



**Thursday, November 1, 2018
Upstate MedTech Centre – Innovation Zone
4:00 PM**

GCEDC MINUTES

Attendance

Board Members: M. Gray, A. Young, T. Bender, A. Vanderhoof, P. Battaglia (Video Conference)

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

Guests: T. Felton (GGLDC Board Member), D. Cunningham (GGLDC Board Member), G. Torrey (GGLDC Board Member), S. Noble-Moag (GGLDC Board Member), B. Quinn (Daily News), J. Gsell (Genesee County), Pierluigi Cipollone (Batavia Development Corp)

Absent: C. Yunker, P. Zelif

1.0 Call to Order

M. Gray called the meeting to order at 4:00 p.m. in the Upstate MedTech Centre Innovation Zone conference room.

1.1 Enter Executive Session –

T. Bender made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 4:00 p.m. for the following reasons:

1. 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 motion was seconded by A. Young and approved by all members present.

1.2 Enter Public Session –

A. Young made a motion to enter back into public session at 4:41 p.m., seconded by T. Bender and approved by all members present.

2.0 Chairman's Report & Activities

2.1 Upcoming Meetings:

Next Scheduled Board Meeting: Thursday, December 6th at 4pm

Audit & Finance Committee Meeting: Tuesday, December 4th at 8:30 a.m.

STAMP Committee Meeting: Tuesday, December 4th at 10:30 a.m.

Employment & Compensation Committee Meeting: Thursday, December 6th at 3pm

Employment & Compensation Committee Meeting: Thursday, December 20th at 3pm

Board Meeting: Thursday, December 20th at 4pm

2.2 Agenda Additions / Deletions / Other Business – Nothing at this time.

2.3 Minutes: October 4, 2018

P. Battaglia made a motion to approve the October 4, 2018 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zeff -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

The item was approved as presented.

3.0 Report of Management

3.1 Ellicott Station – Final Resolution- The Ellicott Station Project is a mixed-use brownfield redevelopment project including adaptive re-use of a blighted property and new construction in a key gateway entrance site to downtown Batavia (Ellicott Street block from Evans / Court Streets to Jackson Street) which is near the Main and Ellicott Street intersection.

The project will include \$22.5M in investment and pledges to create some 68 FTE's all while cleaning up a blighted 3.3-acre site that requires brownfield remediation which will have the benefit of public infrastructure to the tune of \$1.3M.

Considerable construction will be undertaken including some 99,000 square feet of new and renovated facilities including a brewery (manufacturing), restaurant / beer garden, new class A office space (nearly 17,000 square feet of the total) and a 5-story apartment building with 55 new upscale modern near market rate apartments which include at grade parking facilities (garages).

This project was presented to the GCEDC board during the summer of 2017 with approval of local incentives valued at \$2.2M, including a 10-year PILOT, at the August 2017 GCEDC board meeting.

The scope and scale of this project has increased by nearly \$5M (+28%) since last year, and the fact that considerable investment is required to remediate and redevelop a property like this the developer / owner has requested that the GCEDC consider a re-framed / revised set of local incentives to enable this project's financing and implementation. The main aspect for the requested change in the local incentives package is that key lenders are looking for the PILOT agreement associated with the project, the housing portion in particular, to run coterminous with the length of financing of the project (30 years) to ensure the long-term financial sustainability of the project.

The owner / developer (Savarino Companies) is requesting the GCEDC board consider the approval of a revised incentive package valued at an estimated \$3.25M (updated and reduced since the 10/23/18 public hearing) including a property tax abatement (30-year PILOT), sales tax exemption, and mortgage tax exemption.

This PILOT is a deviation to the UTEP as it is over 20 years. But it has been done before with projects like the DePaul project. The UTEP states that if the PILOT is over 20 years, the GCEDC needs to notify the affected taxing jurisdictions, which has been completed.

A public hearing was held on October 23, 2018. One resident commented that he was against subsidized housing but was in support of the project as a whole.

Use of Batavia Pathway to Prosperity (BP2) funds to reimburse costs related to public infrastructure / public benefit investments included within the project is planned for an amount up to \$1,396,988.

P. Cipollone shared that he, along with the entire BDC board and staff are in support of this project. This will be very important for the City of Batavia.

The Board reviewed the Statement of Compliance of Project Criteria. See 'Attachment A'.

