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Tioga County Industrial Development Agency

June 7, 2017

Ronald E. Dougherty County Office Building

56 Main Street, Owego, NY 13827

Minutes

1. Call to Order and Introductions

The meeting was called to order by Chairperson R. Kelsey at 4:30 p.m.

2. Attendance

A. IDA Board Members

1. Roll Call: R. Kelsey, A. Gowan, T. Monell, K. Gillette, K. Dougherty, M. Sauerbrey, J. Ceccherelli

a. Absent:

b. Excused: M. Sauerbrey

2. Guests:

a. B. Myers, L. Tinney, C. Haskell, J. Bellis, J. Meagher, W. Howeler, J. Platsky

3. Privilege of the Floor:

J. Bellis – Larson Design Group

J. Bellis reported he will continue to pursue the RFP for Project Freehold.

4. Project Updates

A. Crown Cork & Seal USA, Inc. – B. Myers/J. Bellis

1. Update – B. Myers thanked J. Bellis for providing the before/after pictures, which have been submitted to ESD. B. Myers reported he is waiting on final invoices from Larson Design Group and Vacri Construction.

B. Tioga Downs Racetrack, LLC Phase 2 & 3 – B. Myers

1. Update – B. Myers reported the exterior and interior work on Phase 3 is ongoing.

Question was raised regarding hotel traffic and vacancy rate and J. Bellis reported this information is being tracked.

C. Tioga Downs Racetrack, LLC Phase IV – B. Myers

1. Update –

a. Building Plan Change – B. Myers reported the clubhouse has been changed from a two-story to one-story structure. J. Meagher reported this change will not impact the PILOT agreement, as the employment numbers will not change.

D. Gateway Project – B. Myers

1. Update – B. Myers reported we are waiting on final approval for financing; \$500,000 from Restore NY with the remaining \$1.4 million from NYS Homes and Community Renewal.

E. Project Freehold

1. Update – B. Myers reported J. Bellis will move forward with the RFP process for the platform. B. Myers reported the Village of Owego expressed support for this type of project at this week’s Village Board meeting.

F. DePaul Project

1. Update – B. Myers reported the IDA received a letter of interest from DePaul Properties, Inc. for development in Tioga County.

G. Minka Village – Tioga Opportunities Project

1. Update – L. Tinney reported the Minka Village project in Lounsberry is currently on hold, as they are exploring other locations. Tioga Opportunities, Inc. is very much interested in pursuing this project in the county. L. Tinney reported the funding opportunity for this project had a very short window and they were unsuccessful in getting all the information gathered in time to make the application.

H. Upstate Shredding –

1. Update – B. Myers reported Delta Engineers is still working through contractor assignments to get the project started. B. Myers reported the IDA will be a pass through agent for the ESD grant that will be administered by Delta Engineers.

I. Owego Gardens –

1. Update – B. Myers reported the Village of Owego denied Home Leasing’s request to change the EDU classification to the original senior housing classification, which would have lowered the current sewer rate for Owego Gardens. B. Myers reported the Village of Owego took the position that other complexes in the village are being categorized the same and they did not want to make an exception. Under the original plan, L. Tinney reported all three entities would receive a total of \$21,700 distributed as follows: Town of Owego - \$390.00, Tioga County - \$4,300, Owego-Apalachin School District - \$10,000, and Village of Owego - \$7,000. L. Tinney reported this creates a shortfall of approximately \$11,886.24 for the first year, as Home Leasing was anticipating \$12,000 and not \$25,886. L. Tinney reported Owego Gardens is willing to increase the anticipated \$12,000 to \$14,000 annually. B. Myers reported there is still the possibility for the IDA to move forward with a PILOT modification as previously discussed last month to cover the shortfall. J. Meagher reported this is a deviated PILOT, therefore, the IDA is not required to obtain consent from the taxing entities as the agreement is between Owego Gardens and the IDA. Question was raised as to whether the school district was in agreement and B. Myers reported they did not take a position. L. Tinney reported Home Leasing will need a resolution to show the shortfall has been addressed.

