



Thursday, September 1, 2016
Upstate MedTech Centre – Suite 107
4:00 PM

GCEDC MINUTES

Attendance

Board Members: P. Battaglia, M. Gray, C. Yunker, P. Zeff, M. Davis

Staff: S. Hyde, L. Farrell, M. Masse, E. Richardson, P. Kennett, C. Suozzi, R. Tabela

Guests: S. Noble-Moag (GGLDC Board Member), H. Upson (GGLDC Board Member), W. Hinchey (GGLDC Board Member), R. Gaenzle (Harris Beach), J. Gsell (Genesee County), J. Jakubowski (GCEDC Consultant), J. Krencik (The Daily News), Ken Kujawa (National Grid), Larry Martin (National Grid), Lee Skuknecht and Matt Geissler (L&M Specialty Fabrication)

Absent: M. Wiater, J. Rizzo

1.0 Call to Order / Enter Public Session

P. Battaglia called the meeting to order at 4:00 pm in the Upstate MedTech Centre Innovation Zone conference room.

Presentations:

L&M Specialty Fabrication, LLC – Project Overview – C. Suozzi introduced Lee Skuknecht and Matt Geissler of L&M Specialty Fabrication to give a brief overview of their project. Lee Skuknecht shared that they are a business that manufactures and repairs custom farm equipment. They are planning on building a 21,000 sq. ft. facility on Saile Drive near Bank St. Rd. in the Town of Batavia. They plan to invest \$2.4M into this project. They see a lot of opportunity here in Genesee County for this type of business. They plan to manufacture mostly onion harvesting equipment. There are lots of interest for their type of work from all over the country and even internationally. Another main part of their business will be repairing farm equipment with custom parts.

C. Yunker wished to add that these men come from two large farming families in the Elba area, the Skuknechts and Geisslers. They come from a long line of entrepreneurs. He is excited that these men are hoping to continue that legacy here in Genesee County.

P. Battaglia thanked them for their presentation. He added that the Board will review this project in Executive Session and will vote on incentives later in the meeting. He wishes them the best of luck in this venture.

John Jakubowski – Workforce Development Update – John Jakubowski gave the Board a workforce development report for the period 8/15/15 – 8/14/16. He reviewed the goals and some highlights from his work for the past twelve months.

He shared that the overall goals of the workforce efforts continue to remain the same, we work to:

1. Develop and align training and educational programs that meet the needs of both existing companies and companies we are working to attract.
2. Assist companies in securing funding for their training and educational needs.
3. Secure funding for training and educational initiatives that support the GCEDC's economic development priorities and activities.
4. Interface with local and regional public and private educational institutions or providers.

More specifically, for the coming twelve months, as part of the STAMP subcommittee of the Finger Lakes Regional Economic Development Council, we will be focusing on our K-12 population and working with schools and teachers on introducing students and parents to STEM related career paths. Referring to the initiative as "STEM to STAMP", our vision for the academic year is to work closely with a dedicated number of school districts, who will commit resources, on activities that can be rolled out to all districts as we move forward.

He also shared that in the past twelve months the Agency has secured \$51,920 in grant dollars to fund training for eleven existing companies. \$6,960 was received as revenue by the GGLDC for services related to the development, marketing and recruitment for the Mechatronics Program. \$51,034 continues to be held by the GCEDC from a previous grant award of \$100,000 from the National Fuel Gas Foundation for entry level training for the food processing industry. We are awaiting information from Dairy

Farms of America (DFA) on their hiring plans to most effectively use these training dollars. The Agency has maintained active participation on the WNY STEM Hub, the FAME Workforce Pipeline Committee, the WEMOCO Workforce Council, the WNYTA Steering Committee and Industry Partner Committee, and MCC's Middle Skills Cap Consortium. We have partnered with private companies who have a common interest in enlightening both the adult and K-12 population regarding career paths in STEM areas and advanced manufacturing. We have also supported our efforts through numerous presentations to local and regional educators, individual school districts, educational institutions, service clubs and employment professionals. To date we have presented to the entire staffs of seven school districts in the Genesee Valley Educational Partnership.

