

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

BOARD MEETING MINUTES

March 14, 2017

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. Greg Fitzpatrick
Mr. Brent Driscoll
Mr. Joe Snyder
Mr. Dick Giardini

Excused:

Mr. Michael Wimer (Work related)

CCIDA Staff:

Mr. Corey R. Wiktor, Executive Director

Presenters/Guests:

Ms. Denise Veloski – *RA Mercer & Co., P.C.*

Mr. John Thomas – *The Villager, Newspaper*

Chairman – Thomas Buffamante called the meeting to order at 11:17 a.m.

A roll call vote of the Board of Directors of the CCIDA was taken; Mr. Michael Wimer was excused from the meeting.

APPROVAL OF MINUTES:

A Motion was made by Brent Driscoll, with a second by Joseph Higgins to accept the February 2, 2017 CCIDA Board Meeting Minutes as presented to the CCIDA Board. **Motion Carried**

Presentation of 2016 CCIDA/CCCRC Audit:

Mr. Wiktor first discussed to the CCIDA Board that an Audit Committee Meeting was conducted on March 10, 2017 at 8:30 a.m. to discuss the DRAFT 2016 Audit. Copies of the minutes from that meeting were provided to the CCIDA Board at today's meeting for their review.

Mr. Brent Driscoll, Audit Cmt. member made a motion to accept the minutes and proceed with the Audit Presentation. Mr. Gregory Fitzpatrick seconded this motion. **Motion Carried**

Mr. Wiktor next turned the floor over to Denise Veloski from RA Mercer & Co. P.C. to make her presentation of the 2016 CCIDA/CCCRC Audit. Ms. Veloski passed out hard copies of the proposed 2016 Financial Audit to each Board Member for their review.

Ms. Denise Veloski stated they an Audit was conducted in accordance with accounting principles generally accepted in New York State. Ms. Veloski next discussed the financial highlights of the Agency. The Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,294,094 for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,468,036. The unrestricted net position of \$1,045,547 represents the portion available to maintain the Agency's continuing obligations to citizens and creditors.

The Agency revenue for the year ended December 31, 2016 totaled \$136,088 of which \$118,820 was from charges for services provided by the Agency. The \$11,260 was from the service agreement between the Agency and the Cattaraugus County Capital Resource Corporation, and \$2,545 was earned from investments.

In 2016, the Agency induced nine direct projects for a net investment of nearly \$34,000,000 in total private sector project costs. In 2016, the Agency reported a gross revenue decrease from 2015 and a decrease in net position due to various project closings being delayed for reasons beyond the Agency's control.

Mr. Wiktor stated that we currently have approximately \$22+ Million in projects that have been induced and we are waiting for the developer to close the project and begin construction. Mr. Wiktor advised the CCIDA Board that we have two (2) projects that are online to close in April of 2017, as well.

The lack of revenue for 2016 was mainly due to the lack of closings on induced projects, reasons again beyond the Agency's control.

Denise Veloski also mentioned that the Agency had a net pension liability outstanding of \$18,480 and \$25,655 at December 31, 2016 and 2015 these amounts are included on the financial statements in the long-term liabilities section. This is a new way of reporting the New York State Pension liability for the year.

In review the schedule of Bonds Mr. Wiktor mentioned the refinance of the St. Bonaventure University Bonds which was actually a fall of 2015 application, closed with the CRC in the spring of 2016. This deal was for \$6,065,000 which saved the University approximately \$200,000 with all closing costs included in the Bond transaction.

Denise Veloski reviewed the schedule of leases, five (5) new leases were reported and two (2) PILOTS reported for 2016.

Denise Veloski next discussed the Management Letter where RA Mercer & Co., P.C. made a recommendation that a written agreement be put in place for the prepaid rent at the Olean Business Development Corp. for five years pre-paid rental of office space. This agreement was originally authorized by the CCIDA Board of Directors, however just an e-mail from Larry Sorokes was received to confirm the receipt of the pre-paid rent.

