

**Tioga County Industrial Development Agency
Board of Directors
Minutes
May 7, 2014**

- I. Call to Order and Introductions** – the meeting was called to order by the Chair, R. Kelsey at 5:32 p.m.
- II. Attendance**
- A. IDA Board Members
 - 1. Roll Call
 - a. Present: R. Kelsey , A. Gowan, T. Monell , D. Daniels , W. Woods K. Dougherty and R. Case
 - b. Absent:
 - c. Excused:
 - B. Guests: C. Haskell, L. Tinney, J. Meagher, J. Whong (Press & Sun Bulletin), R. Stilson (Pennysaver) and R. Fiato
- III. Privilege of the Floor - None**
- IV. Approval of Minutes** (R. Case/A. Gowan)
- | | |
|--------|--------------|
| Aye: 6 | Abstained: 0 |
| Nay: 0 | Carried |
- V. Financial Report**
- A. Reports
 - 1. Balance Sheet
 - 2. Profit & Loss
 - 3. Transaction Detail
 - 4. 1st Quarter Operating Income vs. Operating Expense Report
- Motion to acknowledge financial statements (W. Woods/K. Dougherty)
- | | |
|--------|--------------|
| Aye: 6 | Abstained: 0 |
| Nay: 0 | Carried |
- VI.** Confirm the re-occurring expense to pay the Tioga County Chamber of Commerce 2014-2015 membership dues in the amount of \$210 (K. Dougherty/R. Case)
- Motion to confirm payment of the Tioga County Chamber of Commerce Membership dues (K. Dougherty/R. Case)
- | | |
|--------|--------------|
| Aye: 6 | Abstained: 0 |
| Nay: 0 | Carried |
- Mr. Monell arrived at 5:40 p.m.
- VII.** Newark Valley Depot – Mr. Kelsey, Mr. Woods & Ms. Fiato met with Ms. Kiechle, Mr. Finch & Mr. McGraw on April 23, 2014 from the Newark Valley Historical Society to discuss the

importance of the Depot to the community and the option to replace the building in case of a catastrophic loss. Topics of discussion were the Agency's support and assistance to cleanup or rebuild the Depot in case of a catastrophic loss, look into the cost to increase the insurance coverage/value of the building as well as restricting the Agency's insurance proceeds after the cleanup of a catastrophic loss to the Newark Valley Historical Society for the rebuild of the Depot at the same location or a location to be determined. Ms. Fiato has inquired to Agency's insurance carrier of what the cost would be to increase total loss value from \$113,000 to \$250,000; she's awaiting response back. Once the quote is received, she will pass the information along to Ms. Kiechle, Mr. Finch and Mr. McGraw for their consideration.

Motion to authorize a resolution to restrict insurance proceeds after cleanup to the Newark Valley Historical Society to rebuild Depot in Newark Valley (A. Gowan/W. Woods)

Aye: 7

Abstained: 0

Nay: 0

Carried

VIII. Project Updates

A. Lockheed Martin

1. Results from the public hearing - There was no opposition for the project. Ms. Tinney, Tioga County Director of Economic Development & Planning explained the benefits requested by Lockheed Martin as well as read support letters from the Tioga County Legislature and the Owego Apalachin School District. Mr. Castellucci, Town of Owego Supervisor read a support letter on behalf of the Town of Owego Board. No other public comment was made.
2. Resolution finalizing the preliminary inducement resolution for a certain commercial project for Lockheed Martin Corporation and authorizing the execution and delivery of certain documents with respect to the project.

Motion to finalize the preliminary inducement resolution (T. Monell/D. Daniels)

Aye: 7

Abstained: 0

Nay: 0

Carried

B. E-Site Development Project Update

1. Confirm the email poll to have the TCIDA submit an application to the Floyd Hooker Foundation for funds in the amount of \$522,500 to assist in the construction of a 5,120 square foot building for SUNY Broome to be located on the E Site, 130 Southside Drive, Owego, NY. Letters of support from various school districts and a letter of intent from SUNY Broome were received and submitted along with the application on April 29, 2014. Awaiting a response from the Foundation on the status of the application.