S. Hyde asked the Board to approve resolution no. 11/2018-01, authorizing incentives for the project.

Resolution No. 11/2018-01

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (i) MAKING A DETERMINATION WITH RESPECT TO THE ELLICOTT STATION DEVELOPMENT LLC PROJECT PURSUANT TO SEQRA, (ii) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT, FINANCIAL ASSISTANCE AND PROJECT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, TAX AGREEMENT, TAX AGREEMENT MORTGAGE, IF NECESSARY, AND RELATED DOCUMENTS; (iii) AUTHORIZING FINANCIAL ASSISTANCE TO ELLICOTT STATION DEVELOPMENT LLC (THE "COMPANY") IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION AND EQUIPPING OF THE PROJECT, (B) A REAL PROPERTY TAX ABATEMENT STRUCTURED THROUGH A TAX AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION AS PERMITTED BY NEW YORK STATE LAW; AND (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF A MORTGAGE AND RELATED DOCUMENTS.

P. Battaglia made a motion to approve Resolution No. 11/2018-01, authorizing incentives for the project as described; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zeliff -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

The item was approved as presented.

3.2 Gateway GS, LLC – Resolution - The company is building a 25k sq. ft. shell or spec building at Gateway II (to the South of Ashley Furniture). This will be Phase 1 of 5. The building will be engineered as a shell so that prospective tenants, who will ultimately lease the space, will control the buildout. This type of development is more flexible than fitting out the entire building at the on-set and is more attractive to prospective tenants. The tenants that this type of building will attract include warehouse, distribution, light manufacturing, technology and office space tenants.

A mortgage tax exemption was not part of their original incentives package however, the company is now seeking a mortgage tax exemption as part of their original project approved on September 7, 2017. The

scope of their original project did not change so the Statement of Compliance of Project Criteria remains unchanged as previously approved in 2017.

C. Suozzi is asking the Board to approve resolution no. 11/2018-02, authorizing a mortgage tax exemption for the project.

Resolution No. 11/2018-02

RESOLUTION AUTHORIZING THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER TO EXECUTE AND DELIVER A MORTGAGE IN THE PRINCIPAL AMOUNT OF UP TO \$1,800,000 IN FAVOR OF FIVE STAR BANK AND EXECUTE AND DELIVER RELATED DOCUMENTS WITH RESPECT TO THE FINANCING AND/OR REFINANCING OF THE GATEWAY GS, LLC PROJECT FACILITY LOCATED AT 7999 CALL PARKWAY, BATAVIA GATEWAY II CORPORATE PARK, IN THE TOWN OF BATAVIA, GENESEE COUNTY, NEW YORK

A. Vanderhoof made a motion to approve Resolution No. 11/2018-02, authorizing a mortgage tax exemption as described; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zeff -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

The item was approved as presented.

4.0 Audit & Finance Committee – M. Gray

4.1 September 2018 Financial Statements – L. Farrell reviewed the September Financial Statements with the Board and noted the following:

- J Rental land sale transaction was completed in September, reflecting a change in the Land Held for Development & Resale on the Balance Sheet and Cost of Sales on the Income Statement.
- Restricted Cash decreased as qualifying expenditures were made using the STAMP ESD Imprest account funds and the County \$4M.
- Grant Revenue and Site Development Expense have increased as qualifying STAMP expenditures were made.
- All other expenditures are in line with the budget except as noted.

This is recommended by the Committee.

M. Gray made a motion to approve the September 2018 Financial Statements as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zeff -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

The item was approved as presented.

4.2 Auditor Selection – L. Farrell presented an engagement letter from Mostert, Manzanero & Scott, LLC for \$11,200; this is the same rate as last year’s services.

This is recommended by the Committee.

M. Gray made a motion to approve signing the engagement letter with Mostert, Manzanero & Scott, LLC for auditing services, not to exceed \$11,200; the motion was seconded by A. Vanderhoof. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zeliff -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

The item was approved as presented.

5.0 Governance & Nominating Committee – C. Yunker

5.1 Nothing at this time.

6.0 STAMP Committee – P. Zeliff

6.1 Verizon Wireless Road Widening Project - As part of the road widening project on Route 77/63, National Grid has installed new poles and have relocated their lines. Verizon now needs to move their telecommunications lines and remove the old poles. The amount to complete this work is \$23,589.77. We paid for this work on Route 63 when those utility poles needed to be relocated as well.

This is recommended by the Committee.

P. Battaglia made a motion to approve an expenditure to Verizon for \$23,589.77 to move their telecommunication lines and remove the old poles along Route 77/63 as presented; the motion was seconded by A. Young. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zeliff -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

This item was approved as presented.

