

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

BOARD MEETING MINUTES

February 5, 2015

CCIDA OFFICE

**9 East Washington Street
Ellicottville, New York
10:00 a.m.**

Roll Call: **-Taken-**

Members

Present:

Mr. Thomas Buffamante - Chairman
Mr. Brent Driscoll
Mrs. Crystal Abers
Mr. Gregory Fitzpatrick
Mr. James Boser
Mr. Michael Wimer

Excused:

Mr. Joseph Higgins

CCIDA Staff:

Mr. Corey R. Wiktor – Executive Director
Mr. Gregory Sehr, Upstate Consultants, LLC. (IDA Consultant)
Mr. George Cregg, Jr. –Hodgson/Russ LLP (IDA Legal Counsel)

Presenters/Guests:

Ms. Jann Wiswall - *Ellicottville Times*
Mr. Rick Miller – *Olean Times Herald*

Mr. Larry Sorokes – *Greater Olean Area Chamber of Commerce - President*
Mr. Dennis Pezzimenti – *Chautauqua/Cattaraugus Board of Realtors*
Mr. Daniel DeRose – *President/Mazza Mechanical Systems, Inc.*

Mr. Douglas Szalasny – *Director of Finance – The Krog Corporation*

Chairman Thomas Buffamante called the meeting to order at 10:06 a.m. A roll call of the Board of Directors of the CCIDA was conducted; Mr. Joseph Higgins was excused for the meeting.

Mr. Wiktor introduced the newest member to the CCIDA Board, Mr. Michael Wimer – President of Cattaraugus County Bank who was just recently appointed to the CCIDA Board by the Cattaraugus County Legislature. (Mr. Wimer was officially appointed on February 2, 2015)

APPROVAL OF MINUTES:

A Motion was made by Greg Fitzpatrick, with a second by James Boser to accept the minutes from the December 9, 2014 the Board of Directors Meeting. Motion Carried.

PROJECT APPLICATIONS:

Mr. Wiktor first introduced Mr. Larry Sorokes from the Greater Olean Chamber of Commerce, in regards to a recent application from **OBI, LLC & Cattaraugus Empire Zone** who has submitted an application to the CCIDA asking us to consider their proposed Adaptive Reuse Project. Mr. Sorokes also brought with him Mr. Daniel DeRose (*President/Mazza Mechanical Systems, Inc.*) and Mr. Dennis Pezzimenti (*Chautauqua/Cattaraugus Board of Realtors*). OBI, LLC will be renovating and rehabbing the former “Olean Business Institute” Building in the City of Olean, New York. The purpose of this project is to create a business incubator space for entrepreneurs in the County/Region. This project was awarded \$400,000 CFA in 2014 and was the only project in New York (for business start up facilities) to be granted as such. The total amount of investment is \$2,000,000.

Mr. Sorokes made a presentation to the Board that the Cattaraugus Empire Zone Corporation, in collaboration with a private investor, will establish a mixed use facility in downtown Olean for business incubation, co-working, experiential learning, anchor/mentor tenants, and retain space. The project will create a continuum of services and office configurations to support business development at early maturity, inspire and support entrepreneurial investment in Cattaraugus County, and instill a synergy and mentoring presence from the co-location of well-established businesses and agencies.

A local, private investor has committed to acquiring the building and completing the general renovations necessary to begin accepting tenants. Cattaraugus Empire Zone Corporation and its partners will provide marketing, management, and leadership to ensure successful implementation and sustainability of the project.

Mr. Wiktor also stated that the project is consistent with the Agency Policy and IDA Legislation. This project will create construction employment, enhance the real property taxes of the City, as for many years, this project was off the tax rolls due to being owned by a non-for profit. It is the general feeling that this type of project is needed in the County, as we currently do not have any such type of facility in the County, to date. The basis of new business growth for the future, is largely “organic” in nature, we need to do all we can to support this endeavor.

A Motion was made by Brent Driscoll, seconded by Greg 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 OBI, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, M. Wimer, Mr. Driscoll, Ms. Crystal Abers, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. Motion –Carried.