Motion to affirm email to submit an application to the Floyd Hooker Foundation for funds to assist in the construction of a building for SUNY Broome (R. Case/T. Monell)

Aye: 7

Abstained: 0

Nay: 0

Carried

2. Submit a summary application to the Appalachian Regional Commission (ARC) for funding in the amount of \$150,000 to assist in the construction of the road way to assist with the construction of 5,120 square foot building for SUNY Broome to be located on the E-Site, 130 Southside Drive, Owego, NY. Application was rejected by the ARC because it was a new construction project.
3. Establish a committee to oversee the development of the E-Site– IDA is the lead on this project and a committee needs to be established to oversee the development of project and to make recommendations to the entire board.

Motion to establish a committee to oversee and make recommendations to the entire

board on the development of this site. Committee formation to include: R. Kelsey, A. Gowan, R. Case, D. Daniels (as alternate), L. Tinney, Village Representative, County Representative and R. Fiato (K. Dougherty/W. Woods)

Aye: 7 Abstained: 0

Nay: 0 Carried

4. Consider a consultant to assist/oversee development of E-Site – Discussion held in executive session.

Motion to offer a consultant position to Richard D’Attilio to assist the TCIDA in the development of the E Site (K. Dougherty/W. Woods)

Aye: 7 Abstained: 0

Nay: 0 Carried

5. Delta Engineers – Project Initiation Phase Update – Delta Engineers have started the project initiation phase of the contract that was approved by the Board; Delta Engineers has questions regarding the development and is looking for direction from the board.

6. Home Leasing LLC Purchase & Sale Agreement

Resolution authorizing the Agency to enter into an agreement for the sale of 5+/- acres of the E Site on Route 434 to Home Leasing LLC subject to approval of Agency Counsel of final terms and conditions (R. Case/K. Dougherty)

Aye: 7 Abstained: 0

Nay: 0 Carried

- C. Larson Design Group – Lounsberry South Sanitary Sewer Extension Project – Kickoff meeting, May 6th – Jason Bellis and Jake Weinrich have started the process and putting information together, will have more information at the June 4th board meeting

IX. Old Business

- A. Public Authority Accountability Act – None

1. Audit Committee Report (R. Kelsey, A. Gowan, K. Dougherty) – None
2. Governance Committee Report (R. Kelsey, W. Woods, D. Daniels) – None
3. Finance Committee Report (R. Kelsey, A. Gowan, W. Woods) – None

X. PILOT Updates

- A. Owego Associates (Hampton Inn) PILOT Payment Update – Ms. Fiato has sent numerous letters and has called Owego Associates regarding their late PILOT payment. Agency Counsel will send them a payment demand notice

XI. Motion to move into Executive Session pursuant to Public Officers Law Section 105

Motion to move into Executive Session at 6:29 p.m. pursuant to Public Officers Law Section 105 (K. Dougherty/T. Monell)

Mr. Monell left the meeting at 6:46 p.m.

Exit Executive Session (D. Daniels/W. Woods) at 7:20 p.m.

XII. Report

- A. Railroads

1. Committee Report (T. Monell, R. Case, D. Daniels, W. Caloroso) - None
 - a. Update on request from Town of Berkshire Supervisor to deed small parcel where

their well is on IDA property - Mr. Scott Edsall from Williams, Edsall & Cooke is preparing the appropriate documents needed to deed over the property to the Town of Berkshire.

- b. Update on request from Town of Berkshire Supervisor for the IDA to share the cost to research who owns the property north of the town hall's property - Mr. Scott Edsall has already completed research on property in question. The issue of cleaning up the property north of the town hall's property is between the Town of Berkshire and the property owners. Mr. Edsall was going to notify the Town of Berkshire Supervisor of this finding.
- c. Update on Verizon railroad lease inquiry regarding Anderson Hill Road & Route 38 – Ms. Fiato is working with Verizon and Frontier to determine who the owner is and who is obligated to pay the railroad lease invoices for 2014.

