

# FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

THURSDAY  
JUNE 5, 2014  
8:00 A.M.

PLANNING DEPARTMENT CONFERENCE ROOM

## MEETING NOTES

PRESENT:

JOE GILLIS, CHAIRMAN  
LEN HOUSE, VICE CHAIRMAN  
WILLIAM SULLIVAN, TREASURER  
TODD RULISON, SECRETARY  
JOSEPH SEMIONE, MEMBER  
GEORGE BEVINGTON, MEMBER  
DIANA PUTNAM, MEMBER  
\_JAMES MRAZ, IDA EXECUTIVE DIRECTOR  
KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC  
WILLIAM WALDRON, LIAISON

DUSTIN SWANGER, PRESIDENT, FMCC

### **I. MINUTES FROM MARCH 26, 2014 MEETING:**

MOTION : Accept as presented.  
MADE BY : Todd Rulison  
SECONDED : Bill Sullivan  
VOTE : Unanimous

### **II. BUDGET REPORT:**

MOTION : Accept as presented.  
MADE BY : Joseph Semione  
SECONDED : George Bevington  
VOTE : Unanimous

### **III. COMMITTEE REPORTS:**

#### **A. Nominating Committee:**

- No report.

#### **B. Audit Committee:**

- No report.

#### **C. Governance Committee:**

- No report.

#### **D. Finance Committee:**

- No report.

### **IV. OLD BUSINESS:**

#### **A. Lot Sale Payment from 1988 Incubator Building Project in Crossroads Industrial Park:**

- As part of the Authority Budget Office's (ABO) 2011 Compliance Review, the ABO found that, in 1987, the IDA donated 5.17 acres of land in the Crossroads Industrial Park to the Crossroads Incubator Corporation (CIC), with an understanding that if the land were to be transferred or sold, the IDA receive a payment for the lot.
- The CIC sold this property in 2007, but did not make a payment to the IDA.
- As a result, the IDA commenced an investigation into this 24 year old matter.
- The IDA's investigation determined that:
  - In 1988, the IDA provided 5.17 acres in the Crossroads Industrial Park to the CIC, at no cost, to use to construct an Incubator Building on the condition that the payment for the lots would be deferred until the property was sold. The lot sale price in 1988 was \$10,000/acre. Total price was \$51,700.
  - On February 1, 1988, the CIC executed a Collateral Security Mortgage in the amount of \$51,700.
  - On December 26, 2001, a Discharge of Mortgage was signed by the Chairman of the IDA stating that this Collateral Security Mortgage had been satisfied.
  - No record, however, was found verifying that the IDA actually received a payment in the amount of \$51,700 in December of 2001 from the CIC.
- Since this discovery was made, the IDA's Audit has included a note acknowledging this \$51,700 as an unknown receivable.
- The West & Company and IDA Counsel have both recommended that the IDA write off this amount as an uncollectable debt.
- At March 26, 2014 meeting, IDA members agreed to send former IDA Counsel J. Paul Kolodziej and former IDA Chairman Richard Smith letters asking if they had any knowledge or information regarding this matter.

- Kara Lais sent letters to both. No responses were received.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. Joe Gillis asked if there was a statute of limitation associated with this matter. Kara Lais stated, “No.” She stated, however, that Attorney Kolodziej and Dick Smith were under no obligations to respond to the IDA’s letter or provide any information regarding the IDA’s request. Joe Gillis asked if the IDA could contact the BAR Association. Kara Lais stated, “Yes.” She stated, however, since Mr. Kolodziej is no longer the IDA’s attorney, she’s not sure what, if anything, the BAR Association’s Professional Committee would do. Joe Gillis stated that he feels the fiduciary responsibility to find out what happened. Bill Sullivan stated he agrees in terms of wanting to know what really happened, but there is unfortunately nothing that the IDA can do at this time to ascertain that. Jim Mraz asked if the IDA took an action to write off this debt and new information became available at a later date, could the IDA still pursue trying to recover this money from the CIC. Kara Lais stated, “Yes.” Joe Semione stated that the IDA should chalk this up as a lesson learned. He agreed also that he would like to know what really happened but believes that there is, unfortunately, nothing at this time that the IDA can do to pursue this matter further.

IDA ACTION:

MOTION: To authorize and approve writing off this \$51,700 unknown receivable from 1988 as an uncollectable debt.

