

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

BOARD MEETING MINUTES

April 21, 2015

CCIDA OFFICE

**9 East Washington Street
Ellicottville, New York
11:15 a.m.**

Roll Call: **-Taken-**

Members

Present:

Mr. Joseph Higgins - First Vice Chairman
Mr. Brent Driscoll
Mr. Gregory Fitzpatrick
Mr. James Boser

Excused:

Mr. Thomas Buffamante
Mrs. Crystal Abers
Mr. Michael Wimer

CCIDA Staff:

Mr. Corey R. Wiktor – Executive Director
Mr. Gregory Sehr, Upstate Consultants, LLC. (IDA Consultant)

Presenters/Guests:

Ms. Jann Wiswall - *Ellicottville Times*
Mr. Rick Miller – *Olean Times Herald*
Mr. John Thomas – *The Villager*

Vice-Chairman Joseph Higgins called the meeting to order at 11:16 a.m. A roll call of the Board of Directors of the CCIDA was conducted three members were absent, Thomas Buffamante, Crystal Abers, and Michael Wimer due to previous business commitments.

APPROVAL OF MINUTES:

A Motion was made by Brent Driscoll, with a second by Gregory Fitzpatrick to accept the minutes from the March 17, 2015 the Board of Directors Meeting. **Motion Carried.**

Resolutions from prior Applications/Projects that are in process

WIN-SUM SKI CORP. – *Sale/Leaseback Application:* This application was submitted on March 17, 2015 for the CCIDA Board consideration. A Public Hearing for this proposed project was conducted on April 8, 2015 at 8:00 a.m. in the CCIDA Offices, 9 East Washington Street, Ellicottville, NY. The Minutes from this Public Hearing were sent to the CCIDA Board for their review and information. **The total project investment is: \$2,548,600.**

A Motion was made by James Boser, seconded by Brent Driscoll **RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF WIN-SUM SKI CORP. WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.** A Roll Call vote was taken with Mr. Higgins, Mr. Boser, Mr. Driscoll, and Mr. Fitzpatrick voting yes. **Motion- Carried.** Mr. Buffamante, Mr. Wimer, and Ms. Abers were excused.

A Motion was made by Brent Driscoll seconded by Gregory Fitzpatrick **RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR WIN-SUM SKI CORP.** A Roll Call vote was taken with Mr. Higgins, Mr. Boser, Mr. Driscoll, and Mr. Fitzpatrick voting yes. **Motion- Carried.** Mr. Buffamante, Mr. Wimer, and Ms. Abers were excused.

MAZZA MECHANICAL SERVICES, INC. – *Sale/Leaseback Application:* This application was submitted on March 17, 2015 for the CCIDA Board Consideration. The Public Hearing was held at the Olean Municipal Building, 101 East State street, Conference Room #119 in the City of Olean on March 8, 2015 at 10:00 a.m. The Minutes from this Public Hearing Minutes were sent to the CCIDA Board for their review and information. **The total project investment is: \$550,000.**

A Motion was made by James Boser seconded by Brent Driscoll **RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF MAZZA MECHANICAL SERVICES, INC. WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.** A Roll Call vote was taken with Mr. Higgins, Mr.

Boser, Mr. Driscoll, and Mr. Fitzpatrick voting yes. **Motion- Carried.** Mr. Buffamante, Ms. Abers, and Mr. Wimer were excused.

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 MAZZA MECHANICAL SERVICES, INC. (THE “COMPANY”)**. A Roll Call vote was taken with Mr. Higgins, Mr. Boser, Mr. Driscoll, and Mr. Fitzpatrick voting yes. **Motion- Carried.** Mr. Buffamante, Mr. Wimer, and Ms. Abers were excused.

Mr. Wiktor explained that Community Bank, N.A. has asked the CCIDA to consider an extension of their sales tax letter due to some weather related delays on work associated with their facility at 201 North Union Street offices in the City of Olean.

