

**COUNTY OF CATTARAUGUS  
INDUSTRIAL DEVELOPMENT AGENCY**

**BOARD MEETING MINUTES**

**July 19, 2016**

**CCIDA OFFICE**

**11:15 a.m.**

**9 East Washington Street  
Ellicottville, New York 14731**

**Roll Call:**     -Taken-

**Members**

**Present:**

Mr. Thomas Buffamante -Chairman  
Mr. Joseph Higgins  
Mr. Gregory Fitzpatrick  
Mr. Brent Driscoll  
Mr. Michael Wimer  
Mr. Matthew Keller  
Mr. Joe Snyder

**Excused:**

**CCIDA Staff:**

Mr. Corey R. Wiktor, Executive Director  
Mr. George Cregg, Jr., Agency Counsel  
Mr. Greg Sehr, Upstate Consultants, LLC (IDA Consultant)

**Presenters/Guests:**

Mrs. Crystal Abers – *Catt. County Economic Development Planning & Tourism*

Mr. Rich Miller – *Olean Times Herald*

Mr. John Thomas – *The Villager*

Mr. Robert Dingman – Operator/Operator, New York & Lake Erie Railroad

Mr. John Walgus – Town of Persia- Town Council Member

Chairman Thomas Buffamante called the meeting to order at 11:15 a.m.

A roll call vote of the Board of Directors of the CCIDA was taken and all board members were present.

### **APPROVAL OF MINUTES:**

A Motion was made by Joseph Higgins, with a second by Michael Wimer to accept the June 7, 2016 CCIDA Board Meeting Minutes as presented to the CCIDA Board. **Motion Carried**

### **Presentation – New York & Lake Erie Railroad – Mr. Robert Dingman**

Mr. Wiktor introduced Mr. Robert Dingman – Owner/Operator New York & Lake Erie Railroad to do a brief presentation/update to the CCIDA Board. Mr. Dingman stated that New York & Lake Erie Railroad's one new objective is to preserve and improve Buffalo to Jamestown Rail Corridor. They plan to utilize the corridor as an anchor to attract new and strengthen existing, tourism business, increase public mobility and preserve commercial freight. Mr. Dingman advised that as tourist demand grows they would like to explore viability of operating commuter trains between Buffalo and Jamestown for events, labor access, and easing traffic congestion.

The total of 66.7 Mile Corridor is managed by three (3) different entities. Erie County IDA manages 30.2 miles, Cattaraugus County IDA owns 25.7 miles, and Chautauqua County's 10.8 miles is owned by STERA, leased to NS, and sub-leased to Western New York & Pennsylvania RR.

Mr. Walgus from the Town of Persia and currently holding the office of Town Council Member. Mr. Walgus spoke about his relationship with Bob Dingman and how he asked Mr. Dingman to run for the Town of Persia Board. Mr. Walgus also spoke about forming the Economic Development Committee with Mr. Dingman for the Town of Persia. Crystal Abers and Corey Wiktor were involved in meetings that dealt with the Brownfield Opportunities assessment grant where 17 acres were designated in the Town of Persia for redevelopment. The Town of Persia is currently through the first phase of the investment grant and working on phase two. Realizing that freight could be a viable commodity for the freight line in the future but needed to find another avenue of revenue and tourism has done that for the rail line. The future goal is to keep the rail line open from Hamburg to Jamestown.

Mr. Wiktor discussed the meeting that was held last November 30, 2015 when the various Railroad operators got together to discuss the probability of working together to come up with a viable relationship that would benefit all parties.

Mr. Dingman stated to the CCIDA Board that a \$732,000 grant was just received from the NYS Department of Transportation that NYLE's 2015 Passenger and Freight Rail Assistance Program grant application to upgrade the line from South Dayton to Cherry Creek had been selected for funding. The remaining \$88,000 needed to complete the project will come from the NYLE. Completion of this rehabilitation project will allow them to return tourist trains to Cherry Creek, which will have a positive impact on the local economy.



Mr. Dingman handed out to all Board Members the Buffalo-Jamestown Rail Corridor Proposal dated November 30, 2015. This proposal was used during the meeting on November 30, 2015 in Buffalo, NY. Mr. Dingman stated that there is a lot of work to be completed however, with the grant awarded this will be a obtainable goal for all involved. Mr. Dingman mentioned that the NY & LE Excursion Business is picking up with the Santa Runs, Peter Cottontail and the Memorial Day Weekend runs. Mr. Wiktor stated that all of these excursion runs have been very well received and most all of them have been sold out. For example the Santa Run had 1,200+ people that participated in this event.

