

2018 Authority Mission Statement and Performance Measurements

Name of Public Authority: Herkimer County Industrial Development Agency

Public Authority's Mission Statement:

The Herkimer County Industrial Development Agency delivers economic incentives to business and industry to diversify and strengthen Herkimer County's tax base and enhance community vitality by supporting job creation, business and industrial development, and community revitalization. We strive to develop the local economy in an organized, sustainable and environmentally beneficial manner.

List of Performance Goals:

- Assist existing area industries and work to attract new industries to the county. Work to increase private investment, create new employment and retain existing employment.
- Market area assets and economic development resources to potential new businesses.

2018 Performances:

The Agency continues to administer three revolving loan funds (Small Cities, GOSC, IRP) with current outstanding loan balances of approximately \$112,021 to a total of three Herkimer County businesses. A fund balance of approximately \$121,284 is currently available for re-lending.

In addition, the Agency continues to administer a Small Business Revolving Loan Fund which was created in 2009, with state funding secured by Assemblyman Marc Butler. This program offers a specialized loan/grant to eligible small businesses, including farmers and retail operations. With assistance from Senator Seward, the Agency was approved for an additional \$50,000 to add to this loan/grant program. Thirty-five total loan/grants have been approved and processed between these two funding sources.

\$1.206 million dollars in payments to area municipalities and school systems were administered in 2018 through Payment In Lieu of Taxes (PILOT's) by the Agency. The Office Manager calculates and bills all companies that have a PILOT in force. All funds collected are distributed to the local taxing jurisdictions bringing much needed tax dollars to the jurisdictions as well as assisting businesses to locate and expand in Herkimer County.

Utility Modification Project – Frankfort 5S South Business Park - \$500,000 plus includes power upgrades, transformers, new substation and redundant power capabilities.

Continue to assist with \$75.6 million project to assist Tractor Supply Company with construction of a 930,500 sq. ft. distribution center (with option to expand to 1,230,500 sq. ft.) on 142 acres at the Frankfort 5S South Business Park in Frankfort, NY. Sales tax exemption and real property tax abatement were approved as part of the project. This project expects to create 350 new jobs by June 2024.

Continue to develop a rapport with all local governments in the county educating them on the benefits of the IDA; the availability of sites/buildings for expansion; economic development grants for downtown revitalization and the Consolidated Funding Application. Attend monthly meetings routinely.

The Agency has formed the Herkimer County Agricultural Development Council. Working with Agri-Business, Agri-Tourism, and Farmers

The Agency continues to monitor a grant approved in 2013 for Northern Safety Company. In 2014 half of the grant funds were distributed to the company. The project is ongoing.

The Agency has been working with the Start-up New York initiative through Herkimer College. The following three business parks are now included in the plan and new businesses could be eligible for Start-up New York benefits: Frankfort 5S South Business Park, Schuyler Business Park and Manheim.

Now that there are occupants in the Frankfort 5S South Business Park, the Agency has implemented a Pilot Increment Financing Agreement. The purpose of the Agreement Allocating PILOT Payments is to pay the County up to \$800,000 for infrastructure that they funded in order for the business park to be fully marketable as an industrial site.

Two DASNY applications (\$562,500 and \$125,000) have been submitted to assist with upgrades to Frankfort 5S South Business Park Infrastructure.

Continue to monitor the requirements from the State in regards to use of IDA issued Sales Tax Exemption Notices. Companies now must comply with the new regulations by means of ST-123 (IDA Agent or Project Operator Exempt Purchases Certificate) as well as reporting all sales tax savings to the Agency on a quarterly basis while the exemption letter is in effect.

The Agency solution for wetland mitigation requirements at the Schuyler Business Park is as follows. Town of Schuyler has started the conservation easement for the property. Once complete we will be in compliance with the Army Corp of Engineers.

Induced and closed on a project with JBF Stainless, LLC, a stainless steel tank manufacturer, is located in the Frankfort 5S South Business Park. JBF services the pharmaceutical, beverage, and mineral industries. They expect to employ 50 to 60 when the project is complete. The project cost is \$3.8 million.

Induced a project with Higby Gold, Inc. for a truck stop and convenience store located in the Frankfort 5S South Business Park. They will not only service the park but the many trucks that travel 5S. The project costs are estimated at \$6.8 million with estimated sales tax generation of close to a million dollars per year. They will employ 30 to 50.

EPA Grant. We received an EPA grant in total of \$200,000 which will be used to do Phase I and II studies. One of the properties included in this will be the old Union Tool site in Frankfort.

The Town of Frankfort has taken over sewer/pump station, and water tower in the Frankfort 5S South Business Park. The road needs to be completed for town to take over.

Continue to comply with all financial and New York State requirements including annual independent audits and fulfilling New York State Authorities Budget Office requirements. Continue posting all required policies, documents and notifications required under the Authorities Budget Office requirements to the Agency web site.

Complete administrative, operational, and monitoring functions of the Agency.

Fulfill semi-annual reporting requirements to the USDA as part of the administration of the IRP loan fund.

Fulfill annual Fair Housing and Performance Assessment Reporting requirements to the US Department of HUD.

Administration of the revolving loan funds and PILOT's including calculating, billing, tracking, collecting and banking duties.

Accounts payable, receivable and payroll functions and reporting.

Prepare reports and assist the CPA with the annual audit.

Complete and submit all required annual ABO reports to the State according to the required schedules.

Maintain checklists for all projects, to avoid oversight of required steps.

Additional questions:

- 1. Have the board members acknowledged that they have read and understood the mission of the public authority?** YES
- 2. Who has the power to appoint the management of the public authority?** The Herkimer County Legislature appoints the Board of Directors. The Board of Directors appoints the Executive Director. The Executive Director recommends staff positions, to assist with the operations of the public authority, to the Board of Directors for approval.
- 3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?** The Herkimer County Industrial Development Agency follows its Equal Employment Opportunity Policy.
- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**
 1. Carry out and support the mission of the HCIDA;
 2. Understanding, reviewing and monitoring the implementation of fundamental financial and management controls and operational decision of the HCIDA;
 3. Establishing policies regarding the payment of salary, compensation and reimbursements to, and establishing rules for the time and attendance of, the Board of Directors and Employees of the HCIDA;
 4. Adopting a code of ethics applicable to the Board of Directors and Employees of the HCIDA;
 5. Establishing written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the HCIDA, investments, travel, the acquisition of real property and the disposition of real personal property and the procurement of goods and services; and

6. Adopting a defense and indemnification policy and disclosing such plan to any and all prospective board members.

Training:

1. Board members must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors of the HCIDA within one year of appointment to the board in accordance with the Public Authority Law.
2. Board members must participate in continuing training as may be required to remain informed of best practices, and regulatory and statutory changes relating to effective oversight of management and financial activities of the Agency.

Separation of Board and Management: No board member can serve as the HCIDA's Executive Director, or hold any other equivalent position while also service as a board member and cannot hold such position in the HCIDA until a date set by the policy and procedures of the Agency.

Daily office operations, activities, financial oversight, supervision of the staff and other duties approved by the Board of Directors are the responsibility of the Executive Director

1. **Has the Board acknowledged that they have read and understood the responses to each of these questions?** YES

Approved and adopted February 26, 2019