

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

BOARD MEETING MINUTES

April 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. Matthew Keller
Mr. Brent Driscoll
Mr. Joe Snyder

Excused:

Mr. Michael Wimer

CCIDA Staff:

Mr. Corey R. Wiktor, Executive Director
Mr. George Cregg, Jr., Agency Counsel

Mr. Gregory Sehr, Upstate Consultants, LLC. (IDA Consultant)

Presenters/Guests:

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

Mr. Pete Dandrea – *President, Composite Panel Solutions*

Mr. John Thomas – *The Villager*

Chairman Thomas Buffamante called the meeting to order at 11:16 a.m.

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

APPROVAL OF MINUTES:

A Motion was made by Brent Driscoll, with a second by Joseph Higgins to accept the March 15, 2016 CCIDA Board Meeting Minutes as presented to the CCIDA Board. **Motion Carried**

***NEW APPLICATION/PROJECT:**

-Composite Panel Solutions: Composite Panel Solutions has asked the County of Cattaraugus Industrial Development Agency (CCIDA) to consider inducing their proposed project to be constructed in the Town of Little Valley, New York.

CPS is proposing to construct a brand new, ground up 80,000 sq. foot manufacturing facility that will also include new manufacturing equipment, as part of the project. These moves are needed to accommodate the growth in business that they are currently experiencing. This project will allow them to grow their business, which has been in operation for over 75 years. Currently headquartered in Cattaraugus, New York, Composite Panel Solutions employs roughly 34 people. **The total project cost/investment is \$3,500,000**

Mr. Wiktor first introduced Mr. Pete Dandrea, President of Composite Panel Solutions Inc. currently located in Cattaraugus, New York. Mr. Wiktor stated that several local departments were involved with bringing this application to fruition, after working with Composite Panel Solutions Inc. for approximately two years.

Mr. Dandrea stated that Composite Panel Solutions Inc. is a major global manufacturer of components for transit, marine, industrial and commercial applications. For over 75 years, CPS has been producing a quality built, value engineered composite product. CPS continues to be one of the most diverse composite product suppliers in the industry today. Their goal is to serve their customers by supplying valuable solutions to their problems and in doing so grow their state-of-the-art facility to meet and exceed the products needs of today and tomorrow.

Mr. Dandrea also stated that CPS has been sub-contracted to manufacture ceilings and interior panels for New York City's Metropolitan Transit Authority Long Island Rail Road and Metro-North Rail Road M9 Rail Car project. The supplied components are part of an up to \$1.8 billion MTA award to build a total of 676 next generation rail cars over the next five years. Mr. Dandrea noted that this contract is the largest in CPS's history. Mr. Dandrea stated that they would like to break ground in August and be into the new 80,000 sq. ft. facility by the end of the year. Mr. Dandrea mentioned that CPS has had meetings with the Town, School, Legion, and Village in attendance and everyone was in favor of this project. There is also land around where the new facility is planned so there is room for expansion in the future. CPS plans to sell their current facility in Cattaraugus, New York.

Mr. Wiktor mentioned that this project could potentially net 30/50 new jobs to Cattaraugus County and preserve the 34 jobs that are currently employed at CPS. These new employees will be utilizing the gas stations, restaurants, and also the Legion for lunches, etc. This project will also put the American Legion property back on the tax rolls, this site has always been off the tax rolls. Local labor and suppliers will be used with the construction of this project as well. Mr. Wiktor also mentioned that this site is 6.2 acres which will give ample space for the building and parking for the new facility and potential future expansion.

CPS has asked that the CCIDA consider a manufacturing PILOT which is a 15 year PILOT, mortgage recording tax abatement, and sales tax exemption blanket letter (furniture, fixtures, equipment) This will be the largest manufacturing that the IDA has been involved in quite some time!

Mr. Wiktor also stated that the Company, CPS is very compassionate to their employees and decided to look for sites in the general vicinity to their current. Mrs. Crystal Abers along with other entities were instrumental in finding the current location for this project. CPS's compassion and commitment to the County was second to none during this process! We wish them continued success and thank their management for their commitment to Cattaraugus County and their employees. The IDA Board applauds this proposed project!

