

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

BOARD MEETING MINUTES

December 9, 2014

CCIDA OFFICE

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

Roll Call: **-Taken-**

Members

Present:

Mr. Thomas Buffamante - Chairman
Mr. Joseph Higgins
Mr. Salvatore Marranta
Mr. Brent Driscoll
Mrs. Crystal Abers
Mr. Gregory Fitzpatrick
Mr. James Boser

Excused: **None**

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. Christopher Sanzo – *Sanzo Beverage Co., Inc.*

Mr. Scott Fairbrother – *CPA - The Krog Corporation*
Mr. Paul Newreuter – *President - The Krog Corporation*

Chairman Thomas Buffamante called the meeting to order at 11:19 a.m. A roll call of the Board of Directors of the CCIDA was conducted everyone was present.

APPROVAL OF MINUTES:

A Motion was made by Brent Driscoll, with a second by Joseph Higgins to accept the minutes from the October 21, 2014 the Board of Directors Meeting. Motion Carried.

PROJECT APPLICATIONS:

Mr. Wiktor introduced Mr. Christopher Sanzo from **Sanzo Beverage Co., Inc.** who has submitted an application to the CCIDA asking us to consider their proposed expansion project. We have assisted Sanzo Beverage in the past and they are asking for us to induce their project that calls for a 13,000 sq. ft. addition to their distribution center, along with various equipment purchases and minor renovations to their current facility in Hinsdale, New York. The last project done with the CCIDA by Sanzo Beverage Co., Inc. was in 2005 and has been proven to be very successful and has allowed the Company to grow to its current operation, product lines and employment base. We are very excited to have this repeat/return customer that will not only insure job retention but also add an additional 15(+,-) new employees. The total amount of investment will be approximately \$1,760,000.

Chris Sanzo stated that they plan on purchasing three (3) new trucks to update their current aging fleet of trucks. Chris Sanzo also discussed the companies increase in the soda business which has increased the need for additional warehouse space. Sanzo Beverage Co., Inc. also has plans to increase their product lines carried and distributed in a five (5) County area. This family business has been operational for 81 + years. Mr. Sanzo is looking for sales tax benefit and also the IDA's 10 year commercial PILOT, and mortgage recording tax if applicable. Mr. Wiktor and Ms. Abers are also working with Chris Sanzo in other areas such as NYSERDA in regards to energy efficient and cost effectiveness of this new addition.

A Motion was made by Greg Fitzpatrick, 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 SANZO BEVERAGE COMPANY, INC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll and Mr. Fitzpatrick voting yes. Ms. Crystal Abers was excused. Motion –Carried.

A Motion was made by Greg Fitzpatrick, seconded by Joseph Higgins **RESOLUTION 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 SANZO BEVERAGE COMPANY, INC.**

A Roll Call vote was taken with Mr. Buffamante, Mr. Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll and Mr. Fitzpatrick voting yes. Ms. Crystal Abers was excused- **Motion Carried**

Mr. Wiktor next introduced Mr. Paul Newreuter, President of **The Krog Corporation** and Mr. Scott Fairbrother, Chief Financial Officer of The Krog Corporation to give an overview of their proposed project/application(s). **Olean Gateway Project** had submitted a recent application to the CCIDA asking us to consider their proposed project on a Brownfield site in the City of Olean. This project will involve a great deal of site work/preparation, road construction and "dirt work".

The initial project site work will constitute the development and construction of a four (4) story Hotel and construction of three (3) large, tourism destination type retail stores/venues. The retail will comprise nearly 40,000 sq. ft. of mixed use/commercial space. This project will create/hire 50 (+,-) new part-time positions in addition to the full time employment, it is anticipated that over 50+ local trades people will be used in the construction of the proposed venues. The total investment for the Olean Gateway, LLC & HK Olean, LLC, is \$16,000,000(+,-). This project will encompass 58 (+,-) acres of Brownfield in the City of Olean, adjacent to Dresser-Rand.