Mr. Dingman said that Gov. Cuomo announced \$16.3 million NYS Rail Infrastructure Improvements, \$4.3 million for railroads in Buffalo-Jamestown Corridor (26.4% of the total awarded)

Mr. Snyder asked Mr. Dingman about the \$200 M insurance that must be carried in order to use the Norfolk/Southern Rail Line. This amount of insurance is a Norfolk/Southern requirement and Mr. Dingman has made the suggestion to take Norfolk/Southern out of the equation. Norfolk/Southern has long term rights to the Corridor.

Mr. Dingman stated that after considerable research, the benefits that would be provided by tourism along the corridor has the potential to generate an amazing amount of money in economic impact to the communities along the corridor. Mr. Dingman said that the industrial component could not be reinvented so the best way to move forward is with the tourism aspect.

Mr. Walgus made a suggestion that a position be created or an assignment of an Authority to manage the corridor.

Mr. Dingman mentioned that Titusville has had great success with tourism train excursions which have been very profitable.

Mr. Wiktor stated that an Engineering Consultant has been hired to put together a CFA application that is to be submitted by July 29, 2016. Mr. Wiktor is planning a meeting to be conducted in Gowanda sometime late the week of July 25, 2016. Mr. Wiktor stated that the awards are announced sometime in December. Mr. Wiktor wanted to thank Mr. Dingman and Mr. Walgus for their continued support.

**\*Resolution from prior Application/Project that are in process\***

**Win-Sum Ski Corp.:** A Public Hearing on this proposed project was held on **June 29, 2016** at 9:00 a.m. at the CCIDA Offices. Minutes for the public hearing were included in your packets for the CCIDA Board review. For the record no one was in attendance at this Public Hearing, nor did the Agency receive any comments in regards to this proposed project prior to or after the official public hearing date.

A **Motion** was made by Brent Driscoll, seconded by Matthew Keller, **RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR WIN-SUM SKI CORP. (THE "COMPANY")**. A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller, Mr. Wimer and Mr. Buffamante voting yes. **Motion- Carried.** *(Mr. Buffamante did note that his firm has done work for Win-Sum Ski Corp. but has no financial interest or direct involvement in this proposed project. In addition, Mr. Wimer did note that the CCB has been involved in various financing projects with Win-Sum Ski Corp. but has no financial interest or direct involvement in this proposed project.)*

Mr. Wiktor invited Mr. George Cregg, Jr. to review the Supplemental Resolutions that are being presented to the CCIDA Board. Mr. George Cregg, Jr. reviewed the Supplement to Approving Resolutions that are being seen by the Board for the first time. This legislation went into effect on July 15, 2016, therefore to be compliance Hodgson Russ designed the new Supplemental Resolution on any projects in the works but not closed by the July 15, 2016 date.

Mr. Wiktor mentioned that with Win-Sum Ski Corp. and HoliMont Inc. that request mainly sales tax exemption and in some cases a PILOT that the initial investment has already been made prior to the CCIDA receiving the request for the Sales Tax exemption letters. The claw back policy would not pertain to this instance however, it could be used in the case of a PILOT or blanket sales tax letter which is used on a larger scale project.

Mr. Wiktor discussed with the Board that the job information (employment numbers) are received each year on individual projects and reported in December under the PARIS Report. This new legislation is not unfamiliar to the CCIDA because we have been proactive with many of the new requirements.

After much discussion with the CCIDA Board a few adjustments were made and will be incorporated into the revised application. This new format will be used on all applications going forward due to the new legislation requirements. Mr. Cregg mentioned that the description of the expected public benefits should be measurable so that if recapture is necessary there will be a way to track the various criteria of the project to make sure that they are meeting the expectations/quota as submitted in the application.

Mr. Wiktor discussed the Olean Lodging Partnership project in Olean, the renovation of the Hampton Inn into a Holiday Inn Express. This project qualifies as a "tourism destination" project in the City of Olean, NY. This is a \$2,400,000+ project for the Olean area. The property taxes that are being paid currently are over \$100,000 per year, therefore they want to make sure that their taxes remain constant for the next 10 years. The PILOT would be on the value added and would be a 10 year PILOT.

Mr. Wiktor said that he has been over to see the renovated outside of the hotel and it has made a big improvement on the ascetics of the hotel and was a project that needed to be done.



**\*Olean Lodging Partnership:** A Resolution supplementing the terms of an approving resolution adopted by the agency on June 7, 2016 regarding a certain lease/leaseback transaction for the Olean Lodging Partnership Project.