Motion to modify the Owego Gardens PILOT on a prorated basis and for J. Meagher to prepare the resolution. (A. Gowan, K. Gillette)

Aye – 5 Abstain – 0
No – 1 (T. Monell) Carried

5. Old Business – B. Myers

A. Public Authority Accountability Act

- 1. Audit Committee Report (R. Kelsey, K. Dougherty, A. Gowan) –**
 - a. Nothing new to report.

2. Governance Committee Report (R. Kelsey, K. Dougherty, J. Ceccherelli) – B. Myers reported the Governance Committee met just prior to this meeting and the following topics were discussed:

a. Solar Project Policy - B. Myers reported he prepared a solar project policy as a mechanism to assist with negotiations for future solar projects in Tioga County. The Governance Committee reviewed the policy and is recommending the IDA Board adopt the solar project policy as part of the IDA Policy Handbook.

Motion to accept the Governance Committee’s recommendation to adopt the Solar Project Policy as presented. (T. Monell, A. Gowan)

Aye – 6 Abstain – 0

No – 0 Carried

b. Job Description Updates – The Governance Committee reviewed the updated job descriptions and recommended these documents be shared with the IDA Board.

ACTION: B. Myers will email the updated job descriptions to the IDA Board.

c. ABO Notification of Procurement Policy – B. Myers reported he received an email from the ABO earlier this week regarding the IDA Procurement Policy. J. Meagher will review the policy and it is anticipated some minor modifications will need to be made.

3. Finance Committee Report (R. Kelsey, A. Gowan, K. Gillette) –

a. Nothing new to report.

B. Swartwood Lease – 44 Railroad Ave., Berkshire, NY –

1. Reaffirm Email Vote - B. Myers reported Ms. Swartwood obtained her permit and the annual lease has been granted. Question was raised regarding potential liability. J. Meagher reported the IDA does not own the building, therefore, is just the grounds lessor. R. Kelsey recommended developing a tickler system to ensure the lessee has proper insurance naming the IDA as an additional insured party going forward.

Motion to reaffirm email vote to approve the annual Swartwood lease at 44 Railroad Ave., Berkshire, NY (T. Monell, K. Gillette)

Aye – 6 Abstain – 0

No – 0 Carried

2. **Simmons Lease Refund - \$122.76** - B. Myers reported the Simmons lease on 44 Railroad Ave., Berkshire, NY expired in 2006, however, Mr. Simmons paid the annual lease in January 2017. With the property now being leased to Ms. Swartwood, Mr. Simmons is requesting a refund. B. Myers estimated the refund to be \$122.76.

Motion to refund Mr. Simmons \$122.76 for the remainder of the 2017 annual lease that was paid in January 2017 for 44 Railroad Ave., Berkshire, NY (A. Gowan, T. Monell)

Aye – 6 Abstain – 0
No – 0 Carried

C. E-Site -

1. Update -

- a. Wetland Delineation Update** – B. Myers reported he received a letter from Fagan Engineers regarding the Army Corp of Engineers site visit on 3/31/17. Per this letter, the Army Corp of Engineers identified the wetlands as interconnected versus Fagan’s assessment indicating they were independent of one another. B. Myers and L. Tinney, in conjunction with Congressman Reed’s office, will explore what can be done to dispute this determination. B. Myers reported he received an email today from Fagan Engineers with a quote of \$4,500 to re-do the maps. B. Myers reported due to Fagan’s report submitted to the IDA in 2016, he believes they should cover the expense of updating the maps. B. Myers reported the original studies did not delineate the wetlands, however, Fagan Engineers was of the opinion that the wetlands were isolated and not connected. Question was raised as whether any additional expenses were incurred based on Fagan’s original report. L. Tinney reported the IDA paid \$13,000 for an archeological study and an additional \$4,000 for the Master Plan Update. Question was raised as to whether this is possible grounds for reimbursement. B. Myers was authorized to start discussion with Fagan Engineers for updated maps based on the Army Corp of Engineers determination.