RESOLUTIONS:

A Motion was made by Brent Driscoll, seconded by Joseph Higgins, **RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF COMPOSITE PANEL SOLUTIONS INC.** . A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller and Mr. Buffamante voting yes. Mr. Wimer was excused. **Motion- Carried.** *(Mr. Buffamante did note that his firm has done work for Composite Panel Solutions Inc but has no financial interest or direct involvement in this proposed project.)*

A Motion was made by Brent Driscoll, seconded by Gregory Fitzpatrick, **RESOLUTIONS DIRECTING THE EXECUTIVE DIRECTOR OF COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF COMPOSITE PANEL SOLUTIONS INC.** . A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller and Mr. Buffamante voting yes. Mr. Wimer was excused. **Motion- Carried.** *(Mr. Buffamante did note that his firm has done work for Composite Panel Solutions Inc. but has no financial interest or direct involvement in this proposed project.)*

The next item of business on the agenda was a request letter from Gowanda Electronics seeking reinstatement of the PILOT that was on the facility up until 2011 when Mr. David Shack decided to sell the facility to another investor. The original project was a Bond and in order for the sale to proceed the IDA had to release their interest in Gowanda Electronics, thus terminating the PILOT. A defiance resolution was done and at that time the PILOT/benefit was terminated. Mr. Wiktor stated that in 2015 he received a call from Mr. Thomas Norsen – Chief Financial Officer of Gowanda Electronics Corp. asking if the PILOT was still on their facility and if not could it be reinstated as soon as possible.

This information was brought in front of the Board last year however, Gowanda Electronics was behind in their payments to various taxing jurisdictions. During several IDA meetings with the Village/Town/School/County it was discovered that Gowanda Electronics owed the Town of Persia and Village of Gowanda an additional \$49,092 for unbilled amounts for the years 2012-2014. It was also discovered that the school was owed money and the new owners have just recently paid the amount that was owed to the Gowanda Central School. Mr. Wiktor wanted to make it clear that this was not an error on the new owner's part but monies that were actually owed by the previous owners for amounts that were never billed to them.

Mr. Wiktor stressed that Gowanda Electronics is not asking for any reimbursement or anything more than what was originally offered to the original owners. We are looking at 5 years of PILOT payments in the exact amount as was given to the previous owners. Mr. George Cregg Jr. did state that an application with a cost benefit analysis in regards to their request. The benefit will be less than \$100,000 therefore a public hearing does not have to be held in regards to this matter. Mr. Wiktor stated that Mr. Thomas Norsen will be attending an upcoming Board meeting and giving an overview of what is being manufactured at Gowanda Electronics, the number of employees they currently have and how they are growing in their field. Mr. Wiktor explained that all they are asking for is the five (5) years of the PILOT that were terminated when the sale of the facility took place. They are performing well and the employment numbers have increased steadily over the years. The PILOT would resume at the School Tax in September of 2017.

A Motion was made by Brent Driscoll, seconded by Matthew Keller, **RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF GOWANDA REAL HOLDINGS, LLC IS A "TYPE II ACTION" AND NO FURTHER ACTION IS REQUIRED UNDER SEQRA WITH RESPECT THERETO.** A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller and Mr. Buffamante voting yes. Mr. Wimer was excused. **Motion- Carried.**

A Motion was made by Brent Driscoll, seconded by Joseph Higgins, **RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR GOWANDA REAL HOLDINGS, LLC (THE "COMPANY")** A Roll Call vote was taken with, Mr. Fitzpatrick, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller and Mr. Buffamante voting yes. Mr. Wimer was excused. **Motion- Carried.**

