



Thursday, September 3, 2015
Upstate MedTech Centre – Suite 107
4:00 PM

GCEDC MINUTES

Attendance

Board Members: P. Battaglia, M. Wiater, J. Rizzo, C. Yunker, M. Gray, R. Cianfrini
Staff: S. Hyde, L. Farrell, M. Masse, C. Suozzi, E. Richardson, P. Kennett, R. Tabelski
Guests: T. Felton (GGLDC Board Member), W. Hinchey (GGLDC Board Member), S. Noble-Moag (GGLDC Board Member), R. Gaenzle (Harris Beach), P. Mrozek (The Daily News), M. Pettinella (Buffalo News), J. Gsell (Genesee County), J. Jakubowski (Workforce Development Consultant)
Absent: P. Zelif

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.

1.1 Executive Session

C. Yunker made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 4:00 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 motion was seconded by M. Wiater and approved by all members present.

J. Gsell joined the meeting at 4:10pm.

1.2 Re-Enter Public Session

J. Rizzo made a motion to enter back into public session at 4:22 p.m., seconded by M. Gray and approved by all members present.

M. Pettinella, P. Mrozek, and J. Jakubowski joined the meeting at 4:22pm.

2.0 Chairman's Report & Activities

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

- Next Scheduled Board Meeting: Thursday, October 1st at 4:00pm
Move November 3rd meeting to Thursday, October 29th at 4pm**
STAMP Committee Meeting: Thursday, September 24th at 8:00am
Audit & Finance Committee Meeting: Monday, September 28th at 3:00pm
Governance & Nominating Committee Meeting: October 1st at 3:30pm

2.2 Agenda Additions / Deletions / Other Business – P. Battaglia asked the Board to add item 3.3 Reinhart Enterprises – Initial Resolution to the agenda.

C. Yunker made a motion to approve adding item 3.3 to the agenda; the motion was seconded by M. Wiater. Roll call resulted as follows:

P. Battaglia - Abstain C. Yunker - Yes
M. Wiater - Yes P. Zelif - Absent
R. Cianfrini - Abstain M. Gray - Yes
J. Rizzo - Yes

The item was approved as presented.

** P. Battaglia and R. Cianfrini abstained due to a business relationship that Reinhart Enterprises has with their place of employment.

2.3 August 13, 2015 Minutes

C. Yunker made a motion to approve the August 13, 2015 Minutes; the motion was seconded by R. Cianfrini. Roll call resulted as follows:

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

The item was approved as presented.

2.4 Paperless Board Meetings – iPads – P. Battaglia shared that the Board has talked in the past about going paperless for our Board meetings.

M. Masse shared that the purchase of iPads for the Board was budgeted for in the 2015 Budget. In order to move forward with purchasing, the staff would like to know which Board members will need an iPad.

R. Cianfrini mentioned that going paperless was a high priority when he became Chairman of the Legislature and that it has been implemented and works phenomenally.

M. Masse asked for a show of hands of who would like an iPad. The following people requested an iPad: M. Gray, J. Rizzo, M. Wiater, W. Hinchey. The staff will email H. Upson and P. Zelif to see if they need one as well. If anyone else decides that they need one, please contact the staff as soon as possible so that they can move forward with purchasing the iPads.

3.0 Report of Management

3.1 O-AT-KA Milk Products – Final Resolution No. 09/2015-01 –C. Suozzi shared that O-AT-KA Milk is building additional warehousing space to its manufacturing facility on the corner of Ellicott Street and Cedar Street. This part of the company’s campus is located within the City and Town of Batavia. A total of 205,000 sq. ft. will be built, of which 35,000 sq. ft. will be within the City of Batavia limits and 170,000 sq. ft. within the Town of Batavia. The total capital investment is approximately \$20,990,000; the company will be retaining 334 jobs and creating 21 new jobs. The company is seeking assistance from the GCEDC with a sales tax exemption valued at approx. \$718,561, and a property tax exemption, based on the incremental increase in assessed value, valued at approximately \$1,548,050. An economic impact analysis was done and for every \$1 of public benefit, the company is investing \$10.10 into the local economy. A public hearing was held and there were no public comments made.

