



GGLDC Audit & Finance Committee Meeting

Tuesday, September 5, 2023

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: J. Tretter, M. Brooks, P. Battaglia,
Staff: L. Farrell, M. Masse, J. Krencik, S. Hyde, P. Kennett, L. Casey
Guests: M. Gray (GCEDC Board Member), P. Zelif (GCEDC/GGLDC Board Member), K.
Manne (GCEDC Board Member)
Absent: D. Cunningham

1. CALL TO ORDER / ENTER PUBLIC SESSION

P. Battaglia called the meeting to order at 8:48 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: August 1, 2023

M. Brooks made a motion to recommend approval of the August 1, 2023 minutes; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Absent

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. July 2023 Financial Statements - L. Farrell reviewed with the Committee the significant items of the July 2023 long form financial statements.

- There are no significant changes to the balance sheet from last month.
- Accounts payable decreased. The MedTech Centre Property Management Fee and Economic Development Support Grant that is accrued monthly and paid quarterly was paid to the EDC in July.
- In the operating fund, we collected \$33,500 of OCR funds related to the Genesee CARES grant. Funds were disbursed to program grant award recipients, which was recognized as grant expense.
- There is an increase in interest income.

- Most of the strategic investment money is held in the Genesee Agri-Business, LLC because of the land sales that have occurred at the Ag Park. On the dashboards that include the Genesee Agri-Business, LLC, you will see interest income of \$7,800.
- There is regular monthly activity for MedTech Centre.

J. Tretter made a motion to recommend to the full Board the approval of the July 2023 Financial Statements as presented; the motion was seconded by M. Brooks. Roll call resulted as follows:

J. Tretter - Yes
 P. Battaglia - Yes
 T. Bender - Yes
 D. Cunningham - Absent

The item was approved as presented.

3b. GGLDC Budget Timeline – The 2024 Budget is due to the ABO and OSC by November 1, 2023. L. Farrell reviewed the timeline to emphasize the need for a quorum at the October 26, 2023 Board meeting. Board members were asked to notify staff as soon as possible if they have a conflict.

P. Battaglia stated that he may have a conflict for the October 26th Board meeting. L. Farrell stated that staff may poll for the Board’s availability sooner than customary to ensure that we will have a quorum.

3c. Subordination Agreement - Craft Cannery acquired and installed filling equipment that increased their capacity and efficiencies to their production in 2021. Financing for that project included a loan from the Genesee Gateway Local Development Corp.’s (GGLDC) Loan Fund #2 in the amount of \$132,000 that provided gap financing on the project. The term loan has an interest rate of Prime with a floor of 3% per annum, to be readjusted annually, and is being amortized over a 10-year term. The loan was secured by a first position lien filing on the equipment, cross-corporate and personal guarantees from the members as well as a landlord waiver to access the collateral as necessary as they did not own the building. Craft Cannery (LNK Holdings, LLC) is securing bank financing so they can now purchase the building at 7100 AppleTree Avenue. In connection with that financing, the bank is requesting the attached subordination agreement be signed by the GGLDC.

Fund Commitment: None.

Committee Action Request: Recommend approval and execution of the Subordination Agreement.

The Committee stated that they are not willing to subordinate the lien position on the equipment. The Committee requested a revised agreement.

J. Tretter made a motion to table Agenda item 3c – Subordination Agreement; the motion was seconded by M. Brooks. Roll call resulted as follows:

J. Tretter- - Yes
 P. Battaglia - Yes
 T. Bender - Yes
 D. Cunningham – Absent

The item was tabled.

3d. Batavia Home Fund Seed Funding –The Town and City of Batavia and the GCEDC had previously approved the Batavia Home Fund Agreement in November of 2022, and the GCEDC Board approved the Home Fund Policy in July 2023. The agreement is that the GCEDC can utilize Host Benefit Agreements on housing projects to put money into the fund. The GCEDC would be the custodian of the funds, and any project would complete an application to request the money. There would be a three-person committee (GCEDC, Town and City) that would review the applications and make approvals/disapprovals.

The allowable uses of the funds are as follows:

- i. Extraordinary development costs related to hazardous material abatement, remediation, flood hazard areas, etc.
- ii. Demolition / rehabilitation of vacant residential structures that cause community and neighborhood blight.
- iii. Provide incentives to the conversion of rental properties to single family homes
- iv. Infrastructure modernization and improvements including all costs related to planning, design and constructing roadways, multi-modal, water, sewer, gas, electric, telecommunication enhancements, storm water management facilities and related green infrastructure including landscaping and streetscape improvements related to redevelopment projects.
- v. Expansion of sewer capacity at Wastewater Treatment Plant for Studies, Engineering, Construction and Expansion.
- vi. Matching funds to secure other grant resources to further capitalize redevelopment projects in the BOA area.
- vii. Land assemblage, property acquisition and due diligence for Agency Projects consistent with Section 2 of this Agreement.
- viii. Marketing expenses for existing programs such as 421-F, 485-R and Core Housing Owner Incentive Exemption (CHOICE).
- ix. Grants to support CHOICE program.

The GGLDC is looking to contribute funding to start the fund.

Fund Commitment: \$100,000 to come from Strategic Investments.

Committee Action Request: Recommend to the full Board approval of contributing \$100,000 to the Batavia Home Fund from Strategic Investments. This is a grant to the GCEDC. Strategic investments will be replenished with the land sale proceeds from the MedTech Centre housing project if those funds are not required to be paid to USDA.

P. Zeliff reiterated that the policy includes language that City use of funds is not allowed until funds from Host Agreements have flown through to the fund, as opposed to using initial seed money.

J. Tretter made a motion to recommend to the full Board the approval of a \$100,000 grant from Strategic Investments to the GCEDC to provide seed funding for the Batavia Home Fund; the motion was seconded by M. Brooks. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
T. Bender - Yes

D. Cunningham - Absent

The item was approved as presented.

3e. LED Lighting Installation for MedTech Centre - There is Federal and NYS legislation that is looking to ban the sale of fluorescent bulbs soon. NYC has already implemented that all commercial buildings must switch to LED by 2025. To stay ahead of this, the GGLDC asked three companies for bids to replace the fluorescent lights in the MedTech Centre with LED lighting. Some of the lights in the MedTech Centre have already been replaced with LED and the following bids would complete the remainder of the building.

1. \$79,598.00 – Gilligan Electric
2. Severino Electric did not submit a bid
3. Humphrey Electric did not submit a bid

Fund Commitment: \$79,598.00.

Board Action Request: Approval of LED light replacement contract for MedTech Center to Gilligan Electric for \$79,598.00.

M. Gray offered a suggestion that costs can be reduced by cutting out the ballasts and direct wiring the bulbs.

M. Masse stated that he would contact the above-listed contractors to provide a new quote for the revised scope of work. The Committee also requested that more contractors are contacted to request a bid.

M. Brooks made a motion to table Agenda item 3e – LED Lighting Installation for MedTech Centre; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter- - Yes
P. Battaglia - Yes
T. Bender - Yes
D. Cunningham – Absent

The item was tabled.

4. ADJOURNMENT

As there was no further business, J. Tretter made a motion to adjourn at 9:07 a.m., seconded by M. Brooks and passed unanimously.