Mr. Wiktor thanked Brent Driscoll for taking care of putting the lease agreement together after the recommendation by RA Mercer & Co. Mr. Wiktor advised that the recommendation has been fulfilled and a lease agreement has been fully executed by both parties and given to RA Mercer & Co. and is on file at the CCIDA Office. Mr. Wiktor explained that the office is 120 square feet and looks out over Sullivan Street, very nice office with a great view.

Mr. Buffamante asked if the 2016 Annual Audit is reported to the State and posted on the CCIDA website. Mr. Wiktor stated that all information in regards to the Annual Audit must be reported to New York State via Paris Reporting by March 31, 2017.

A Motion was made by Brent Driscoll, seconded by Joseph Higgins to accept the 2016 Annual Audit performed by RA Mercer & Co. P.C. as presented to the CCIDA Board. All Board Members were in favor, Mr. Weimer was excused. **Motion Carried**

Resolution from a prior Application/Project that is in process

-North Delaware Holdings LLC/Stillhouse of Buffalo LLC - A Public Hearing for this proposed project (February 2, 2017 Application) was conducted at 10:00 a.m. on March 1, 2017 at the CCIDA Offices, 9 East Washington Street, Ellicottville, NY. The Minutes of the public hearing were included in your packets for your review prior to any action being taken at this meeting. For the record, there was no one in attendance at this Public Hearing. In addition, no comments were received prior to or after the public hearing regarding this proposed project.

Mr. Wiktor stated that North Delaware Holdings LLC/Stillhouse of Buffalo LLC is seeking sales tax, mortgage recording tax, and our Tourism Destination PILOT for this proposed project, with anticipated construction starting date in the summer of 2017.

RESOLUTIONS:

A **Motion** was made by Vergilio Giardini, seconded by James Snyder, **RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF NORTH DELAWARE HOLDINGS LLC AND STILLHOUSE OF BUFFALO, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.** A Roll Call vote was taken with, Mr. Driscoll, Mr. Fitzpatrick, Mr. Giardini, Mr. Snyder, Mr. Higgins, and Mr. Buffamante voting yes. Mr. Wimer was excused. **Motion- Carried.**

A **Motion** was made by Gregory Fitzpatrick, seconded by Brent Driscoll, **RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR NORTH DELAWARE HOLDINGS LLC AND STILLHOUSE OF BUFFALO, LLC.** A Roll Call vote was taken with, Mr. Driscoll, Mr. Fitzpatrick, Mr. Giardini, Mr. Snyder, Mr. Higgins, and Mr. Buffamante voting yes. Mr. Wimer was excused. **Motion-Carried**

***CCIDA Active Project Update: –**

Sale Leaseback Application: 49 S. Water Street, LLC had asked the County of Cattaraugus Industrial Development Agency (CCIDA) to consider their application for the construction of a new medical office that will be constructed in Gowanda, New York. The developer submitted their application to the CCIDA Board on February 4, 2016 and sought the Agency's 10 Year Commercial PILOT, NYS Sales Tax Abatement and NYS Mortgage Recording Tax Abatement.

The applicant is constructing a new one story, 9,500 square foot facility to serve the needs and patients in the Cattaraugus/Tri-County Region. The project will add roughly 16 net new employees to Cattaraugus County when completed. In addition, many local contractors, trades & suppliers are being used to construct the project, which is currently under construction

Mr. Wiktor discussed the 49 S. Water Street Project with the Board, stating he attended the ground breaking last July by the developer Savarino Companies from Buffalo, NY. Pictures that were taken by Mr. Wiktor were passed around to all board members that showed the construction in progress. This is roughly a \$2 Million dollar project in Gowanda. This will be a 9,500 sq. ft. mental health office building for the State of New York. This will remain on the tax rolls and will bring in net new jobs of 15-17. This will be a 10 year lease with the Department of Health. Mr. Wiktor was at the construction site of this project and the project superintendent stated that they have been using all local suppliers and tradesman whenever possible for this particular project. This is a very exciting project for Gowanda; they are looking at having this facility open by September 1, 2017.

