

**SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
MEETING MINUTES**

Regular Meeting
Thursday, February 7, 2019
12:00 Noon
Heroes Conference Room
Seneca County Office Bldg.
Waterloo, New York

Attendance:

Board Members Present: Steven Brusso, Chair; Thomas Kime; Menzo Case; Erica Paolicelli; Jeff Shipley; and Valerie Bassett

Board Members Absent: Thomas Macinski, Don Trout and Stephen Wadhams

Staff Attending: Robert Aronson, Executive Director; Patricia Jones, Deputy Director; Kelly Kline, Office Manager

Others Attending: Robert Kernan, CFO; Rob Halpin, The Halpin Law Firm; Ralph Lott, Don Northrup, Bob Stivers, Donna Stivers, Casey Fick, Rich Swinehart, Dick Beauchine, Juris Basens and Dave Shaw, FL Times

Call to Order:

Chairman Brusso called the meeting to order at 12:03 p.m. A quorum of the Agency's members was present.

Presentation: Waterloo Contractors Inc:

An application for financial assistance was submitted by Waterloo Contractors Inc. dba Waterloo Containers. Mr. Aronson advised the board that the company is building a 37,000 sq. ft. addition to its existing warehouse and are coming to the board with a request for financial assistance in the form of a Sales Tax Exemption and a PILOT. Rich Swinehart, CEO of Waterloo Containers provided the board with an overview of the company and the project. Waterloo containers started in 1980 to support the emerging wine industry in the Finger Lakes region. They have grown their market and currently have customers throughout the United States. They are a one stop shop for high quality glass containers and packaging products and are in the process of expanding to custom bottle packing services. The new warehouse will be used to add warehousing space and to house a new bottle packing line. The project is currently in progress, but the budget has changed because of the increasing costs of steel due to the new trade tariffs. Assistance from the IDA and NYSEG will help the project to get off to a faster and stronger start.

Presentation: Waterloo Downtown Properties Inc.:

An application for financial assistance was submitted by Waterloo Downtown Properties LLC. Owners, Bob Stivers and Donna Stivers spoke to the board about the project. The company is investing an estimated \$920,000 in the adaptive reuse of the "Grange Block" on Virginia Street in Waterloo - specifically 27,31,33,35, 37 Virginia Street and 7 Williams Street. Except for one storefront, the buildings are unoccupied. The Grange Hall will be restored to the original use as a facility to host community events. Other buildings will be renovated to create modern, upscale retail space and market rate apartments. Mr. Stivers noted the project is fully supported by Village of Waterloo officials who have made great strides over the last few years in revitalizing the downtown area. Because the cost of the renovations are more than the value of the buildings, IDA assistance is a great factor in order to make the project economically feasible.

Executive Session:

Chairman Brusso requested a motion to enter into Executive Session regarding the financial, credit or employment history of a particular corporation, or matters leading to the approval of a contract for a particular corporation. A motion was made by Ms. Bassett at 12:28 p.m. to enter into Executive Session. Seconded by Mr. Kime. Motion carried. A motion was made by Mr. Case at 12:42 p.m. to come out of Executive Session. Seconded by Mr. Brusso. Motion carried

Sale of Deer Run Lot to Franklin Land Associates LLC:

Mr. Aronson advised board members that Franklin Land Associates have put in an offer to purchase 1.143 acres of land at Deer Run Industrial Park on Auburn Road (Routes 5&20). The buyer plans to build a retail store. A motion was made by Mr. Case stating the IDA is not willing to sell industrial zoned shovel ready land developed by the IDA for the purpose of a retail establishment. Seconded by Mr. Shipley. Motion carried.

Approval of IDA Meeting Minutes of January 3, 2019:

The minutes of the Agency's meeting of January 3, 2019 had been sent to Board members prior to the meeting. A motion was made by Mr. Kime to approve the January 3, 2019 meeting minutes. Seconded by Ms. Bassett. Motion carried.

Review of Un-Audited IDA Financial Statements thru December 2018:

The December 2018 financial statements had been mailed to board members prior to the meeting. Ms. Paolicelli provided a summary of the financials. Mr. Aronson noted that these financials are un-audited and approval is not needed as the annual audit of the IDA is in process.

Committee Appointments for 2019:

IDA Governance

Steve Brusso, Chair
Thomas Kime
Valerie Bassett
Thomas Macinski

IDA Audit

Erica Paolicelli, Chair
Thomas Kime
Thomas Macinski

IDA Finance

Erica Paolicelli, Chair
Thomas Kime
Thomas Macinski

SEQRA determination for Deer Haven Park LLC Project:

The Short Environmental Assessment Form (SEAF) was provided to Board members prior to the meeting. Mr. Martin completed Part 1 of the Short EAF and now the IDA Board must answer all of the questions in Part 2. Pat Jones reminded the Board that when answering the questions, they should be guided by the concept "have my responses been reasonable considering the scale and context of the proposed action". Ms. Jones then proceeded to review the eleven (11) questions contained in Part 2 of the Short EAF. Board members answered **"No, or small impact may occur"** to all eleven questions. A motion was made by Mrs. Paolicelli that based on information and analysis of Parts 1 and 2 of the Short Environmental Assessment Form, that the proposed action will not result in any significant adverse environmental impacts. Seconded by Mr. Shipley. Members Brusso, Kime, Bassett, Shipley, Paolicelli and Case voted "yea". Members Macinski, Trout and Wadhams were absent. Motion carried.

