



**HERKIMER COUNTY
INDUSTRIAL
DEVELOPMENT AGENCY
(Agency)**

FISCAL YEAR 2018

**REPORT ON
OPERATIONS AND
ACCOMPLISHMENTS**

The Herkimer County Industrial Development Agency 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 deliver 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.

The Agency has a volunteer seven-member board of directors appointed by the Herkimer County Legislature, the Board of Directors appoints the Executive Director and the Executive Director recommends staff positions to the Board of Directors for approval. The Agency is supported financially by loan fund programs, project and administration fees, and funding from Herkimer County. As of 12/31/2018 the operating staff consisted of John J. Piseck Jr., Executive Director; Stacey Holleran, Office Manager; and Amanda Wellington, Administrative Assistant.

The Agency acts as a coordinating organization for a variety of different loan and corporate financing programs offered by local, regional, state and federal agencies. These programs are used to assist eligible businesses with projects to create or retain jobs. The Agency keeps abreast of the various programs that are available from these sources and acts in an advisory and administrative capacity to Herkimer County businesses.

The Agency is also authorized to offer certain incentives to businesses that are making investments in Herkimer County which will lead to the creation or retention of jobs. These incentives include access to tax-exempt industrial revenue bond financing; exemption from sales taxes on the purchases of equipment and materials used in the construction and equipping of a facility; and a "payment in lieu of taxes" agreement (PILOT) on exempted real property taxes.

The Agency retains general counsel for the purpose of advising and rendering opinions to the officers and Board as to all legal matters relating to administration, operations and financings of the Agency. Counsel shall draft and/or examine and review Agency forms, contracts or other documents for compliance as necessary.

The Agency has interest in five business parks located throughout Herkimer County and is responsible for marketing and overseeing economic development projects within these parks. As follows:

- Frankfort 5S South Business Park (200-acres – a Build-Now NY Shovel Ready site at 100% capacity)
- Frankfort 5S North Business Park (36-acres, at capacity 100%)
- Schuyler Business Park (99-acres—a Build-Now NY Shovel Ready site at 90% capacity) 10% land left for development.
- Manheim Business Park (30-acres)
- West Frankfort Industrial Park (60 acres, at capacity)

The Agency consistently seeks out funding sources as needed in our efforts to assist with and complete certain economic development projects.

We operate in accordance with the policies and procedures required by the New York State Public Authority Accountability Act (PAAA), and continue to review, update and adopt policies and procedures to meet the various reporting requirements.

We continue to maintain a website (www.herkimercountyida.org) that offers access to information regarding: available programs, services, various loan and benefit applications, operational documents, policies and general information about our services and Herkimer County.

As part of the Agency's responsibility for the administration of both the Small Cities and the Intermediary Relending Program revolving loan funds, the Agency is required to track the employment numbers of businesses with an outstanding loan. Job numbers are specified at the onset of a project and tracked until the projected job numbers are achieved. Depending upon the program, various other reports and filings such as a UCC-1 to protect our collateral may be required.

The Agency develops in-house, and maintains a complete set of informational pamphlets, brochures, specification sheets and an industrial guide that lists the many businesses located in Herkimer County. Hard copies of the guide and literature are available at the office and can be downloaded from the Agency's website.

The Agency is required to carry various insurance policies and as an independent operating entity we are subject to all state and federal payroll and unemployment insurance reports. The Agency maintains worker's compensation, general liability and bonding insurance, and to protect our board of directors we carry officers and directors insurance.

2018 ACCOMPLISHMENTS

- 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.
- The Agency continues 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. The total project cost is now \$94,700,000. 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.
- 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.
- Closed on a project with JBF Stainless, LLC, a stainless steel tank manufacturer. The project includes construction of a building 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 for Higby Gold, Inc. which includes construction of a truck stop and convenience store to be 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.
- 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 developed a Pilot Increment Financing Agreement with affected local municipalities. 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 received approval from the Environmental Protection Agency for a \$200,000 Hazardous Substance Assessment grant. The proceeds will be used to perform several Phase I and Phase II environmental assessments of brownfield properties in the county.
- 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.
- The Agency has formed the Herkimer County Agricultural Development Council. Working with Agri-Business, Agri-Tourism, and Farmers
- The Agency is working with the Town of Frankfort regarding dedication of road, now known as Country Mile in the Frankfort 5S South Business Park.

These projects are a testament to the public/private partnerships necessary to create and retain employment here in Herkimer County. This continues the Agency's commitment to assist local companies while also seeking new job and investment opportunities as we continue our mission to help grow the local economy.

The Agency continues to market the available assets within the county and respond to all leads and potential business prospects. We respond to numerous calls and inquiries on a daily basis

and are able to respond quickly and accurately to potential clients. The priority for the Agency will continue to be the pursuit of economic development opportunities that help businesses create and retain employment opportunities and add value to the local economy.

MARKET HERKIMER COUNTY

- Continue to focus on marketing the low cost municipal power and land available at the Frankfort 5S South Business Park, to attract new business.
- Routinely conduct outreach to area businesses to promote services of the Agency by means of mailings and visitation.
- 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.
- Continue to be aware of and promote available real estate within the county.
- Market the area's assets and economic development resources to potential new businesses through various methods of outreach such as trade shows and conferences.
- The Agency developed a Facebook page to help market the area and post news items.
- Maintain and update an industrial guide annually.
- Maintain the Agency owned business parks. The Agency routinely retains maintenance services in an effort to keep the Frankfort 5S South Business Park mowed and cleared for marketing purposes.
- There has been considerable interest throughout the year and projects are currently being considered for location in the Frankfort 5S South Business Park and Schuyler Business Park.

OTHER ADMINISTRATIVE ITEMS

- 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.

February 26, 2019