A Motion was made by Brent Driscoll, seconded by James Boser **RESOLUTION AUTHORIZING EXECUTION BY COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN MODIFICATION AGREEMENT IN CONNECTION WITH THE COMMUNITY BANK, N.A. PROJECT.** A Roll Call vote was taken with Mr. Higgins, Mr. Boser, Mr. Driscoll, and Mr. Fitzpatrick voting yes. **Motion- Carried.** Mr. Buffamante, Mr. Wimer, and Ms. Abers were excused.

Mr. Wiktor next discussed the CCIDA Best Practice Models. The first item to be discussed was the **Retail Best Practice Model**. One of the most frequent criticisms of Industrial Development Agencies is their assistance of retail projects that seemingly do not fit within the exceptions provided by law. While the General Municipal law prohibits IDAs from financing retail projects, it also provides three exceptions to the prohibition: 1) Projects located in distressed census tracts 2) Tourism destination projects that attract a significant number of people from outside the economic development region and 3) Projects that provide goods or services that are not readily available in the area as (Municipal CEO approval required)

Furthermore the rules require a finding that the project will preserve or increase private sector jobs in the State.

Next Mr. Wiktor discussed the **Community Outreach Best Practice Recommendations**. The message Industrial Development Agencies and Economic Development Organizations present in their communications is important. The message should not only focus on project successes but specific metrics and how the project and the Economic Development Organizations work impacts the economy. This should not only include outputs such as jobs and investment but the outcomes of the efforts of the Economic Development Organizations. The outcome is not the project impacts but rather the consequences of what the program did which should be linked to the overall program and organizations mission. Follow Up, communications strategies have to be ongoing.

The final Best Practice Model to be discussed was the **NYSEDC Local Labor Project Best Practice**. Many stakeholders believe that local tax benefits should have, to the greatest extent possible, a positive impact on the local workforce. Construction jobs and their related activity,

although temporary, are an important component of the economic impacts of the IDA assisted projects which involve construction. Making these construction jobs available to local workers helps to maximize the impacts of these projects in the communities that have invested in the economic development incentives. The related reinvestment of these wages into the economy by local workers can provide significant beneficial impacts to local and regional economies. Industrial Development Agencies and Economic Development Organizations should develop policy guidelines for the utilization of local labor during the construction phase of projects receiving incentives.

A Motion was made by Brent Driscoll, seconded by Gregory Fitzpatrick to adopt the CCIDA Best Practice Models as presented to the CCIDA Board. A Roll Call vote was taken with Mr. Higgins, Mr. Boser, Mr. Driscoll, and Mr. Fitzpatrick voting yes. **Motion- Carried.** Mr. Buffamante, Mr. Wimer, and Ms. Abers were excused.

FINANCIAL REPORTS:

A Motion was made by James Boser, seconded by Brent Driscoll to accept the March 2015 Operating Statements for the County of Cattaraugus Industrial Development Agency as presented. **Motion- Carried.**

Mr. Wiktor stated that we received a total of \$4,500 of income for March resulting from three (3) applications – Win Sum Ski Corp., National Fuel Gas Supply Corp., and Mazza Mechanical Services, Inc.

Mr. Wiktor stated that \$16,850 has already been received from sales tax letters done for HoliMont Inc. and Win Sum Ski Corp. which will reflect in the April 2015 Operating Statements.

Mr. Wiktor presented a general overview of various projects that are in process, key initiatives that we are currently working on and a general update of the Economic “climate” in Cattaraugus County/WNY Region. Mr. Wiktor stated that over the past three months we have had a total of 8 applications, two Audit Presentations and various other items that we have been working on.

Mr. Wiktor thanked Olean Times Herald for their document/article 2015 Progress Report that was published at the end of March. This was a very informative article on various projects, manufacturing sector, retail, Real Estate market, which is very reflective to the area’s Economy. There was a great job done on this report and we are very fortunate to have the Olean Times Herald covering our projects.

Mr. Wiktor stated that a few weeks ago Times Warner news came down to Ellicottville on a Sunday and they spent about an hour and did a preview story of Holiday Valley and will be doing a segment in mid May on Cattaraugus County in regards to projects that have been completed in the Cattaraugus County Area.

