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Tioga County Industrial Development Agency

November 1, 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: T. Monell

2. Guests:

a. B. Myers, C. Haskell, J. Meagher, L. Tinney, J. Bellis, M. Bauer (LDG), K. Millar, M. Freeze

3. Privilege of the Floor – J. Bellis – Larson Design Group

J. Bellis reported an increase in flows for Crown Cork & Seal and by year-end anticipate they will be at full capacity. J. Bellis reported there should be no issue with freezing in the winter.

4. Project Updates

A. Crown Cork & Seal USA, Inc. –

1. **ESD - Nichols** – B. Myers reported S. Mora confirmed it will be more difficult to receive fund reimbursement in the IDA name, therefore, suggested keeping the Town of Nichols as the grant recipient. IDA will need to enter into an agreement with the Town of Nichols to ensure reimbursement. B. Myers reported Town of Nichols Supervisor Engelbert indicated this would not be an issue.

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

1. **Update** – B. Myers reported the first 4 floors of the hotel will open this month with the convention center opening still on schedule for December 2017. The new P.J. Clark's Restaurant will be in the convention center.

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

1. **Update** – B. Myers reported the temporary clubhouse has been removed and the new clubhouse is progressing.

D. Gateway Project – B. Myers

1. **Update** – B. Myers reported this project is progressing. B. Myers reported Mr. Nelson hosts an open house on-site every 3rd Friday of the month at 5:00 p.m.

E. Project Freehold

1. **Update** – B. Myers reported abstracts, survey, and site design materials have been provided to Williams & Edsall.

F. Upstate Shredding

1. **Update** – B. Myers reported this project is progressing.

G. Owego Gardens

1. **Update** – B. Myers reported the Belva Lockwood Lane is moving along. J. Meagher confirmed the mortgage, easement, and PILOT needs to be subordinated.

H. Distributed Sun –

- 1. Update** – B. Myers reported the project is anticipated to commence in Spring 2018.

5. Old Business – B. Myers

A. Public Authority Accountability Act

1. Audit Committee Report (R. Kelsey, K. Dougherty, A. Gowan) –

- a. 3rd Quarter Review** – B. Myers reported he met with Jan Nolis on 10/24/17 and no significant issues were reported.

2. Governance Committee Report (R. Kelsey, K. Dougherty, J. Ceccherelli) –

- a. Executive Director's Annual Review** - B. Myers reported the Governance Committee met just prior to this meeting to conduct his annual review.

b. PARIS Annual Budget Report – B. Myers reported the PARIS annual budget report was completed on 10/20/17.

3. Finance Committee Report (R. Kelsey, A. Gowan, K. Gillette) – No report.

B. Housing Study

- 1. Update** – B. Myers reported the housing study is anticipated to be completed by mid-December. B. Myers reported municipalities participated and provided valuable feedback. B. Myers reported a formal presentation to the IDA will be tentatively scheduled for mid-January 2018.

C. E-Site -

- 1. Update** – B. Myers reported the pre-jurisdictional determination is completed. B. Myers reported Fagan Engineers is in the process of working with Home Leasing to get contract for design work. B. Myers reported preliminary designs are underway.
- 2. E-Site Cleanup** – B. Myers reported he will contact County DPW Commissioner Hammond regarding signage removal.

D. Lounsberry 19.8 Acres – Town of Nichols, NY

- 1. Update** - Board members recommended winterizing the house.

a. Schedule Closing – B. Myers reported the closing is scheduled for 11/2/17.

b. Survey Quote – B. Myers reported he received a survey quote for \$2,900 to survey off wetlands.

Motion to accept the survey quote of \$2,900. (A. Gowan, K. Dougherty)

Aye – 6 Abstain – 0

No – 0 Carried

E. Strategic Plan – B. Myers reported the draft is completed and will be reviewed with IDA Chairperson this month.

F. Railroad Leases –

- 1. Enterprise Products** – As reported last month, B. Myers stated this annual lease in the amount of \$315.00 has expired. Based on the current use of the facility and track, B. Myers recommended the IDA Board consider an annual renewal of \$630.00. B. Myers reported a letter of renewal will be sent to Enterprise Products in January 2018 addressing the expired lease and the new annual renewal amount. IDA Board members were in favor of the increased annual renewal amount and the letter being sent in January 2018.

G. ED&P Update - L. Tinney reported last month the County has agreed to financially contribute \$25,000 via the ED&P 2018 budget towards the salary and fringe of a part-time, permanent Agriculture Economic Specialist. L. Tinney reported she would like to explore the possibility of a partnership with the IDA to bring this position closer to a full-time position. L. Tinney reported she has a candidate for the position, however, it would need to be a full-time position. L. Tinney reported she will report additional information at the December meeting in regards to how this position will impact the IDA. K. Dougherty inquired about the scope of work. L. Tinney reported a job description has already been developed for the part-time, permanent County position. R. Kelsey reported the question at hand is whether the IDA should be involved and this will be the discussion moving forward.

