

BATAVIA DEVELOPMENT CORPORATION (BDC)
Meeting Minutes February 27, 2019

Attendance

BDC Attendees: Pier Cipollone, Wesley Bedford, Nate Varland, Lori Aratari, Chris Fix, Jake Whiting, and Rachael Tabelski
(Director of Economic Development)

Excused: Martin Moore, Steve Pies, Rebecca Cohen

Guest/Media: Brian Quinn, The Batavia Daily News, Tom Mancuso, Rich Rogers, Travis Gordon

Call to Order

At 8:34 a.m. Pier Cipollone, President of the BDC, called the meeting to order in the Community Room, 2nd floor of City Hall.

Presentations

Batavia Opportunity Zone Fund- Rich Rogers and Travis Gordon presented to the board on Opportunity Zones, and the opportunity for Batavia to set up their own fund to attract private investment. Opportunity Zones were conceived as an innovative approach to spur long-term private sector investments in low-income communities nationwide. The Opportunity Zones provision is based on the 2017 Tax Reform to help address the persistent poverty and uneven recovery that left too many American communities behind. The idea has since been championed by a wide-ranging coalition of investors, entrepreneurs, community developers, economists, and other stakeholders.

City Council lobbied for, and was granted, two opportunity zones in the spring of 2018 (Census Tract 9506- Ward 3 and Census Tract 9510- Ward-6). Inside these census tracts are some of the most critical brownfield development areas, identified in the City's Brownfield Opportunity Area Study including the City Centre, the Harvester Campus, and residential neighborhoods. Re-Development projects in these wards have been challenging to get going, as traditional lending has not stepped in. By setting up a Batavia Opportunity Zone Fund, individuals locally and across the United States can invest their capital gains directly into these transformative projects, and receive a federal tax benefit. It is estimated that investors are lining up to pour Billions of dollars into OZ Funds, and these funds that will lead to meaningful development projects.

Here in Batavia, we have several projects identified that are ready, or near ready to take advantage of the OZ program (Armory, The Harvester Campus, Batavia City Centre Campus, and many other properties).

The BDC is working to launch a Batavia Opportunity Zone Fund, and will request a \$20,000 grant from the City's Revolving Loan Economic Development Fund (RLF). The goal will be to attract \$5 million in private capital investment capital to our City. The \$20,000 grant request would be paid from the City's Revolving Loan Economic Development Fund (RLF) that has a current balance of \$319,000 and more than \$153,000 in outstanding loans that are under repayment to the City.

Enter Executive Session

W. Bedford made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 9:25 a.m. for the following reasons:

- 1.The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion discipline, suspension, dismissal or removal of a particular person or corporation.

The motion was seconded by C. Fix and approved by all members present.

Enter Public Session

C. Fix made a motion to enter back into public session at 9:55 a.m., seconded by L. Aratari and approved by all members present.

W. Bedford left the meeting at 9:58 a.m.

Chairman's Report:

P. Cipollone asked to remove "attorney engagement" letter from the agenda. L. Aratari made a motion to remove this item from the agenda; seconded by C. Fix and approved by all members present.

P. Cipollone announced that the next meeting of the BDC is scheduled for; March 27th, 2019 at 8:30 a.m. at City Hall. R. Tabelski reported that the Board might consider changing the meetings to the last Thursday of the month. City Manager Martin Moore has a conflict on the last Wednesday of each month with Leadership Genesee for the remainder of 2019. An email will go out to board members to check availability.

P. Cipollone presented the meeting minutes from the previous meeting and L. Aratari made a motion to approve the January 23rd, 2019 meeting minutes as presented; seconded by N. Varland and approved by all members present.

Committee Reports:

Governance: Noting at this time.

Audit and Finance:

Financial Statements- The January 2019 financial statements were reviewed with the board, and a brief overview was given. R. Tabelski reported that BDC is doing well with their budget, and has a cash balance of \$74,000 with receivables due from the Ellicott Station project for the sale of the LLC. As previously discussed, some of the organization's insurances were costlier than expected including the Directors and Officers Insurance, General Liability, and the Disability Insurance. In the 2019-20 budget the BDC has budgeted more funding to cover the premiums. Overall the BDC will hope to realize more revenue in this budget year from the administrative fees associated with the Building Improvement Fund and fees from project referrals to the GCEDC.