MADE BY: George Bevington

SECONDED: Bill Sullivan

VOTE: 6 in favor, 1 opposed (Gillis)

**B. Tryon Technology Park and Incubator Center Project:**

1. Construction Project:

a. Phase I:

- Phase I of the Tryon Technology Park and Incubator Center Project includes:
  - Construction of new internal access road
  - Installation of new water lines
  - Installation of new wastewater lines
  - Repair wastewater pump stations
- Construction contract has been awarded to Jablonski Excavating to complete Phase I.
- Construction expected to start in June and be completed in October.

b. Phase II:

- Phase II became necessary when the NYS Department of Corrections and Community Supervision (DOCCS), which runs the Hale Creek Correctional Facility on Maloney Road, advised Fulton County recently that it was requiring that the water and wastewater lines servicing Tryon be disconnected from Hale Creek.
- When Tryon was first constructed in the mid-1960’s, it was serviced by groundwater wells and an onsite wastewater collection and treatment system.

- As part of the Hale Creek Correctional Facility Project, the City of Gloversville agreed to have City water and wastewater lines extended to the Hale Creek Correctional Facility.
- Once they were installed to Hale Creek, the City of Gloversville agreed to have the NYS Office of Children and Family Services (OCFS) extend the City's water and wastewater lines from Hale Creek to Tryon.
- OCFS installed a waterline from the elevated tank at Hale Creek to the ground-mounted tank at Tryon. Water flows by gravity from the elevated tank at Hale Creek to the ground-mounted tank at Tryon.
- OCFS installed a new wastewater pump station at the southwest corner of Tryon. All wastewater generated from Tryon was redirected to this pump station. Wastewater was pumped from this pump station to the pump station at Hale Creek Correctional Facility. That pump station then pumps wastewater from Hale Creek to the City of Gloversville.
- DOCCS is requiring that these water and wastewater lines going to Tryon be disconnected from the Hale Creek Correctional Facility.
- This will result in a Phase II project needing to be pursued. This project will consist of:
  1. Disconnecting the sewer force main from Hale Creek and redirecting it up along Maloney Road. In addition, larger wastewater pumps will need to be installed in the wastewater pumping station.
  2. The waterline coming from Hale Creek's elevated tank will need to be disconnected and rerouted onto Maloney Road. This will result in water no longer being able to flow by gravity from the City of Gloversville to the ground-mounted tank at Tryon. As a result, a new elevated tank and water pump station will be needed to pump water into this new elevated tank.
  3. The installation of additional water and wastewater lines.
- The next round of Consolidated Funding Applications are due on June 16, 2014.
- Fulton County will be submitting an application requesting grant funds to complete the Phase II project. This would be a 2015 Project.

2. Highway Department Work:

- Highway Department will be repaving the existing internal access road in 2014. This work will involve:
  - Widening road at intersection with County Road 107 to create left and right turn lanes for vehicles exiting site.
  - Install 1½" of new asphalt top over all existing roads.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. George Bevington asked if the Highway Department's work will begin after Jablonski Excavating completes their work. Jim Mraz stated, "Yes." He stated the only unknown is when Jablonski will finish its work. They are scheduled to do so by the end of September.

3. Building Demolition:

- County's Demolition Team completed stripping the recyclable materials from the four (4) buildings to be demolished.
- Four (4) buildings are in process of being demolished.
- Currently waiting for National Grid to disconnect gas service to three (3) buildings.

IDA DISCUSSION: Jim Mraz stated that the County's Department of Solid Waste is waiting for National Grid to disconnect the gas service on the three (3) buildings that remain to be demolished. He stated these buildings need to be demolished before Jablonski Excavating can start work. He stated time is getting tight and hopes that National Grid gets out to Tryon early next week to complete this work.

4. Tryon Targeted Industry Analysis and Marketing Plan:

- Fulton County has hired DCG Corplan, Inc. of New Jersey to perform the work.
- Scope of work includes:
  - Prepare assessment of Fulton County region.
  - Prepare Labor Market Analysis.
  - Prepare Targeted Industry Analysis.
  - Prepare Tryon Marketing Plan that includes marketing strategy for each Targeted Industry Cluster.
  - Develop marketing materials.
  - Business Recruitment.
  - Prepare website dedicated to Tryon.
  
- Kick-off meeting held on May 30<sup>th</sup>.

5. Building 3:

a. Background:

- Building 3 is the complex of buildings comprising the Midas Building, Classrooms, Pool, Gym and Auditorium.
- In 2011, Office of Children and Family Services (OCFS) hired Postler and Jaeckle Mechanical Contractor of Rochester, NY to:
  - Remove components of plumbing fixtures and drain plumbing system.
  - Winterize heating system by adding glycol to system.
  - Shut down ventilation/air conditioning system.
  
