



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

FISCAL YEAR 2022

**REPORT ON
OPERATIONS AND
ACCOMPLISHMENTS**

Presented
February 28, 2023

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 Chief Operating Officer (CEO) and the CEO 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 12/31/2022 the operating staff consisted of John J. Piseck Jr., CEO; Stacey Holleran, Chief Financial Officer (CFO); Victoria Adams, Administration & Grant Coordinator; and Erin Spina, Marketing and Communications Specialist.

The Agency acts as a coordinating organization for a variety of different loan and corporate financing grant programs offered by local, regional, state and federal agencies. These programs are used to assist eligible businesses with projects to create and or retain jobs. The Agency keeps abreast of the various grant programs that are available from these sources and acts in an advisory and administrative capacity to Herkimer County businesses. Consistent with the Governor's plan for renewable energy projects the agency is working on several throughout the county.

The Agency is also authorized to offer certain incentives to businesses that are making investments in Herkimer County which will lead to the creation and 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 at 100% capacity)
 - Frankfort 5S North Business Park (36-acres at capacity 100%)
 - Schuyler Business Park (99-acres at 90% capacity; 10% available).
 - Schuyler Business Park Expansion of 188-acres; development of infrastructure is in process and at 100% capacity.
 - Manheim Business Park (30-acres, at capacity)
 - West Frankfort Industrial Park (60 acres, at capacity)
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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. In 2021-2022 the agency retained a law firm to conduct a full review and update as needed all policies and forms including the IDA application for benefits, etc.

A complete revamp of the agency's website (www.herkimercountyida.org) was completed in 2021. Staff continues to update the website on a daily basis. The website offers access to information regarding: available programs, services, various loan and benefit applications, operational documents, policies, project documents, and general information about our services.

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.

In addition to its website, the Agency has continued to develop a digital presence by maintaining a YouTube channel, Facebook page, and LinkedIn page. The public can access board meetings, marketing videos, and training videos. Accounts are used for online meeting platforms including Zoom, WebEx, GoToMeeting, GoToWebinar, Google Meet, and Microsoft Teams.

2022 ACCOMPLISHMENTS

Development continues at the Schuyler Business Park 188-acre expansion. Three companies completed construction in 2022. Schuyler Warehouse Development constructed a 61,000 square foot distribution center being leased by PepsiCo. Nudadec, LLC completed construction of a 195,000 square foot distribution leased by The Fountainhead Group, Inc. Wilcor International completed construction of a 50,000 square foot addition to their current warehouse.

IDA Financing Projects

- Bloom Utica, LLC broke ground at the Schuyler Business Park to construct a 52,500 square foot building to be leased to Home Depot for a last-mile distribution facility.
 - Nathan Galinsky Apartments Preservation LLC - The Agency closed on a project that authorized the issuance and the sale of tax-exempt multifamily housing revenue bonds totaling \$16M. This project includes acquisition and rehabilitation of a senior designated apartment complex consisting of 112 units located in the Village of Herkimer.
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- Colucci Trucking LLC purchased five acres at the Schuyler Business Park to develop a truck terminal facility.
- Verde Associates, LLC - A 60 acre parcel is under purchase/sale contract with a development company to construct a 500,000 to 800,000 manufacturing facility.
- Project Farmers Pride – Received an intent to purchase another 3.6 acre parcel for a harvest facility
- Herkimer Meat Packing, LLC – Under contract to purchase a 30 acre parcel in the Village of Dolgeville known as the Manheim Business Park. Plans to construct a 195,000 square foot harvest facility are being finalized.

Approved lease/leaseback, PILOT arrangement, NYS sales and use tax, and mortgage recording tax exemptions for Bloom Utica, LLC and Nathan Galinsky Apartments Preservation, LLC.

Three of the above projects closed in 2022. Retaining 3.5 jobs; creating 0 new jobs; Investment of \$33,152,507.

Five applications for solar projects are currently on file and are expected to move forward in 2023.

\$2.11 million dollars in payments to area municipalities and school systems were administered in 2022 through Payment In Lieu of Taxes (PILOT's) by the Agency. 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.

Other Development:

Purchased in 2021, 2571 Higby Road, Town of Frankfort, development is continuing on this 26 acre parcel adjacent to the Frankfort 5S South Business Park. Zoning has been changed to planned development. Working with the Department of Health to continue with water and sewer extensions.

Several studies have been completed in order to determine viable sites for developing including:

- Former Chip's Gas Station, Village of Frankfort
 - Dyke Road/Route 5, Town of Schuyler
 - Masonic Building, Main Street, Village of Herkimer
 - Former Duofold building, Village of Ilion
 - Former East Street School, Village of Newport
 - Village of Newport, Sewer Study
 - Former Pine Grove Road Elementary School, East Herkimer
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Grants

The Agency applied for 13 grants and was awarded 9 grants as follows:

- CDBG Cares - \$500,000
- BOA Nomination Study for Village of Herkimer - \$173,250
- Environmental Facilities-IMG - \$9,358,800
- EPA Schumer Earmark - \$500,000
- National Grid – Gas Main Schuyler BP - \$205,277
- National Grid – Brownfield conference - \$2,000
- US EPA - \$500,000
- Restore NY – Duofold - \$2,000,000
- U.S. Environmental Protection Agency - \$500,000

Continue to assist the Village of Dolgeville with administering the \$138,600 grant for a Brownfield Opportunity Area (BOA) Nomination Study. This grant is expected to be closed out in 2023.

The Agency continues to administer a 2019 New York State Municipal Restructuring Fund (MRF) award for the Eastern Mohawk Valley Regional Water Transmission Main project. The IDA is lead agency for this multi-municipality project totaling \$24 million. The Agency has received approval to proceed. Preliminary design was completed and final design is 65%. The majority of the surveying work has been completed. This water line will service over 22,000 Herkimer County residents. The Agency is actively seeking other funds to continue with this project.

The Agency continues to administer a \$1,000,000 award from Northern Borders Regional Commission to assist with purchasing the pipe for the Eastern Mohawk Valley Regional Water Transmission Main project. These funds are instrumental in moving this project forward.

Continue to work with Empire State Development to secure funds for an \$800,000 grant award from 2018 for construction of a water tower in the Manheim Business Park. Were successful in working with the Village of Dolgeville to annex the Manheim Business Park into the Village.

Loan Funds

The Agency continues to administer a Small Business Revolving Loan/Grant Fund which was created in 2009. Two new loans/grants were approved totaling \$7,470; with owner investment totaling \$4,075. Continue to service two other loans; one from the Small Cities RLF and the other is through the USDA Intermediary RLF.

Other

Initiated a market demand analysis on the feasibility of an event center in Herkimer County. Results are expected first quarter of 2023.

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.

Business Parks

The following three business parks are now included in the Start-up New York Incentive Program: Frankfort 5S South Business Park, Schuyler Business Park and Manheim. New businesses could be eligible for Start-up New York benefits.

Frankfort 5S South Business Park - The park is at 100% capacity.

Manheim Business Park - Continued development of this park has been a priority. Received a CFA award up to \$800,000 to assist with construction of a water tower at the Manheim Business Park. The Agency has been instrumental in facilitating the annexation of the park into the Village of Dolgeville. The following studies have been completed: Preliminary Engineering; Geotechnical Evaluation; SHPO Stage 1 Review; Map, Plan; Sewer Study.

Schuyler Business Park - The park is at 100% capacity.

Other Administrative Items

An audit report by the Office of State Comptroller was completed 2022.

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; Northern Borders Regional Commission, NYS Office of Community Renewal; 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.

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.

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 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.