D. Lounsberry 1.2A – 540 Stanton Hill Road, Nichols, NY –

1. Update -

- a. Demolition RFP-** B. Myers prepared the RFP for demolition and sent to J. Meagher for review. J. Meagher reported he approved the RFP as written. Question was raised regarding the asbestos and B. Myers reported this was addressed in the RFP. B. Myers reported he would like to go out for bids ASAP.

E. Lounsberry – 19.8 acres in the Town of Nichols –

1. Update –

- a. Letter of Intent** – B. Myers reported the IDA received the fully executed letter of intent from the owner. Concern was expressed regarding bridge access and whether this property could potentially be landlocked due to the wetlands. Concern was raised as to whether we have a marketable property. L. Tinney reported there are alternative accesses to the property. J. Meagher reported the IDA has a due diligence period with the purchase contract.

6. **PILOT Updates – B. Myers**
 A. **Gateway PILOT**
 1. **Name Change** – B. Myers reported the developer would like to change the name of the PILOT from Nelson Development, LLC to Gateway Owego, LLC. J. Meagher reported this is not unprecedented, however, is late in the process to request such as change as the advertising, posting, etc. has been done. J. Meagher will review to ensure that only a name change is involved.
7. **New Business – B. Myers**
 A. **E-Site CFA for Road Construction** – B. Myers inquired as to whether the Board would support a CFA application for road construction. Question was raised as to whether there is a cost associated with this request. L. Tinney reported the IDA would be responsible for 20% of the project should this be awarded. For now, B. Myers reported the only involvement is time to prepare the application. The application deadline is 7/28/17. The Board was in agreement for B. Myers to prepare and submit the CFA by the established deadline of 7/28/17.
8. **Approval of Minutes –**
 A. **May 3, 2017 Regular Meeting Minutes**
Motion to approve the May 3, 2017 Regular Board Meeting minutes (T. Monell, J. Ceccherelli)
Aye – 6 Abstain – 0
No – 0 Carried
9. **Financial Reports – B. Myers presented the financial reports.**
 A. **Reports**
 1. **Balance Sheet** – B. Myers reported the balance sheet reflects \$50,000 that was returned from the Town of Nichols for the WWTP maintenance payment from last year. B. Myers will disburse amongst all for 2017 payments.
 2. **Profit & Loss** – B. Myers reported WWTP adjustment is needed. B. Myers will do final adjustment when final invoices are submitted and paid.
 3. **Transaction Detail** – B. Myers reported USDA payments in the amounts of \$12,339 and \$8,259 were issued for IRP 1 and IRP 2 that were paid in May 2017.
Motion to acknowledge financial statements (T. Monell, A. Gowan)
Aye – 6 Abstain – 0
No – 0 Carried
11. **Reports**
 A. **Railroads – B. Myers**
 1. **Committee Report (T. Monell, K. Gillette)**
 a. **Income to Date** – B. Myers reported March 2017 income is less than March 2016 income.

B. Loan Program – B. Myers

1. Committee Report (R. Kelsey, A. Gowan, K. Dougherty, D. Barton, S. Thomas) –

- a. Broad Street Barber Shop Loan Application** – B. Myers reported the Loan Committee met just prior to this meeting to review two loan application requests for Broad Street Barber Shop. B. Myers reported the Facade Loan request is for \$9,450 at 0% for 6 years and the IRP Loan request is for \$100,000 at 4.75% for 15 years. B. Myers reported the Loan Committee recommended approval for both loans.