Mr. Wiktor also reviewed with the Board the possibility of Solar Power in the near future. BQ Energy out of New Jersey has been proposing a solar project with Gateway in Olean and a possibility of another project in Olean. This could be a significant dollar amount of investment and would fall under Section 487.

Mr. Wiktor passed out an article in regards to jobs available in New York State, the article states that there approximately 9,000 jobs available in New York State and after further review Corey mentioned that approximately 900 of those jobs were located in Cattaraugus County. This is very positive news for the Economy and especially Cattaraugus County. The source of this information is directly from the NYSDOL Report.

Next Mr. Wiktor discussed being approached by a local developer in regards to workforce housing which has become very popular at various other Industrial Development Agencies. Mr. Wiktor stated that he has already started putting together a workforce housing program/policy to include sales tax abatement, mortgage recording tax abatement, and a PILOT with markers that make these separate from rental property.

We are also looking into a market rate senior housing program which is a much needed commodity in Cattaraugus County. Mr. Wiktor mentioned that we are looking at the aging population and the stressed services that are available in the County. We have had a developer come to us in regards to senior housing in Cattaraugus County who has done projects in other Counties for a substantial dollar investment.

Mr. Wiktor also discussed the National Grid sub-station project that has been started in Five Mile Road and going over the hill to Humphrey. They are looking to add 40-50 crew/construction workers on site even though the project costs are not available at this time but it is in the tens of millions of dollars in regards to the construction of this sub-station on this 18 acres of land. They are running roughly 7.2 miles of new lines and the property will be taxable.

Mr. Wiktor next discussed **Asarasi Water** which is now in full production with the liquid coming from Randy Sprague and bottling being done by Mayer Brothers and the packing and shipping being done by Rehab Center-Sub-Con Industries and will be launching this product on Arbor Day. This is a small start-up Company at the current time however, it has the potential to become a very popular product. This product is being made using the byproduct of maple sugar production which would otherwise go down the drain.

Mr. Wiktor stated that Mr. Jim Fink came down to Ellicottville on April 2nd and we provided a tour of the current projects being done in the Southern Tier. Business First will be doing a May issue that covers the Southern Tier and Mr. Fink plans on doing multiple articles relating to our area.

Next Mr. Wiktor passed out a New York State Department of Labor information Study. This is very interesting information in regards to where the Economy is going in Cattaraugus County and the surrounding areas. The Western New York region (Allegany, Cattaraugus, Chautauqua, Erie and Niagara counties) has made a steady comeback from the worst economic downturn in 75 years. The region has experienced over the year private sector job growth every month since

April 2010. Since then, the regional economy has added a total of 16,000 private sector jobs, regaining all but 400 jobs lost during the recession.

EXECUTIVE DIRECTOR'S REPORT:

Budget Summary – NYS 2015-2016 Budget Highlights by Brian McMahon from Empire State Development. This summary has several key highlights in regards to the passage of the NYS Budget and how it will impact economic development programs in New York State. One of the key points in the Governor's proposal was to impose state-level approvals and other restriction and requirements on IDA projects: The NYSEDC position was opposed and the status was that his requirement has been omitted from the budget. The Governor proposed extending the Brownfield cleanup Program for 10 years but limiting the tangible property credit to mainly urban core projects. The NYSEDC's positions was to support much of the Governor's proposal but recommended expanding access to tangible property tax credit to any Brownfield project.

The Villager article: "Ski Season Recap" A recent article that highlights the past ski season for both HoliMont and Holiday Valley. Both resorts have had a consistent year due to weather conditions which helped keep the snow conditions really nice. No snow fall records or attendance records were set but it was a great winter for skiing.

Salamanca Press article: "*Holiday Valley Road to be realigned this spring*" A key development project is taking shape at the Holiday Valley Resort this year. The road will remain in its current location until in front of the Tamarack Club, where commuters heading down the road away from Route 219 will make a soft right and continue until the road reconnects with its current route near Village Valley Road. The move will shift all parking lots south of the road. "Once people park to come to the resort, they don't have to cross the public road to get to the resort", Eshbaugh said. "The biggest thing is safety".