A Motion was made by Salvatore Marranca, seconded by James Boser **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 OLEAN GATEWAY, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll, Ms. Abers and Mr. Fitzpatrick voting yes. **Motion- Carried.** (Mr. Buffamante did note that his Company is a tenant of a Company that is involved in this project however, he has no financial interest or direct involvement in this proposed project.)

A Motion was made by Crystal Abers seconded by Joseph Higgins **RESOLUTION 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 OLEAN GATEWAY LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll, Ms. Crystal Abers and Mr. Fitzpatrick voting yes. **Motion- Carried.** (Mr. Buffamante did note that his Company is a tenant of a Company that is involved in this project however, he has no financial interest or direct involvement in this proposed project.)

A Motion was made by Salvatore Marranca, seconded by Gregory Fitzpatrick **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 HK OLEAN HOTEL, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr.

Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll, Ms. Abers and Mr. Fitzpatrick voting yes.

Motion Carried

(Mr. Buffamante did note that his Company is a tenant of a Company that is involved in this project however, he has no financial interest or direct involvement in this proposed project.)

A Motion was made by Joseph Higgins seconded by Crystal Abers **RESOLUTION 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 HK OLEAN HOTEL, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll, Ms. Crystal Abers and Mr. Fitzpatrick voting yes. **Motion Carried** (Mr. Buffamante did note that his Company is a tenant of a Company that is involved in this project however, he has no financial interest or direct involvement in this proposed project.)

Mr. Wiktor discussed with the Board how this project is welcomed by the City of Olean and specifically, how it fits the Brownfield Cleanup PILOT (established in 2012) by the CCIDA. Furthermore, these proposed projects also fit the IDA's "Tourism Destination" Project criterion. This is a very significant investment by the developer and a major commitment to the City of Olean. The projects break down respectively to \$5,759,000 for Olean Gateway LLC and \$11,116,000 for HK Olean Hotel LLC for a total investment of \$16,875,000. In addition, many "net new" employment opportunities, bed tax, increased sales tax will be derived from these projects, benefiting the Region and Cattaraugus County as a whole.

NEW YORK & LAKE ERIE RAILROAD: Renewal of Operating Contract-

Next, the CCIDA Board discussed a contract renewal from NY&LE Railroad to extend the IDA's current contract/Operating Agreement with Mr. Robert Dingman (Owner of the NY & LE Railroad) for an additional five (5) years. The current contract expired in October of 2014. It is to be noted that there were no changes in this contracts that differed from contracts in past years. A copy of the Contract is on file and was sent to all Board Members for their review.

A Motion was made by Joseph Higgins and seconded by Salvatore Marranca to accept the Renewal of the Operating Agreement for five (5) years from October 15, 2014 through October 14, 2019, as presented to the CCIDA Board. A Roll Call vote was taken with Mr. Buffamante, Mr. Higgins, Mr. Boser, Mr. Marranca, Mr. Driscoll, Ms. Crystal Abers and Mr. Fitzpatrick voting yes. **Motion-Carried.**

Mr. Wiktor next reviewed with the CCIDA Board the Resolution of Commendation for Salvatore Marranca. Mr. Marranca was appointed to the CCIDA Board on August 2, 1990, and has been a Board Member for 24 years, giving his unlimited help and attention to this Agency. Mr. Higgins stated that he valued Mr. Marranca's guidance in regards to the many issues that were faced by the CCIDA Board over the years, and valued his guidance and Leadership.

The entire CCIDA Board expressed their appreciation and well wishes for Mr. Marranca and his Family on their next “steps in life”. We will certainly miss Mr. Marranca and his dedication to Agency and the County as a whole.

FINANCIAL REPORTS:

A Motion was made by James Boser, seconded by Salvatore Marranca to accept the October & November 2014 Operating Statements for the County of Cattaraugus Industrial Development Agency as presented. **Motion- Carried.**

Mr. Wiktor stated that there was \$10,000 in income from the CRC to the IDA in the month of December, as per the Operating Agreement that the IDA has with the CRC. In recapping the past year relating to the CCCRC, Mr. Wiktor advised the CCIDA Board that there were two (2) projects in 2014 administered through the CRC, the projects were a \$10Million Bond issuance for St. Bonaventure, and \$4.5Million issuance with the Olean YMCA.