NY & LE Railroad Study – Funding Request:

Mr. Wiktor stated that in February the CCIDA was asked to help fund a study to be performed to evaluate the current railroad infrastructure on the Buffalo to Jamestown Corridor. The cost of this study is \$60,000 of which Jamestown has pledged \$30,000. This project has received a wide range of support from communities located along the proposed route in Erie, Cattaraugus and Chautauqua Counties including the Town and Village of Hamburg, towns of Eden, North Collins and Collins in Erie County, and the Villages of Gowanda and South Dayton. To date \$40,000 of the \$60,000 amount solicited has been raised. The CCIDA is the underlying owner of the corridor property and railroad tracks between Gowanda and Waterloo. Mr. Wiktor also stated that to apply for many grants they require a substantiated study to be done before future money will be granted to rehabilitate the trail line. After our February CCIDA Board meeting we received a number of calls to ask why we were not supporting the railroad study request. We also received several Resolutions from Towns located along the rail line asking for us to reconsider the request for funds to perform the study.

Mr. Wiktor has asked Richard Zink from Southern Tier West to partner with the CCIDA and go half on the \$5,000.00 that was requested. Southern Tier West has agreed to put in \$2,500 and also Richard Zink has asked the Southern Tier West foundation for another \$2,500.00.

Mr. Wiktor has also discussed with Mr. Dingman the possibility of timbering the property along the rail line to pay back the money that we put up for the study. This is being looked at by Mr. Dingman and his crew.

Mr. Buffamante stated that he supports the \$2,500 contribution to the study, as owners of the rail line he feels that it is appropriate to contribute to this cause. He also stated that not knowing how the study will come out, the study will get done with our support or not. These studies are required to go after federal/state money to fund this type of project. Mr. Buffamante stated that this study could be mechanism to transfer ownership of the rail road to another entity or shut it down all together.

A proposal was made to make a contribution of \$2,500 to complete a study for the Railroad to determine the future railroad usage in Western New York. A Roll Call vote was taken with Mr. Driscoll, Mr. Fitzpatrick, Mr. Higgins, and Mr. Buffamante voting yes. Mr. Giardini and Mr. Snyder voted no. Mr. Wimer was excused. **Motion-Carried**

FINANCIAL REPORT:

A Motion was made by Thomas Buffamante, seconded by Brent Driscoll to approve the February 2017 Operating Statements as prepared. **Motion – Carried**

Mr. Wiktor reported that there was \$1,500 of income received in February 2017, resulting from the application fee for North Delaware Holdings LLC/Stillhouse of Buffalo, LLC. We have also received \$4,000 in income from HoliMont Inc. for sales tax letters, this amount will be reflected in the March 2017 financial statements.

Mr. Wiktor mentioned that there should be two (2) closings in April 2017, which are Olean Manor and Ellicottville Brewing are on line to close which are close to \$20 Million. We are also anticipating one and possibly two applications to be submitted and brought to the April 2017 CCIDA Board Meeting.

Mr. Wiktor stated that by the time that April/May 2017 Financial Statements are prepared and they should be a much different look.

-Internal (IDA Meetings/Discussions):

Mr. Wiktor has added a new section in the agenda for internal IDA meetings/discussions. Going forward, the Director's Report will include headlines on the various meetings, events, discussions that the IDA has held and conducted since the previous Board meeting, to better update the Board of Directors.

