

**SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
MEETING MINUTES**

Regular Meeting
Thursday, August 6, 2020
12:00 Noon
Via Recorded Conference Call open to the public

Attendance:

Board Members Present:	Steven Brusso, Chair; Valerie Bassett; Menzo Case; Stephen Wadhams; Jeff Shipley and Erica Paolicelli; Don Trout (left the meeting at 1:00pm)
Board Members Absent:	Tom Kime and Jeff Shipley
Staff Attending:	Sarah Davis, Executive Director; Patricia Jones, Deputy Director; Kelly Kline, Office Manager
Others Attending:	Robert Kernan, CFO; Mitch Rowe, County Manager and Kyle Krenzer, FLTV

Call to Order:

Chairman Brusso called the meeting to order at 12:00 p.m. A quorum of the Agency's members were present.

Mr. Wadhams joined the meeting

Approval of IDA Meeting Minutes of July 2 2020:

The minutes of the Agency's meeting of July 2, 2020 had been sent to Board members prior to the meeting. Ms. Bassett noted to make a change in discussions on Agenda item No 4, Disaster Emergency Loan. Expanding the comment; "The potential negative impact the program would have on the agency" to now include "the potential negative impact the program would have on the *agency's operating funds*". A motion was made by Mrs. Paolicelli to approve the minutes with modification. Seconded by Ms. Bassett. Members Brusso, Wadhams, Paolicelli, Bassett, Trout and Case voted "yea". Mr. Kime and Mr. Shipley were absent. Motion carried.

Approval of June 2020 Financial Statements:

The June 2020 financial statements had been mailed to board members prior to the meeting. Mrs. Paolicelli summarized the financial statements for the board. Mr. Kernan also provided a semiannual review of budget vs actuals for 2020. For the first six months of operation the agency's total income was \$23,400 compared to a budget of six months of \$17,095 with a variance of \$6,300. A motion was made by Mr. Case to approve the financial statements. Seconded by Mr. Wadhams. Members Bassett, Brusso, Case, Paolicelli, Wadhams and Trout, voted "yea". Mr. Kime, and Mr. Shipley were absent. Motion carried.

Review of Revolving Loan Fund (RLF) Semi Annual Report:

A copy of the report was provided to board members prior to the meeting. Mrs. Davis reviewed the report with board. The report is submitted semi-annually to the Federal Economic Development Association; once in January and once in July. Currently there is \$650,000 available to lend; however,

per EDA regulations the agency is to have no more than 36% cash on hand. If there is more than 50% cash on hand over three consecutive reporting periods, the agency risks losing some of their funding. Currently the cash on hand is at 57.82% of total funding. Mrs. Davis noted that the agency needs to do more to promote the RLF program to businesses so we can fall back into the compliance threshold. Currently there are three active loans with an outstanding balance of \$480K.

Approval of RLF Management Plan Modifications:

At the July IDA meeting the Resolution approving a Disaster Emergency Loan Program due to COVID-19 was tabled, and staff was directed to explore administering the program thru the already existing RLF Loan Program. Mrs. Davis advised board members that she has reached out to EDA and received approval that this could be done. However, in order to proceed, modifications need to be made to the current RLF Management Plan. A copy of the proposed modifications was provided to the board and they were drafted with the guidance and approval from EDA. Mrs. Davis also noted that the loan committee members were also consulted to ensure they would have the capacity to review applications. Committee member, Jim Vedora from Community Bank, has agreed to do the credit analyses and loan underwriting for the potential loans. Mrs. Davis presented the proposed modifications to the board as follows:

1. Loan Size: "RLF assistance will not be considered where the amount of such required assistance is less than \$25,000. The maximum amount of an RLF Loan is \$25,000 unless otherwise approved by the SCIDA Board based on applicable job/cost ratios..."
Modification to include: There will be no minimum loan amount on RLF loans between August 2020 and May 6, 2021.
2. Interest Rates: "RLF loans will bear interest at a fixed rate set at the commitment date to be determined on a case-by-case basis by the SCIDA Board based on such factors as the risk of default, the value of security, the projected cash flow, and the prevailing commercial lending rates. The minimum interest rate is four percentage points below the lesser of the (i) current money center prime interest rate quoted in the *Wall Street Journal*, or (ii) the maximum interest rate allowed under New York State law. In no event shall the interest rate be less than the lower of (i) four percent or (ii) seventy-five percent of the prime interest rate listed in the *Wall Street Journal*."
Modification to include: Seneca County IDA has the ability to waive the minimum interest rate and offer EDA loans at 0% interest rate until May 6, 2021, when the interest rate will be set at the minimum rate per the RLF Plan.
3. Fees: "A fee of \$250 must accompany all RLF Loan applications...In consideration of the reservation of funds for approved loan applications, the loan applicant will be charged a commitment fee equal to one percent of the approved loan amount."
Modification to include: RLF loans of \$25,000 or less awarded between August 2020 and May 6, 2021 will pay a \$10 application fee and will not be charged a commitment fee.
4. Private Sector Leverage: "At all times, private investment leveraged by RLF loans for the portfolio as a whole must not be less than two dollars for each dollar of RLF funds disbursed."
Modification to include: RLF Loans awarded between August 2020 and May 6, 2021 do not have to meet the private investment leverage threshold of \$2 for each \$1 of RLF funds disbursed.
5. Credit not Otherwise Available: "RLF loan funds will not be used as a substitute for available private capital. Borrowers will be required to document that financing is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed, either because bank financing is not available or because a bank will only finance a portion of the amount required."