- The Building's Heating, Ventilation and Air Conditioning System (HVAC) and Plumbing Systems have been off since 2011.
- In the summer of 2013, the combined effect of heat and humidity, lack of an operational ventilation system and closed windows resulted in interior moisture damage and mold forming.
- As a result, the following work needs to be performed:
  - Replace ceiling tiles
  - Discard miscellaneous items with moisture damage or mold
  - Remove mold
  
- In order to restart the HVAC system:
  - All components to plumbing fixtures must be reinstalled
  - Water needs to be turned on to building
  - Power must be turned back on to building
  - Boilers, pumps and other heating system components must be restarted
  - Ventilation system must be restarted
  - Chillers must be restarted
  
- Once all systems are restarted, determinations can be made then on whether problems exist, components are broken, pipes are broken etc.

b. HVAC Trades Program:

- FMCC desires to start an HVAC Trades Program to provide students opportunities to receive degrees in the heating, ventilation and air conditioning vocations.
- FMCC is interested in using space in the Midas Building component of Building 3.
- FMCC desires to have this new program ready for start of 2015 academic year.
- Presentation by Dr. Dustin Swanger, President, FMCC.

IDA DISCUSSION: Jim Mraz introduced Dr. Dustin Swanger, President of FMCC. Jim Mraz reviewed the information on the Agenda regarding the College's desire to start an HVAC Trades Program. Dr. Swanger stated that when he began talking with Jim Mraz and others regarding Tryon and its potential, he walked through Building 3 and saw what it had to offer. He stated he believes this building is ideally suited to become a business incubator. He stated it has great spaces for businesses to come in, get started and once they became strong enough, to move out into the community. He asked IDA members if they agreed with the concept of having Building 3 used, in part, as an Incubator Center. Joe Gillis stated, "Yes." He stated it is perfectly set up for that. Jim Mraz stated that the IDA Board has discussed having this building used as a business Incubator, as well as for some other potential uses.

Dustin Swanger stated that he has talked with area businesses regarding the availability of labor in the HVAC trades. He stated local businesses are having difficulties finding workers with HVAC trade skills. He stated it takes years to develop these skills. He said businesses have expressed their willingness to partner with FMCC to develop an HVAC Trades Program. Dustin Swanger stated that he has inspected spaces in the Midas Building component of Building 3 and determined this building would be ideally suited for a Trades Program. The building could provide room for both a shop and a classroom. FMCC's vision would be to have a furnace, refrigeration and air conditioning systems installed in the shop room. These systems would be used by students to train on the various trades. Dr. Swanger stated that there is no space on the FMCC Campus to develop such a trades program. He stated Tryon represents a viable alternative. He said the creation of such a program at Tryon would establish life at Tryon. He stated this will not be a full-time occupancy. He would envision having the program operating two (2) nights a week. He stated the HVAC Trades Program would not be a huge program. He stated, however, it would be something that would establish a presence at Tryon. Dr. Swanger stated that local businesses are telling him that there are tenured workers in the trade that will be retiring soon. He stated there is no pipe line of skilled workers available to replace these skilled persons who will be retiring in the near future.

Diana Putman stated that the College desires to start with a certification program. The Program would include a lot of lab based work. She stated that the curriculum is currently being developed and will be submitted to SUNY this summer. If approved, it would position FMCC to commence offering the HVAC Trades Program in the Fall of 2015.

George Bevington stated that in lieu of or in addition to the lab setting, the College may also want to consider using some of the existing infrastructure in place at Tryon. He stated, for example, the College may want to take an existing building and use it to actually install a heating, ventilation and air condition system in. This would afford students an opportunity for real experience in installing actual systems in buildings. Dr. Swanger stated that that is something that the College could consider.

Joe Semione asked how long the certification program would take. Dr. Swanger stated one (1) year. He stated that once this certification program is up and running, it is expected the College would ask to have a 2-year degree program.