A **Motion** was made by Brent Driscoll, seconded by Michael Wimer, **RESOLUTION SUPPLEMENTING THE TERMS OF AN APPROVING RESOLUTION ADOPTED BY THE AGENCY ON JUNE 7, 2016 REGARDING A CERTAIN LEASE/LEASEBACK TRANSACTION FOR THE OLEAN LODGING PARTNERSHIP PROJECT.** A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller, Mr. Wimer and Mr. Buffamante voting yes. **Motion- Carried.**

**\*49 S. Water Street, LLC:** A Resolution supplementing the terms of an approving resolution adopted by the agency on March 15, 2016 regarding a certain lease/leaseback transaction for the 49 S. Water Street, LLC Project.

A **Motion** was made by Brent Driscoll, seconded by Joseph Higgins, **RESOLUTION SUPPLEMENTING THE TERMS OF AN APPROVING RESOLUTION ADOPTED BY THE AGENCY ON MARCH 15, 2016 REGARDING A CERTAIN LEASE/LEASEBACK TRANSACTION FOR THE 49 S. WATER STREET, LLC PROJECT.** A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller, and Mr. Buffamante voting yes. **Motion- Carried.** Mr. Wimer abstained

#### **FINANCIAL REPORT:**

A **Motion** was made by Joseph Higgins, seconded by Brent Driscoll to approve the June 2016 Operating Statement as prepared. **Motion - Carried**

Mr. Wiktor stated that \$4,731 income was received in the month of June 2016. The income received by the Agency was in regards to an Application fee and sales tax letters for Holiday Valley.

Mr. Wiktor advised the CCIDA Board that the income is down, we are currently \$71,125 in the red; however we currently have several projects that are in the closing stages (ten projects). These ten projects are approved and ready to close and are just waiting for the developers/investors to provide the final information that is needed for the closing. We also have about \$22M of proposed projects in the pipe-line which will be 2016 applications with closing in 2017. Mr. Wiktor mentioned that the natural gas projects that were discussed in 2015 are now put on hold for National Fuel Gas Corp.

#### **EXECUTIVE DIRECTORS REPORT:**

**Annual performance report on New York States Industrial Development Agencies:** This report is for fiscal year ending 2014 – from the Office of The New York State Comptroller, Thomas DiNapoli, State Comptroller. Cattaraugus County IDA is measured in terms how much it cost to create a job (net exemptions per job gained) and it figured out to \$383.00 per job. This figure is very low compared to other Counties, we are doing the best that we can do



to bring jobs and retain jobs in our County. This report is a very interesting comparison to other IDA's in and around our area as to how we compare to what other IDA's are doing.

**Olean Business Development Update:** We will give an overview and status update of the Olean Business Development (project) update. To date, the former OBI Building is 99% completed! Corey will give an update to the Board in regards to the IDA's Office, programming updates, etc. They are planning an Open House on September 22, 2016 from 4 – 7:00 p.m. Mr. Wiktor advised the CCIDA Board that the monies have been paid for the 5 year lease of office space and our office will be ready to occupy by September. Mr. Wiktor said that he and Larry Sorokes have toured the building and Mr. Wiktor has picked out a space for the CCIDA Office. Mr. Wiktor said that the building remodel is looking great and will be a great asset to the walkable Olean makeover.

**Olean Times Herald Article:** By: Rick Miller, July 7, 2016 "*Cattaraugus County 2017 Budget preparations underway.*" Informational article highlighting a few very large projects that the IDA has been part of and worked on. The article mentions that the National Fuel Gas compressor station project in Hinsdale and the National Grid power station in Humphrey specifically. The State Office of Taxation and Finance is not allowing the National Fuel Gas, natural gas compressor station in Hinsdale or the National Grid power station in Humphrey to be part of the county's increased assessment in 2017. These two projects added \$70 million in value and the County was expecting a very positive bump, that is large enough to have an effect on overtax rates in the county. Mr. Searles stated that the county won't be able to add the value of the power plants until 2018.

**Dunkirk Observer Article:** Dated: July 4, 2016: "*Gowanda's rail to connect with Cherry Creek after Grant*". Very informational article regarding the NY & LE Railroad's recent NYSDOT Grant being used to connect Gowanda's rail system with Cherry Creek.

