plans to invest \$50k in a computer warehouse management system in the next few months. A \$50k upgrade to the façade is also planned for the spring of 2010. Vanderhoof Electric Supply, Inc. is requesting a loan of \$100,000 from the GCEDC revolving loan fund. The loan would have a term of 5 years and would carry personal guarantees of Daniel and Amy Vanderhoof. The loan would be for a fixed rate of interest at 80% of New York Prime. The loan will be used to purchase a computer warehouse management system for approximately \$50k, with the remainder being used for operating capital.

L. Farrell asked the board to approve the loan request for Vanderhoof Electric Supply, Inc. under consent items.

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

**8a. FAM Tour** – C. Zambito and C. Suozzi organized a familiarization (FAM) Tour. A bus picked up interested guests from Buffalo then proceeded to tour the parks throughout Genesee County. They had a nice turn out and heard a lot of positive feed back, people attended from, the BNE, Senator Razenhauer’s office, and Buffalo area real estate agencies.

**8b. iSci Kick Off** – Tuesday, October 6th at 10:00 a.m., University at Buffalo’s Educational Opportunity center and NYS Center of Excellence in Bioinformatics and Life Sciences will host a press conference for the official launch of the iSciWNY program. iSciWNY has been developed to educate the public on the life sciences industry and the many available career pathways and grow a solid pipeline of current and future talent by impacting K-12 and adult learners to pursue education, training and job opportunities in the life sciences. Following the pilot activities which occurred throughout this year with hundreds of individuals, the launch will mark the official introduction and distribution of the iSciWNY Career Pathways Kits for K-12, higher education and adult learner constituents. Program information and training will be provided to the eight counties of WNY, including all middle and high schools, adult education centers, community service agencies and career counseling and job placement organizations.

**8c. Outreach** – C. Zambito has been working on outreach initiatives and plans to meet with the Town of Pembroke board of educators to discuss and explain PIF’s and the PILOT program. There are also plans to meet with the Rotary Club on iSci WNY and the Town of Alabama regarding the STAMP project.

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

**9a. County Sponsored Local Development / Civic Facilities Projects** – Since the NY General Municipal Law authorizing IDA’s to issue tax-exemptions for “Civic Facilities” has expired, Steve Hyde asked the board to consider supporting the development of a County sponsored LDC that will be able to assist these types of organizations in much the same way. Forming a LDC will replace one of the tools the GCEDC has lost – the ability to issue tax-exempt (lower cost) bonds supporting Civic Facilities (non-profit) construction projects. GCEDC’s legal counsel, Harris Beach, has recommended to counties throughout the state to consider conferring broad authority to issue bonds to a newly-established local development corporation(LDC), given the state of uncertainty facing IDA’s and related legislation in NY State. This is a temporary solution until the IDA Civic Facilities authority is restored and will not have an effect on the Counties finances or budget. Steve Hyde will be presenting the initiative to the Ways and Means Committee next Wednesday, as approval of a resolution authorizing the formation of the new LDC, the Genesee County Funding Corp.(GCFC), by the County Legislature is required. S. Hyde will recommend to the Legislature that the LDC be managed by the same board as the GCEDC, using the same policies, procedures, and tools. Keeping all county related economic development programs under similar governance and management seems to be the most efficient means available.

S. Hyde asked the board to formally approve their support of the County Sponsored Local Development Corporation in regards to Civic Facilities Projects in consent items.

J. Andrews recognized S. Lockwood as a wonderful asset to this organization who will be missed. This is S. Lockwood’s last board meeting as he will be leaving the GCEDC on October 30<sup>th</sup>.

## **CONSENT ITEMS**

### **10a. August Financial Statements (discussed above 4a)**

**H. Upson made a motion to approve the August Financial Statements, the motion was seconded by W. Hinchey. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

**10b. Vanderhoof Electric** – This project includes a sales tax exemption, a mortgage tax exemption and a property tax exemption on the purchase of Falcone Electric, as described in 5a.

**J. Vincent made a motion to approve the Resolution #10/2009-01, the motion was seconded by H. Upson. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

J. Fulmer abstained due to the relationship between his place of employment and the Company, Vanderhoof Electric.

**10c. Sanzo & SonsInc.** – This project includes a sales tax exemption, a mortgage tax exemption and a property tax exemption on the company’s expansion and efficiency upgrades project, as described in 5b.

**J. Fulmer made a motion to approve the Resolution #10/2009-02, the motion was seconded by W. Hinchey. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

~~10d. Cue Stock (discussed above 7a)~~ – Deferred until the next meeting.

**10e. Jefres Ag Services (discussed above 7b)** – Jeffres Ag Service is requesting a loan of \$100,000 from the GCEDC revolving loan fund with a term of 5 years and a guarantee of the parent company, RJ Jeffres & Sons Inc. The loan would be for a fixed rate of interest at 80% of New York Prime and will be used for construction of a 2,500 s/f addition connecting two existing storage buildings.

**W. Hinchey made a motion to approve a \$100,000 loan to Jeffres Ag Service, the motion was seconded by H. Upson. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

J. Vincent abstained due to the relationship between his business and the Company, Jefres Ag Services.

**10f. Vanderhoof Electric Supply, Inc / Falcone Electric (discussed above 7c)** – Vanderhoof Electric Supply, Inc. is requesting a loan of \$100,000 from the GCEDC revolving loan fund. The loan would have a term of 5 years and would carry personal guarantees of Daniel and Amy Vanderhoof. The loan would be for a fixed rate of interest at 80% of New York Prime. The loan will be used to purchase a computer warehouse management system for approximately \$50k, with the remainder being used for operating capital.

**J. Vincent made a motion to approve a \$100,000 loan to Vanderhoof Electric Supply, Inc., the motion was seconded by H. Upson. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

J. Fulmer abstained due to the relationship between his place of employment and the Company, Vanderhoof Electric.

**10g. County Sponsored Local Development / Civic Facilities Projects (discussed above 9a)** - S. Hyde asked the board to formally approve their support of the County Sponsored Local Development Corporation in regards to Civic Facilities Projects. A letter of support will be presented to the Genesee County Legislature.

**H. Upson made a motion to support the County Sponsored Local Development Corporation in regards to Civic Facilities Projects, the motion was seconded by J. Fulmer. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

**10h. Approval of Board meeting minutes for 9/2, 9/3, 9/15, and 8/25.**

**W. Hinchey made a motion to approve the minutes for 9/2, 9/3, 9/15 and 8/25, the motion was seconded by J. Vincent. Roll call resulted as follows:**

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

**The Consent Item was approved as presented.**

## ADJOURNMENT

As there was no further business, J. Fulmer made a motion to adjourn at 6:25 p.m., seconded by J. Vincent and passed unanimously.

## Future Meetings:

Thursday, November 5<sup>th</sup> - 4:00 pm, GCEDC Conference Room

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### Genesee County Economic Development Center

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