C. Suozzi asked the Board to approve Resolution No. 09/2015-01.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (i) MAKING A DETERMINATION WITH RESPECT TO THE O-AT-KA MILK PRODUCTS COOPERATIVE, INC. PROJECT PURSUANT TO SEQRA, (ii) AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGENT AGREEMENT, LEASE AGREEMENT, LEASEBACK AGREEMENT, TAX AGREEMENT AND RELATED DOCUMENTS; (iii) PROVIDING FINANCIAL ASSISTANCE TO O-AT-KA MILK PRODUCTS COOPERATIVE, INC. (THE "COMPANY") IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A REAL PROPERTY TAX ABATEMENT STRUCTURED THROUGH A TAX AGREEMENT; AND (iv) AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS.

M. Gray made a motion to approve Resolution No. 09/2015-01; the motion was seconded by C. Yunker. Roll call resulted as follows:

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

The item was approved as presented.

3.2 Workforce Development Update – John Jakubowski Presentation – R. Tabelski gave a brief overview of our workforce development program. The program has secured over \$1.5M in grant funds since 2009. More than 315 adults have been trained, with hundreds of teachers and students interacting with J. Jakubowski and the GCEDC staff. Some of the different programs that have been supported by the GCEDC have been a Mechatronics training program, GCC Food Processing and Technology degree, ECC/GCC Nano-Technology degree, WNY Tech Academy, Advanced Manufacturing and Nano-Technology Certificate program, Food Processing Certificate Program, and iSciWNY.

J. Jakubowski gave an overview of the activities and highlights from the past year of working for the GCEDC as its Workforce Development Consultant.

He shared that:

- \$30,800 was secured in grant dollars to fund training for existing companies.
- \$5,000 was received by the Workforce Development Fund of the GCEDC from food training initiatives.
- \$2,780 was received by the GGLDC for services related to the development, marketing and recruitment of the Mechatronics Program.
- \$13,324 was received by the GGLDC, in grant dollars, to enhance and coordinate workforce development activities.
- \$206,100 grant was written and awarded for the purchase of new technology for an expanded CNC Machining program for the Genesee Valley Educational Partnership (GVEP), equipment for use in GCC's Food Manufacturing Technology degree program and the GVEP's Ag Academy for high school students and classroom furniture/equipment for the Western New York Tech Academy.
- \$51,034 is currently being 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. In July, we wrote a proposal to the Foundation and received approval to repurpose those funds for more flexible usage to meet current and "in demand" training needs.
- Piloted a successful Introductory Mechatronics Program and prepared to launch an Advanced Mechatronics Program in September 2015.
- 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 Gap consortium.
- Supported our efforts through numerous presentations to local and regional educators, educational institutions, service clubs and employment professionals.

C. Yunker shared that there are local businesses that are struggling to find a competent workforce. Currently there is a fairly low unemployment rate in Genesee County but that is not the case in Orleans County. Are there any obstructions for utilizing the workforce in Orleans County for our Genesee County Businesses?

J. Jakubowski shared that there are really no obstructions in utilizing the workforce outside of Genesee County. The mission of the Workforce Development Program at the GCEDC requires us to look at things regionally. In the first Food Processing Training Program that the GCEDC ran there were participants from 7 of the surrounding counties. He is trying to get companies to look at workforce differently than they used to. Laborers are not interchangeable pieces like they once were. If you lose one you can't just go out and get another. He's trying to stress the concept of development within a company. The concept is to take some of your entry level workers that have the "3 A's", good attendance, good attitude and aptitude, and provide them with higher level skills and move them "up the ladder".

J. Rizzo added that Workforce Development is a vital part of the Agency's mission and is probably also the most administrative and detailed part that calls for the least amount of policy. He appreciates the work of J. Jakubowski and the staff to make the program continue to move forward successfully and free the Board to spend policy making time on other issues. It gets overlooked and he is grateful that they are doing such a good job.

J. Jakubowski left the meeting.

3.3 Reinhart Enterprises – Initial Resolution No. 09/2015-02 - C. Suozzi shared that the company is adding 16,000 sq. ft. of additional warehousing space at their 36 Swan St. facility for their current tenant who is a growing distribution center. The total capital investment is approximately \$600,000; the company will be retaining 14 jobs and creating 6 new jobs. The company is seeking assistance from the GCEDC with a sales tax exemption valued at approx. \$28,800, a mortgage tax exemption valued at approx. \$7,500 and a property tax exemption valued at approx. \$146,160 based on the incremental increase in assessed value. An economic impact analysis was done and for every \$1.00 of public benefit, the company invests approx. \$11.30 into the local economy. A public hearing will need to be held as benefits exceed \$100,000.