6.2 Phase III Archeological Contract Amendment - In October of 2017, the GCEDC approved a contract with CC Environment and Planning to complete the Phase III archeological work. Phase III consists of removal of all potential artifacts from the areas identified and compliance with section 106 of the National Historic Preservation Act. One component of this work was hiring a contractor with an excavator to strip the topsoil for the removal of the artifacts. At the time the contract was approved, there was an estimate included for the number of hours of work required for the excavator. Now that we are progressing with the work, that estimate needs to be revised based on the actual time needed to complete the work, which has been more than originally estimated. The additional \$12,000 will be covered under the ESD \$33M grant.

This is recommended by the Committee.

A. Young made a motion to approve the amended contract with CC Environment & Planning for Phase III archeological work, not to exceed \$12,000 as presented; the motion was seconded by A. Vanderhoof. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zelif -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

This item was approved as presented.

7.0 Employment & Compensation Committee – T. Bender

7.1 Nothing at this time.

8.0 Other Business

9.0 Adjournment

As there was no further business, T. Bender made a motion to adjourn at 5:02 p.m., which was seconded by A. Vanderhoof and passed unanimously.



Project Name: Ellicott Station

Project Owner: Ellicott Station LLC (Savarino Companies as developer/owner)

Board Meeting Date: November 1, 2018

STATEMENT OF COMPLIANCE OF PROJECT CRITERIA LISTED IN UNIFORM TAX EXEMPTION POLICY (UTEP)

PROJECT DESCRIPTION: The Ellicott Station Project is a mixed-use brownfield redevelopment project including adaptive re-use and new construction of a blighted property in a key gateway entrance site to downtown Batavia (Ellicott Street block from Evans/Court Streets to Jackson Street) which is near the Main and Ellicott Street intersection.

The project will include \$22.5M in investment and pledges to create some 68 FTE's all while cleaning up a blighted 3.3-acre site that requires brownfield remediation which will benefit the public to the tune of \$1.3M.

Considerable construction will be undertaken including some 99,000 square feet of new and renovated facilities including a brewery (manufacturing), restaurant/beer garden, new class A office space (nearly 17,000 square feet of the total) and a 5-story apartment building with 55 new upscale modern near market rate apartments which include at grade parking facilities (garages).

This project was seen by the GCEDC board during the summer of 2017 with approval of a local incentives package, valued at \$2.2M including a 10-year PILOT, at the August 2017 GCEDC board meeting.

Given the scope and scale of the project has increased by nearly \$5M (+28%) since last year and the fact that considerable investment is required to remediate and redevelop a property like this, cost increases since the project was last acted on by the GCEDC board of directors along with added requirements from key lenders have necessitated the Savarino Companies, as the project developer/owner to request the GCEDC to consider a re-framed/revised set of local incentives to enable this project's financing and implementation. The main aspect for the requested change in the local incentives package is that key lenders are looking for the PILOT agreement associated with the project, the housing portion in particular, to run coterminous with the length of financing for the project (30 years) to assure the long-term financial sustainability of the project.

To ensure long term financial sustainability of the project, the owner/developer Savarino Companies is requesting the GCEDC board consider the approval of a revised incentives package valued at an estimated \$3.25M (updated and reduced since the 10/23/18 public hearing) including a property tax abatement (30-year PILOT), sales tax exemption, and mortgage tax exemption.

Use of Batavia Pathway to Prosperity (BP2) funds to reimburse costs related to public infrastructure/public benefit investments that are included within the project is planned as it was last year. The developer/owner along with the Batavia Development Corp. and GCEDC staff are working to finalize the exact level of funding to be requested from the BP2 fund and will proceed with the request

for funding and GCEDC board consideration of approval in accordance with the signed and in place BP2 agreement at a later date.



Criteria #1 – The Project pledges to create and/or retain quality, good paying jobs in Genesee County. **Project details:** The project pledges to create 68 FTE’s at an average annual wage of \$31,000 per job. Notably, several of these positions will be made available to people in poverty. Earnings estimates noted herein are largely related to the brewery manufacturing and restaurant operations (15 jobs) with the potential for higher wage positions (43 jobs) occurring as it relates to the lease up of the Class A office space.

Board Discussion: None.

T. Bender made a motion to concur with Criteria #1 as presented; the motion was seconded by A. Young. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zelif -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

This item was approved as presented.

Board Concurrence: YES NO **If no, state justification:**

Criteria #2- Completion of the Project will enhance the long-term tax base and/or make a significant capital investment.

Project details: The project will enhance the long-term tax base with remediation of this brownfield site along with renovation and new construction of some 99,000 square feet of facilities. Total PILOT payments over the 30-year proposed PILOT term are projected at over \$4.8M (gross) which adds

considerable funds to the long-term tax base from this site which is currently vacant. Significant capital investment is proposed by this project to the tune of \$22.5M.

Board Discussion: None.