Workforce Development is a process and not an event. As part of the process, there are events along the way, but, it is always a process. It is a continuous and "on going" activity.

P. Battaglia thanked John for his presentation. Workforce is of vital importance and he couldn't think of a better person to be representing the Agency.

J. Jakubowski left the meeting at 4:28pm.

1.1 Executive Session

P. Zeliff made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 4:28 pm, for the following reasons:

- To discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.
- The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

The motion was seconded by C. Yunker and approved by all members present.

Lee Skuknecht and Matt Geissler were asked to join the executive session conversation at 4:25pm and left the meeting 4:30pm.

1.2 Re-Enter Public Session

P. Zeliff made a motion to enter back into public session at 5:35 p.m., seconded by C. Yunker and approved by all members present.

2.0 Chairman's Report & Activities

2.1 Upcoming Meetings – P. Battaglia reviewed the upcoming meeting dates with the Board.

Next Scheduled Board Meeting: Thursday, October 6th at 4:00pm
STAMP Committee Meeting: Thursday, September 29th at 8:00am
Audit & Finance Committee Meeting: Tuesday, October 4th at 9:00am

2.2 Agenda Additions / Deletions / Other Business – P. Battaglia asked the Board to add item 6.5 Empire Pipeline – Phillips Lytle Conflict of Interest Waiver to the Agenda.

P. Zeliff made a motion to approve adding item 6.5 Empire Pipeline – Phillips Lytle Conflict of Interest Waiver to the agenda; the motion was seconded by M. Davis. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zeliff -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

2.3 August 4, 2016 Minutes

C. Yunker made a motion to approve the August 4, 2016 Minutes; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

3.0 Report of Management

3.1 L&M Specialty Fabrication, LLC – Resolution No. 09/2016-01 – C. Suozzi reminded the Board the L&M Specialty Fabrication, LLC is planning on building a 21,000 sq. ft. facility on Saile Drive near Bank St. Rd. in the town of Batavia. The company manufactures and repairs predominately agriculture specialty equipment. The company is seeking assistance from the GCEDC for a mortgage tax exemption valued at approx. \$21,625, sales tax exemption valued at approx. \$77,072 and a property tax abatement of approx. \$124,850. A public hearing will need to be scheduled as benefits exceed \$100,000.

Resolution No. 09/2016-01

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF L & M SPECIALTY FABRICATION LLC 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

C. Yunker made a motion to approve the Resolution No. 09/2016-01, accepting the application and authorizing a public hearing for L&M Specialty Fabrication, LLC; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

4.0 Audit & Finance Committee

M. Gray shared that the Audit & Finance Committee met on Tuesday, August 30th. They discussed and recommended the following items:

4.1 July 2016 Financial Statements – M. Gray informed the Board that all expenditures are in line with the budget except as noted.

M. Gray made a motion to approve the July 2016 Financial Statements; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

4.2 2017 Budget – M. Gray shared that the Committee has reviewed the 2017 budget assumptions at two different meetings. He asked L. Farrell to review with the full Board the highlights of the 2017 budget.

L. Farrell gave an overview of the budget assumptions for the 2017 budget.

Operations:

- County contribution included in preliminary budget at 2016 level (\$215,014).
- Balance of funding needed will be primarily generated by GCEDC project fee revenue.
- Reduced expenditures where possible.
- We have been covering funding gaps with grants from the GGLDC to support the Economic Development Program as well as property management transfers from GGLDC's MedTech Centre.

- GGLDC Strategic Investment Analysis assumes \$300K for 2017 support of the overall Economic Development Program.
- IAA 2015 Land Sale – 2017 Cash Carryover Allocation = \$159,450.
- Expenditures Assumptions include:
 - o Base employee wages – Assume 2% increase. Increased hours included for building & maintenance employees related to STAMP property ownership. Operations Assistance position is currently vacant, but included in 2017 budget assumptions for the full year.
 - o Employer contribution to NYS Retirement System projected at the following percentages of wages for the Dec. 2017 invoice
 - 15.8% for Tier 4
 - 13.0 % for Tier 5
 - 9.2% for Tier 6
 - o Based on Independent Health’s notification that was received in May, they have requested an approx. 8% increase to the premium for our current plan. Currently, all employees are participating in the GCEDC’s group health insurance plan. Coverage for the currently vacant Operations Assistant position has been included in the 2017 estimate to be conservative.
 - o Allowed for a 5% increase in insurance premiums for all current policies.