- ✓ Recently submitted a property site request from Invest Buffalo Niagara, in relation to **Project Patrol**. This is relating to a very large manufacturing project looking for approximately 20 acres of land in Olean, NY. We plan on meeting later today to discuss the Company and what their specific needs are. This is an outside Company looking for a North East location.
- ✓ Met with Mr. Timothy Jacobson, who is looking to do a small scale, private label ammunition manufacturing business in Mansfield, New York. Mr. Jacobson has received his approval from the Town of Mansfield, NY and is looking at moving forward with this project. Crystal has been working closely with the CCIDA on this proposed project..
- ✓ Met with an Ellicottville manufacturer in regards to a small expansion and project.
- ✓ Met with a local "tourism destination facility" to review and complete an application for the IDA to consider. Proposing to be on the April Agenda.
- ✓ Met with Greg Sehr for a very lengthy meeting in regards to a possible project here in Cattaraugus County. Will be gathering additional information.
- ✓ Sent incentive package and IDA overview (along with discussion) to a manufacturer located in Portville, NY considering a possible expansion project.
- ✓ Met with ESD Rep' twice over the past month to discuss area projects and how the State can offer incentives to help the various projects come to fruition.
- ✓ Further Railroad meetings with various Officials in regards to the proposed investment and reconstruction of area rail lines to link Buffalo to Jamestown through the New York & Lake Erie Railroad.
- ✓ Met again with a local engineering firm to discuss ideas on a possible office park in Cattaraugus County. Further ideas to come in the next few months, after meeting with some commercial developers in WNY.
- ✓ Meeting set up with Dan DeRose, President of Mazza Mechanical for March 22nd in Olean.
- ✓ Meeting set up with Horace Goia who is representing some investors in regards to some possible Adaptive Reuse Projects within Cattaraugus County.
- ✓ Met with Adam Lazar in Buffalo & Randy Sprague at his Portville operation, in regards to his Asarasi beverage project that will be working with a Cattaraugus County entity looking to do a small scale bottling line/operation. Last year Adam Lazar sold approximately 250,000 bottles of his Asarasi product. He currently has an order for 200,000 bottles of water. Randy Sprague provides all of the water for this project and it is shipped to Mayer Brothers in Buffalo, NY for bottling.

Asarasi won \$400,000 last year in the 43North competition which was his second time entering this competition derived by the Buffalo Billion.

- ✓ Attended the National Fuel/Pipeline Public Hearing that was conducted at SBU ON Feb. 7th in regards to their proposed Northern Access Project.
- ✓ Met with two Western New York developers to discuss a possible significant development project in Cattaraugus County. Possible 2017 project.
- ✓ Recently met with 3032 Penn, LL. Project which is Dave's Christmas Tree World. This proposed project will be located in Franklinville, NY. They have just recently closed on the property so that they can get started on the renovations to the building to provide much needed warehouse space.
- ✓ Met with Catherine Muth, Buffalo Niagara Partnership to further discuss development opportunities through the CanAm Council. Additional meetings planned.
- ✓ Spoke to a representative with Composite Panel Solutions Project that was approved in 2016. We will be setting up a meeting with the Economic Development Team in the next few weeks to discuss the project further. Looking to reconnect the last week of March to get an update on the project that is to be located in Little Valley, NY.
- ✓ Have a meeting set up on March 17th with Krog Development to discuss the Exit 25 Project in Olean. This project was approved in 2015, after my meeting on March 17, 2017 I will give an update at the April 2017 CCIDA Board Meeting.
- ✓ Met with Brian Mack, discussed possible distribution project in the County.
- ✓ Met with Randy Treadway in Little Valley who is considering doing a small scale new manufacturing project in Allegany, NY. Mr. Treadway's Company makes fiberglass body parts for the cart racing world. Mr. Treadway has a business in Cuba, NY and is looking on relocating this manufacturing facility to Allegany, NY.
- ✓ Met with Joanne Campagna (Bank of America) and Mr. Richard Schecter, commercial realtor, about sites and various financing packages available to area companies in hopes of luring them to the various sites within the County. More to come on this.
- ✓ Met with Olivia Hill from the Hamburg IDA in regards to possible projects for area companies-supply chain type projects.
- ✓ Met with Eric Garvin, Community Bank, N.A. to discuss area businesses and the various trends in business lending.
- ✓ The Cattaraugus County Economic Development Team will be hosting a business outreach forum in April to make ourselves readily available to area businesses. This event will take place with all members of the team and each respective agency/board.
- ✓ Looking to establish a monthly business roundtable hosted by the IDA. Details forthcoming on various topics and speaker agendas.
- ✓ Setting up many future meetings/discussions to continue our business outreach.
- ✓ Met with Don Benson and a partner of his that are considering a fairly large project on Homer Street in Olean, NY. The Company has not been named however the project has been proposed to be on part of the 30 acres owned by Don Benson. Mr. Benson and his partner would be the contractors for this large project.

