



GGLDC Audit & Finance Committee Meeting

Thursday, March 30, 2023

Location – 99 MedTech Drive, Innovation Zone

3:00 p.m.

MINUTES

ATTENDANCE

Committee Members: D. Cunningham, T. Felton, P. Battaglia (Video Conference*), T. Bender (Video Conference*)

Staff: L. Farrell, M. Masse, J. Krencik, P. Kennett, S. Hyde, C. Suozzi

Guests: M. Gray (GCEDC Board Member), P. Zeliff (GCEDC/GGLDC Board Member/Video Conference)

Absent:

* Attending from physical location identified in meeting notice as open to the public.

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 3:29 p.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Other Business – Nothing at this time.

2b. Minutes: February 28, 2023

T. Felton made a motion to recommend approval of the February 28, 2023 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes (Video Conference*)
T. Bender - Yes (Video Conference*)
D. Cunningham - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. 12/31/22 Audit – The same discussion that took place during the GCEDC Audit and Finance meeting also applies to the GGLDC. The key points of discussion have been added for ease of reference. The Report to the Board of Directors states that no material weaknesses in internal controls were identified during the audit. It is their opinion that the audited financial statements present fairly, in all material respects, the financial position of the GGLDC as of December 31, 2022 in accordance with accounting principles generally accepted in the United States of America. J. Waite also noted that for this year's audit, GASB 87 Leases was implemented. J. Waite stated that audits were completed this year for the

STAMP Water Works Corporation and the STAMP Sewer Works Corporation. These corporations are discretely presented component units on the GGLDC statements due to the GGLDC's ultimate control over these entities. Lastly, J. Waite stated that a Single Audit was done for the GGLDC which included additional compliance testing for the Genesee CARES grant awards and other OCR projects. There were no findings.

P. Battaglia made a motion to recommend to the full Board the approval of the 12/31/2022 Audit as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes (Video Conference*)
T. Bender - Yes (Video Conference*)
D. Cunningham - Yes

The item was approved as presented.

3b. Revised Right of First Refusal for Ag Park (CH4 Biogas) – Included with the meeting materials was a Right of First Refusal for a 20-acre parcel located at the Ag Park. The agreement states that CH4 Biogas, LLC will make a \$20,000 non-refundable deposit, which will be credited against the total purchase price at closing, if applicable. The term of the option will be for 12 months from the effective date of the agreement.

Fund Commitment: None.

Board Action Request: Recommend approval of the ROFR.

T. Felton made a motion to recommend to the full Board the approval of the Right of First Refusal with CH4 Biogas, LLC as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes (Video Conference*)
T. Bender - Yes (Video Conference*)
D. Cunningham - Yes

The item was approved as presented.

3c. Loan Application for J&R Fancher Holdings, LLC - J & R Fancher Property Holdings, LLC has applied for a \$200,000 loan from the GGLDC's Batavia Micropolitan Redevelopment Loan Fund.

J&R Fancher Property Holdings, LLC is currently constructing a mixed-use facility in Pembroke consisting of 6 market rate apartments and approximately 7,000 square feet of retail space.

The GGLDC is proposing to use Batavia Micropolitan Redevelopment Loan Fund funding in the amount of \$200,000 to provide a loan to the Company to cover cost escalations on the project. The term loan will have an interest rate of Prime with a floor of 3% per annum, to be readjusted annually, and will be amortized over a 10-year term which will include an interest only period during construction. The loan will be secured by a second position lien filing on the building as well as cross-corporate and personal guarantees from the owners.

Financing for the project includes equity, bank financing and a loan from the GGLDC's Batavia Micropolitan Redevelopment Loan Fund.

Fund Commitment: \$200,000 from GGLDC Batavia Micropolitan Redevelopment Loan Fund.

Committee Action Request: Recommend approval of \$200,000 loan to J & R Fancher Property Holdings, LLC at Prime Rate of interest, adjusted annually in January with a floor of 3%. This loan will also require personal and corporate guarantees as well as a second position in the building.

T. Bender made a motion to recommend to the full Board the approval of the loan to J&R Fancher Property Holdings, LLC as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes (Video Conference*)
T. Bender - Yes (Video Conference*)
D. Cunningham - Yes

The item was approved as presented.

3d. Gateway II, LLC Lease Extension – M. Masse stated that the current lease with Gateway II, LLC expired 12/31/22. There was an automatic extension provision in the lease. Per the terms of the agreement, the lease was extended for five years.

3e. Transfer Funds to STAMP Sewer Works Corp - The GGLDC had identified funds in the strategic investments account to transfer \$90,000 to the STAMP Sewer Works Corp. (SSWC) to cover potential legal expenses related to the easements for the force main.

Fund Commitment: Transfer \$90,000 to SSWC.

Board Action Request: Recommend approval of transfer of funds as listed above.

P. Battaglia made a motion to recommend to the full Board the approval to transfer funds in the amount of \$90,000 to the STAMP Sewer Works Corp with the terms of repayment (if allowable) to be determined on a future date; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes (Video Conference*)
T. Bender - Yes (Video Conference*)
D. Cunningham - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 3:36 p.m., seconded by T. Felton and passed unanimously.