

There will be a
Joint Governance Committee Meeting

of
The Seneca County IDA
The Seneca County EDC
The Seneca County Funding Corp.

on

Thursday
November 30, 2023
2:00 pm

Heroes Conference Room
Seneca County Office Bldg., 3rd Floor
One DiPronio Drive
Waterloo, New York



SENECA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Joint IDA EDC FC Governance Committee Meeting
Thursday, November 30, 2023
2:00 PM
Heroes Conference Room
One DiPronio Drive
Waterloo, NY 13165

Agenda

- 1. Approval of Governance Committee Meeting Minutes of February 6, 2023 V
2. Review and Recommend Approval to Full Board the following IDA Policies:
a) Established Policies with Modifications R
b) Established Policies with No Modifications: R
3. Nominations of 2024 IDA Officers
4. Self-Evaluation of Governance Committee
5. Contract Renewals for Professional Services / 2024 V
6. Other Business
7. Executive Session
8. Adjournment

SENECA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
GOVERNANCE COMMITTEE
MEETING MINUTES

February 6, 2023
1:00 PM
Heroes Conference Room
Waterloo, NY 13165

Attendance:

Members Present: Steve Brusso– Chair; Bruce Murray; Thomas Kime and Tom Murray (via phone)
Members Absent: None
Staff Attending: Sarah Davis, Kelly Kline, Dave Hewitt

Call to Order:

Chairman Brusso called the meeting to order at 1:00 pm. A quorum of committee members were present.

Approval of Meeting Minutes of November 14, 2023

The meeting minutes were provided to members before the meeting. A motion was made by Mr. Kime to approve the minutes. Seconded by Mr. B. Murray. Motion carried.

Executive Session:

Chairman Brusso requested a motion to enter into Executive Session to discuss 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 Mr. Kime to enter into executive session. Seconded by Mr. B. Murray. Motion carried. A motion to come out of executive session at 1:50 pm was made by Mr. Kime. Seconded by Mr. B. Murray. Motion carried.

Adjournment:

A motion to adjourn the meeting was made by Mr. B. Murray . Seconded by Mr. Kime. Motion carried. The meeting adjourned at 1:50 pm.

Respectfully submitted,

Sarah R. Davis
Executive Director

**SENECA COUNTY IDA
UNIFORM TAX EXEMPTION POLICY AND GUIDELINES
(UTEP)**

The general policy of the Seneca County Industrial Development Agency ("Agency") is to grant applicants real property tax abatements and exemptions from sales, use and mortgage recording taxes as described below. The Agency may grant enhanced benefits on a case by case basis for a project expected to have a significant economic impact on the County and/or any of its constituent municipalities as determined by the Agency's members. Any project including a residential component will be required to demonstrate that the project will result in a net increase in available housing units (as opposed to refurbishing or replacing existing units) to be eligible for benefits.

A. Real Property Taxes

The Agency maintains a policy for the provision of real property tax abatements for qualified projects. The abatement provided applies to value added by construction or renovation and the existing parcel involved. ~~The period of the exemption will not exceed the period of the respective financing or lease and will be for a period of up to twenty (20) years. The Agency's policy results in a graduated schedule of abatement applicable to County, Municipal and School taxes. Each schedule will result in percentages of taxes due with a maximum initial abatement of one hundred percent (100%). Eligible projects include any project which qualifies for financial assistance under General Municipal Law Article 18-A.~~ The Agency's policy results in a graduated schedule of abatement applicable to County, Municipal and School taxes. Each schedule will result in percentages of taxes due with a maximum initial abatement of one hundred percent (100%). Eligible projects include any project which qualifies for financial assistance under General Municipal Law Article 18-A. All real property tax abatements shall be implemented by a payment-in-lieu-of-tax agreement ("PILOT Agreement") between the Agency and the project applicant. The following shall also apply.

1) The standard real property tax abatement shall be ten years in length. Payments under the PILOT Agreement shall be the sum of (i) an amount determined by applying the assessed value of the real property and improvements as of the date of the PILOT Agreement to the annual total ad valorem tax rate during the term of the PILOT Agreement, plus (ii) an amount determined by applying the assessed value of the value attributable to the project to the annual total ad valorem tax rate during the term of the PILOT Agreement multiplied by an exemption factor beginning with zero and increasing by .1 each year.