H. iPad & Accessories Purchase – B. Myers reported he received the following quote from the County IT Department for an iPad, case, and monthly data plan:

- **iPad** - \$359.00
- **Case** - \$100.00
- **Monthly 4G Data Plan** - \$40.00

Motion to authorize the purchase of an iPad and case for the Executive Director at a cost not to exceed \$500.00, as well authorizing the ongoing monthly 4G data plan of \$40.00 per month through the County IT Department.

(M. Sauerbrey, J. Ceccherelli)

Aye – 6	Abstain – 0
No – 0	Carried

6. PILOT Updates – B. Myers

A. 2017-2018 School/Library Payments – B. Myers reported all PILOT payments, with the exception of FedEx’s library tax of \$89.00, has been received and paid out. B. Myers will follow-up with FedEx regarding outstanding payment.

M. Bauer departed meeting at 5:22 p.m.

B. Owego Family Housing, LP PILOT Application – B. Myers reported 2+4 Construction submitted a PILOT application for the construction of Brick Pond Apartments located at 610 Main Street, Owego, NY. B. Myers reported the housing project consists of 40 affordable and market rate units:

- (12) 1-bedroom apartments (725 sq. ft.)
- (22) 2-bedroom apartments (889 sq. ft.)
- (6) 3-bedroom apartments (1150 sq. ft.)

B. Myers reported the overall project is \$12.19 million. B. Myers reported the company will meet the Village of Owego flood plain elevation requirements. B. Myers reported the PILOT is similar to the Owego Gardens PILOT with the exception this is only a 15-year PILOT. Question was raised regarding job creation. B. Myers reported 2 full-time employees, as well as temporary construction employees.

Motion to authorize resolution acknowledging and accepting the PILOT application for Owego Family Housing, LP and set the public hearing.
(K. Dougherty, M. Sauerbrey)

Aye – 6 Abstain – 0
No – 0 Carried

C. Crown Cork & Seal Sales Tax Abatement Extension Request – B. Myers reported Crown Cork and Seal still has incomplete projects, therefore, submitted a request for an extension on their sales tax abatement that expires November 3, 2017 to March 2018.

Motion to authorize Crown Cork and Seal’s request for an extension on their sales tax abatement until March 2018. (A. Gowan, K. Dougherty)

Aye – 6 Abstain – 0
No – 0 Carried

7. New Business – B. Myers

A. IDA/EDP/LDC – Joint Marketing Campaign – B. Myers reported he met with R. Kelsey and L. Tinney regarding the concept of a joint marketing campaign, as the IDA/EDP/LDC have long been promoted as a one-stop shop, therefore, believes it is appropriate to cohesively market these Departments. B. Myers reported the three entities would be marketed under the acronym T.E.A.M. (Tioga Economic Advancement Members). B. Myers reported we have an opportunity to hire a social media/graphic design intern for the development of a new logo, marketing strategy, and letterhead. B. Myers reported the intern would be hired at the current minimum wage of \$9.70/hour with this increasing to the 2018 minimum wage of \$10.40/hour and placed on the IDA payroll for a period to not exceed three months. B. Myers reported budgeted funds are available to support the intern’s salary. L. Tinney disclosed the intern candidate is Madison Tinney who is a relative. B. Myers reported he did not see any conflict as he was the one who called her in for the interview. B. Myers reported the intern’s hire date would be 11/6/17.

Motion to authorize the hire of Madison Tinney as the IDA social media/graphic design intern at minimum wage for a period to not exceed 3 months commencing November 6, 2017. (J. Ceccherelli, K. Gillette)

Aye – 6 Abstain – 0
No – 0 Carried

M. Freeze departed meeting at 5:35 p.m.

8. **Approval of Minutes –**

A. October 4, 2017 Regular Meeting Minutes

Motion to approve the October 4, 2017 Regular Board Meeting minutes

(A. Gowan, K. Gillette)

Aye – 6	Abstain – 0
No – 0	Carried

9. **Financial Reports –**

A. Reports – In light of the PILOT payments, B. Myers reported the financial reports reflect large amounts flowing in and out.

1. **Balance Sheet** – Question was raised as to why the WWTP is reflected as an IDA asset versus a receivable. B. Myers will follow-up with Jan Nolis regarding this inquiry.

