

## 2017 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 (HCIDA) is a public benefit corporation created by the Herkimer County Legislature in 1970, under the New York State Industrial Development Agency Act of 1969. The mission of the agency is to help create or retain job opportunities within Herkimer County by both assisting existing area industries and by marketing the area to prospective new industries.

### **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.

### **2017 Performances:**

- The Agency continues to administer three revolving loan funds (Small Cities, GOSC, IRP) with current outstanding loan balances of approximately \$171,000 to a total of six Herkimer County businesses. A fund balance of approximately \$380,000 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-one total loan/grants have been approved and processed between these two funding sources.
- \$1.283 million dollars in payments to area municipalities and school systems were administered in 2017 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.
- A \$75.6 million project was induced 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.

- The Agency continues to assist Heidelberg Baking Company with a PILOT, the first company to locate in the Frankfort 5S South Business Park. The construction of a 43,000 sq. ft. state-of-the-art multi-million dollar bread-making facility is completed. The project has helped create 18 new jobs.
- A project to assist Northern Safety Co., Inc. with a \$5.036 million project was completed. The project includes re-development of an existing structure to include office and personnel space including a video studio and training rooms as it continues to expand its national sales force. Sales tax exemption and real property tax abatement were approved as part of the project. The Company anticipates creating 25 additional jobs.
- Precisionmatics Company completed construction of a 54,000 sq. ft. \$4.4 million manufacturing facility located on Route 20 in West Winfield. Sales tax exemption and real property tax abatement were approved as part of the project. The Company plans to add 10 new full time and 2 part time positions to their already 60+ employees.
- The Agency has received numerous IDA inquiries regarding project applications which the Agency continues to assist these companies as they move forward with their projects.
- 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 been working with affected local municipalities in developing 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.
- The Agency submitted two grant proposals to the Environmental Protection Agency: Hazardous Substance Assessment (\$200,000) and Petroleum Assessment (\$100,000). The grant proceeds will be to perform several Phase I and Phase II environmental assessments of brownfield properties.
- 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 continues to work with our engineering firm in regards to ongoing wetland mitigation requirements at the Schuyler Business Park. In 2014 a \$70,000 contract was signed with O'Brien & Gere for the "Planting and Monitoring Plan Preparation" for the Schuyler Business Park.
- A sewer feasibility study of various alternatives to extend commercial sewer service to the Schuyler Business Park was completed in the fall.
- The Agency is working with the Town of Frankfort regarding dedication of road, sewer/pump station, and water tower in the Frankfort 5S South Business Park.
- Continue to comply with all financial and New York State requirements including annual independent audits and fulfilling New York State Authorities Budget Office requirements.
- Continued posting all required policies, documents and notifications required under the Authorities Budget Office requirements to the Agency web site. We responded to concerns found in a review of our agency's web site. All items have been addressed.
- 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 March 8, 2018