*Presentation/Discussion of Actions of the IDA Reform Act

Mr. George Cregg, Jr. and Mr. Corey Wiktor discussed the actions needed to comply with the new IDA Reform Act, which will take effect on June 15th 2016. Mr. Wiktor explained that the new IDA Reform will require our IDA to amend our Claw-back policy, application approval criteria policy, along with amend our Sale-Leaseback Application and to approve a Uniform Project Agreement for use on all projects going forward. The changes will have to be made and approved at our June 7, 2016 CCIDA Board meeting, to be in compliance with the IDA Reform Act. The items that have been provided for the Board's review are the draft policy regarding uniform criteria for the evaluation of projects, revised application, revised recapture policy, the draft of the uniform project benefits (Recapture Agreement). The IDA Board and Staff did discuss this Act at the March Board meeting as well. Corey and George have been doing much work on these proposed requirements over the past several weeks.

Mr. George Cregg, Jr. added to the discussion that the Comptrollers Offices is looking at each project to make sure that the IDA's are doing the project for the right reasons. With the creation of a Uniform Project Agreement our IDA will have an overview of the Project to have available for the Comptroller's office and say we did this project for these reasons. This IDA Reform Act is the states attempt to add accountability to each project. Mr. Cregg, Jr. mentioned that one of the biggest changes is that the state will not only require the number of jobs that will be created but also in which specific categories they will be in and at what salary range.

FINANCIAL REPORTS:

A Motion was made by Joseph Higgins, seconded by Matthew Keller to approve the March 2016 Operating Statement as prepared. **Motion – Carried**

Mr. Wiktor stated that the CCIDA received **\$13,486 income** relating to HoliMont Inc. Sales Tax Letters and a blanket sales tax letter for Win-Sum Ski Corp. in the month of March 2016.

Mr. Wiktor next went over the e-mail received from Community Bank stating that word has been received from the Treasury Department that our Third Party Collateral account has been opened at M & T Bank and collateral pledged. A 3/31/16 statement should arrive showing the pledged collateral of \$400,000. This is to comply with an audit finding to ensure this account is fully collateralized.

Project closing updates: We currently have seven (7) projects in the closing phase and anticipate several of these projects to close within the second and third quarter of 2016.

EXECUTIVE DIRECTORS REPORT:

Mr. Wiktor passed out the revised Audit Report from our March 15, 2016 CCIDA Board Meeting. Denise Veloski from RA Mercer & Company had to make some minor grammatical corrections that were not made on the original reports passed out on March 15, 2016.

Olean Times Herald Article: Dated: March 25, 2016 by: Rick Miller “*Population drops 3 percent in five years, says report*”. This is something that we have continued to discuss. Approximately 50 out of 54 up-state counties have loss population over the past 5 years. Mr. Wiktor mentioned that the County employment ratings are the lowest that they have been in 8 years. Something that is needed is to bring more jobs to the County so that young people will stay here and find good paying jobs. Mr. Wiktor mentioned that Erie County had such a small increase in population that the Heroin epidemic could possibly wipe out any gain they had. Mr. Wiktor stated that Crystal Abers provided a Cattaraugus County Population Change estimate from 2010-2014. Mr. Wiktor stated that Brian McMahon is questioning if \$15.00 per hour would help or hurt upstate New York? Mr. Wiktor mentioned that we are always in continuous competition with Pennsylvania and of course the cost of doing business in New York State.

Population-Cattaraugus County: “*Cattaraugus County Population Change Estimate 2010-2014*”. The 2010 census showed Cattaraugus County with 80,317 residents, as of December 31, 2015 it had dropped to 77,885 which is a loss of 2,432. The number of employed in Cattaraugus County is currently at 35,000 compared to 32,000 from the previous numbers reported. This overview was provided by Crystal Abers on the Cattaraugus County populations.

Labor Statistics: “*Labor Statistics for the Western New York Region Allegany, Cattaraugus, Chautauqua, Erie and Niagara Counties*”. Mr. Wiktor provided the CCIDA Board with updated labor statistics for their review and information. This is something Corey will be doing on a quarterly basis to keep the IDA Board informed of any labor changes and updates on this front.