Approval of IDA Resolution No. 2019-09 / Deer Haven Park LLC Project/ Final Resolution:

A copy of the resolution was provided to Board members prior to the meeting. Mr. Aronson stated that Deer Haven Park LLC is supporting the efforts of Seneca White Deer Inc, at the former Seneca Army Depot and are requesting assistance of a PILOT. Deer Haven Park was the selected bidder for the former depot property. In accordance with the bid, member Earl Martin has endeavored to reuse the Varick portion of the depot to support an ecotourism park. While this represents a deviation from our uniform tax exemption policy, there is a considerable amount of public support for this effort. A public hearing was held on January 23, 2019. Twenty-two people attended, four people spoke in favor of the project, and one against it. In addition, twenty-five written comments were received in favor, with one opposed. The resolution includes the negative declaration for SEQRA, authorizes the financial assistance to the project in the form of a PILOT at a flat payment of \$20,000 for 3 years. Mr. Aronson then presented Resolution No. 2019-09 as follows:

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO (i) UNDERTAKE A CERTAIN PROJECT (AS DEFINED BELOW) FOR THE BENEFIT OF DEER HAVEN PARK LLC (THE "COMPANY"), (i) NEGOTIATE, EXECUTE AND DELIVER A LEASE AGREEMENT, LEASEBACK AGREEMENT, PAYMENT IN LIEU OF TAX AGREEMENT, AND RELATED DOCUMENTS, AND (ii) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A PARTIAL REAL PROPERTY TAX ABATEMENT UNDER A PAYMENT IN LIEU OF TAX AGREEMENT

A motion was made by Mr. Case approving IDA Resolution No. 2019-09. Seconded by Mr. Kime. Members, Brusso, Paolicelli, Bassett, Kime, Case and Shipley voted "yea". Mr. Macinski, Mr. Trout and Mr. Wadhams were absent. Motion carried

Approval of IDA Resolution No. 2019-10 / Waterloo Contractors Inc:

A copy of the resolution was provided to board members prior to the meeting. The company is building a 37,000 sq. ft. addition to its existing warehouse that will include a new bottle packing line. They are asking for assistance in the way of a sales tax exemption and PILOT. The total investment is estimated at \$2,280,000. A total of 53 jobs will be retained and 22 new jobs will be created. Mr. Aronson noted the jobs are good paying with significant fringe benefits leading to a rather impressive preliminary benefit to cost ratio in excess of 50:1. This resolution accepts the application, authorizes a public hearing, names the IDA as lead agency for SEQRA, describes the forms of financial assistance being contemplated (sales tax exemption and PILOT), and authorizes the negotiation of the appropriate documents and agreement. A

motion is needed to approve the inducement resolution. Mr. Aronson then presented Resolution No. 2019-10 as follows:

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) ACCEPTING THE APPLICATION OF WATERLOO CONTRACTORS, INC., D/B/A WATERLOO CONTAINER (THE "COMPANY") DATED JANUARY 25, 2019 WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO THE PROJECT, (iii) NAMING ITSELF AS LEAD AGENCY UNDER ARTICLE 8 OF THE NEW YORK STATE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH THE PROJECT, (iv) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED WITH RESPECT TO THE PROJECT, AND (v) AUTHORIZING THE NEGOTIATION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, PILOT AGREEMENT AND RELATED DOCUMENTS

A motion was made by Mr. Kime approving IDA Resolution No. 2019-10. Seconded by Ms. Bassett. Members, Brusso, Paolicelli, Bassett, Trout, Kime and Case voted "yea". Mr. Shipley voted "nay". Mr. Macinski, Mr. Trout and Mr. Wadhams were absent. Motion carried.

Scepter Inc Easement:

This item was tabled.