A Motion was made by James Boser, seconded by Brent Driscoll **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 OBI, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Wimer, Mr. Boser, Mr. Driscoll, Ms. Abers, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused- **Motion Carried**

Mr. Wiktor next presented to the CCIDA Board an application from **Premo Limousine Service of WNY LLC.** Premo Limousine is proposing to do a significant growth project to their existing transportation business. Mr. David Carucci is proposing to purchase a 13, 700 sq. ft. vacant building on 117 S. Fourth Street in the City of Olean. Mr. Carucci will be renovating the existing facility to move his fleet of buses and transportation vehicles to this site. This project calls for the purchase of 4-6 new vehicles and to hire five (5) new employees, retaining the existing ten (10) current employees. Mr. Wiktor stated that Mr. Carucci does all the inter-office mail for Dresser-Rand and with this expansion will also be able to transport parts for his client Dresser-Rand. This project will enable Premo to grow their passenger transportation lines for sports teams, business, airport transportation and pleasure. Mr. Carucci would also like to expand his “themed” tours in the near future. The total project investment is \$500,000.

Mr. Wiktor mentioned that the project fits the IDA’s Adaptive Reuse Project, that adds new life to a building that has sat largely vacant over the past several years. This is a large building that will be completely overhauled and renovated. This project will also create net new employment, construction employment and will also enhance the real property tax value of the City. This project will need County support via passing a Resolution, because it is essentially a retail project similar to MJ Painting and Mallery’s Auto Body. This project fits two of the three exception requirements for a retail project 1) goods and services not readily available and 2) tourism destination. This is a great project that will bring transportation to the rural area where it is not readily available.

A Motion was made by Brent Driscoll, seconded by Mike Wimer **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 PREMO LIMOUSINE SERVICE OF WNY, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

A Motion was made by Brent Driscoll seconded by Greg Fitzpatrick **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 PREMO LIMOUSINE SERVICE OF WNY, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

Resolutions from prior Applications/Projects that are in process

-HK Olean Hotel, LLC – Sale/Leaseback Application: A Public Hearing for this proposed project was conducted on January 8, 2015 at the City Hall in Olean at 10:00 a.m. The Minutes from this Public Hearing were sent to the CCIDA Board for their review and information. There were no comments in regard to this proposed project, however we had four to five calls in support of this particular project, all in support of this proposed project. Mr. Douglas Szalasny, with the Krog Corp. was in attendance at the Hearings to answer any questions presented by the public at this Public Hearing.

Mr. Wiktor next introduced Mr. Douglas Szalasny Director of Finance for The Krog Corporation, to give a brief update on the progress of the \$17 Million Dollar proposed project. This project is something that is warranted and wanted in the Community. Mr. Wiktor also mentioned that a recent article in the Olean Times Herald stating that Development will bring more off ramp appeal to the area. This land was used for industrial and left vacant for well over a decade. The consensus is that everyone is extremely excited to have this property cleaned up and put to good use as a Hotel and mix use facility that will bring a number of new jobs to the area. This project has already received the City Planners stamp of approval on the \$17 Million Dollar Olean Hotel/Gateway Project.

A Motion was made by Crystal Abers, seconded by Brent Driscoll **RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF A NEGATIVE DECLARATION OF THE COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF HK OLEAN HOTEL, LLC.** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

A Motion was made by Greg Fitzpatrick seconded by James Boser **RESOLUTION AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH A LEASE/LEASEBACK TRANSACTION FOR A PROJECT FOR HK OLEAN HOTEL, LLC (THE “COMPANY”)** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

A Motion was made by Brent Driscoll seconded by Crystal Abers **RESOLUTION ACKNOWLEDGING APPOINTMENT OF LEAD AGENCY AND RECEIPT OF A NEGATIVE DECLARATION OF THE COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION LAW IN CONNECTION WITH A CERTAIN PROPOSED PROJECT FOR THE BENEFIT OF OLEAN GATEWAY LLC PROJECT.** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

