

SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MEETING MINUTES

Regular Meeting
Thursday, September 1, 2011
12:00 Noon
Heroes Conference Room
Seneca County Office Bldg.
Waterloo, New York

Attendance:

Board Members Present: Thomas Kime, Chairman (arriving at 12:10pm) Thomas Macinski; Robert Rosenkrans; Kenneth Riemer; Patricia Amidon; Steven Brusso; Robert Kernan; Michel Hryzak and Ralph Lott

Board Members Absent: Kenneth Reimer, Absent and Michael Hryzak (left meeting at 1:37pm)

Staff Attending: Robert Aronson, Executive Director; Patricia Jones, Deputy Director; Kelly Kline, Executive Assistant; Bruce Johnson, CFO and Russell Gaenzle, Harris Beach

Others Attending: David Kaiser, Supervisor Town of Romulus; David Marsh, Susan Duckworth and Thomas Coleman of Northeast Freight Transfer; Robert Simpson, CenterstateCEO; Mike Smith, Steve Arnold and Joanne Armstrong of Finger Lakes Rail and David Shaw, Finger Lakes Times

Call to Order:

Vice-Chairman Macinski called the meeting to order at 12:06 p.m. A quorum of the Agency's members were present.

Approval of IDA Minutes / Meeting of June 30, 2011:

The minutes of the Agency's meeting of August 4, 2011 had been sent to Board members prior to the meeting. A motion was made by Mr. Brusso to approve the August 4, 2011 minutes. Seconded by Mr. Kernan. Motion carried.

Approval of July 2011 Financial Statements:

The July 2011 Financial Statements had been mailed to Board members prior to the meeting. Mr. Kernan presented the July 2011 Financial Statements to the board. After discussion, a motion was made by Mr. Rosenkrans to approve the July 2011 Financial Statements. Seconded by Mr. Brusso. Motion carried.

New Board Member Ralph Lott:

Chairman Kime welcomed the newest member of the IDA Board, Mr. Ralph Lott.

Approval of Support for Brookings Institution Regional Business Plan:

Mr. Robert Simpson, President of CenterState Corporation for Economic Opportunity came before the board seeking a contribution from the IDA to invest in a regional business plan being drafted by the Brookings Institute of Washington, DC. Due to the recent partnership with Central Upstate Regional Alliance “CURA” and the Brookings Institute, our region now has the opportunity to engage directly with national experts in the crafting of a strategy that could set the path for the future prosperity of our region. Because the IDA is valued member of CURA, Seneca County IDA is being invited to participate as a key member of the team to develop a regional Metropolitan Business plan and a Metropolitan Export Initiative. After discussion, a motion was made by Mr. Kernan approving to support the Brookings Institute Regional Business plan by contributing \$3,500. Seconded by Mr. Macinski. Motion carried.

Finger Lakes Rail Presentation:

At the request of Board Members, Mr. Mike Smith, President of Finger Lakes Rail, presented a briefing on Finger Lakes Rail activities and gave the board an update on the progress of the improvements being made to the rail line between Geneva and the Depot as a result of a \$1 million dollar state grant obtained by the IDA. To date 4,973 wooden ties and 2,400 linear feet of new rails have been replace. Each mile of tract that is upgraded cost approximately \$350,000. They have also gone into the depot and cleared brush and mud and have expanded one rail line. They expect the project to be completed by the end of the year.

Other Business:

Site Access Agreement for North East Freight Transfer:

Mr. Aronson advised Board Members that Northeast Freight Transfer “NEFT” has come before the IDA seeking use and occupancy of a portion of the Seneca Army Depot, which would include a guardhouse, a loading dock and platform, a nearby ammunition storage igloo, hard ground and a few acres of open ground storage. A copy of the agreement had been provided to Board members prior to the meeting. NEFT is an established freight transfer company, with locations in Taylor, PA and Albany, NY, along with other Canadian Pacific and Norfolk Southern rail access locations. They are looking to set up a bulk commodities loading and unloading operation. They will unload, package, bag and store products, as well as load products onto trucks. The site access agreement allows NEFT to ready the property for use as a transload facility and bid on term business. They will pay a license fee of \$1,000 a month thru December 31. 2012. A Motion is needed to approve Resolution No 2011-15 (*Northeast Freight Transfer Project*) and to authorize the Executive Director to sign the related documentation. The resolution was read as follows:

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") (i) APPOINTING NORTHEAST FREIGHT TRANSFER (OR ITS AFFILIATE OR ENTITY ON ITS BEHALF) AS AGENT OF THE AGENCY WITH RESPECT TO A CERTAIN PROJECT (DESCRIBED BELOW), (ii) MAKING A FINDING IN COMPLIANCE WITH THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT AND (iii) AUTHORIZING A SALES TAX EXEMPTION FOR THE BENEFIT OF THE COMPANY FOR PURCHASES MADE IN CONNECTION WITH THE PROJECT AND THE

EXECUTION AND DELIVERY OF A CERTAIN AGENT, LICENSE AND SITE ACCESS AGREEMENT, SALES TAX EXEMPTION LETTER AND RELATED DOCUMENTS