Motion to accept the Broad Street Barber Shop Façade loan application in the amount of \$9,450, as recommended by the Loan Committee, with the following terms/conditions: (A. Gowan, K. Gillette)

Aye – 5 Abstain – 1 (K. Dougherty)

No – 0 Carried

- \$9,450.00 loan at 0% fixed interest for 6 years (\$131.21/month)
- Pat and Kristen Elston shall provide their unconditional personal guarantees.
- Loan funds will be used to reimburse for 90% of \$10,500.00 cost for exterior renovations of 401-405 Broad St, Waverly
- Key person Life Insurance on Pat and Kristen Elston 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 3rd position interest on the real property located at 401-405 Broad St, Waverly, NY
- Citizens & Northern Loan will be in first position with TCIDA Business Loan in 2nd position on property at 401-405 Broad St. Waverly, NY
- A copy of “after renovation” appraisal to be completed and must be received by TCIDA showing TCIDA’s collateral position is secured for both loans.
- All applicable local, state and federal requirements to apply.

Motion to accept the Broad Street Barber Shop IRP loan application in the amount of \$100,000, as recommended by the Loan Committee, with the following terms/conditions: (A. Gowan, K. Gillette)

Aye – 5 Abstain – 1 (K. Dougherty)

No – 0 Carried

- Approval contingent on sufficient appraisal outcomes and Citizens and Northern Bank’s final commitment
- \$100,000.00 loan at 4.75% fixed interest for 15 years (\$777.83/month)
- Pat and Kristen Elston shall provide their unconditional personal guarantees.
- Loan funds will be used to reimburse 37% or \$100,000.00 of the purchase of the real property located at: 401-405 Broad St, Waverly, NY
- Key person Life Insurance on Pat and Kristen Elston 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.
- A subordinate blanket UCC to Citizens and Northern Bank shall be placed on all accounts receivable, contracts, equipment, machinery, fixtures now owned or acquired.

- Collateral includes 2nd position interest to Citizens and Northern Bank on the real property located at 401-405 Broad St, Waverly, NY, and a 3rd security interest to the Elston's real property located at 656 Middle Road, Waverly, NY 14892
- A copy of "after renovation" appraisal to be completed and must be received by TCIDA showing TCIDA's collateral position is secured for both loans.
- All applicable local, state and federal requirements to apply.

b. **Tioga Downs RLF SOW** – B. Myers reported agriculture has been identified as a possible unrepresented area for possible gap financing. B. Myers will work with L. Tinney and Tioga Downs to explore what is out there that could benefit from possible gap financing. B. Myers will work on completing a program with guidelines to present to Tioga Downs. The IDA will serve as the loan administrator. B. Myers reported further review of the original application is required to determine if a timeline has been established.

R. Kelsey reported the IDA has had several housing project inquiries of late that have potential impacts on the towns, villages, and County. R. Kelsey suggested the IDA consider doing a housing study to further explore the community need. Tioga Opportunities, Inc. did a housing study in 2016 that may be beneficial. R. Kelsey further suggested that the IDA needs to review our mission statement to ensure we are in accordance. L. Tinney reported she has reviewed the Tioga Opportunities, Inc. housing study and it is a good starting point, however, believes the IDA needs to conduct their own independent study. B. Myers will email the documents to the IDA Board that he has obtained in regards to tying economic development and housing together. Based on Board authorization, B. Myers will obtain quotes for an independent housing study.

12. Executive Session –

Motion to move into Executive Session at 6:00 p.m. pursuant to Public Officers Law Section 105 to discuss financial, property acquisitions, and individual personnel matters. (K. Gillette, A. Gowan)

**Aye – 6 Abstain – 0
No – 0 Carried**

Motion to exit Executive Session at 6:30 p.m. (J. Ceccherelli, A. Gowan)

**Aye – 6 Abstain – 0
No – 0 Carried**

Motion to Promote B. Myers to Executive Director and to increase his salary to \$56,000.00 effective immediately. Job descriptions for both the Executive Director and Executive Assistant will be finalized at the July meeting. (A. Gowan, K. Dougherty)

**Aye – 6 Abstain – 0
No – 0 Carried**

13. Next Meeting – Wednesday, July 5, 2017

14. Adjournment –

Motion to adjourn at 6:32 p.m. (K. Gillette, R. Kelsey)

**Aye – 6 Abstain – 0
No – 0 Carried**