2) The foregoing notwithstanding, the Agency may grant an enhanced abatement for projects meeting certain economic development criteria (the "Enhanced Abatement Criteria"). The Enhanced Abatement Criteria shall be established by the Agency from time to time by resolution of the Agency's members. The period of the exemption for any project qualifying for an enhanced abatement will not exceed twenty (20) years.

3) The foregoing notwithstanding, in recognition of the significant amount of capital investment associated with renewable energy facilities, the Agency has developed a standard formula to be incorporated into PILOT Agreements for community-distributed solar projects of five (5) megawatts (MW) or less as follows:

- (i) A maximum abatement term of fifteen (15) years;
- (ii) Annual payments consisting of (a) a sum determined by applying the assessed value of the land upon which the project is located, and any other site components existing as of the date of the PILOT Agreement that are incorporated into the project, as of the date of the PILOT Agreement to the annual total ad valorem tax rate during the term of the PILOT Agreement; plus (b) a minimum \$4,500 dollar per MW 'face plate' charge which escalate no less than two percent (2.0%) annually during the term of the PILOT Agreement, compounded.

PILOT Agreement payments for solar projects greater than five (5) MW will be negotiated based on the project's economics and anticipated benefit to the community.

Any deviations from the standard policy will be made only with the specific approval

of the Agency's members based on the factors listed in paragraph F and those described in the New York State General Municipal Law Section 874(4)(a). Additionally, the Agency shall notify the affected local taxing jurisdictions of the proposed deviation from such policy and the reasons therefore.

The Agency will use existing tax data to negotiate the payment in lieu of tax agreement and, therefore, appraisals will not normally be required.

B. Payment in Lieu of Taxes

Each project receiving abatement will be subject to a Payment In Lieu Of Tax Agreement ("PILOT Agreement") in a form acceptable to the Agency. The Agency will consider project factors, similar to those described in paragraph E herein, when determining the amounts to be paid under the PILOT Agreement. A copy of the PILOT Agreement will be forwarded to each of the affected taxing jurisdictions within fifteen (15) days of execution. Unless otherwise agreed by the Agency, with input from the affected taxing jurisdictions, such payments shall be allocated among the affected taxing jurisdictions in proportion to the amount of real, property tax and other taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the Agency involved in the project.

C. Sales and Use Tax Exemptions

1) Purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services are made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project is completed (i.e. certificate of occupancy). Operating and- maintenance expenses of projects are not incurred as agent of the Agency, and no sales tax exemption is provided thereof.

2) All project applicants must agree in writing to file with the New York State Department of Taxation, in form and at times required an annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the General Municipal Law.

D. Mortgage Recording Tax Exemptions

1) The Agency's Policy is to permit mortgage recording tax exemptions on all project related financing to the full extent permitted by New York State Law, whether or not the Agency has issued its bonds to finance the Project.

2) The Agency may, in its sole discretion, permit mortgage recording tax. Exemptions on non-project related financings, (e.g. second mortgages on the project to secure subordinated indebtedness of the project applicant). In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

E. Retail Limitations:

Retail (defined as more than 1/3 of the persons that visit the facility are visiting for retail purposes) unless one of the following was satisfied:

- 1) Tourism destination – “more likely than not to attract a significant number of visitors from outside the economic development region”
- 2) Unique facility: provides a service that is not otherwise available

F. Deviations

In addition to or in lieu of the foregoing the Agency may determine, on a case by case basis, to deviate from the guidelines described above or provide enhanced benefits for a project expected to have significant impact in the locality where the project will be located. Any deviations from the guidelines set forth above require the written notification by the Agency to the chief executive officer of each affected taxing jurisdictions. The Agency may consider any or all of the following factors in making such determination, no single one of which is determinative:

- 1) The nature of the proposed project (e.g. manufacturing, commercial, civic, etc.)
- 2) The nature of the property before the project begins (e.g. vacant land, vacant building, etc.)
- 3) The economic condition of the area at the time of the application and the economic multiplying effect the project will have on the area.
- 4) The extent to which the project will create or retain permanent, private sector jobs, the number of jobs to be created/retained and/or the salary ranges of such jobs.
- 5) The estimated value of tax exemptions to be provided.
- 6) The economic impact of the project and the proposed tax exemptions on affected taxing jurisdictions.
- 7) The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- 8) The amount of private sector investment generated or likely to be generated by the proposed project.
- 9) The likelihood of accomplishing the proposed project in a timely fashion.
- 10) The effect of the proposed project upon the environment and surrounding property.
- 11) The extent to which the proposed project will require the provision of additional services including, but not limited to, educational, transportation, emergency medical or police and fire services.
- 12) The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts in which the project is located.
- 13) The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.

