Town of Montgomery Industrial Development Agency Meeting Minutes

Town Government Center

110 Bracken Road

Montgomery, NY 12549

August 18, 2021

5:30 PM

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**PRESENT: ABSENT:**

Jeffrey Crist - Chairman Edwin Williams - Member

J. Thomas Jones - Second Vice Chairman

Matt Stoddard – Treasurer

John Dickson – First Vice Chairman

Richard B. Golden – Attorney with Burke, Miele, Golden & Naughton, LLP

Conor Eckert – Executive Director TOMIDA

Billy Ibberson – Livestream Services (Acquisitions Marketing)

Robert Santo – Member (via computer)

Meghan Hurlburt – Secretary

Laura Evans – Court Stenographer/Reporter for Walden Construction LLC. (Babiarz Court Reporting)

NOTE: Conference Call Line – No Calls

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**AGENDA**

1. Call to Order and Declaration of Quorum
2. Approval of July 13, 2021 Minutes
3. Public Hearing – Walden Construction Enterprise, LLC

(Conference Call Line: 844-854-8432 Code: 2166 376 598#

1. Presentation and Discussion – Cardinal Health Expansion
2. Executive Director’s Report
3. Financial Report for June 2021
4. Other Business

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**Meeting**

1 - Chairman Jeff Crist began with the introduction of Board Members and other members in attendance.

2 - Meeting minutes from July 13, 2021 meeting were approved. John Dickson made motion and J. Thomas Jones seconded for approval. All in favor, none opposed.

3 – Public Hearing – Walden Construction LLC. – Please see Minutes of Public Hearing which are attached to these minutes. These minutes were done by Laura Evans, Reporter.

4 – Presentation and Discussion – Cardinal Health Expansion: Chairman Crist – Introduction of Charlie Bazydlo: Good evening Board Members I am Charlie Bazydlo and I am outside Counsel for Cardinal Health, also in attendance here on the phone is Kyle Kesselring, who’s with Cardinal but out in Ohio this evening. Quick introduction, Cardinal has an existing facility in the Town, which, I’m sure you are all aware of, located at 500 Neelytown Road. That facility is part of a project that was approved back in 1991-1992. It was originally approved for a 1.1 million square foot warehouse distribution facility. It was done under Allegiance Healthcare at the time (I believe). Cardinal took over that facility in 1992, thereabouts, and have been operating there since then. Of that 1.1 million that was previously approved, they built only about 600,000 square feet of the project. We are currently proposing a 310,000 square foot addition as what Cardinal describes it as a replenishment center. Basically, what that does is that they currently fill orders for certain medical equipment through a facility out in Chicago, Illinois. When those orders are placed by local customers in the Northeast Region, that material is moved from Chicago and brought to this facility in Montgomery and pushed through the facility as quickly as possible. That creates a long delay in getting the equipment to the actual customers. By building this facility, 310,000 square foot facility, that material would be staged here. It would be able to be distributed out of the facility at a much quicker rate, decreasing that waiting time for the customers dramatically. Currently the facility right now employs about 241 employees, with this addition, there would be an additional 60 employees at the facility so it’s quite a substantial increase. Like I said, the building is about 310,000 square feet. In addition, there’s additions to the parking lot and rearranging of the access way in the application. So, there may be about 400,000 square foot of space used in the project but the building is still using about 310,000 square feet. It has a value of around $24 million dollars in costs for the project. We’re in front of the Planning Board right now working our way through the Planning Board. We’re hopeful to be able to break ground on this facility this year if at all possible and it’s a critical need to get this up and running as quickly as we can, but economics is a big factor. I will try to keep this short, this is basically our presentation, our application has been turned in and I think we have a complete application. As far as the details of the site plan itself, we actually attached a copy of the site plan application and added the site plan drawing to the back of that. They are 8 ½ x 11 in size, if the Board wants something greater we can certainly get you an electronic copy of that or actual full-size prints.

Chairman Crist: Question I have – Did the project originally receive any tax abatements?

Charlie Bazydlo: I don’t know Jeff offhand. If it did, they are certainly no longer in place right now. The current project right now pays about $1.5 million and change in taxes right now. It’s shown on the County as having an assessed value of $28.75 million. Again, that’s assessed value, you have to factor in the equalization rate to know the market value rate. They do currently pay over $1.5 million in taxes right now.

Conor Eckert: Looking through our records, I find no record of the Montgomery IDA granting any abatements, nor the Orange County IDA. In speaking with the Town Assessor, he stated it could be just a 485-B, but no local Industrial Development Agency incentives.

Charlie Bazydlo: More likely than not, that’s probably what happened initially when the project was constructed.

Conor Eckert: 1980 you mentioned?

Charlie Bazydlo: Yeah, it goes back a long way, Yes.

Chairman Crist: Questions, comments Board?

John Dickson: You’re just asking for a PILOT on the expansion of the warehouse?

Charlie Bazydlo: Yes, just a PILOT on the expansion to be clear.