Mr. Wiktor anticipates two (2) project closings before year end or early in 2015, they are Four Mile Brewing/Hellbender Development and HoliMont Inc. These two closings would generate approximately \$4-5,000 in income to the Agency.

EXECUTIVE SESSION:

A Motion was made by Joseph Higgins, seconded by Salvatore Marranca to go into Executive Session to discuss a matter of personnel.

A Motion was made by Salvatore Marranca, seconded by Brent Driscoll to raise Mr. Wiktor’s current salary from \$88,000 to \$91,000 effective January 1, 2015. Ms. Andrews salary was adjusted from \$40,350 to \$41,850.

A Motion was made by Crystal Abers, seconded by James Boser to return to Regular Session.

EXECUTIVE DIRECTOR’S REPORT:

Mr. Wiktor first presented an overview of his **2014 Year End Review** to give a snapshot of what he has been working on throughout 2014. Please refer to the attached addendum of the County of Cattaraugus Industrial Development Agency, 2014 Year End Review for further information and details.

During the *Director’s Report*, Mr. Wiktor discussed with the Board a number of articles that were provided to the Board in their packets. Some of the items discussed are as follows:

43 North: Bright Buffalo Niagara Semifinalists Meet-Up. A Thank you letter was received for the IDA’s participation on the judging of this event at Shea’s Performing Arts Center the week of October 24 to 30, 2014.

IDA Training Workshop: A PILOT Training workshop was conducted at the *Southern Tier West* Building located in Salamanca, NY on December 4, 2014 from 10:00 a.m. until Noon. This workshop provided an overview of the IDA Real Property Tax Exemptions and related PILOT topics. Many area assessors had requested we hold a workshop to review the requirement for the IDA Real Property Tax Exemption under RPTL section 412a. Mr. George Cregg, Jr. participated in this workshop and also provided a handout in regards to the PILOT topic and selected case law relating to same.

Start UpNY: A handout has been provided of frequently asked questions in regards to the Start-UpNY which is a groundbreaking new initiative from Gov. Andrew Cuomo creating statewide tax-free zones. The IDA has been working with JCC through the past year in regards to this newly adopted program. The IDA also has a seat at JCC's Presidents Roundtable in regards to Start Up NY.

IDA Best Practices: "*Working Group on Defining Quality Retail Projects*" Mr. Wiktor was asked to be part of a work group for NYSEDC in putting together a Best Practice Model for defining Retail Projects induced by an IDA. One of the most frequent criticisms of IDA's is their assistance of retail projects that do not fit within the exceptions provided in law. The General Municipal law prohibits IDA's 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. 3. Projects that provide goods or services that are not readily available in the area. This group will develop additional criteria for defining a qualified retail project. It may also discuss findings that should be required by the IDA Board, such as a market study by the project owner/developer to demonstrate that the project realistically fits within one of the three exemptions, in order for the IDA to make an informed decision regarding the suitability and legal justification for approving or rejecting a retail project.

Buffalo Niagara Article: "*Brownfield Cleanup Program*"-Article. Time is running out for this program which expires in December 2015, the Brownfield Cleanup Program is a critical tool to stimulate revitalization in New York State. This program has produced several projects for our IDA and other IDA's within New York State. Without this extension, much of the momentum that the Buffalo Niagara region has gained under the Cuomo administration will come to a halt. The average project using the Brownfield Cleanup Program takes 2.8 years to obtain its certificate of completion and receive the credits it needs to make the project work. So without the extension for all intents and purposes the program is basically dead to new applicants.

MJ Painting: Mr. Mike John has provided me with us update on his building project. All the lower structural column supports for the new office addition and the new warehouse have been set and are out of the ground. Mr. John anticipates by mid December the office walls and roof will be installed enclosing the structure to allow the interior to be finished on both the office and new warehouse space. The New Paint Shop Building land excavation and erection will start in the spring of 2015.