RLF #1:

- 4 loans currently active
- Loans continue to be made with terms of 3-10 years and fixed rates of interest.
- A percentage of program income supports organizational administrative costs of the loan program.
- Funds were deemed de-federalized in 2009.

RLF #2:

- 2 loans currently active.
- GCEDC will continue the process of de-federalizing these funds in 2016. Funds will ultimately be moved to the GGLDC through a grant agreement that was put in place with Genesee County in 2012. Funds will be completely de-federalized once they cycle through one more loan made out of the GGLDC (a 501(c)-3 non-profit entity).
- Existing cash/loans receivable will stay on the balance sheet of the GCEDC. Loan payments will continue to add to cash of the GGLDC. Whenever there is a project for which loan funding from RLF#2 is needed, it will be necessary to make a request to the County Treasurer. The County Treasurer will direct the GCEDC to forward funds to the GGLDC to lend to the customer. Unrequested cash will remain with the GCEDC until requested for a specific project.
- When new loans are approved and funds are forwarded to the GGLDC, grant expense will be recorded in the GCEDC.

Real Estate Development & Management:

- Parks owned by GCEDC:
 - o Apple Tree Acres (Bergen)
 - o Gateway I (Batavia)
 - o Oatka Hills (LeRoy)
 - o LeRoy Food & Tech Park (LeRoy)
 - o STAMP (Alabama) – Accounted for in a separate fund dedicated to this project.
- PILOT Increment Financing (PIF) payments:
 - o Genesee County Legislature dedicated funds to support development at the Genesee Valley Agri-Business Park.
 - o Genesee County Legislature and Town of Bergen committed funds to support the Village of Bergen’s wastewater treatment plant expansion.
 - o Genesee County Legislature, Town of Bergen and Byron-Bergen School District committed funds to support an Apple Tree Acres Infrastructure fund.
 - o No land sales included in the budget.
 - o Full sales efforts continue for all parks.

STAMP:

- Insurance and Special District Fees take into account expenses related to the properties currently owned and two more potential property purchases.
- Only base operating activity has been included. ***Note: The Audit & Finance Committee requested that L. Farrell add the NYS ESD \$28M and \$18M grant revenue & grant expense to the 2017 budget.*
- Any project activity at STAMP and corresponding investment of fee and land sale revenue will be presented as an overlay on a case by case basis.

Workforce Development:

- This fund is currently being used to account for revenue and expenses related to a National Fuel Grant.
- Any grant activity will net out to a zero net profit/loss.

M. Gray made a motion to approve the 2017 budget; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

4.3 GAIN! Loan Fund Application – L&M Specialty Fabrication, LLC – M. Gray shared that the GCEDC is proposing to use GAIN! Loan funding in the amount of \$200,000 to provide a loan to the Company for the acquisition of a piece of equipment. The term loan will have an interest rate of 1% per annum and will be amortized over a 7-year period. The loan will be secured by a second position lien filing against the piece(s) of equipment being purchased as well as corporate and personal guarantees of the members/owners.

M. Gray made a motion to approve a GAIN! Loan in the amount of \$200K to L&M Specialty Fabrication contingent upon their closing with Bank of Castile; the motion was seconded by M. Davis. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

5.0 Governance & Nominating Committee

5.1 Nothing at this time.

6.0 STAMP Committee

P. Zelif shared that the STAMP Committee met on Thursday, August 25th. They discussed and recommended the following items:

6.1 National Fuel Area Development Grant – P. Zelif shared that the GCEDC has applied for an Area Development Grant in the amount of \$400,000 from National Fuel to help with some of the costs of tapping the Empire Pipeline and bringing gas service to the STAMP site. National Fuel is looking for the GCEDC to authorize the use of \$100,000 of the money to begin the Environmental Permitting process of the line.

