

Wayne County Industrial Development Agency
Regular Meeting – August 24, 2022
MINUTES

A regular meeting of the Wayne County Industrial Development Agency (WCIDA) was called to order by Chairman Scott Johnson, at 10:05 a.m. at 9 Pearl Street, Lyons, Second Floor Conference Room. The meeting was held in person and also via Zoom, as allowed by Executive Order, extended to September 12, 2022. Meeting was also available live on YouTube and recorded there.

Members present in-person were Chairman Scott Johnson, Vice-Chairman Phil Eygnor, Treasurer Julie DiLella, and Kaye Stone-Gansz – Secretary. Joining via Zoom were members Pamela Heald, Jeannie Brockmyre and Robert DeBadts. John Morrell, agency counsel, was present via Zoom. Also present in person were staff members Brian Pincelli, CEO; Katie Bronson, COO, Jamie Corteville, CFO; Ariel Camp (Cardiel), Economic Development Specialist, and Deb Hall, Assistant Secretary.

Minutes from the June 22, 2022 board meeting were presented for approval as a motion by Mr. Eygnor with a second by Ms. Stone-Gansz. Minutes were accepted with unanimous approval.

Mr. Johnson presented a Resolution Authorizing Adjustment to the annual PILOT Payment due dates. Ms. Corteville explained that PILOT due dates were generally based on office procedures for collecting information, creating invoices and sending them to the parties. These due dates varied from the wide range of dates offered in the PILOT agreements. This resolution will update each agreement and establish a standard due date for all existing and future PILOT payments of September 30th. Motion was made by Mr. Eygnor with a second from Ms. Stone-Gansz. All approved the resolution.

Ms. Bronson clarified that the next Resolution on the agenda was for the Initial 31 LLC Project Resolution. A copy of the Application and Resolution were sent just prior to the meeting. Mr. Pincelli explained that this project is for a new build of a Microtel hotel in Macedon which is located on a shared lot with a new KFC establishment. Indus LLC sent a cover letter with the application asking for a 20 year benefit. According to state law, if the Cost Benefit Analysis (CBA) shows more than a 30% benefit (including local and state benefits) compared to project cost, then prevailing wage criteria must be followed and reported. The estimated CBA analysis done in house showed a 28% benefit for a 10 year agreement. He stated that the standard PILOT agreement terms during his tenure has been 10 years. Ms. Heald asked if the standard 10-year term was a justified time period over the history of the IDA. Mr. Pincelli said that any time period can be agreed to but it would be a deviation that would need to be explained. He explained that some regions offer 20-year terms as standard, and he believes that this company has a 20-year agreement in Hornell. Ms. Heald asked if this agency would have to establish criteria for deviations moving forward. Mr. Pincelli said that the justification for this application is that the category of hotel is already a deviation to the standard agreement in that it is considered to be a retail business. This can be justified in Wayne County because of the lack of hotels in the community. The job creation associated with the development was stated to be 14 FTE. The standard 10-year agreement in Wayne County is 100% abatement for 5 years and 50% for the remaining 5 years. Other counties do it differently.

Discussion among board members raised questions about the justification for 20 years of tax abatement. Mr. Morrell recalled an incentive offered to Garlock Industries for over 10 years due to the threat of the industry leaving Wayne County and taking 100s of jobs. The estimate CBA

spreadsheet was discussed and viewed by the board. Ms. Bronson shared the comparison of estimated CBA analysis at 10-yr, 15-yr and 20-yr terms which showed a 48% benefit at the 20 year term. Mr. Pincelli asked the Board to consider what the offer of incentives should be to allow the project to continue moving forward.

Ms. Heald asked how many times the 10-year time limit was exceeded in a PILOT as was the case for Garlocks. Ms. Corteville stated that the Garlock deal was an anomaly and totally different and much more complicated than all the other standard PILOTS. Ms. Stone-Gansz asked about the job retention for the Garlock agreement to which Ms. Corteville responded that 500 jobs were retained as part of the agreement. Mr. Johnson noted that was significant in comparison to the 14 jobs created by the hotel. Ms. Heald stated that once you deviate from the standard, the conversation will always be necessary with each application. Ms. Bronson clarified that the initial resolution does not finalize the agreement, it just allows the Executive Director to negotiate with the parties.

Ms. DiLella asked that the collective response be positive to the applicant, and to disclose the estimate analysis. Ms. Bronson also pointed out some nuances to the changes made to PILOT programs in NYS since this company enjoined in their previous agreements, such as the prevailing wage criteria as well as the differing approach to PILOTS from different communities. Ms. DiLella pointed out that prevailing wage rates differ between county and Davis-Bacon rates, which are less than county rates. Mr. Pincelli was overall enthusiastic about the project and wants to promote cooperation with the developer. He tends toward the standard and transparent approach to help with predictability for developers. Mr. Johnson agreed to that approach. For example, Mr. Pincelli used this approach toward solar PILOTS.

Ms. Heald asked about the reference to a project in Newark and asked if this resolution applied to that project. Mr. Pincelli clarified that this resolution and current application is only for Macedon, although the applicant intends to apply for a similar project in Newark. Final CBA will have to be done before Public Hearing, including the sum of total benefits. Ms. DiLella asked about the 80% financing and staff is following up on that question. Mr. Johnson asked for motion to accept the Resolution. Ms. Heald made the motion, which was seconded by Ms. Stone-Gansz. All approved.

Ms. Corteville reviewed the fiscal health of the agency with the account balances and stated the PILOT billing is being prepared to be sent out on September 1 with a due date of September 30. From that date, IDA has 30 days to pay the taxing jurisdiction. Mr. Pincelli concluded that he and Ms. Bronson are still working through the process of understanding the trigger for prevailing wages.

Hearing no other business. The next WCIDA Board Meeting was set for September 28, 2022 at 9:00 am. Mr. Johnson called for a motion to adjourn which was made by Mr. Eygnor, with a second from Mr. Stone-Gansz. Meeting adjourned at 10:37 a.m.

Respectfully submitted,



Deborah Hall, Assistant Secretary