



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

FISCAL YEAR 2019

**REPORT ON
OPERATIONS AND
ACCOMPLISHMENTS**

Presented 3/31/2020

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 12/31/2019 the operating staff consisted of John J. Piseck Jr., Executive Director; Stacey Holleran, Office Manager; and Victoria Adams, 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. A 188-acre expansion is in process.
- 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 2009 Public Authority Reform Act, 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.

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.

2019 ACCOMPLISHMENTS

The Agency continues to administer two loans (one from Small Cities and IRP) with current outstanding loan balances of approximately \$99,660 to a total of two Herkimer County businesses. There are currently no available funds for re-lending from these funds.

The Agency continues to administer a Small Business Revolving Loan Fund which was created in 2009. 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-seven total loan/grants have been approved and processed between these two funding sources.

The Herkimer County IDA hosted a Site Selectors Guild in October 2019. The Site Selectors Guild is the only association of the world's foremost professional site selection consultants. Guild members provide location strategy to corporations across the globe and for every industry, sector, and function. Guild members were shown available properties throughout the county and provided feedback on how developers may view the sites.

Actively working on Phase I and II studies for several brownfield properties in the county. These studies are being funded by a \$200,000 EPA grant received. The Executive Director was chosen to present his marketing presentation on a Brownfield site in Ilion, NY to the 2019 National Brownfield conference where he was award best presentation.

The agency has been named subrecipient of a microenterprise grant awarded in December to Herkimer County in the amount of \$200,000. This grant expects to provide assistance to up to 15 LMI businesses and create ten new full time jobs made available to LMI.

As the subrecipient, the agency has been assisting two businesses that were awarded CDBG economic development grants: Tractor Supply Company \$750,000 for machinery & equipment, creating 79 new full-time jobs made available to LMI applicants and Turbo Machined Products \$225,000 for machinery and equipment, creating 5 new full-time jobs made available to LMI and retaining 10 jobs.

Received approval of a New York State Municipal Restructuring Fund (MRF) application for the Eastern Mohawk Valley Regional Water Transmission Main project. The IDA is lead agency for this multi-municipality project totaling \$3.1 million.

\$1.197 million dollars in payments to area municipalities and school systems were administered in 2019 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.

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 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 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.

Frankfort 5S South Business Park

Upon the completion of a major utility modification project, which included power upgrades, transformers, new substation and redundant power capabilities, the park is now filled to capacity.

Construction was completed by **Tractor Supply Company** on a \$75.6 million project consisting of a 930,500 sq. ft. distribution center (with option to expand to 1,230,500 sq. ft.) on a 142 acre parcel at Park in Frankfort, NY. Sales tax exemption and real property tax abatement were approved as part of the project. By the end of 2019, 385 jobs have been created. Initial estimates were this project expected to create a total of 350 new jobs by June 2024.

Construction project was completed by JBF Stainless, LLC, a stainless steel tank manufacturer, 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.

Construction is underway by 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.

Now that there are occupants in the Frankfort 5S South Business Park, the Agency has started collecting PILOT payments for the 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.

Administered the drawdown of two DASNY awards (\$562,500 and \$125,000). These proceeds were to assist with upgrades to Frankfort 5S South Business Park Infrastructure. The Agency assisted the Village of Frankfort to secure a SAM grant in the amount of \$750,000 to assist with electrical upgrades to the Park.

The Town of Frankfort has taken over sewer/pump station, and water tower in the Frankfort 5S South Business Park. There is some work yet to be done the roadway and cul-de-sac before the town will take over.

Manheim Business Park

Continued development of this park has been a priority. Received a CFA award up to \$1.8 million to assist with construction of a water tower at the Manheim Business Park. The Agency has been instrumental in facilitating the formation of a water/sewer district with the Town of Manheim and the Village of Dolgeville. The following studies have been completed or are underway: Preliminary Engineering; Geotechnical Evaluation; SHPO Stage 1 Review; Map, Plan; Sewer Study.

Schuyler Business Park

The Agency has finalized a conservation easement as a solution for wetland mitigation requirements at the Schuyler Business Park as required by the Army Corp of Engineers.

The agency continues to market the available property at the Schuyler Business Park. Recently negotiated purchase of additional 188 acres adjacent to the current park. A \$120,000 CFA award was received to assist in the land purchase. Development is being planned.

Other Administrative Items

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.

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 reporting requirements to the EPA; NYS Office of Community Renewal; USDA as part of the administration of the IRP loan fund; Fair Housing and Performance Assessment Reporting requirements to the US Department of HUD; and Empire State Development Corporation as part of the administration of the Small Business RLF.

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.

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.