P. Zelif made a motion to approve utilizing up to \$100,000 of the grant to cover the environmental and permitting costs for tapping the Empire Pipeline and installing a distribution line contingent upon receiving an award letter; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

6.2 Key Bank Depository – P. Zelif shared that the GCEDC's current \$16M line of credit that is being used as bridge financing for STAMP infrastructure is with First Niagara Bank. Key Bank is currently completing its acquisition of First Niagara Bank, and our line of credit will be transferred over sometime between October 8-10. The GCEDC received some paper work from Key Bank and is requesting the Board pass resolutions that state Key Bank is an official banking partner of the GCEDC, and authorizing the execution of the Depository Collateral Pledge Agreement. The authorized signers on the Key Bank line of credit and corresponding bank accounts will remain the same as the Board appointed for the First Niagara accounts.

P. Zelif made a motion to approve establishing Key Bank as an official banking partner of the GCEDC, authorizing the same signatories as were listed on the First Niagara accounts, and execution of the Depository Collateral Pledge Agreement; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

6.3 National Grid SIS Study Payment – P. Zelif shared that the GCEDC paid \$125,000 to National Grid to complete a Systems Impact Study (SIS) on the 115 kV lines at the STAMP site as part of the process to tap those lines and construct a substation to support the first tenant at STAMP. National Grid has notified the GCEDC that they have incurred more cost than the \$125,000 can cover, and sent an invoice for \$70,000. The \$70,000 is comprised of \$37,000 in overage to date, plus an additional \$33,000 to complete the remaining work under the study. The Board had requested further documentation from National Grid, which we have received. The revised invoice is for \$67,176.61. Future billings will be done monthly and brought to the Committee for approval.

Ken Kujawa added that National Grid sees itself as a partner with this project, this community and this organization. They do their best to maintain deadlines to keep the project moving forward. After talking with the staff, bi-weekly conference calls have been set up to help with communication between National Grid and the GCEDC. National Grid will plan to provide more detailed billing as a part of their monthly billing for services rendered going forward. They appreciate the opportunity to work with the GCEDC on the STAMP project.

P. Zelif made a motion to approve \$67,176.61 to be paid to National Grid for the SIS Study to be covered under the \$5M ESD Grant; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

6.4 345kV Electric Transmission SIS Study Consultant Proposal – P. Zelif shared that the GCEDC is looking to contract with Robert Gage for the following work:

- Prepare and submit study request to NYISO
- Scoping meeting with all involved parties to discuss the proposed and alternative interconnection options.
- Review and make recommendations for the SIS agreement.
- Prepare RFP to solicit bids for consulting firm to complete SIS.
- Coordinate completion of the SIS with firm selected.
- Review initial draft report.
- Provide advisory services as requested to the GCEDC on strategy pertaining to STAMP and the electrification on infrastructure.

The contract is not to exceed \$24,800 and will be covered under the \$5M ESD Grant.

P. Zelif made a motion to approve a contract with Robert Gage for Engineering Consulting Services not to exceed \$24,800 to be covered under the \$5M ESD Grant; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

6.5 Empire Pipeline – Phillips Lytle Conflict of Interest Waiver – P. Zelif shared that Phillips Lytle has requested that we sign a conflict of interest waiver as they will be representing Empire Pipeline in their potential project with the GCEDC. The GCEDC will be represented by Harris Beach on this matter. Harris Beach advises that there are no conflicts at this time.

P. Zelif made a motion to approve signing of a conflict of interest waiver for Phillips Lytle; the motion was seconded by M. Gray. Roll call resulted as follows:

P. Battaglia -	Yes	C. Yunker -	Yes
M. Wiater -	Absent	P. Zelif -	Yes
M. Davis -	Yes	M. Gray -	Yes
J. Rizzo -	Absent		

The item was approved as presented.

7.0 Employment & Compensation Committee

7.1 Nothing at this time.

8.0 Adjournment

As there was no further business, C. Yunker made a motion to adjourn at 6:00 p.m., which was seconded by M. Gray and passed unanimously.