After discussion, a motion was made by Mr. Macinski to approve Resolution No. 2011-15, Northeast Freight Transfer Project and to authorize the Executive Director to sign the related documentation subject to three modifications as follows: 1. There needs to be a clause reflecting a spirit of due diligence in the handling of security matters as it pertains to NEFT employees and “guardianship” of the gate at Post Two. At no time should the gate remain open. It would be good to say something about cooperation with the civilian army personnel regarding security policies; 2. Clause 10 should state an expiration of December 31, 2012. Secondly, if the Company has the right to cancel for any reason then the IDA should have the same right; 3. Perhaps via a new clause, “Statement of Intent” or something like it, it should be stated our mutual interest is in a longer term arrangement of up to ten years. Seconded by Mr. Kernan. Members, Kime, Macinski, Rosenkrans, Kernan, Amidon, Brusso, Hryzak and Lott voted “yea”. Motion carried. Mr. Reimer was absent.

BonaDent Fee on Bond Issuance:

Mr. Aronson advised Board members that a volume cap allocation has been approved by the NY State that would allow BonaDent to convert a portion of their recent bank financing into tax exempt bonds. BonaDent is requesting a reduction for the bond issuance payable over five years. The normal IDA fee is on bond financing is one point; however, on the BonaDent expansion the board agreed to reduce to the fee by 40%. After discussion, a motion was made by Mr. Rosenkrans approving the fee reduction of 40% on these bonds. Seconded by Mr. Kernan. Motion carried.

Approval of IDA Resolution No 2011-16/ Mazzoni Litigation:

Mr. Aronson advised board members that a settlement has been reached and a motion is needed to approve the following resolution authorizing the Chairman, Vice Chairman or Executive Director of the agency to execute, deliver and record and/or file any and all deeds, easements, stipulations of discontinuance and any other document in such forms as necessary. The Resolution was then read as follows:

RESOLUTION OF THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF ANY AND ALL DOCUMENTS IN CONNECTION WITH THE "SO ORDERED STIPULATION AND SETTLEMENT AGREEMENT IN MAZZONI V. VILLAGE OF SENECA FALLS, SUPREME COURT, SENECA COUNTY, INDEX #36715, DATED MARCH 10, 2011" AND TO ACCEPT ANY SETTLEMENT PAYMENTS IN CONNECTION THEREWITH.

A Motion was made by Mr. Rosenkrans approving IDA Resolution No. 2011-16. Seconded by Mr. Kernan. Members, Kime, Macinski, Rosenkrans, Kernan, Amidon, Brusso, and Lott voted “yea”. Motion carried. Mr. Reimer and Mr. Hryzak were absent.

Approval of IDA Resolution No. 2011-17 / Scepter:

Mr. Aronson advised Board members that in 1998 Scepter entered into a Lease / Leaseback agreement with the agency. To date all bonds have been paid in full. Scepter has advised staff that they are refinancing all of their existing indebtedness for facilities located in New York and Pennsylvania and are being provided a mortgage lien on the Facility as security for the loan. Scepter has submitted an application to the IDA requesting a mortgage securing a maximum principal indebtedness of \$3 million dollars with the Mortgage being exempt from the New York State mortgage recording taxes and wholly non-recourse to the Agency. As

a result of the Bonds being paid in full, the Original Lease has expired and the Company wishes to amend and restate the Original Lease to continue to provide the Company access to the Facility. The Resolution was read as follows:

RESOLUTION AUTHORIZING THE SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO EXECUTE AND DELIVER A CERTAIN MORTGAGE, AMENDED AND RESTATED LEASE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE EXISTING SCEPTER NEW YORK, INC. FACILITY LOCATED AT 11 LAMB ROAD, IN THE TOWN AND VILLAGE OF SENECA FALLS, SENECA COUNTY, NEW YORK

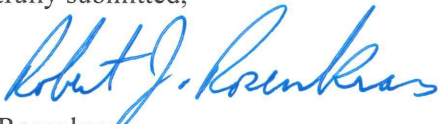
After discussion, a motion was made by Mr. Rosenkrans approving IDA Resolution No. 2011-17 / Scepter. Seconded by Mrs. Amidon. Members, Kime, Macinski, Rosenkrans, Kernan, Amidon, Brusso and Lott voted "yea". Motion carried. Mr. Reimer and Mr. Hryzak were absent.

Adjournment:

A motion to adjourn the meeting was made by Mr. Rosenkrans. Seconded by Mr. Macinski. Motion carried. The meeting adjourned at 1:44 PM.

The next regular scheduled meeting will be held on **Thursday, October 6, 2011 at 12 Noon at Abigails Restaurant in Waterloo NY.**

Respectfully submitted,



Robert Rosenkrans
Secretary

pc: Margaret Li, Clerk, Board of Supervisors
Russell Gaenzle, Esq, Harris Beach
Roberta Jordans, Harris Beach
Shawn Griffin, Esq., Harris Beach
Kevin Overton, Esq., Harris Beach