2. **Profit & Loss** –

3. **Transaction Detail** –

Motion to acknowledge financial statements (M. Sauerbrey K. Dougherty)

Aye – 6	Abstain – 0
No –	Carried

10. **Reports**

A. Railroads – B. Myers

1. **Committee Report (T. Monell, K. Gillette)**

a. Income to Date – B. Myers reported income is down for the month of August.

b. OHRY Update – B. Myers reported S. May has been doing work on the Route 38 crossing in Berkshire and anticipates completion by end of this week or next. L. Tinney reported she connected S. May with Soil & Water Conservation District Manager Wendy Walsh regarding the Monkey Run Bridge. L. Tinney reported the new bridge is starting to cause an issue with the railroad bridge. L. Tinney reported this project may be eligible for a CFA for the purpose of reconstructing the railroad bridge.

B. Loan Program – B. Myers

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

a. Site Visits and LINC Report – B. Myers reported the USDA site visits were completed on 10/11/17 and the LINC Report was completed and submitted ahead of schedule on 10/26/17.

b. Commercial Façade Loan Application – B. Myers reported the Loan Committee met just prior to this meeting to review the façade loan requests from Ike Lovelass for two properties; 249 Front Street and 17 Lake Street, Owego, NY. B. Myers reported numerous concerns were addressed for both applications, however, the Loan Committee recommended approval of both loans providing all contingencies are met.

249 Front Street, Owego, NY - B. Myers reported the Façade Loan request for 249 Front Street is for \$22,500 at 0% for 6 years for a monthly payment of \$312.50 for exterior façade renovations including roof replacement. B. Myers reported the Loan Committee recommended approval for this façade loan with the following terms/conditions:

→ \$22,500 loan at 0% fixed interest for six (6) years (\$312.50/month)

→ Julie and Ike Lovelass shall provide unconditional personal guarantees.

→ Loan funds will be used to reimburse up to \$22,500.00 for 90% of total project cost of \$25,000 for roof replacement at 249 Front Street, Owego

→ Key person Life Insurance on both Ike and Julie Lovelass 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 1st security interest on the real property located at 249 Front St, Owego, NY.

→ All applicable local, state and federal requirements to apply.

Motion to approve the Façade Loan application from Ike Lovelass for the property located at 249 Front Street, Owego, NY in the amount of \$22,500 with the terms/conditions noted, as recommended by the Loan Committee.

(A. Gowan, K. Dougherty)

Aye – 6 Abstain – 0

No – 0 Carried

- 17 Lake Street, Owego, NY** - B. Myers reported the Façade Loan request for 17 Lake Street is for \$\$4,050 @ 0% for 2 years for a monthly payment of \$168.75 for exterior façade renovations including painting, window repointing, awning removal and replacement, and railing replacement. B. Myers reported the Loan Committee recommended approval for this façade loan with the following terms/conditions:
- \$4,050.00 loan at 0% fixed interest for two (2) years (\$168.75/month)
 - Ike and Julie Lovelass shall provide unconditional personal guarantees.
 - Loan funds will be used to reimburse up to \$4,050.00 for 90% of total project cost of \$4,500.00 for exterior renovations of 17 Lake Street, Owego
 - Key person life Insurance on Ike and Julie Lovelass 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 security interest on the real property located at 17 Lake Street, Owego, NY.
 - All applicable local, state, and federal requirements to apply.

Motion to accept the Façade loan application from Ike Lovelass for the property located at 17 Lake Street, Owego, NY in the amount of \$4,050 with the terms/conditions noted, as recommended by the Loan Committee.

(A. Gowan, K. Gillette)

Aye – 6 Abstain – 0

No – 0 Carried

- c. Commercial Façade Loan Program** - B. Myers reported there has been a significant amount of interest in the facade loan program and suggested the IDA may want to put additional IDA funds in the amount of \$75,000 towards this program for continuation. B. Myers reported this loan program was started with a STREDC loan in the amount of \$250,000 and currently has \$17,000 available to lend after the two above-referenced loans close. J. Meagher expressed concern that the IDA may be prohibited from loaning IDA funds. Other options discussed included the possible use of the HUD revolving loan funds or possible consortium of local banks donating to a loan fund to assist them with meeting their CRA requirements.

11. Executive Session –

Motion to move into Executive Session at 5:46 p.m. pursuant to Public Officers Law Section 105 to discuss financial matters and property acquisitions

(M. Sauerbrey, K. Gillette)

Aye – 6 Abstain – 0

No – 0 Carried

Motion to exit Executive Session at 6:02 p.m. (A. Gowan, K. Dougherty)

Aye – 6 Abstain – 0

No – 0 Carried

Motion to authorize IDA Attorney to prepare contract for the Town of Nichols 10-acre parcel at the price of \$26,000 per acre with clause to share profits with Town of Nichols.

12. Next Meeting – Wednesday, December 6, 2017

13. Adjournment –

Motion to adjourn at 6:03 p.m. (J. Ceccherelli, R. Kelsey)

Aye – 6 Abstain – 0

No – 0 Carried