Joe Gillis asked if FMCC would pay the IDA to lease space in Building 3 to operate their HVAC Trades Program. Dr. Swanger stated FMCC expects to pay the IDA to use this space.

c. Work Needed Midas Building Component of Building 3:

- To use a portion of the Midas Building component of Building 3, the following work would have to be done:
  - Water must be turned on to building.
  - Power to building must be energized.
  - Building's HVAC system has to be restarted and made operational.
  - Building's Plumbing System must be restarted and made operational.
  - Mold must be cleaned.
  - Exterior doors should be replaced.
  - Room(s) to be used by HVAC Trades Program need the following work done:
    - Cleaned
    - Paint
    - Carpets cleaned/replaced
- Two (2) components of Jablonski Excavating's work is to:
  1. Recharge the water system
  2. Reenergize the electrical system;
- This work should be done in September, 2014.

d. Northern Borders Regional Commission (NBRC):

1. Background:
  - The Northern Borders Regional Commission (NBRC) was created in 2008 as part of the Federal Farm Bill.
  - The NBRC's focus is to help address the community and economic development needs of the most distressed portions of the Northern Forest Region.
  - 36 Counties in Maine, New Hampshire, Vermont and New York comprise the Region. Fulton County is one of 14 Counties in New York State in the Region.
  - In four (4) years, NBRC has awarded 30 grants totaling \$4.8 million. The average grant is \$160,000.
  - The NBRC annually requests applications for grants they award for various programs.
  - Next round of applications are due on June 30, 2014.
  - Grant awards are to be made during week of September 1, 2014.
  - The IDA is eligible for grants up to 80% of the project cost.
  - One program the NBRC awards grants for is Workforce Development Projects.
2. Grant Application:
  - It is recommended that the IDA apply for a NBRC grant to pay for 80% of the cost to prepare the Midas Building component of Building 3 for FMCC/HFM-BOCES to provide a new HVAC Trades Program.
  - This would be a Workforce Development Project.

- The project would include:
  - Restarting and getting Building 3’s HVAC and Plumbing Systems operational
  - Clean up mold
  - Replace two (2) sets of exterior doors
  - Paint
  - Replace ceiling tiles/lights
  - Room renovations.
  
- Project Funding:
  - NBRC : 80%
  - FMCC : 20%

IDA DISCUSSION: Jim Mraz reviewed the information on items c and d on the Agenda. He stated the proposed FMCC HVAC Trades Program represents an opportunity for the IDA to seek grant funds from this Northern Borders Regional Commission to restart the HVAC System in Building 3 and to have the other work identified under Item 2 of section d of the Agenda. All of this work would need to be done in order to have the HVAC Program started in the Midas Building component of Building 3. Jim Mraz explained that the nice part of this application would be that FMCC would be willing to supply the local share for this program resulting in no local share needed from the IDA. Dustin Swanger stated that the College has approximately \$80,000 of SUNY funds available that it could spend on purchasing equipment for the lab for this project. These funds could be used as the 20% local match for this project. George Bevington asked what would be the total project cost. Jim Mraz stated that he met recently with Postler and Jaeckle Mechanical contractors to obtain a quote to restart the HVAC System in Building 3. This was the firm the Office of Children and Family Services hired to shut down and winterize the HVAC System in Building 3. Their quote was approximately \$40,000. This does not include any additional costs for equipment repairs that may be necessary once the systems are restarted. He stated he’s also obtained quotes to have the mold abated in that section of Building 3. This cost was approximately \$4,000. He has also received a quote of approximately \$20,000 to replace the two (2) exterior doors to this building. He stated when all is said and done, it is estimated that the total project cost would be between \$150-\$180,000. At \$180,000, the local share would be \$36,000, which would be supplied by FMCC.

IDA ACTION:

MOTION: To authorize the submission of a Grant Application to the Northern Borders Regional Commission.

MADE BY: George Bevington

SECONDED: Joseph Semione

VOTE: Unanimous

6. Lawn Mowing:

a. Background:

- Sent Request for Quotes (RFQ) to eight (8) local firms/persons to provide written quote to mow lawns at Tryon.
- Two (2) types of mowing requested:
  - 1) Brush hogging/flail mower work: 2 times
  - 2) Regular mower/weed wacking work: 4 times

b. Quote Received:

<b>Contractor</b>	<b>Brush Hog/Flail Mower Work</b>	<b>Regular Mowing/Weed Wacking</b>	<b>Total</b>
Greenscapes	\$5,200 or \$2,600 per	\$2,560 or \$640 per	\$7,760

c. The IDA would pay for these costs upfront and then seek reimbursement from Fulton County.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated he was disappointed in receiving only one lawn mowing quote given the number of RFQ's that were distributed. He stated that given the pricing received, he did not recommend having the brush hog/flail mower work done twice in one (1) year. It was the consensus of all IDA members present to not incur the expense of having this work done twice in one (1) year. All present agreed. However, it was agreed to have the regular mowing/weed wacking work done around Building 3 as identified in the Request for Quotes.

