

CCIDA MEETING Minutes

May 17, 2017

8:00 a.m.

Present: E. Larsen, W. Outwater, B. Burton, R. Gibbon, G. Raymond

Absent:

Contract Staff: S. Craig, L. Bunce, A. Larsen

Finance: S. Cwynar

Guest: D. Jones, S. Palmatier

I. Roll Call

Board Chair E. Larsen called the meeting to order at 7:59 a.m.

II. Approval of Minutes

Upon review motion to approve the April 19, 2017 Minutes by W. Outwater, seconded by B. Burton. Ayes All. Approved.

III. Treasurer's Report

S. Cwynar reviewed the April 30, 2017 Financial Statements with the board. S. Cwynar highlighted the differences between budget and actual revenue, expenses. This can be attributed in part by Chobani and NYS&W receivables not yet realized. G. Raymond asked if auditing expenses are spread over the year. S. Cwynar responded that year-to-date budget and actual cash-flow don't sync as well as they potentially could be and is looking into ways to address this.

E. Larsen asked why Chentronics rent did not match the budget. S. Craig responded that the budgeted rent should be adjusted down to reflect current figures. S. Cwynar replied that this helped explain the budget disparities. B. Burton said that the extension agreement may account for the difference, and a discussion about the agreement ensued. It was decided that Chentronics was likely to remain in the building beyond the initial expectation, and that their rent should be adjusted up in the budget to reflect this.

W. Outwater asked why the Railroad project isn't appearing in aged receivables. S. Craig responded that we haven't incurred any expenses this year. E. Larsen added that we won't start incurring expenses until signal work begins. S. Cwynar asked when the Chobani project fees will be invoiced. S. Craig replied that they are annual fees and are likely not to come up until end-of-year.

D. Jones asked about the status of the Tecnofil PILOT. S. Craig replied that we are slated to reassess before the next IDA meeting.

Upon review motion to approve the April 30 31, 2017 Treasurer's Report by B. Burton, seconded by G. Raymond. Ayes All. Approved.

Upon review motion to approve the March 31, 2017 Treasurer's Report by W. Outwater, seconded by B. Burton. Ayes All. Approved.

IV. Bills & Invoices

Upon review motion to approve the bills and invoices by G. Raymond, seconded by W. Outwater. Ayes All. Approved.

V. Old Business

A Larsen provided an update on the railroad project. Melanie Boyer and Todd Dragland at NYS&W are putting together cost, material, and man-hour estimates on the upcoming signal/crossing work. Once provided this information will be incorporated into the agreement between the CCIDA and NYS&W. The CCIDA is also

pursuing Section 130 funding for a crossing in Sherburne, a supplement to the existing railroad project, which doesn't cover the crossing.

NYS&W sent another car from Binghamton to Utica on May 5th, a second successful trial run for the Chenango line.

L. Bunce provided an update on the Cascun project. They are currently working on financing through M& T Bank and the Southern Tier Regional. M & T is attempting to get position on the building before committing. They have made a request to the CCIDA that they take first position on the property. CCIDA attorney recommended increasing the amount of M & T's loan so the Cascuns could purchase the property and extricate the IDA from the arrangement. M & T could then have first position.

B. Burton voiced some concern regarding M & T's proposal and a discussion regarding the details of the arrangement took place.

L. Bunce said she would follow up and that a special meeting may need to take place if we proceed with the new financing arrangement.

VI. New Business

S. Craig discussed a proposed solar array project in Norwich which is requesting IDA assistance. Distributed Sun, LLC wants to erect solar panels on land owned by William and Richard Evans in the Town of Norwich. The project would work by remote net-metering and serve residential units only, offering rates 10% below NYSEG. The project will not be feasible without tax assistance from the CCIDA. The public benefit can be counted in construction job creation (most important to the IDA), savings for customers, rent income, and tax revenues (despite PILOT).

R. Gibbon asked who the power would be available to, and whether it was being used for the Evans property itself. S. Craig replied that the Evans' would not utilize the power themselves and that its only available to residential customers.

R. Gibbon asked whether the property will be tax-exempt. S. Craig replied that only the solar panels would be subject to the PILOT agreement, not the land.

The board members talked further about the nature of the projects' benefit to the public. S. Craig noted that there are ancillary benefits including a non-trivial increase in tax revenue for local government entities (unencumbered by the usual corresponding burden on infrastructure), a 30-year revenue stream that would not otherwise exist, and benefits for the investors.

E. Larsen said the Town stands to receive much higher tax revenues with the solar array on the land than without.

A discussion took place exploring the assessing process and valuation of the benefit.

R. Gibbon stated that New York State already offers incentives for solar projects. S. Craig mentioned that those incentives were only for the initial investment. He mentioned that Tioga County recently did a solar PILOT project which provided a larger benefit than the one proposed here.

R. Gibbon asked if anyone had inquired how Tioga County approached the job-creation requirement dilemma. S. Craig responded that the County didn't want to place barriers to new industry. He added that the pertinent question is whether we should commit our office resources to pursuing this further. The board discussed whether they should contact the IDA's counsel.

W. Outwater responded that while he doesn't necessarily oppose the project, he would view our position as inconsistent in light of the fact that we recently denied another project for lack of sufficient job creation.

E. Larsen asked if we currently had any language in our policies that would allow us to consider public benefit.

S. Craig responded that the solution to the predicament lies in the amendment of our policies to take greater account of public benefits besides job creation. He added that the usual IDA metrics could not be applied to solar projects.

B. Burton moved that the CCIDA move forward in reviewing the necessary means to proceed with the Distributed Sun project, seconded R. Gibbon. Ayes All. Approved.

S. Craig discussed a proposal to build a new hangar at the Warren Eaton Airport. Upstate Companies from Mount Upton, NY would be building it on land leased to the CCIDA by the County. The CCIDA may be able to obtain an agreement similar to the existing one with Betty Bytheway.

E. Larsen asked whether the CCIDA would receive any revenue through this agreement. S. Craig replied that the CCIDA would receive a small amount of revenue for land rent.

W. Outwater asked if the project would create jobs. S. Craig responded that beside construction there would be some jobs created. It would be a fixed base operator and would help support the airport.

R. Gibbon said that it would be advantageous if the hangar brought in a mechanic. D. Jones said that Upstate Companies is hoping to bring in a mechanic. D. Jones also mentioned that fuel consumption at the airport could increase and bulk-discount agreement could be made to this effect.

B. Burton made a motion to prepare a lease for Upstate Companies Airport Hangar. W. Outwater seconded. Ayes All. Approved.

L. Bunce said that the Consolidated Funding Application will be open until July 28th. While not directly IDA related, there may be economic development projects coming up in connection with this funding. E. Larsen asked whether we provide only technical assistance for CFA applications. L. Bunce responded that this year Development Chenango will provide grant writing services for a fee. In the past services were sometimes offered without compensation, which took a significant portion of staff time. Proof reading will not incur a charge.

VII. Adjournment

Motion to adjourn by B. Burton, seconded by W. Outwater. Ayes All. Meeting adjourned at 8:54 a.m.