CityLab Article: *“How much cleaning up Brownfields is really worth”*- A new study shows the enormous effect that the EPA’s Brownfield remediation program has on real estate values in cities. There are more than 450,000 Brownfield sites in the US, in 1995 the US EPA launched the Brownfield’s Program to provide support for Brownfield remediation, an effort that was expanded in 2002 when Congress passed the Brownfield’s Law. From that Law’s enactment through fiscal year 2013, the EPA has awarded public and private-sector organizations nearly 1,000 grants for cleaning up these industrial eyesores, for a total of almost \$190 million.

Article by Chris Thompson: *“Trade Bustling, but slow going on NY Canada Border”* Canada and New York State exchange over \$34 billion in goods each year, maintaining more than 500,000 jobs in New York alone, but environmental and national security issues along with passport processing continue to slow down this happy friendship. Political leaders from both countries met to discuss how to resolve these problems as City & State hosted the first panel discussion of its New York-Canada Summit on international trade at Buffalo’s Hyatt Regency hotel.

Brian McMahon/NYSEDC: *“Develops Urban Revitalization Agenda”* Three key areas being focused on for urban revitalization are structural changes, infrastructure, and project cost mitigation. The NYSEDC proposes that the state establish an urban revitalization program. Such a policy would make programs and incentives available to developers of downtown urban revitalization/adaptive reuse/mixed use projects and to municipalities. The objective of these proposals is to encourage investment and development of retail, commercial, and market rate housing in the downtowns of our cities, towns, and villages.

Buffalo Niagara Partnership Article: CanAm Council 2014/15 Action Agenda. Main objective is to educate and advocate for project, policies and regulations that create a more efficient border to facilitate legitimate trade and travel.

Camoin Associates Blog: *“Why your Economic Development Strategy Should Include the Health Sector”* Health care contributes significantly to the number of businesses and levels of employment and wages. Because of its significant impacts on economic, community, and individual health, the health care sector should become a focus of economic development efforts at the local and regional level.

Erie Times News Article: *“Titusville Charts course to reap oil jobs”* The world’s first oil region is positioning itself for a second energy boom, from the Utica Shale formation. Some of the items on the to-do list include, upscale housing, infrastructure, transportation improvement, enhanced medical services and workforce development/training, including helping existing businesses find new work and new markets in the energy industry. Currently Titusville is upgrading its wastewater treatment plant which will accommodate new industry. Another positive is that Titusville welcomes the oil and gas industry.

Camoin Associates Blog: *“Experiential Learning – Exposing Students to Manufacturing Opportunities”* This case study of Belknap County, NH is very similar to the “Dream It Do It’ initiative that is being done in New York State. As you are aware several area businesses have had students tour their facilities and also have internship/apprentice programs in place.

All the ground work that is being done will give our area manufacturers a larger more trained group of prospective employees to hire from as needed for future growth.

Business First Article by: David Bertola: *“A map to find that brewery you’re looking for”* Eleven area breweries within a 15 mile radius of Buffalo are on the map, plus Southern Tier Brewing Co., Ellicottville Brewing Co., and Woodcock Brothers Brewery. Kevin Klass is putting Buffalo area breweries on the map. Klass runs taptrails.com which identifies areas of the country with concentrations of breweries within a small area, creating a taptrail. Each map has information and discounts for area restaurants and transportation services. Those who visit the participating breweries and fill their maps with stamps are eligible for prizes.

Entecco Smart Energy Integration: *“Next Generation Energy”*- Entecco LLC is a Smart Energy Integration company that specializes in Smart and Micro-Grid Technology. The management has come to the IDA and made a presentation a few months ago. This team has designed a unique strategy for their clients that dovetail into the New York legislative energy policies and initiatives.

ADJOURNMENT:

A **Motion** to adjourn the CCIDA Board Meeting was made by Joseph Higgins, seconded by James Boser at 1:35 p.m. **Motion Carried.**

The next CCIDA Board of Directors Meeting: Thursday, February 5, 2015 at 10:00 a.m.