Joe Gillis stated the IDA may want to consider finding a maintenance person to hire who, in subsequent years, could start performing maintenance work at Tryon.

IDA ACTION:

MOTION: To authorize the IDA Chairman to execute an Agreement with Greenscapes to perform brush hogging/flail mower work one (1) time during 2014 and to perform regular mowing/weed wacking work around Building 3 four (4) times for a total agreement in the amount of \$5,160.

MADE BY: George Bevington  
 SECONDED: Bill Sullivan  
 VOTE: Unanimous

7. Invoice from Department of Solid Waste:

- Department of Solid Waste supplied open top containers for:
  - 1) Adirondack Auction Sales to dispose of junk as it prepared for Public Auction.
  - 2) County Facilities staff to dispose of ceiling tiles in Building 3.
  - 3) Disposal of debris from Building 56.
- Invoice #1 : \$202.50
- Invoice #2 : \$979.25

IDA ACTION:

MOTION: To authorize a payments of \$202.50 and \$979.25 to the Fulton County Department of Solid Waste for these two (2) invoices.

MADE BY: Joseph Gillis  
SECONDED: Joseph Semione  
VOTE: Unanimous

8. Future Invoices from Department of Solid Waste:

- a. Disposal of demolition debris from three (3) remaining buildings.
- b. Air monitoring for asbestos during demolition of three (3) remaining buildings.

IDA DISCUSSION: Jim Mraz stated that the cost for air monitoring is approximately \$750/day. He stated the Department of Solid Waste is estimating that it will take 10-12 days to complete the demolition of these three (3) remaining buildings that contain asbestos. This will result in a total of \$7,500 to \$9,000.

9. Potential Timber Harvesting Project:

a. Background:

- Tryon consists of 515 acres of land many of which are wooded.
- There are several areas with hard wood trees (Maple, Oak and Cherry) that have potential value.
- Have asked a professional forester to inspect site and offer opinion on whether there is enough timber available to pursue a timber harvesting project.

b. Timber Harvest Project:

- IDA would hire a professional forester for a fixed fee.
- Forester would identify the number of trees by specie to be harvested and to provide an estimate of the total number of board feet of available timber there is by specie.
- Forester would provide information needed for IDA to put project out to bid.
- IDA would then hire forester to oversee Timber Harvesting Project at a fee which is usually a percentage of total revenues generated by timber sale.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated there appears to be, in the northern part of the property, several areas that contain significant volumes of hard wood trees that have potential for a Timber Harvesting Project. He stated that his office contacted Ken Hotopp, Hotopp Company, to walk the site and provide a professional opinion on whether it would be worth the IDA's while to pursue a Timber Harvesting Project. Ken Hotopp has done work for Fulton County in the past and has provided excellent services. He stated Mr. Hotopp was actually walking the site during the time of the IDA meeting with Scott Henze from his office. He stated that if it's determined that there is a marketable volume of timber, Jim Mraz recommended that the IDA Board pursue a Timber Harvesting Project. He stated it represents an opportunity for the IDA to generate revenues. A question was asked on what it would cost the IDA to hire a professional forester. Jim Mraz stated based upon previous work with Mr. Hotopp did for Fulton County, he estimated the cost of having him conduct an inventory of tree species and an estimating volume of timber available may cost up to \$2,000. He stated he won't know for sure until Mr. Hotopp submits a formal proposal to him. He stated a professional forester provides two (2) types of services. The first would be to walk the site and identify total number of trees by species and estimate total volume lumber available. This information would then be used to obtain bids from loggers who would pay the IDA to remove this lumber. Foresters would charge a flat fee for that work. The second component would be to have the forester oversee the actual Timber Harvesting Project. The forester works with the logger to make sure it's done in accordance with the Project Specifications. Jim

Mraz stated that, in the past, Mr. Hotopp charged a percentage of the total revenues generated from the Timber Harvesting Project for these services.

Jim Mraz stated the IDA Board could, at this meeting, authorize Mr. Hotopp to complete the first component of its work if the Board felt comfortable with it. He stated the Board could also wait until Mr. Hotopp submits a formal proposal in order to take action on it. After a brief discussion, IDA Board members felt comfortable with authorizing Mr. Hotopp to proceed on the premise that his inspection concludes that there is a volume of timber available to justify proceeding with a Timber Harvesting Project.