A. Young made a motion to concur with Criteria #2 as presented; the motion was seconded by

A. Vanderhoof. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zelif -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

This item was approved as presented.

Board Concurrence: YES NO **If no, state justification:**

Criteria #3- The Project will contribute towards creating a “livable community” by providing a valuable product or service that is underserved in Genesee County.

Project details: This project by its nature enables livability for the community. Several of the benefits from the project noted at the public hearing last week include:

- Brownfield cleanup.
- Removal of blighted buildings at a gateway entry point of our city.
- Public infrastructure improvements/benefits including grand canal stormwater fortification, contamination cleanup and Ellicott trail enhancements.
- Major step forward in Placemaking / Downtown Redevelopment.
- Positive spillover impacts to nearby neighborhoods.
- Millions of \$\$ of new investment in Downtown Batavia.
- Job creation commitment of 68 new positions including several available to those in poverty.
- Walkability (build-out of Ellicott trail across the site)
- Housing enhancements - see 2018 Genesee County Housing study by LaBella Associates (Mid-Range Growth Scenario) suggests a community need for 1,059 New Multifamily rental units over the next 20 years with 25% (265 units) needed in the next 5 years due to changing preferences and housing style obsolescence.
- Recreation and Entertainment – the planned tenancy for portions of this project includes a restaurant/microbrewery and beer garden adding to the lifestyle enrichment and placemaking focus in downtown Batavia.

Board Discussion: None.

P. Battaglia made a motion to concur with Criteria #3 as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zelif -	Absent

A. Young - Yes
A. Vanderhoof - Yes

M. Gray - Yes

This item was approved as presented.

Board Concurrence: YES NO **If no, state justification:**

Criteria #4: The Board will review the Agency’s Fiscal and Economic Impact analysis of the Project to determine if the Project will have a meaningful and positive impact on Genesee County. This calculation will include the estimated value of any tax exemptions to be provided along with the estimated additional sources of revenue for municipalities and school districts that the proposed project may provide.

Project details: See GCEDC Board Packet for Economic Impact Model Report. The Economic Impact Report from InformAnalytics profiles total “Costs to the State and Region/Locals” which includes NYS grants to the project, Local IDA incentives and estimated benefits from the BP2 fund to the project totaling \$6.79M over 30 years (i.e. life of PILOT) while associated “Benefits to State and Region/Locals” over the same time horizon totals \$78.45M. The economic value or benefits caused by or accruing to the project include labor income (wages) from job creation as well as fiscal benefits in terms of tax payments (income taxes, sales tax generation, PILOT payments). As such the Cost/Benefit (ROI) to the project per the report is 11.6:1. Said another way, for every \$1 of public funds invested or abated to incentivize this project’s undertaking, the project helps create payments into the state/regional/local economy to the tune of \$11.60.

Board Discussion: None.

A. Vanderhoof made a motion to concur with Criteria #4 as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes (Video Conference)	C. Yunker - Absent
T. Bender - Yes	P. Zeliff - Absent
A. Young - Yes	M. Gray - Yes
A. Vanderhoof - Yes	

This item was approved as presented.

Board Concurrence: YES NO **If no, state justification:**

Criteria #5: The Project is included in one of the Agency’s strategic industries: Agri-Business and Food Processing, Manufacturing, Advanced Manufacturing and Nano-Enabled Manufacturing, Life Sciences and Medical Device.

Project details: GCEDC is currently undergoing a strategic assessment of its development model. Inputs from subject matter experts suggest that Placemaking is a critical activity related to “Talent Attraction and Retention” which is highly complementary and necessary to GCEDC’s Industrial Development / Strategic Industry investment and job creation focus. With that, the Ellicott Station project serves an

excellent example of an important Placemaking project that is highly aligned with GCEDC's strategic industry industrial development strategy.

Board Discussion: None.

T. Bender made a motion to concur with Criteria #5 as presented; the motion was seconded by A. Vanderhoof. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zelif -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

This item was approved as presented.

Board Concurrence: YES NO **If no, state justification:**

Criteria #6: The Project will give a reasonable estimated timeline for the completion of the proposed project.

Project details: The final piece of funding to enable groundbreaking is being worked on as we speak. Expected commencement date for the project is December 2018 with a planned time horizon to completion project being 24 months.

Board Discussion: None.

A. Vanderhoof made a motion to concur with Criteria #6 as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia -	Yes (Video Conference)	C. Yunker -	Absent
T. Bender -	Yes	P. Zelif -	Absent
A. Young -	Yes	M. Gray -	Yes
A. Vanderhoof -	Yes		

This item was approved as presented.

Board Concurrence: YES NO **If no, state justification:**