G. Effective Pate

This Uniform Tax Exemption Policy shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after April 1, 1999 and all refinancing of any project induced or closed before said date.

H. Amendments

The Agency, by resolution of its members, and upon notice to all affected taxing

jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

I. Forfeiture / Recapture

The Agency, by resolution of its members, may provide for forfeiture and/or recapture of financial assistance where expected growth or employment goals have not been met. If the Agency elects such a term, the provisions, will be negotiated into the PILOT prior to a closing.

Reviewed & Re-adopted Annually
Amended 2020

Authority Mission Statement

Name of Public Authority:

Seneca County Industrial Development Agency

Public Authority's Mission Statement:

Pursuant to the Authority granted by the State of New York, it is the mission of the Seneca County Industrial Development Agency to advance the job opportunities and economic welfare of the people of Seneca County, by actively promoting, encouraging, and attracting economically sound commerce, industry, housing and recreational opportunities. The Seneca County Industrial Development Agency will achieve this mission by utilizing the powers granted to it by New York State that provide financial assistance to qualified projects. This assistance can include conduit bond financing, lease/leasebacks, and exemptions from taxation, and support to other organizations with similar missions. The board and staff of the Seneca County Industrial Development Agency will carry out this mission guided by the tenets of transparency, Integrity and Accountability.

Date Adopted: October 25, 2012

Local Labor Policy

The Company hereby covenants that it will use at least 70% (as a percentage of total labor costs) Local Labor for the construction, renovation, and/or expansion activities related to the project described in this application.* "Local Labor" is defined as persons residing in Seneca, Ontario, Wayne, Yates, Cayuga, Schuyler, Monroe, Tompkins, or Onondaga Counties. The Company may request a waiver of the Local Labor requirement from the Agency for projects requiring specialty contractors or if lack of availability of Local Labor will materially delay or otherwise hinder the project. Requests for waivers shall be made prior to commencement of the work to which the requested waiver applies, and shall be supported by such documentation/information as the Agency shall require to evaluate the request. Decisions on waivers are at the sole discretion of the Agency.

*The Local Labor Policy shall only apply to projects seeking property tax abatements.

Labor Policy Monitoring Fee: The Agency shall retain a contractor to monitor compliance with the Local Labor Policy. All fees and costs of the contractor shall be borne by the Company. At closing of the Agency's assistance package, the Company shall deposit funds with the Agency, which shall be held by the Agency as a deposit to be applied towards the costs of the contractor. These funds will be held by the Agency in a non-interest-bearing escrow account and will fund any costs related to the ongoing audit of Local Labor Policy compliance throughout construction. Any unused funds on deposit with the Agency will be returned to the Company upon project completion. The Company shall pay any shortfall in the deposit to the Agency within ten days following the Agency's demand therefor. The local labor monitoring fee is based on project costs:

Monthly fee per project:

Tier 1 (<\$5M):

- | | |
|--------------------------|--------|
| o Monthly Reporting Fee: | \$ 230 |
| o One Time Setup Fee: | \$ 650 |
| o Inspection Fee: | \$ 150 |

Tier 2 (>\$5M - <\$25M):

- | | |
|--------------------------|--------|
| o Monthly Reporting Fee: | \$ 460 |
| o One Time Setup Fee: | \$ 950 |
| o Inspection Fee: | \$ 225 |

Tier 3 (>\$25M):

- | | |
|--------------------------|---------|
| o Monthly Reporting Fee: | \$ 690 |
| o One Time Setup Fee: | \$ 1250 |
| o Inspection Fee: | \$ 325 |

IDA Governance Committee's 2023 Evaluation

The IDA Governance Committee Charter requires that the Committee report to the IDA Board, at least annually, any proposed changes to the Governance Charter or the Governance guidelines.

There were no proposed changes to the Governance Charter or the Governance Guidelines in 2023.

There were no documents disposed of, other than valueless records, per the Records and Retention Policy. All records are disposed of via paper shredding.

During 2023 the Governance Committee held two meetings in which they completed the following and provided their recommendations to the full board:

- Modifications to UTEP Policy, Mission Statement and Local Labor Policy
- Review of Established Policies
- Review and Renewal of Professional Service Contracts
- Nomination of Officers for 2024

Submitted:

Steven Brusso
Chairman
IDA Governance Committee