MOTION: To authorize the IDA Chairman to execute an Agreement with the Hotopp Company in an amount not-to-exceed \$2,000 to inventory the number of trees by species and estimate the total volume of wood that is available at Tryon that could be included in a Timber Harvesting Project.

MADE BY: Todd Rulison  
SECONDED: Len House  
VOTE: Unanimous

V. **NEW BUSINESS:**

A. **Request for Early Termination of Leases for IDA Properties:**

1. Background:

- The IDA currently leases the following buildings to STAG:
  - a. 199 Enterprise Drive, Johnstown Industrial Park
  - b. 200 Union Avenue, Johnstown Industrial Park
- STAG subleases the buildings to:
  - a. Vacant
  - b. Pioneer Windows
- Article XI of the Lease contains language dealing with early terminations:

**SECTION 11.1. EARLY TERMINATION OF THE LEASE AGREEMENT.** The Company shall have the option, at any time, to terminate the Lease Agreement by purchasing the Project Facility or to terminate this Lease Agreement pursuant to Section 7.1(c), upon compliance with the requirements set forth in Section 11.2 hereof, and payment to the Agency equal to \$1,000.00 per year of occupancy under this Lease Agreement, at any time after the 12<sup>th</sup> month hereof.

**SECTION 11.2. CONDITIONS TO EARLY TERMINATION OF THE LEASE AGREEMENT.** To exercise such option, the Company shall provide ninety (90) days written notice to the Agency and the Lender and shall specify therein the date of purchase or termination.

**SECTION 11.3. CONVEYANCE ON PURCHASE.** At the closing of the purchase of the Project Facility pursuant to Section 11.1 hereof, the Agency shall, deliver to the Company all necessary documents (a) to convey to the Company title to the Property being purchased, as the Property exists, subject only to the following: (i) any Liens to which title to such Property was subject when conveyed to the Agency, (ii) any Liens created at the request of the Company, or the creation of which the

Company consented to or in the creation of which the Company acquiesced, (iii) any Permitted Encumbrances and (iv) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease Agreement or arising out of an Event of Default, (b) to release and convey to the Company all of the Agency's rights and interest in and to any rights of action or any Net Proceeds of insurance or Condemnation awards with respect to the Facility, and (c) to discharge and release any security interest held by the Agency and to release any other liens or encumbrances held by the Agency and not set forth above. Upon delivery of such title by the Agency, the Company shall deliver a release and agreement that the exculpation provisions and the obligations of the company in Section 5.3(b) and 8.2 hereof, together with the obligation to insure the same, shall survive such conveyance on purchase of the Facility.

2. Request for Early Termination:

- On May 1, 2014, the IDA received a letter from STAG formally advising that STAG is exercising its right of early termination of this Lease, per Section 11.1 of the Lease.
- The IDA and STAG must complete the process to terminate this lease within 90 days or July 29, 2014.
- STAG has requested that the IDA approve this request by July 31, 2014.

3. Impacts of Early Termination of Lease Agreement:

- The existing Lease and PILOT would be terminated.
- The property would no longer be tax exempt.
- The property would immediately return to the tax rolls.
- The property would start making property tax payments and not PILOT payments.
- The IDA would no longer have to report these projects under PARIS after 2014.

4. Documents that will have to be executed by IDA for each early lease termination:

- Deed
- TP-584 Form
- RP-5217 Form

5. IDA Legal Fees:

- IDA would pay for cost of Kara Lais representing the IDA in this transaction.

6. Payment Due IDA:

- The lease to be terminated includes a provision whereby a payment is due the IDA if the lease is terminated early.
- This payment would be due at closing.
- Exact amount would be calculated at closing.

7. Review Resolutions:

- A. See attached.

IDA DISCUSSION: Jim Mraz reviewed the information on the Agenda. He stated this request for an early termination of leases is consistent with previous requests made by STAG. Mr. Mraz explained that the leases were structured to require the Lessee to pursue an early termination of a lease and to pay the IDA the fee stipulated in the lease for administering the lease. He stated the leases stipulate that if the Lessee allows the lease to just expire, title to the property would revert back to the IDA. If Lessee's want to retain title to the building so in order to do so, they must pursue an early termination of the lease. This is what STAG is pursuing with these two (2) requests.