Tom Jones: Just two questions: First: Of the current employee base, what percentage of that are residents of the Town?

Charlie Bazydlo: Offhand, I don’t know. We can get you that information.

Tom Jones: Great. Any preliminary estimates of the economic impact?

Charlie Bazydlo: Well overall, the facility itself besides the construction jobs associated with it, we will be able to maintain the distribution facility and the trucking companies that go back and forth through there and that come in and out, the 60 additional employees that are there, that they all have multiplier effects. We think it’s a very positive project. It’s in a piece of property that’s zoned for this, it’s on Neelytown Road, it’s an existing facility but also several other ones similar to it.

Tom Jones: Any estimate on the additional truck traffic expected from the expansion?

Charlie Bazydlo: Very little, additional, because this material moves through her right now. There will be some but not a lot because the material already moves through the building.

Chairman Crist: I know we are near the Town of Hamptonburg boundary, this expansion is fully in the Town of Montgomery?

Charlie Bazydlo: This expansion if fully in the Town of Montgomery.

Matt Stoddard: You said 60 new jobs? Because of the expansion? What would those jobs be paying?

Charlie Bazydlo: We list it in our application, they’re……. an annual estimated salary of $53,000.00. A range of $53,000.00 to $260,000.

Chairman Crist: Any other questions or comments for Charlie? The applicant has asked and we have discussed with Counsel, consideration to schedule the Public Hearing for September 14, 2021 at our next IDA Board meeting. I would suggest we consider a motion to do that at 1 o’clock which is the time that meeting is scheduled to start. Would anyone like to make that motion?

Matt Stoddard: I will make that motion.

John Dickson: I will second that motion.

Chairman Crist: To schedule the Public Hearing for this application for Cardinal Health at 1 PM, September 14, 2021. Any other comments or discussion on that motion? All in favor? Roll call: John Dickson: Yes. Matt Stoddard: Yes. Bob Santo: Yes. Tom Jones: Yes. Chairman Crist is in favor – all in favor, none opposed. So that Public Hearing is scheduled.

5 – Executive Director’s Report: Conor Eckert – Business attraction including Food-Product Manufacturing, Hospitality, Cannabis and Medical Device. We have some interesting opportunities in our area. We are trying to build community connections such as seen with SUNY Orange focusing on targeted workforce development training in Montgomery. Matters to take note of is that the Moratorium has been lifted. Ideas to tackle moving forward – Partner with SUNY Orange on targeted workforce development training focused on Aerospace Engineering and Aerospace parts manufacturing. We can continue to revamp the website and conduct testimonials that focus on past IDA projects and how the IDA plays a role in facilitating these projects.

Chairman Crist: Comments, questions Board? Okay let’s move onto the financial report for July with Matt Stoddard our Treasurer.

6 - Matt Stoddard: Checkbook beginning balance from last report is $352,252.43. Deposits for last month was $953.54 bringing a total of $353,205.97. Checks going out: 1697 - Conor Eckert – Hotel expense and mileage for $602.77. Burke, Miele, Golden & Naughton for $2,190.00. Conor Eckert – MVP Breakfast Event in the amount of $50.00. Meghan Hurlburt – May and June in the amount of $1,000.00. Bringing checks for the month to $3,842.77 bringing the account balance to $349,363.20. Sailfish Escrow Checkbook beginning balance of $13,720.00. Checks going out: Loewke Brill Consulting Group of $1,185.00 leaving the Checking Account Balance at $12,535.00. Orange Bank and Trust – There’s $349,363.20. Orange Bank and Trust – Sailfish Escrow Account at $12,535.00 and the Orange Bank and Trust Money Market Account is $455,943.45 bring grand total of $817,841.65.

Chairman Crist: Questions for Matt? I would suggest a motion to accept the Treasurer’s Report.

John Dickson: I will make that motion.

Tom Jones: I second.

Chairman Crist: Seconded by Tom. All in favor please say Aye?

All: Aye

7 – Other Business of the Board: Chairman Crist: Consideration of an application change. Please review that Conor.

Conor Eckert: Yes, very briefly, it’s adding an Agency Counsel fee. So, as it currently stands, the IDA doesn’t pay our Counsel for work done on projects, the projects pay’s Counsel directly. Instead of having the project have to or Counsel have to chase down projects and ask for payments directly, we propose to establishing an escrow of $5,000.00 similar to what we did with Loewke Brill, and the applicant will continuously re-fill that escrow as opposed to them reaching out directly. It’s a pretty stream-lined operation, it’s efficient and it’s what all Planning Boards I know of do. Just a cleaner, simpler way to go about Counsel getting paid by projects.

Tom Jones: Question: That obviously increases our liability ensuring that payment takes place or do we already have the responsibility with the Attorney’s.

Conor Eckert: We do and every payment that our law firm submits to us and the applicants is detailed and itemized so we know exactly what they are charging the project every time regardless.