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

Mr. Wiktor next advised the CCIDA Board that Sanzo Beverage Project is still moving forward (December 2014 application), they had a small issue in regards to the flood zone on the property which needed to be resolved with the Town of Hinsdale. Sanzo Beverage is currently refiguring the design/footprint of the exact location for the new building. Mr. Chris Sanzo has advised Mr. Wiktor that he plans to be back at the IDA at our March 17, 2015 Board Meeting for final Approval. The Public Hearing has already been held on this project (January 8, 2015 at Noon) several people were in attendance (Hinsdale Town Supervisor, Hinsdale Central School Superintendent and Chris Sanzo) everyone that attended were in support of this expansion project and had a few general questions in regards to the project.

Sprague Development Corp. Project:

Mr. Wiktor explained that Mr. Kody Sprague has formed an LLC to undertake the current IDA project that is in the works. The new LLC is Allegany Square, LLC whose sole member is Sprague Development Corp. Hodgson/Russ LLC has prepared a Resolution to designate Allegany Square, LLC as the Company.

A Motion was made by Jim Boser seconded by Brent Driscoll **RESOLUTION DESIGNATING ALLEGANY SQUARE, LLC AS COMPANY WITH RESPECT TO A COMMERCIAL PROJECT.** A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

Mr. Wiktor stated that on January 18, 2015 the Olean Times Herald had an article on one of our Board Members. Mr. Jim Boser was lauded for 60 years of service to the Allegany Engine Company, Inc. Mr. Wiktor also mentioned that in addition to being a life time active member of the Allegany Fire Company he has served on the Cattaraugus County Legislature for the past 12 years, Allegany town Board for 8 years, and director of the Cattaraugus County Business

Development Corporation for many years. Mr. Boser also provides volunteer services for the Allegany 60 Plus Club where he is second vice president and also works with the Cattaraugus County Meals on Wheels Program. Through Mr. Boser's volunteer work and community service he has helped make the Town of Allegany and Cattaraugus County "a great place to live".

The County of Cattaraugus Industrial Development Agency would like to thank Mr. James L. Boser for his tireless efforts aimed at the Town of Allegany and Cattaraugus County.

A Motion was made by Crystal Abers, seconded by Brent Driscoll **RECOGNIZING CCIDA BOARD MEMBER MR. JAMES BOSER FOR HIS 60 YEARS OF VOLUNTEER SERVICE WITH THE ALLEGANY ENGINE COMPANY.** The CCIDA applauds and thanks Mr. Boser for his dedication and service to the Community! Everyone was in favor. **Motion – Carried.**

FINANCIAL REPORTS:

A Motion was made by Greg Fitzpatrick, seconded by Crystal Abers to accept the December 2014 and January 2015 Operating Statements for the County of Cattaraugus Industrial Development Agency as presented. **Motion- Carried.**

Mr. Wiktor stated that Four Mile Brewing/Hellbender Development Project closed in early 2015 \$4,761.00 we also had HoliMont Inc.- Sales Tax Letters in the amount of \$1,374.00 and Holiday Valley Sales Tax Letters in the amount of \$5,052.00. These closings/sales tax letters accounted for \$11,187.00 income for January 2015. Mr. Wiktor stated that we currently have two – three projects in the closing stages at this time, with a possible closing date of March or April 2015.

Mr. Wiktor mentioned the notification – email to the Board of Directors for their permission to transfer funds.

The CCIDA Audit Committee Minutes – an Audit Committee Meeting was conducted for the purpose of discussion in regards to the Annual Audit. The Engagement letter is signed, field work is complete. We will have the draft Annual Audit Report ready for our March 17, 2015 CCIDA Board Meeting.