Jim Mraz stated that with respect to STAG's request to terminate the lease at 200 Union Avenue, this property is subleased by STAG to Pioneer. He stated the IDA also received a letter from Pioneer requesting that it be allowed to pursue an early termination of its sublease. Pioneer's intent was to take title to the property. He stated he forwarded Pioneer's request to Kara Lais to review. He stated he also requested from Pioneer a copy of their sublease with STAG. Pioneer never sent their sublease. Kara Lais stated that she spoke with Alan Simmons, Counsel for STAG. Mr. Simmons sent Kara Lais the original and three (3) amendments to the sublease for Kara to review. Kara Lais stated that based upon her review, it appeared that Pioneer at one time did have an option to purchase their property. She stated, however, that purchase option terminated when STAG purchased the Lease from the CIC. She stated that, in her opinion, Pioneer does not have a purchase option. As a result, she stated the IDA was okay to proceed with processing STAG's request for an early termination on this parcel. She stated that she would notify Pioneer of the action the IDA took to process STAG's early termination of its lease with STAG for the Pioneer property.

Jim Mraz reviewed the two (2) resolutions that were a part of IDA members' Agenda. He asked IDA members if there were any questions regarding the content of the resolutions. There were none.

Jim Mraz stated that there is also a motion on the Agenda to authorize a payment to Fitzgerald, Morris, Baker, Firth PC for legal services rendered as part of these two (2) transactions. Fitzgerald, Morris, Baker, Firth PC's fee is \$1,500 per transaction for a total fee of \$3,000.

**IDA ACTION:**

**MOTION:** To approve the resolution authorizing a deed conveyance from the Agency to STAG for the property at 199 Enterprise Drive, authorizing the execution and delivery of the same and authorizing the Chairman to execute the Lease Termination Agreement with STAG.

**MADE BY:** Joseph Semione

**SECONDED:** Todd Rulison

**VOTE:** Unanimous

**MOTION:** To approve the resolution authorizing a deed conveyance from the Agency to STAG for the property at 200 Union Avenue, authorizing the execution and delivery of the same and authorizing the Chairman to execute the Lease Termination Agreement with STAG.

**MADE BY:** Bill Sullivan

**SECONDED:** Len House

**VOTE:** Unanimous

MOTION: To authorize a payment in the amount not-to exceed \$3,000 to Fitzgerald, Morris, Baker and Firth for legal services rendered in these two (2) transactions.

MADE BY: George Bevington

SECONDED: Joseph Gillis

VOTE: Unanimous

## **VI. OTHER BUSINESS:**

### **A. Request to Purchase Lots 22 and 23 in Crossroads Business Park:**

#### 1. Background:

- The Lexington Foundation is requesting an option to purchase Lots 22 and 23 in the Crossroads Business Park to develop the Southern Adirondack Family Retreat Center (SAFRC).
- The SAFRC would consist of the Paul Nigra Center for Creative Arts and the Southern Adirondack College Preparatory Academy.
- The Paul Nigra Center would be a year-round facility that is open to the community. It would be a resource for individuals with disabilities. The facility would be a multi-use building with space for music and art instruction, gallery space, performance space, classroom and public gathering spaces, and a café to support the participants and attendees of programming, classes, performances and conferences.
- The Southern Adirondack College Preparatory Academy (SACPA) would be a premier art-centric, college and life preparatory program for young adults with learning differences who are considering college. SACPA would provide intensive exposure to the culinary, performing, visual arts and outdoor recreation opportunities in a safe, secure, and supportive environment.
- The SAFRC would create positive community benefits:
  - 25 new jobs would be created, not including local job opportunities throughout the construction process.
  - A partnership with FMCC to provide housing for students.
  - SACPA would operate five (5) 2-week sessions for up to 75 students per session which will generate private dollars, to help support Lexington.
  - SACPA would provide opportunities for college students to serve as paid student mentors for the summer program sessions.

2. Crossroads Business Park Covenants:

a. Allowable Uses:

- Section II of the Crossroads Business Park state:

“Uses permitted in the Crossroads Business Park shall include those allowed by the City of Gloversville Zoning Ordinance.”