**Olean Times Herald Article:** By: Rick Miller June 12, 2016 "*New York & Lake Erie Railroad get \$732,000 grant funding partly based on tourism*". This article is in regards to recent highlights of the Railroad. Out of more than \$46 Million in applications, the New York State Department of Transportation awarded \$16.3 million for rail projects and the applicants are expected to invest another \$13.7 million. Mr. Dingman covered much of this information in detail with his very informational presentation at today's CCIDA Board Meeting. Further information will be updated as it is available on the progress.

**Olean Times Herald Article:** By: Rick Miller July 7, 2016 "*Studies approved for proposed Route 219 Expressway.*" Very good news in hopes of the continuation on US Route 219! More information and details to follow! Sen. Young thanked Gov. Andrew Cuomo and DOT Commissioner Mr. Driscoll for backing the studies needed to restart construction of the remaining 23 miles between Ashford and Salamanca. "Building the expressway would put people back to work in good-paying jobs and help Western New York be more competitive in economic development. " Senator Young said. "It will enhance tourism and bring more visitors to our region to enjoy our recreational assets, such as Allegany State Park, ski and golf resorts, area wineries and other attractions, bringing more prosperity to the Southern Tier"



**Albany Business Review:** Dated: July 11, 2016 “Longtime Economic Development group leader retiring. Mr. Brian McMahon to step down in July 2017 as Head of New York State Economic Development Corp. Brian has been a tremendous leader and friend to economic development for many years, he will be certainly missed! The New York State Economic Development Council has been a great asset in the Economic Development areas in Cattaraugus County and especially to our Executive Director.

**2016 Summer NYSEDC Board Meeting & Seminar:** August 23, 2016 at Saratoga Springs, NY. Registered Mr. Corey Wiktor and Mr. Greg Sehr to attend this NYSEDC Board Meeting and Seminar. This yearly seminar and board meeting is held by the NYSEDC each year in Saratoga Springs, NY and is very well attended and very informative. Mr. Wiktor will give an update at the next CCIDA Board Meeting.

**NYSEDC:** Letter from Mr. Brian McMahon – NYSEDC thanking Mr. Wiktor for participating/teaching a section of the **2016 Basic Economic Development Course** which was held in June 2016. This was a very well attended event for new comers to the Economic Development field. Mr. Wiktor was honored to be chosen to participate in this event and be able to add to the education of our future economic development leaders.

**2016 Manufacturing Summit:** An invitation was received to attend Mr. Tom Reed’s Manufacturing Summit to be held at Corning-Painted Post High School on July 26, 2016. This is a great event which is very well attended each year and Mr. Wiktor is always happy to have the opportunity to attend.

**Annual Dinner Meeting:** Cattaraugus County Planning Board Annual Dinner Meeting to be held on July 27, 2016 at the Hinsdale American Legion. The guest speaker at this event will be Jay Bailey, Regional Director NYS Parks Allegany Region. If any Board member would like to attend, please let us know.

**Olean Times Herald Article:** By: Kelsey Boudin June 13, 2016 “*Olean Business Development to offer \$300K in grants to downtown.*” *This is very exciting news for local businesses in the City of Olean looking to improve their site.* Mr. Sorokes described a tiered funding plan that would allocate chunks of money to eligible properties based on the scope of their plans. Approvals and funding sums will be based upon several criteria suiting current downtown efforts.

**The Buffalo News:** dated: July 11, 2016 “*Leadership Allegany and Leadership Cattaraugus announce the fourth annual leadership summit*” to be held at St. Bonaventure University on August 4, 2016. This will be the fourth annual summit and is a one day leadership symposium that teaches examples and ideas for professional development. An update will be given at the next CCIDA Board Meeting.

**Zoar Valley:** Corey attended the ground breaking of the ***Zoar Valley Recovery and Treatment Center*** that was held on June 28, 2016 at 49 S. Water Street, Gowanda, NY. The \$1.5 million Zoar Valley Recovery and Treatment Center will provide Western New York Residents with a state of the art behavioral health facility, conveniently located in downtown Gowanda.

**Business First Article:** dated: July 14, 2016 “*Economic forecast for Canada is downgraded.* The Bank of Canada is slightly more pessimistic about the economic prospects for their Country. Canada’s central bank has lowered its forecast for economic growth, reacting to “disappointing export figures, weaker business investment both at home and in the United States and global uncertainty.

**General Project Updates:** Review of various projects in process.

### **ADJOURNMENT:**

A **Motion** to adjourn the CCIDA Board Meeting was made by Joseph Higgins, seconded by Brent Driscoll at 1:30 p.m. **Motion Carried.**

**\*The next CCIDA Board of Directors meeting: Tuesday September 20, 2016 at 11:15 a.m. at CCIDA Office in Ellicottville, New York.\***