

WYOMING COUNTY IDA BOARD MEETING MINUTES

The WCIDA Board of Directors met on August 22, 2013 at 2:30 p.m. at the Wyoming County Business Services Center, 6470 Route 20A Perry, New York 14530.

1. Roll call was taken. In attendance were: Norb Fuest, Chairman; Amanda Parker, Vice Chair; James Morey, Secretary; Mark Merrill, Assistant Secretary; Jim Pierce, Executive Director; Robin Marschilok, Operations Director
Absent: Bruce Camp, Treasurer
Also in attendance:
Jerry Davis, Wyoming County BOS
Diane Church, Hurwitz and Fine, P.C.

2. **Welcome and Introductions** - James Pierce introduced and welcomed new counsel for the IDA and Business Assistance Corporation; Diane Church from Hurwitz and Fine, P.C.

3. **Administrative**

- A. Minutes of the July 25, 2013 Board meeting were reviewed. A motion was made by J. Morey and seconded by M. Merrill to accept the minutes. The motion was unanimously approved.
- B. The financial reports from July 2013 were reviewed and accepted on a motion made by M. Merrill, seconded by J. Morey. The motion was unanimously approved.

The Board discussed the status of past due accounts focusing on the defaulted Fore Golf Group loan. Rick Fish has acquired the club and has offered to pay a portion of the note remaining. The Board agreed to pursue the original guarantor and to counter offer to Fish to pay the remaining balance at an extended term and a reduce interest rate.

4. **Board Discussion of County Request for Hospital Funding**

- A. **Background-** N. Fuest reviewed the history of the request from the County Board of Supervisors for \$1,000,000 to help fund the hospital project. Early in 2011 the BOS initiated the request for funding including a list of equipment proposed for the hospital project. The initial list of equipment supplied to the WCIDA did not identify accurately specific equipment and it included leased items and was too vague. Eric Dadd, Agency Counsel facilitated a meeting on August 4, 2011 at his office with key persons to discuss the request and how and/or if it could possibly be carried forward. Present at the meeting were Chairman Berwanger; Supervisor Susan May; and Anne Humphrey, WCBOS; Norb Fuest; Bruce Camp and Mike Heftka, WCIDA; Eric Dadd, Counsel. At the meeting it was decided that the County would submit a formal request on behalf of the hospital requesting WCIDA funding for specific equipment that would be verified as purchased for the project. On January 11, 2012, (5 months after the August meeting), a letter was sent to the WCIDA with a list of equipment for the hospital project. The WCIDA was aware at this time of the opinion of the State Comptroller's Office regarding the granting of IDA funds. The SCO had issued a letter of opinion in which it was expressed that an IDA by its statute cannot grant its own dollars for public or municipal benefit. Because of the unfortunate passing away of both Mike Heftka, previous IDA Executive and Eric Dadd, Agency counsel it is unclear as to whether or not there had been any verbal or written communication in response to the BOS's request.

- B. **Legal Opinion-** The WCIDA is once again looking at the letter of request from the hospital dated January 11, 2012. The request includes an attached list of equipment intended to be purchased for the hospital. J. Pierce had forwarded the request to Church for a legal opinion. Church stated that upon

review of the grant request of WCIDA funds she referred to the opinion of the State Comptroller's Office 99-4 and verified that the IDA by Statute cannot grant its own dollars for public or municipal benefit. The Authorities Budget Office or "ABO" echoes the view of the SCO in that industrial development agencies are a creature of statute and can only exercise those powers granted to them by General Municipal Law which does not include the power to make outright grants or gifts from their funds. Church concluded that based on her findings she does not believe that a grant of \$1,000,000 from the WCIDA's own funds to finance equipment for the hospital's capital renovation project is an appropriate or statutorily authorized use of IDA monies and in doing so the WCIDA Board would be irresponsible of its fiduciary duties.

After discussion the Board directed Pierce to prepare a letter to the BOS to formally respond to the request and inform them that the IDA regretfully cannot grant dollars to the hospital project without certain repercussion by the two state authority that provide oversight to IDAs.

5. Executive Director's Report

A. Economic Development Activities

- Met once again with the manager of Perry Veterinarian Clinic in Perry to finalize an application for IDA assistance that will encourage the project to move forward. Perry Vet is planning a building expansion project of 7,500 sq. ft., an estimated capital investment of \$800,000 and the creation of 3 new jobs.
- A manufacturer from outside of the USA is looking to acquire a manufacturer in Arcade. The deal is nearing closure and the potential new owners are already exploring the idea of bringing a new product and production line into the facility from Asia that is projected to create 50 new jobs. Jim P. has provided the local company executives data and demographic information that demonstrates that the area has a workforce that is well suited to meet the new owner's growth plan.
- Jim P. also met with a dairy farmer from Perry who is making plans to begin a farmstead cheese making operation for the production of a specialty cheese product. While the farmer has done a considerable amount of research they have a long ways to go before getting started including the development of a business plan. Work will continue with them to provide guidance and identification of resources to help them along the way.
- Continue to have conversations with a proposed new debt collection business that is eyeing the space that was vacated by West Asset Management in the Warsaw Plaza. The parties working on this have a successful track record of starting up these endeavors. Some assistance by the IDA is likely.
- The potential buyer of Devin Manufacturing in Arcade is still working through his due diligence on the acquisition of the company and it is anticipated there will be a request for IDA assistance if and when the deal comes together.