Approval of IDA Resolution No 2019-11 / Incorporate Improvement at del Lago into Tax Agreement:

Del Lago is proposing to expand one of their smoking areas to allow greater access for smokers. Mr. Aronson noted that according to the IDA Tax Agreement (PILOT), future improvements at del Lago can trigger an increase in annual payments. However, del Lago is asking for relief from this clause in this instance as a day care center originally planned to be built on site is not moving forward at this time. Instead del Lago is helping to establish a private day care business in the County's Health and Senior Citizens facility. Juris Basens, of Wilmorite Inc., spoke to the board regarding the request. He stated there is a high demand for a larger area where customers can smoke while gaming. He noted they also plan to increase the slot machines in the smoking area from 10 to 100 to accommodate the players. Mr. Aronson advised the board that a motion is needed to approve the resolution, incorporating the current improvement into the existing tax agreement. Mr. Aronson then presented Resolution No. 2019-11 as follows:

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO INCORPORATE CERTAIN ADDITIONAL IMPROVEMENTS INTO THE EXISTING AGENCY TAX AGREEMENT BETWEEN THE AGENCY AND LAGO RESORT & CASINO, LLC

A motion was made by Mr. Shipley approving resolution no 201-11. Seconded by Mr. Case. Members, Brusso, Paolicelli, Bassett, Trout, Kime, Shipley and Case voted "yea". Mr. Macinski, Mr. Trout and Mr. Wadhams were absent. Motion carried.

Grant Status Report:

Pat Jones presented the IDA Grant Status Report. Ms. Jones reported that the Empire State Development (ESD) Grant No. Z279 for \$600,000 awarded to the Village of Waterloo for water infrastructure improvements has been closed out as reimbursement from the State to the IDA was received on December 26, 2018 and

a check to the Village was delivered to them on December 27, 2018. Pat then reported the contract for ESD Grant No. AA720, awarded to the IDA for \$600,000 for IDA Working Capital, was received from ESD on January 28, 2019 and stipulates an MWBE requirement. Pat then outlined the uses for Grant AA720: \$300,000 for Business Development/Marketing and Professional Services which includes engineering services, legal services, public relations, marketing, land appraisals, IDA advertising and business attraction/retention; \$60,000 for the Economic Development Strategic Plan which is being completed by Economic Design and Research (EDR) which is a MWBE business; \$60,000 for Website Upgrade and Improvements which is being completed by Dixon Schwabl, which is also a MWBE business; the last \$180,000 is targeted for Business Development of a Shovel Ready Site. After discussion, a motion was made by Mr. Kime accepting the Grant Status Report. Seconded by Ms. Bassett. Motion carried.

Other Business:

Approval of Extension of del Lago Sales Tax Exemption:

Mr. Aronson advised board members that del Lago's current sales tax exemption is expiring, and they are asking for a two-year extension, bringing the end date to December 2020. Currently, there is \$5.6m of unused benefit. A motion was made by Mr. Kime approving the extension of the sales tax exemption. Seconded by Ms. Bassett. Motion carried.

Approval of Inducement Resolution No. 2019-12 / Waterloo Downtown Properties LLC.:

A copy of the proposed resolution and IDA application was provided to the board prior to the meeting. Mr. Aronson advised the board that this is the second adaptive reuse project application the board has considered for the Village of Waterloo. Mr. Aronson advised the board that the resolution accepts the application, authorizes a public hearing, names the IDA as lead agency for SEQRA, describes the forms of financial assistance being contemplated (sales and mortgage tax exemptions and PILOT), and authorizes the negotiation of the appropriate documents and agreement. A motion is needed to approve the inducement resolution. Mr. Aronson read the resolution as follows:

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO (i) UNDERTAKE A CERTAIN PROJECT (AS DEFINED BELOW) FOR THE BENEFIT OF WATERLOO DOWNTOWN PROPERTIES, LLC (THE "COMPANY"), (ii) NEGOTIATE, EXECUTE AND DELIVER A LEASE AGREEMENT, LEASEBACK AGREEMENT, AGENT AGREEMENT, PAYMENT IN LIEU OF TAX AGREEMENT, AND RELATED DOCUMENTS, (iii) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (a) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE UNDERTAKING OF THE PROJECT, (b) A PARTIAL REAL PROPERTY TAX ABATEMENT UNDER A PAYMENT IN LIEU OF TAX AGREEMENT, AND (c) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (iv) EXECUTE A MORTGAGE AND RELATED DOCUMENTS.

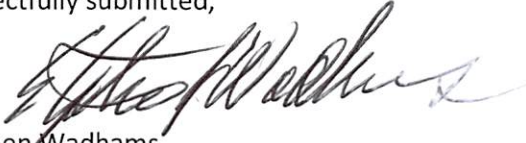
A motion was made by Mr. Case approving resolution no 2019-12. Seconded by Ms. Bassett. Members, Brusso, Paolicelli, Bassett, Kime, Shipley and Case voted "yea". Mr. Macinski, Mr. Trout and Mr. Wadhams were absent. Motion carried.

Adjournment:

A motion to adjourn the meeting was made by Mr. Case. Seconded by Mr. Kime. Motion carried. The meeting adjourned at 1:11 p.m.

The next regular scheduled meeting will be held on **April 9, 2019 at 12:00 Noon** in **The Heroes Conference Room, Seneca County Office Bldg., Waterloo NY**

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Stephen Wadhams", written in a cursive style.

Stephen Wadhams
Secretary

pc: Margaret Li, Clerk to the Board of Supervisors