Modification to include: Seneca County IDA has the ability to waive the requirement that loan applicants leverage additional capital and/or provide evidence demonstrating credit is not otherwise available. In order to waive these requirements, the applicant must demonstrate that their business has been adversely impacted by COVID-19.

The emergency loan application period would only be open until May 2021 and the loans will be based on need by comparing the applicant's financials before March 2020 (Covid-19 period) and current position at the time of the application. A motion was made by Mr. Case approving the modifications to the RLF Management Plan. Mr. Wadhams seconded. Members Bassett, Brusso, Case, Paolicelli, Wadhams and Trout, voted "yea". Mr. Kime, and Mr. Shipley were absent. Motion carried.

SEQRA Determination for Danaren Dental Laboratory Project:

The Inducement Resolution for this project was approved at the July 2, 2020 IDA meeting naming the IDA as lead agency for SEQRA. Parts 1 and 2 of the Short Environmental Assessment form had been provided to Board members prior to the meeting for their review. Part 1 was completed by Danaren and Staff has proposed the following answers for Part 2. Ms. Jones then led the discussion of the review of the 11 questions of Part 2 as follows:

Question No. 1: Will the proposed action create a material conflict with an adopted land use plan or zoning regulations? *Board members answered NO, or small impact may occur.*

Question No. 2: Will the proposed action result in a change in the use or intensity of use of land? *Board Members answered NO, or small impact may occur.*

Question No. 3: Will the proposed action impair the character or quality of the existing community? *Board members answered NO, or small impact may occur.*

Question No. 4: Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)? *Board members answered NO, or small impact may occur.*

Question No. 5: Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway? *Board members answered NO, or small impact may occur.*

Question No. 6: Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonable available energy conservation or renewable energy opportunities? *Board members answered NO, or small impact may occur.*

Question No. 7: Will the proposed action impact existing: A. Public / private water supplies? B. Public / private wastewater treatment utilities? *Board members answered NO, or small impact may occur.*

Question No. 8: Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources? *Board Members answered NO, or small impact may occur.*

Question No. 9: Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)? *Board members answered NO, or small impact may occur.*

Question No. 10: Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems? *Board members answered NO, or small impact may occur.*

Question No. 11: Will the proposed action crease a hazard to environmental resources or human health? *Board members answered NO, or small impact may occur.*

A motion was made by Mrs. Paolicelli, that based on information and analysis of the project to include the Short Environmental Assessment Form, the proposed action will not result in any significant adverse environmental impacts. Seconded by Mr. Trout.

Discussion: Mr. Brusso inquired as to Question No. 9 on PART 1 completed by Danaren “Does the proposed action meet or exceed the state energy code requirements?” and Danaren answered “NO”. Ms. Jones confirmed that it “Meets” the code requirement and therefore will reach out to Danaren to Make the Change to “YES” on question 9 PART 1. Ms. Bassett inquired as to Question No 2, PART 1 completed by Danaren “Does the proposed action required a permit, etc.” Ms. Jones noted that while the project did require a building permit from the town, those have never been considered to be part of this questions.

With the change made to Question No 9 mentioned above, Members Bassett, Brusso, Case, Paolicelli, Wadhams and Trout, voted “yea”. Mr. Kime, and Mr. Shipley were absent. Motion carried.

Part 3, Determination of Significance to the Short Environmental Assessment Form, can now be completed.

Approval of IDA Resolution No. 2020-15 / Danaren Dental Laboratory Project / Final Resolution:

The proposed resolution was provided to board members prior to the meeting. Danaren, a sister company of BonaDent and Bruce Henry Properties, is seeking a 10-year PILOT, Sales and Mortgage tax exemption for a 13,650 square ft expansion of their manufacturing space. A public hearing was held on July 27, 2020 and no verbal or written comments were received. Mr. Mark Pitifer, Director of Community Relations provided an overview of the project to the board. Danaren has positioned itself within the dental lab industry as a cost-effective option for dentists looking for low-cost restorations. Danaren competes directly with laboratories in China, India, and Mexico, along with US laboratories who outsource their work to those countries. Danaren has outgrown their current manufacturing space and in order to continue to maintain a competitive advantage within the marketplace and to grow, additional manufacturing space is needed. With the adequate space to operate, Danaren will not only be able to retain its 36 current employees, but also grow to add a projected 35 jobs over the next five years in both executive and manufacturing positions, with a median salary of \$55,000. Mr. Pitifer also noted that the company has received letters of support from federal, state and local elected officials encouraging the success of this project. The resolution was presented as follows:

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) TO (i) UNDERTAKE A CERTAIN PROJECT FOR THE BENEFIT OF DANAREN, LLC (“DANAREN”) AND BRUCE HENRY PROPERTIES, LLC D/B/A BONADENT (“BONADENT”; DANAREN AND BONADENT ARE TOGETHER THE “COMPANY”), (ii) NEGOTIATE, EXECUTE AND DELIVER A LEASE AGREEMENT (OR AMENDMENT OF EXISTING LEASE AGREEMENT), LEASEBACK AGREEMENT (OR AMENDMENT OF EXISTING LEASEBACK AGREEMENT), AGENCY AGREEMENT AND RELATED DOCUMENTS, (iii) NEGOTIATE, EXECUTE AND DELIVER AN AMENDMENT TO THE EXISTING PAYMENT IN LIEU OF TAX AGREEMENT BETWEEN THE AGENCY AND BONADENT, (iv) 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 THE EXISTING PAYMENT IN LIEU OF TAX AGREEMENT, AND (c) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND(v) EXECUTE A MORTGAGE AND RELATED DOCUMENTS

A motion was made by Mr. Case to approve Resolution No. 2020-15. Seconded by Ms. Bassett. Members Bassett, Brusso, Case, Paolicelli, Wadhams and Trout, voted “yea”. Mr. Kime and Mr. Shipley were absent. Motion carried.

Update on Transfer of Route 414 Sewer Line to Seneca County:

Mrs. Davis advised board members that staff has received the manhole inspection report from Hunt Engineers. They have identified improvements needed to be completed over two phases. The improvements in Phase 1 would need to be completed immediately, with an estimated cost of \$42,000. The cost of the improvements in Phase 2, to be completed over the next 5 to 10 years, are estimated at approximately \$100,000. Mrs. Davis noted that the inspection report has been shared with the Seneca County Public Works Committee and IDA staff is working with them and figuring out the next steps to continue with the transfer of the Sewer line.

Standing Item – Update / Seneca County Chamber of Commerce – Jeff Shipley:

Due to Mr. Shipley being absent, this item was tabled.

Standing Item – Update / Seneca County Board of Supervisors (BOS) – Don Trout:

Mr. Trout gave the following update to the board. The most contentious issue currently with the BOS relates to potential fines and enforcing the rules with businesses who are not following the Covid-19 masking guidelines per the Governor’s executive order.

Mr. Trout left the meeting

Other Business: None

Executive Session:

Chairman Brusso requested a motion to enter into Executive Session under Public Officers Law, Article 7, Section 105, to discuss the financial, credit or employment history of a particular person or corporation, or matters leading to the approval of a contract for a particular person or corporation. A motion was made by Ms. Bassett at 1:02 pm to enter into Executive Session. Seconded by Mr. Wadhams. Members Brusso, Paolicelli, Bassett, Case and Wadhams voted “yea”. Mr. Trout, Mr. Kime and Mr. Shipley were absent. Motion carried. A motion was made by Mr. Wadhams at 1:16 p.m. to come out of Executive Session. Seconded by Mr. Case. Members Brusso, Paolicelli, Bassett, Case and Wadhams voted “yea”. Mr. Trout, Mr. Kime and Mr. Shipley were absent. Motion carried.

Approval of IDA Resolution No 2020-16/Conditional Approval of Bid/Purchase of Former Hillside Facility:

Chairman Brusso noted that during Executive Session the Board reviewed bids received for the Hillside Property. Only one complete bid was received and that was from Earl Martin with a purchase amount of \$65,000. The IDA Governance Committee met on July 21 and are recommending approval of Mr. Martin’s bid to the full board. Chairman Brusso read the resolution as follows:

RESOLUTION (i) CONDITIONALLY APPROVING THE BID OF EARL MARTIN (“MARTIN”) TO PURCHASE THE PROPERTY CONSISTING OF THE FORMER HILLSIDE CHILDREN’S CENTER FACILITY (THE “PROPERTY”) FROM THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”), AND AUTHORIZING THE AGENCY TO NOTIFY MARTIN OF SUCH CONDITIONAL APPROVAL, AND (ii) NAMING THE AGENCY AS LEAD AGENCY FOR PURPOSES OF THE SEQRA REVIEW OF THE CONVEYANCE OF THE PROPERTY

A motion was requested to approve the sale of the Hillside property to Earl Martin per his application and bid for \$65,000, naming the IDA as lead agency for purposes of SEQRA and approving staff to send the 90-day notice of the sale to the state. Motion was made by Ms. Bassett. Seconded by Mr. Wadhams. Members, Bassett, Paolicelli, Brusso, Wadhams and Case voted “yea”. Mr. Kime, Mr. Trout and Mr. Shipley were absent. Motion carried.

Adjournment:

A motion to adjourn the meeting was made by Mr. Case. Seconded by Mr. Wadhams. Motion carried. The meeting adjourned at 1:20 p.m.

The next regular scheduled meeting will be held on September 3, **12:00 Noon**, via conference call and livestreamed due to COVID-19.

Respectfully submitted,



Stephen Wadhams
Secretary

pc: Margret Li, Clerk to the Board of Supervisors