Other Activities

- On August 7, 2013 the Wyoming County Business Center held their Board of Directors meeting. Staff from the IDA who is now administering the work and programs of the WCBC updated the Board members of activities, programs and the status of the micro loan portfolio.
- Jim P. and John Noble, Co-chairs of the Ag & Food Processing Workgroup for the Finger Lakes Regional Economic Development Council, gave a brief presentation of priority projects for CFA funding that the Workgroup supported for the respective industry sector.
- On August 20, 2013, Jim P. met with the Village of Attica Board about the IDA's continuing interest in moving forward with rail initiative project and to dispel a great deal of misinformation about the project that is rampant in the community. The meeting was taken over by the "Something Stinks in Attica" coalition who were very vocal in their displeasure with the project.

B. Economic Development Investment Project- Real Estate Acquisition and Development

Pierce recently visited Peter Krog to discuss the property the IDA recently purchased in Arcade. Krog proposed that the IDA partner with him to construct an additional building in the Arcade Business Park.

Pierce also updated the Board on the status of the property purchase in Arcade. The IDA has been waiting on the Village to provide Title Insurance. In a recent conversation to Pierce, Mr. Kilburn indicated that the Village attorney had provided the documents to Agency counsel and it is now in the IDA hands.

6. Marketing Items

A. The Board reviewed the new IDA logo and agreed it was updated and appropriate.

B. Pierce discussed the Business Attraction Marketing Plan Request for Proposals or “RFP’s” which he has recently sent out. The WCIDA will be administering and overseeing the Business Attraction Marketing Plan on behalf of the Wyoming County Business Center. The Board discussed additional marketing firms to solicit for a proposal of services.

7. Sale Leaseback Applications

A. R. Marschilok presented the Board with an assistance application for tax abatements from Perry Holdings, LLC in Perry. Perry Holdings is expanding its facility by building a 7,488 sq. ft. Morton Building on its property for warehouse space as well as remodeling 5,000 sq. ft. of office space. The additional space will allow Perry Vet Clinic, which rents the facility, to expand and purchase larger quantities at reduced prices and pass the savings on to the area farmers and agricultural businesses. Perry Holdings is asking for a PILOT on the increased assessment as well as mortgage tax abatement and sales tax exemption on the building materials and non-production equipment. After review, the Board approved the request for assistance contingent on the proper local permits being obtained on a motion made by M. Merrill. The motion was seconded by J. Morey and unanimously approved.

B. At its June meeting the IDA Board authorized a public hearing to be held on behalf of the Center Street Business Center, LLC in Warsaw. A public hearing was held by the IDA at the Warsaw Town Hall on August 6, 2013. There were eight people present at the hearing including the Town of Warsaw Supervisor, Becky Ryan and the Warsaw Village Mayor, Joe Robinson, both of which were in favor of the project. Others that attended also expressed their support and concurred that the project will be good for the area businesses and it will be nice to see an old building occupied again. After a discussion, the Board approved the IDA incentives for the project on a motion made by M. Merrill, seconded by A. Parker. The motion was unanimously approved.

8. Wyoming County Rail Initiative

Pierce updated the Board on his recent attendance to an Attica Village Board meeting. Pierce went to the meeting to answer questions about the IDA’s proposed trans-loading facility and to communicate the economic benefits of the project. The majority of the Village residents at the meeting were against the project because of its proximity to the Hillcrest Industries and that it would create truck traffic. The conclusion from the meeting is that Attica residents and Village Board do not want the project in their Village. The IDA Board discussed briefly the possibilities of looking elsewhere in the County for a location for the project and the probability of losing approximately \$600,000 in NYSDOT grant money if that is the case. Jim Pierce was advised by the Board to reach out to the state funding entity to see if an alternative location would be an option.

9. Guest Reports – Marschilok reminded the Board of the Chamber sponsored Legislative breakfast on Friday with Congressman Chris Collins and the Summer Social on August 29th at the Silver Lake Golf Club.

The next scheduled WCIDA Board meeting will be its Annual Meeting on September 26, 2013 at 5 p.m. at the Valley Inn in Warsaw.

There being no other business the meeting was adjourned at 4:30 p.m. by unanimous consent

Minutes prepared by R. Marschilok