B. Loan Program

- 1. Submitted USDA LINC report prior to April 30, 2014 deadline
- 2. Arkay Property Management LLC Commercial Façade Loan Request in the amount of \$12,206.68

Motion to approve the Arkay Property Management LLC loan request as recommended by the Loan Committee with the following terms/conditions: (A. Gowan, R. Case; R. Kelsey abstained)

Aye: 5	Abstained: 1
Nay: 0	Carried

- Maximum of \$12,206.88 at 0.0% fixed for six (6) years (\$169.54/month)
- Personal guarantees of Roger and Ji Katchuk
- Loan funds will be used to reimburse for 90% of cost for exterior renovations of 54 Central Avenue, Owego, NY
- Key person life insurance on Roger and Ji Katchuk, at least in the amount of the outstanding debt and assigned to the Tioga County Industrial Development Agency shall be provided. A provision can be made for the insurance to decline as the loan is repaid, retaining an insured amount on the policy equal to the amount of the declining loan balance
- Collateral includes 2nd co-security interest on the real property located at 54 Central Avenue, Owego, NY (Tioga State Bank is in 1st position and Thoma Development Grant will be in 2nd co-second position with the TCIDA)
- All applicable local, state and federal requirements to apply

- 3. Double Aught Lumber HUD Loan Request in the amount of \$175,000
Motion to approve the Double Aught Lumber HUD Loan Request in the amount of \$175,000 as recommended by the Loan Committee with the following terms/conditions and to recommend final approval to the Tioga County Legislature: (K. Dougherty/A. Gowan)

Aye: 6	Abstained: 0
Nay: 0	Carried

Maximum of \$175,000 at 3.0% fixed for seven (7) years (\$2,312.33/month)

- Personal guarantees of Joel Bingham and Thomas Brownridge
- Loan funds will be used to purchase new equipment and for working capital
- Key person life insurance on Joel Bingham and Thomas Brownridge
- Collateral includes 2nd lien on the new equipment subject to the lien position of NYBDC and NBT

- Evidence of proper property/casualty insurance
 - All applicable local, state and federal requirements to apply
4. Klett Enterprise/Northeast Implement Corporation IRP III Loan Request in the amount of \$77,000

Motion to approve the Klett Enterprise/Northeast Implement Corporation request as recommended by the Loan Committee with the following terms/conditions: (W. Woods, A. Gowan; R. Kelsey abstained)

Aye: 5	Abstained: 1
Nay: 0	Carried

- Maximum of \$77,000 at 5.0% fixed for fifteen (15) years (\$608.91 /month)
- Loan funds to be used for acquisition of the property located at 1000 State Route 434, Owego, New York
- Collateral to include second security interest on 1000 State Route 434, Owego, New York and a first security interest on all other property of the debtor including accounts receivable, inventory, furniture, fixtures and equipment now owned or hereafter acquired and all sales contracts, leases, accounts receivable and any other agreements relating to the premises.
- Provide evidence proper property and casualty insurance
- Personal guarantee of Charles Klett
- Proof of bank financing at least in the amount of \$693,000
- Appraisal of property located at 1000 State Route 434, Owego, New York
- Keyperson life insurance on Charles Klett
- Required to provide annual financial statements
- All applicable local, state and federal requirements to apply

New Business

Resolution authorizing the Agency to enter into an contract for services agreement with Assessment and Appraisal Associates, Inc., to complete an appraisal for Lounsberry South property, Tax Map #: 149.00-1-46 (K. Dougherty/D. Daniels)

Aye: 6	Abstained: 0
Nay: 0	Carried

XIII. Next Meeting – Wednesday, June 4, 2014

XIV. Adjourned – R. Kelsey adjourned the meeting at 7:30 p.m. (W. Woods/D. Daniels)

Attachments:

- April DRAFT Minutes
- April Financial Report
- 1st Quarter Operating Income vs Expense Report
- Lockheed Martin Public Hearing Transcript
- Letter from Newark Valley Historical Society

EXECUTIVE SESSION MEETING MINUTES
Tioga County Industrial Development Agency

Date: 5/7/2014

Time: 6:29 p.m.

On a motion of Board Member Dougherty, seconded by Board Member Monell, the Board of Directors went into Executive Session to discuss:

1. Personnel issues
2. Agreements
3. Loans

Motion to Exit Executive Session at 7:20 p.m.