

SCHOHARIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Board of Directors Meeting

December 16, 2016

1. **Meeting** called to order at 9:30 a.m. by Chairman Greenlees.
2. **Present** : Dr. Greenlees, Chester Burton, Wanda King, Joseph Trapani. Also present: Jeffrey Haslun, Ron Filmer and Elaine Diamond, Norine Hodges
3. **Minutes** of the September 27, 2016 meeting were approved on **motion** by Chester Burton and seconded by Dr. Greenlees. All voted in favor.
4. **Bills/Communications** – N/A
5. **Trial Balance** – Chet Burton asked about the lease income. Is the IDA building lease income sufficient to cover expenses? Currently it is covered roughly 70% of the cost of the building. The tenant occupies about 50% of the building. It is a yearly lease (with Schoharie County Council on Alcohol and Substance Abuse) and has just been renewed with a \$25 per month increase. The lease for the Route 20 property is for one year with monthly lease payments being made. This revenue is short due to the removal of a tenant and a replacement tenant. The trial balance was approved as presented

6. **Committees of the Board:**

FINANCE COMMITTEE - Members present: Dr. Greenlees, Wanda King and Joseph Trapani.

Minutes of the September 27, 2016 meeting were approved by Wanda King and seconded by Dr. Greenlees.

The budget was reviewed. Legal expenses are higher due to the extra cost of ending the lease with Landreth Seed. Interest income continues to be lower. Joe Trapani inquired about the grant that Sharon Springs Inc. (SSI) in Sharon Springs has received for renovations to the Columbia Hotel. The IDA will be administering the grant for a fee of \$10,000. The actual manpower to do so may be tasked to RPC as the IDA does not have the necessary staff. SSI is also pursuing a SBA loan.

7. **Old business: Beekman 1802** – the current lease is for one year at \$850 per month with the intent to purchase the property. The 90 day letter of intent to sell has been submitted to the Authority Budget Office (ABO). They did contact Ron with a couple of questions and the notice has been posted by the NYS ABO.
8. **New business – Solar Proposal by Bill Jordan of Jordan Energy and Food Enterprises.** They have done 48 solar projects since starting in 2009; mostly to farmers. They would like to lease 12 acres but can do a smaller project with five acres. The lease rate is \$1,600 per acre for 20 years with a 2% increase per year. The electricity from the “solar farm” would be sold to a local business (as possible) and residential with a preference to low to moderate income housing. The plan would be to sell 40% to one large user with the remaining going to smaller users. The contract for the users would include a penalty for opting out of the contract. The solar panels are guaranteed for 25 years but do lose 1% per year of their output capability. The lease contract would include a decommissioning clause (possibly with decommissioned panels becoming the property of the IDA) as well as operations and maintenance to be provided by Jordan Energy. Real

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estate taxes are paid by Jordan Energy. They would pay a reasonable PILOT. The board will discuss this at the next meeting along with reviewing a draft lease contract proposal in order to determine the best course of action.

New loan discussion – Debbie Sisson had initially asked for a \$100,000 loan to purchase a building on Main Street in Cobleskill. That sale fell through. Now she is leasing a building on Main Street near Coby's with no lease payments due for the first two/three years in return for Debbie and her husband, Joe (who is a contractor) fixing up the building. She is now asking for \$20,000 to purchase equipment for a florist shop, Heirloom 77. The collateral would be a lien on equipment purchased and a second on her residence in Delanson. There is currently good equity in their home. Their credit scores are in the 600's with an indication of some problems with late payments. After review and discussion, board members recommended that Ron inquire if a lower loan amount would suffice.

The owners of the building, Dan and Lisa Meaney, are also expected to submit a Micro loan application as they pursue revitalizing Main Street in Cobleskill.

9. **Projects – Middleburgh store/housing project.** Due to late closing dates on the properties, no construction started in 2016. It is expected to start in the Spring of 2017 and the final PILOT documents will start to be prepared in January.

Tennessee Gas – all municipalities have negotiated and approved a PILOT with Tennessee Gas and they will be requesting an extension be given by the IDA. Joe Scott is working with their attorney on the details.

10. **Other** – loans **Faye Benedict, Fairbanks Stables**, did make a \$6,000 payment in November and has said she will be making 1 ½ payments monthly starting in January 2017 to catch the loan up.

Justine's – Wanda asked if there was a way to get these loans up to date and on a regular payments. Ron will continue to work with Steve Salerno on this.

Perrone's – all negotiated "re-writes" of this loan have not been successful as they continue to fall behind on payments. The next step may be to foreclose on the Wells Avenue property in Middleburgh. Ron will discuss with the owner.

Attorney – Joe Scott has spoken with Ron regarding a change in his firms billing system. In the past the majority of their fees came from projects. Now IDA's are doing less projects and have increased administration needs. They are hoping to go to a flat yearly fee of between \$5,000 – \$20,000. A \$5,000 fee may or may not be doable (depending on the year) as our agency's revenue is based on projects in order to have a positive income stream. This will be further discussed before the next fiscal year.

11. On motion duly made and seconded, meeting adjourned at 10:27 a.m.