C. Suozzi asked the Board to approve Resolution No. 09/2015/02.

RESOLUTION OF THE GENESEE COUNTY INDUSTRIAL DEVELOPMENT AGENCY D/B/A GENESEE COUNTY ECONOMIC DEVELOPMENT CENTER (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF REINHART ENTERPRISES, INC. 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

M. Wiater made a motion to approve Resolution No. 09/2015-02; the motion was seconded by C. Yunker. Roll call resulted as follows:

P. Battaglia -	Abstain	C. Yunker -	Yes
M. Wiater -	Yes	P. Zelif -	Absent
R. Cianfrini -	Abstain	M. Gray -	Yes
J. Rizzo -	Yes		

The item was approved as presented.

4.0 Audit & Finance Committee

4.1 July 2015 Financial Statements – C. Yunker shared that the financial statements were reviewed by the Audit and Finance Committee on August 26, 2015. Lezlie noted all expenditures are in line with the budget, except as noted.

C. Yunker shared that the Audit & Finance Committee recommends approval of the July 2015 Financial Statements.

C. Yunker made a motion to approve the July 2015 Financial Statements; the motion was seconded by M. Gray. Roll call resulted as follows:

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

The item was approved as presented.

4.2 GCEDC 2016 Budget - L. Farrell reviewed the 2016 GCEDC Budget with the Board and noted the following significant assumptions:

Operations:

- County Contribution included in preliminary budget at 2015 level (\$215,014).
- Balance of funding needed will be primarily generated by GCEDC project fee revenue (assuming 15 core projects and 1 major project).
- Gaps have been funded by GGLDC grant to support the overall economic development program and MedTech Centre property management.
- GGLDC's Strategic Investment Analysis assumes \$300K for 2016 support of the overall economic development program.
- Assumes \$65K from the Genesee County Funding Corp. for economic development program support.
- Insurance Auto Auctions 2015 Land Sale – Cash Carryover Allocation of \$177.9K.
- Assumed a 2% increase in employee base wages and additional hours included for building and maintenance employees.
- Health insurance premiums are expected to increase 10.4%.
- Allowed for a 5% increase in general liability insurance premiums for all current policies. Coverage for all anticipated STAMP land / house purchases through the end of 2016 have also been included.

RLF #1 has 9 active loans; loans continue to be made with “friendly interest rates” and terms of 3-10 years.

RLF #2 has 5 active loans; these funds are in the process of being de-federalized. Funds will ultimately be moved to the GGLDC through a grant agreement that was put into place with Genesee County in 2012. Funds will be completely de-federalized once they cycle through one more loan made out of the GGLDC.

Empire Zone - The GCEDC continues to support the Empire Zone program even though it no longer receives any administrative support from Empire State Development. This fund will be discontinued and removed at 12/31/15.

Real Estate Development & Management fund accounts for activities related to the parks owned by the GCEDC. Although full sales efforts continue, we conservatively budgeted for no land sales in 2016.

STAMP budgeted expenses for insurance and special district fees was calculated considering the properties currently owned and expected to be owned through 2016.

J. Rizzo questioned how the figures for the budgeted finance charges were calculated related to STAMP.

L. Farrell shared that they estimated the finance charges based on what funds we expect to draw down on the line of credit and also when we expect to pay those off.

J. Rizzo asked how the Agency could move forward and utilize the \$33M of funding from the State with an available credit line of only \$2.8M?

S. Hyde shared that there is a pre-approved \$18M line of credit that will come into play once the \$33M is released.

J. Rizzo asked if there have been finance charges projected for that line of credit.

L. Farrell shared that the Agency will do an overlay once the funds from the \$33M start to flow.

J. Rizzo asked where the Agency anticipates the funds will come from to cover the finance charges on that line of credit.

S. Hyde shared that the \$33M has funds within it to cover interim finance charges.

J. Rizzo added that there was no finance charge related to STAMP budgeted for in 2015 but there are expenditures of approx. \$43K. Where did that money come from to pay for those expenses?

L. Farrell shared that the funds to cover those finance charges were from interfund borrowings / transfers.

J. Rizzo asked if the Agency should be making a budget amendment for that.

L. Farrell shared that budget amendments have been discussed with the Audit & Finance Committee previously and that the Committee decided not to move forward.

P. Battaglia shared that the Committee felt that it was not necessary to do a budget amendment every time there was a variance. It may be what you are most familiar with from your time as the County Attorney but it is not typically done from a business perspective. That's why there are variances and then you speak to the variances when they come up.

J. Rizzo shared that the County Legislature approves a budget amendment at almost every meeting. This is a municipal entity and not a private corporation. He wonders what the proper function should be for this entity.