Article – By Justin Sondel – "*Lawmakers: Renewed Brownfield Program Essential for Western New York*". Great news! A very vital and key economic development tool that was recently renewed in New York State for another (10) years. This program, Brownfield Program, which offers tax breaks to developers who remediate toxic sites before building on them, has wide support in both the state Senate and Assembly, and across party lines in Western New York.

NY State Senator Catharine Young letter – This letter was a thank you for contacting Sen. Young regarding changes proposed in the Governor's 2015-16 Executive Budget which would affect the manner in which Industrial Development Authorities (IDA's) may provide tax exemption benefits.

Associates Press – "*Appalachia report cites progress, challenges after 50 years.*" This is a recent article that highlights economic growth in the ARC Region. The exhaustive report ordered up by the Appalachian Regional commission cites progress in some categories – poverty rates have fall by about half, for instance – through the research didn't quantify the ARC's impact on many of the individual demographic trends. And researchers noted that other

problems persist, including disproportionately high mortality rates and dependency on government checks.

BizJournal Article: April 6, 2015 – “*Schoepflin to replace Orsi at Empire State Development*” New replacement Department head at ESD. Corey will be setting a meeting up with Chris Schoepflin within the month.

Buffalo News Article: – “*Temporary Office Space is booming in Buffalo Niagara*”. There is an increasing demand for small, furnished office space – even for just a few days a month – which has spurred expansion of the temporary office space business in the Buffalo Niagara region, giving another signal of the growing energy in the small business community. With this information we are targeting the Olean market for possible new businesses to locate there; working with local commercial realtors to make them aware of the opportunities in Cattaraugus County.

Article – Siena College – “*Consumer Sentiment Strengthens; Current confidence Hits 8 Year High.*” This is very positive news for New York State with renewed confidence in the States Economy.

BizJournal Article: – “*New Yorkers face highest tax burden in the Country*” New York has a long history of being known for its high taxes. That is one of the obstacles that companies contend with when it comes to expanding or doing business in New York.

NY State of Politics article: – “*Alec: New York last in Economic Competitiveness (Update).*” A recent article noting key challenges of conducting and doing business in NYS. New York, despite a series of economic development programs, tax code changes and other business incentives pushed by Gov. Andrew Cuomo in recent years, ranked last, this report found.

Buffalo Business First Article: “*BJEditor’s Notebook: Taking a look at Scaffold Law, slip & falls*”. This is very interesting article regarding a key law that needs overhauling. The scaffold law holds the owner or general contractor absolutely liable for the site’s safety.

Cattaraugus County Farm Neighbor Dinner:- This dinner was held at the West Valley Fire Hall on April 8, 2015 and was very well attended (approximately 300 attendees), which has grown each year and the CCIDA was a proud sponsor.

The Underground Railroad in Cattaraugus County: – “*A County ?Wide fight for freedom*” *Brochure handout* This was a very interesting article that was put together by the Cattaraugus County Planning & Tourism Department.

Article –Todd Staples for the Express News - “*Fracking revolution good for Nation as well as Texas*”. Recent article noting key indices of fracking. This article states that in 2014, the Texas oil and natural gas industry paid a record \$15.7 billion in state and local taxes and royalties, the highest such collection from the oil and gas industry in Texas History.

BizJournals Article by Dan Miner: *“As alliance talks conclude, Hilbert and St. Bona facing serious challenges”* The colleges spent more than a year considering a formal alliance, including the possibility of a full-scale merger, before concluding those talks last week without formal action. Hilbert President Cynthia Zane and Bona president Margaret Carney said they could not agree on the framework of a merger and pledged to consider smaller collaborative opportunities in the future.

EXECUTIVE SESSION

A Motion was made by Brent Driscoll, seconded by Gregory Fitzpatrick to go into Executive session to discuss a matter of property acquisition/disposition.

A Motion was made by Brent Driscoll, seconded by Gregory Fitzpatrick to return from Executive Session.

ADJOURNMENT:

A **Motion** to adjourn the CCIDA Board Meeting was made by James Boser, seconded by Brent Driscoll at 1:40 p.m. **Motion Carried.**

The next CCIDA Board Meeting: Tuesday June 9, 2015 at 11:15 a.m.