3. City of Gloversville Zoning Ordinance:

a. Crossroads Business Park Zone:

1. There are no uses permitted by right within the Crossroads Business Park Zone. All allowed uses in the Crossroads Business Park Zone shall be subject to a Site Plan Review.
2. Allowed uses, subject to site plan review, include:
  - (1) Professional and administrative offices.
  - (2) Research laboratory.
  - (3) Photographic processing facilities.
  - (4) Printing and publishing facilities.
  - (5) Processing and compounding of drugs and other medicinal and pharmaceutical products.
  - (6) Retail and service uses that are designed to primarily serve the shopping and service needs of employees and businesses of the Park.
    - (a) Exception: Specifically allowed are retail and service businesses on the five (5) lots with frontage along South Kingsboro Avenue Extension in the Crossroads Business Park.
  - (7) Telemarketing operations.
  - (8) Conference centers.**
  - (9) Data-processing centers.
  - (10) Computer software and hardware companies.
  - (11) Health-care facilities.
  - (12) Accessory uses such as day-care centers, health clubs, satellite dishes or towers when located on a site with an allowed use where the primary user is the business sharing the property/building with the accessory use.
3. Prohibited uses.
  - (1) Structures which do not have persons regularly working therein.
  - (2) Retail and service uses designated to serve the general public as a whole and thereby serve the park incidentally.
  - (3) Warehousing and distribution facilities, unless they are accessory and incidental to a telemarketing operation.

b. Interpretation by City Building Inspector:

- Rob Robbins, City of Gloversville’s Building Inspector, has classified the SAFRC as a **Conference Center** which is a use allowed by Site Plan Review.

IDA DISCUSSION: Jim Mraz stated that he has been contacted by the Lexington Foundation expressing interest in purchasing two (2) lots in the Crossroads Business Park for a project they are pursuing. He reviewed the information on the Agenda regarding the SAFRC and how the use complies with the City of Gloversville Zoning Ordinance. He stated that Lexington submitted information to Rob Robbins, City of Gloversville's Building Inspector, who determined that the proposed use is a Conference Center. Conference Centers are use allowed by Site Plan Review in the Crossroads Business Park Zoning District. Jim Mraz reviewed the IDA's Mission Statement with Board members. He stated that the proposed project appears to be consistent with the IDA's Mission Statement. IDA members agreed.

Jim Mraz referenced the information contained in the e-mail he sent to IDA Members prior to the meeting regarding Lexington's proposed project. Joe Gillis asked what provisions will be in the PILOT for this project. Jim Mraz stated there would be no PILOT because Lexington Foundation is already a tax-exempt organization. He stated that the proposed project would create new jobs and generate sales tax revenues, but will not generate any property tax revenues.

Joe Gillis stated that the project will be taking the best land in the Crossroads Business Park. He questioned whether this would be the IDA's best interest to sell these properties to the Lexington Foundation. George Bevington stated that there has been little to no activity in this Park since it was constructed many years ago. He stated this proposed project would create 25 good jobs.

Jim Mraz stated that Lexington will be applying in the next round of Consolidated Funding Applications (CFA) through Fulton County for funds to help pay for the cost of this project. The Application is due on June 30<sup>th</sup>. He stated that the Lexington Foundation has advised that they will need to show in the Application having site control. As a result, Lexington has asked for an option on these two (2) lots. Jim Mraz stated that he received the evening before a first draft of an option from the Lexington Foundation. He stated that they are requesting that the IDA give consideration to authorizing the execution of this option. He stated that the draft option identifies a selling price of less than the current \$25,000/acre value. It was the consensus of all present that any option must be at the full \$25,000/acre price. Jim Mraz stated that the IDA Board could take an action at this meeting regarding this request for an option or reconvene at a later date but prior to June 30<sup>th</sup> in order to take action.

Joe Semione stated that he would like to have more time to consider this request.

IDA ACTION:

MOTION: To authorize the Chairman to execute an Option to Purchase Real Property with the Lexington Foundation in the amount of \$25,000/acre for the approximate 9 acres of land on Lots 22 and 23 in the Crossroads Business Park subject to the IDA Counsel and Executive Director approving the final terms and conditions of the Option.

MADE BY: Todd Rulison

SECONDED: Len House

VOTE: 5 in favor, 2 opposed (Gillis, Semione)

**B. Comptroller's Audit:**

- Jim Mraz stated that the Comptroller is in the final stages of auditing the IDA. The Auditor has requested a Preliminary Exit Conference to be held on Friday, June 6<sup>th</sup>.
- The Comptroller's policy is to only have one (1) IDA Board Member present to participate in this Preliminary Exit Conference.
- Jim Mraz asked if there were any IDA Members able to attend this Exit Conference. Todd Rulison offered to attend this Preliminary Exit Conference.

**VII. CLOSE MEETING:**

MOTION : To close the meeting.  
MADE BY : Todd Rulison  
SECONDED : Joe Semione  
VOTE : Unanimous  
TIME : 9:47 a.m.