P. Battaglia shared that the Audit & Finance Committee received some feedback from its auditors and also received guidance from the Comptroller's Office. The procedure that the Agency is currently following is in fact proper. It was the opinion of the Audit & Finance Committee that doing budget amendments was not necessary.

C. Yunker shared that you could amend the budget every month or you could set the budget and review variances as they come up. The Audit & Finance Committee could review budget variances and interfund transfers monthly and report them to the Board. He remembers many of the interfund transfers from his experience as a County Legislature and does not believe that it adds any material understanding for the Board members. As Chairman of the Audit & Finance Committee he will yield to the will of the Board, but he is not sure that it adds to the basic understanding of the financial statements.

L. Farrell shared that the requirements listed in the Comptroller's Accounting and Reporting Manual for counties and other municipalities are much more in depth than the budget guidance provided in the Comptroller's Accounting and Reporting Manual for Industrial Development Agencies. The GCEDC is a Public Authority and Public Authorities are provided with their own guidance from the Comptroller's Office, separate from the guidance provided for municipalities.

C. Yunker added that being in compliance does not necessarily address what the Board wishes. However, he does feel that the important thing to think about is what are the variances, where does it flow and why.

J. Rizzo feels that the Board needs to be aware of the variances and there needs to be transparency. He is willing to see how it works out and move forward requesting that all variances be brought forward for the Board to review in detail.

P. Battaglia thought as a Committee there would be more transparency by letting the variances flow through and seeing them on the financial statements. The Committee will try to make a better effort of highlighting the variances with the Board every month. He added that he also serves on the Board of another Public Authority and they do not do budget amendments either. He did not feel as if the Committee was going down a path that was unusual.

L. Farrell continued to review the budget and noted the following:

The Workforce Development fund accounts for activity related to a National Fuel Grant. Any grant activity should net out to zero net profit/loss.

All expenses are controlled and reduced where possible.

There are continuous increases in compliance requirements by NYS.

Significant increases in the complexity of our business – GCEDC, GGLDC, GABLLC, GCFC and the WNY STAMP project.

C. Yunker shared that the Audit & Finance Committee recommends approval of the GCEDC 2016 Budget.

C. Yunker made a motion to approve the GCEDC 2016 Budget as presented; the motion was seconded by M. Wiater. Roll call resulted as follows:

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

The item was approved as presented.

5.0 Governance & Nominating Committee

5.1 Uniform Tax Exempt Policy – J. Rizzo shared that the Board should have received an email with the latest version of the draft Uniform Tax Exempt Policy (UTEF) to review. He anticipates that the Governance Committee will meet prior to the October Board meeting and recommend this policy as it is today to the full Board. If any Board members have any questions regarding the policy as it is written today, he urges them to make their concerns known so that they can be discussed at the next Committee meeting. He added that it is the intention of the Governance Committee to review the policy on an annual basis following the close of legislative activity with regard to any legislative changes and with regard to our own experience.

6.0 STAMP Committee

6.1 STAMP Property Purchase: Parcels 10.-1-32.12 & 10.-1-1 / Exercising of Option - M. Masse shared that during the completion of a Phase I Environmental Site Assessment on parcel 10.-1-32.12 it became known that the parcel was used as a Petroleum Contaminated Soil Bio-Treatment Area. The current land owner had some contaminated soil at an unrelated location, the soil was dug up, treated and spread out on this parcel over 15 years ago. This process was monitored and reviewed by the NYS Department of Environmental Conservation. Upon completion, the NYSDEC closed out the report on this project. A Phase II Environmental Site Investigation has since been done on this parcel and the results are in. Two of the fifteen soil samples had compounds detected by the lab. The concentration of both acetone and fluoranthene that was found in the soil are below the NYSDEC Unrestricted Use Soil Cleanup Objectives. No additional investigation work is warranted or recommended at this time.

M. Masse shared that the STAMP Committee recommended approval of exercising the option and moving forward with the purchase of parcels 10.-1-32.12 & 10.-1-1.

R. Cianfrini made a motion to approve exercising the option for parcels 10.-1-32.12 & 10.-1-1; the motion was seconded by C. Yunker. Roll call resulted as follows:

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

The item was approved as presented.

7.0 Other Business

7.1 Nothing at this time.

8.0 Adjournment

As there was no further business, M. Wiater made a motion to adjourn at 5:25 p.m., which was seconded by J. Rizzo and passed unanimously