Tom Jones: I guess what I am asking is currently our liability under the current construct, or, I assume this new process are we assuming a new financial liability?

Conor Eckert: No, no, so are you saying in the case of projects, no we are not going to pay to seek Counsel and be liable to pay them? No.

Tom Jones: But in this case we will be now in a sense will be assuming payment responsibilities, right?

Conor Eckert: We will be establishing a third-party escrow that the applicant needs to continuously re-fill to pay the Attorney’s. At no point do we pay them for services rendered to a specific project.

Chairman Crist: I think Tom it would prevent us from approving an application or a project if the applicant didn’t abide by the guidelines or the policy in our application.

Tom Jones: Understood, but there is a replenishment mechanism that is keeping the escrow full, if at any point that they don’t, do we become responsible for any legal fees incurred?

Chairman Crist: It’s not my understanding.

Conor Eckert: If it gets to zero and the applicant doesn’t want to replenish it, the work simply stops on the project because our legal team can’t work on it essentially.

Tom Jones: Just want to make sure.

Conor Eckert: No that’s a good question.

Matt Stoddard: Does the Chair need a motion?

Chairman Crist: I do.

Matt Stoddard: I will make that motion.

Chairman Crist: And that would be to revise our application as just discussed. Motion by Matt, seconded by John Dickson, all in favor please say aye?

All: Aye (Bob Santo on phone) Chairman Crist in favor as well. Motion carried.

Chairman Crist: Anybody opposed? We’re good. Any other business that needs to come before us tonight?

Michelle Kennedy: Chairman Crist it was brought to my attention by Counsel within the last few days that the Counsel is presenting a departure from your ordinary procedure with respect to environmental review. On our application, the Village of Walden Planning Board had spent many months reviewing the project with respect to SEQR and they issued a negative declaration and the common practice of the IDA Board and all other IDA Boards that I am aware of is to concur and acknowledge and accept the negative declaration of the local Planning Board. In this case we have been advised by Counsel that we have to start a new with the IDA Board and that you will be conducting your own environmental review with respect to this project. That presents significant delay for our project and a rather very grave concern that the review would not be as thorough as the Planning Board’s review. They had the benefit of having two Engineer’s present throughout those proceedings which we most likely would not have and Counsel has indicated that this could be accomplished in one meeting, but as I said, in a previous meeting, in the closing documents the applicant accepts indemnification for your proceedings and it’s a concern to me as their Counsel that if that review is not as thorough as the Planning Board’s that actually opens us up to legal challenges so I would respectfully request, and I apologize that your Counsel is not here but I didn’t think that this was an appropriate point during a Public Hearing as it is procedural rather than substantive, but it does, it brings us to what do we do next, in terms of this next meeting, because I have been told by your Counsel that we are to start forwarding to them traffic studies, that we to start forwarding to them and new EAF form and all of this is time consuming, it’s expensive and it does feel like it’s a barrier placed again in front of the project. I realize that you may not be able to make any comment on that but I did want it to be heard that it is a concern and it presents a very serious potential delay.

Conor Eckert: I can speak for that, and it’s my understanding is our Attorney’s requested documents relevant so the Board can make their SEQR determination that it already existed. So, no deviation from the current process, just the standard process in making a SEQR determination.

Michelle Kennedy: I have e-mails from Counsel, and I am certainly going to enter those into Public Record, but she made, Ashley Torre made this very clear, that you would be starting, that you would have to submit a new EAF form, and that you would be starting this process, not that you would accept the negative declaration. They did ask to see everything that was presented, but that you would start the process from the outside.

Conor Eckert: I think there might have been a disconnect, in a sense, we are requesting the documents out of due diligence, in an effort to ensure that the Board can make an adequate SEQR determination not to start the process on our own. There might be a disconnect and I think we should reconnect with our Attorney’s, maybe on a call, as soon as possible. It’s not our intent to re-open this entire process. We have never done that, nor do we intend to begin to that.

Michelle Kennedy: That was my understanding.

Conor Eckert: I think there is maybe a disconnect.

Michelle Kennedy: And I have provided the negative declaration from the Planning Board. I have also provided their parts two and three of the EAF form but if there is more information that you require you know certainly, if that information could be specifically identified, because from what I understand, again this was extended over many months, there were Engineers involved throughout the process and those documents may be, in and of themselves, voluminous also.

Conor Eckert: I think it’s just a matter of just ensuring due diligence while making a SEQR determination not reopening the process itself, but we will reconnect.

Michelle Kennedy: Thank you.

Chairman Crist: Anything else Board to come before us tonight? I suggest a motion to adjourn and I will state our next meeting as I mentioned earlier is September 14, 2021 at 1 PM.

John Dickson: I make that motion.

Chairman Crist: Motion to adjourn by John Dickson.

Bob Santo: I second it.

Chairman Crist: Bob seconded it. All in favor, none opposed. Meeting adjourned, thank you everybody.

Meeting minutes were typed and submitted by Meghan Hurlburt.