C. Fix made a motion to approve financial statements; seconded by J. Whiting and approved by all members present.

Audit Fieldwork- Scheduled for April 12th and May 29th

Real Estate/ BOA:

Ellicott Station/ Savarino- Ellicott Station/ Savarino- Brownfield mixed use development. The project remains active on a daily basis, as multiple scenarios, including dividing the projects into multiple stages, are being explored by the City and the developer. We all remain positive that this project will advance to ground breaking and clean up a blighted eye-sore in the center of the City.

Batavia DRI Building Improvement Fund- The BDC received 24 applications for 26 building improvement projects within the Business Improvement District (BID). Currently Rick Hauser with InSite Architecture, and R. Tabelski are working with all of the applicants to help them strengthen their submissions. The BDC board will meet on March 29th to review the applications and make the project selections. Overall the total request for grant funding is \$1.7 million. The BDC has \$540,000 to distribute, but will look to apply for a Main Street Grant program in the 2019 Regional Economic Development Council (REDC) Consolidated Funding Application (CFA) to assist more projects.

Creek Park Hockey/ Recreation Market Feasibility Study- The Creek Park Workgroup met in February to discuss the grant award of the Hockey and Sports Complex Recreation Market Study. Creek Park is one of the City's identified Brownfield Opportunity Area (BOA) sites. The City will be seeking input from the Hockey Workgroup as they prepare a Request for Proposals (RFP) for professional services to conduct a Market Study.

National Grid Grant Applications for City Centre and the Harvester 56 Theater-

The BDC is assisting the City to apply for an “up to” \$100,000 grant from the National Grid Main St. Grant Program. The funds will be used to improve the shell and roof of City owned property located at 35 Batavia City Centre. The Batavia Players local funding and state grant project budget is the existing sources of the project funding and will be used as the match funding for the City to apply and utilize this grant.

The BDC is also assisting the City apply for an “up to” \$250,000 grant from the National Grid Urban Center/ Commercial District Revitalization Grant Program that will be used to enhance the City Centre Urban Renovation capital improvement project scheduled to begin this spring. The City of Batavia will undertake major transformative improvements to the City Centre enabled by several sources of funding. The total project will consist of a feasibility study (structural integrity and utility planning), architectural services, concourse roof replacement, silo roofs, repair and painting, door repair, floor remodel and repair, energy efficiency lighting indoor (overhead and low-level on poles), painting of interior concourse walls, addition of micro-retail kiosks as part of the City’s Master and Brownfield Opportunity Plan. Specifically, the additional funding will enable the City to enhance the project with more “soft cost” study funding to match the \$40,000 Feasibility Study. If the grant is awarded it will enable the city to conduct an \$80,000 Feasibility Study and receive a more robust report of existing conditions and potential for redevelopment in terms of utility and structural engineering options. The grant will also allow for utility infrastructure improvements and lighting enhancement in the concourse that will enhance the City’s efforts to revitalize City Centre. The existing sources of funds [City’s \$637,000 (Centre Roof and Silo project \$627,000 and \$10,000 Feasibility Study Grant match), \$1,000,000 Downtown Revitalization Initiative (DRI) funding, the \$20,000 Empire State Feasibility Study Grant, the Genesee County Economic Development Centre (GCEDC) \$10,000 Feasibility Study Grant] will be used as the match funding for the City to apply and utilize this grant.

Old Business

Nothing to report at this time.

New Business

Batavia Opportunity Zone Fund Partnership Proposal- The BDC board agreed to continue to pursue setting up a fund and looking for investment projects in the City. They also asked that Urban Vantage present a formal contract for consideration.

Adjournment J. Whiting made a motion to adjourn the meeting; seconded by L. Aratari and approved by all member present. The meeting stood adjourned at 10:10 a.m.