New Opportunities: By: Claire Suttles “*New Opportunities in Rural New York-Cattaraugus County, New York.*” This is a very interesting article which highlights the CCIDA and Cattaraugus County in particular. This is an excellent article and a must read for the Board!

Letter from Mike John: Dated: 3-18-16 “*MJ Painting Contractor Corp. letter to Corey Wiktor and Mayor William Aiello*”. This letter is a thank you to the IDA and the City of Olean for their support of MJ Painting Contractor Corp. These letters received from projects is a great way to update our Board and also to keep tabs on how the project is progressing. Mr. John stated that the local payroll rose in 2015 to \$1,634,491 from \$1,242,982 in 2014. Mr. John has made a significant investment in Cattaraugus County and the City of Olean by expanding his business paying out approximately \$900,000 for Capital Expenditures regarding their Expansion Project on Homer Street in Olean. The IDA will be receiving letters such as this from other Projects as they proceed through the development process, this will keep the CCIDA Board informed and update on current projects.

WGRZ TV: - dated 4-2-16 “*Challenging Ski Season for Holiday Valley*”. Holiday Valley wrapped up what was a challenging ski season. The resort closed last week ending the season with 98 ski days compared to 134 days last year. As far as snow fall, Holiday Valley received 117 inches of snow, compared to 174 inches last year. It is going to take a few good winters to get them back on track, although Holiday Valley is excellent at what they do and will surely bounce back!

Can-Am Council: Mr. Wiktor next discussed his/presentation at the Can-Am “Mega Event Region”, which was in Niagara Casino. The event was attended by approximately 200 people. The Can-Am Council which Corey Wiktor is Co-Chairman, has worked with several Canadian Companies that attended and are looking for a U.S. presence/location. Over 75 businesses were present and the CCIDA was provided with floor space and time to speak. The CCIDA was a sponsor for this event by the Can-Am Council.

Business First Article: dated: 3-17-16 “*Cattaraugus County Bank tops \$200M-asset threshold and sets its sights for the future.*” The bulk of the portfolio is in commercial lending and commercial real estate however, CCB has had a pretty strong year in residential mortgages as well. The bank has recently created a new job – electronic banking officer – in order to stay on top of technology trends in the banking industry.

Olean Times Herald Article: dated: 4-11-16 by Kelsey Boudin “*A hub for Economic Development.*” This article highlights the work and significant progress being made at the former OBI building in Olean, NY. At 301 N. Union Street the former OBI building will be the new home for Greater Olean Area Chamber of Commerce and the Olean Business Development Corp. (OBD) and several other anchor tenants. The new Olean Business Incubator, which will look to provide a safe haven for development, mentorship, low-cost space and some tax breaks to fledgling business hoping to take root in the area.

The New York State 47th Annual Economic Development Course: Mr. Wiktor stated that he has been asked by the NYSEDC to teach a course to be held on June 20-23, 2016 at the Suny Polytechnic Institute on the SUNY Campus in Albany, NY.

New York Economic Development Corp: Memo dated 4-6-16 from the Directors Nomination Committee – Corey Wiktor, Executive Director of the County of Cattaraugus Industrial Development Agency has been nominated to be elected for the first time to a two-year term. Mr. Wiktor stated that he has been asked by the NYSEDC to consider a Board Appointment. Mr. Buffamante congratulated Mr. Wiktor on his selection for a Board position on the NYSEDC.

Senator Cathy Young’s Letter: Letter received dated 3-30-16, invitation to the event to be held at Holiday Valley Lodge on 5-19-16 for a formal dedication ceremony expanding the Western New York South Towns Scenic Byway into Cattaraugus County.

ADJOURNMENT:

A **Motion** to adjourn the CCIDA Board Meeting was made by Joseph Higgins, seconded by Matthew Keller at 12:36 p.m. **Motion Carried.**

Next CCIDA Board of Directors Meeting: Tuesday June 7, 2016 at 11:15 a.m. at CCIDA Office in Ellicottville, New York