-External (Points of Interest relating to the CCIDA):

- ✓ **Invest Buffalo Niagara:** Put together a recent update Labor Market Study that outlines the advantages of citing a business in Cattaraugus County. Very interesting information. I can send via email to Board Members should they wish.

- ✓ **NYSEDC:** By: Brian McMahon Memorandum on: (1). Start-Up NY Regional Forums (2). NYSEDC Membership Development Campaign (3.) NYSEDC Annual Awards (4). "Save the Date" for NYSEDC's 2017 Economic Development Conference. General updates in regards to NYSEDC and some various topics that will be surrounded by the State's Budget Adoption.
- ✓ **State Senator Catherine Young Letter:** Letter to State Senator Young to ask for support an important economic development initiative that would provide \$50 million over four years to fund the Shovel-Ready Site Certification Program, which is administered by Empire State Development (ESD). Funding for this initiative was not included in the Executive Budget proposal; this would have to be added by the legislature in the final budget agreement.
- ✓ **Olean Times Herald article:** By: Rick Miller – February 22, 2017 "*Recent weather good recipe for early maple sap run*" Cold nights and above-freezing temperatures during the day are a recipe for a good run of maple sap this time of year. Randy Sprague is excited that the recent weather has been good for the sap run.
- ✓ **Buffalo Business First Article:** "*The crazy tale of Asarasi, the 43North winner that was founded because of 43North*" The Company was founded by Adam Lazar in 2014. The Asarasi proposition, was submitted to 43North in 2014, was to turn maple sap excess water into a drinkable product.
- ✓ **Buffalo Business First Article:** dated: February 6, 2017 "*Real Steel: A look at the new fireman's axe being manufactured in Franklinville*" Ontario Knife Company manufactures hundreds of thousands of fixed-blade knives at its Franklinville factory each year, from kitchen utensils to bayonets. The Company is doing a run of 500 fireman's axes this year based on conversations with Western New York based fire professionals, who asked for a multi-functional product. The result is an ergonomic axe with the traditional features, including a blade for chopping and a pick for poking holes in walls. The design also includes a wrench that can unscrew a fire hydrant and a pry bar.
- ✓ **Fox Business:** dated: March 6, 2017 "*Exxon to Invest \$20 Billion on U.S. Gulf Refining Projects*" Exxon Mobil Corp., the world's largest publicly traded oil producer, said on Monday it would invest \$20 Billion through 2022 to expand chemical and refining plants on the U.S. Gulf Coast. The investments at 11 sites which could be as high as 20 sites and should create 35,000 temporary construction jobs and 12,000 permanent jobs. We are hoping some of this filters down to Dresser.
- ✓ **Olean Times Herald Article:** By: Rick Miller dated: February 8, 2017 "*Packed house for hearing on Northern Access Pipeline*" Corey Wiktor attended this meeting at Saint Bonaventure – Doyle Hall in support of this \$455 million dollar Northern Access Pipeline Project. A portion of this project would be in Cattaraugus County.
- ✓ **Buffalo Niagara Partnership:** 2017 Advocacy Agenda – the Policy priorities at three levels: Federal/State/Local. Rolled out by BNP, business advocacy items that we would like to see contained with NYS Budget.

ADJOURNMENT:

A **Motion** to adjourn the CCIDA Board Meeting was made by Vergilio Giardini seconded by Joseph Higgins at 12:55 p.m. **Motion-Carried.**

***The next CCIDA Board of Directors meeting: Tuesday, April 18, 2016 at 11:15 a.m. at "Olean Business Development Building – 3rd Floor, Laine Conference Room"**