A Motion was made by Crystal Abers, seconded by James Boser to accept the January 13, 2015 Audit Committee Minutes as provided to the Board. A Roll Call vote was taken with Mr. Buffamante, Mr. Boser, Mr. Wimer, Ms. Crystal Abers, Mr. Driscoll, and Mr. Fitzpatrick voting yes. Mr. Joseph Higgins was excused. **Motion- Carried.**

We will have a NYS Audit Update - Exit interview is scheduled for February 13, 2015 at the CCIDA Office. Chairman Buffamante will be attending this meeting with the IDA Staff and Comptroller's Office.

EXECUTIVE DIRECTOR'S REPORT:

Olean & Cattaraugus Community Leaders Meeting - Meeting held on January 16, 2015 (8:00 a.m. – Noon) arranged by Beth Powers and attended by 60 area Leaders to discuss What they see as barriers to Economic Development in Olean and Cattaraugus County. The group met for nearly three and a half hours behind closed doors of the student union at Jamestown Community College's campus in Olean. The attendees heard an update on a study of downtown Olean analyzing the need for market-rate housing and future business development. The approximately \$20,000 study was paid for with \$4,800 contributions from the City, Olean's Urban Renewal Agency, the Cattaraugus Empire Zone and the Cattaraugus County Industrial Development Agency.

Draft Downtown Revitalization Initiative – The Confidential Report was handed out to the CCIDA Board Members for their review. This is a very informative and comprehensive report that should be beneficial to the continued Economic Growth in Olean and the surrounding areas.

WNY 58.6 Million awarded to 69 Projects – 2014 CFA Project Awards – “OBI” Project was a \$400,000 winner. There was a handful of other Cattaraugus County projects awarded funds such as Jamestown Community College for Machinist Training Program \$99,998, City of Olean for Allegeny River Trail \$38,785, City of Olean for North Union Street Green Revitalization \$854,000 and Village of Allegany for Town-Village Sanitary Sewer Planning Study \$30,000 just to name a few. Total funding awards for Western NY was \$58.6 M.

NYSEDC Conference in Albany – Mr. Wiktor attended the NYSEDC Conference in Albany (January 20-23) at which he made several presentations on Economic Development that were well attended and received.

CCIDA Best Practice Models for various topics – Presented to the CCIDA Board the three (3) topics in regards to Best Practice Models for Projects. Would like to implement a Board vote to accept the three recommended Best Practice Policies for use at the CCIDA.

- ✓ Retail Project Best Practices
- ✓ Community Outreach Best Practices
- ✓ Local Labor Project Best Practices Recommendations

Manatt, Phelps & Phillips Article: 2015 New York State Legislature Session Preview handout is provided for the Board's information and review. Several critical issues involving education, healthcare, economic development, income inequality, criminal justice, public ethics, energy, and the environment appear likely to occupy the Legislature.

Buffalo Niagara Partnership Article: Article by Dottie Gallagher-Cohen “Governor Cuomo's 2015 Proposed Budget – Our Stance” Position paper put out by Buffalo Niagara Partnership in regards to the 2014 NYS Proposed Budget. The Partnership is keeping an eye on several key Governor's proposals such as \$1.5B for Upstate Investment, Property Tax relief, Brownfield

Buffalo News Article: “Cattaraugus County establishes land bank” Cattaraugus County lawmakers have passed an act establishing the Cattaraugus County Land Bank Corp, a not-for-profit entity to take control of and redevelop vacant, abandoned and or tax delinquent properties in order to rebuild communities. Vacant or abandoned properties are causing potential danger to the health and safety of citizens, and the hope is that the land bank would allow cities, towns and villages to acquire, redevelop and improve upon delinquent properties and convert them to productive uses.

Buffalo News Article: “Casino decision cuts into Seneca Nations Market, dashes Southern tier’s hope” A very interesting article in regards to the State adding Casino’s throughout the State. The developer of the proposed Seneca County casino has predicted that \$40 million of its annual revenue would be drawn from casinos run by the Seneca Nation.

Article: Fund provides Critical Seed Money to Support Technology Start-Up Companies as part of Governor’s Economic Development Agenda. This \$50 million fund is expected to leverage at least \$100 million in private capital to support high growth areas including advanced materials, clean technology, life sciences/biotechnology and information technology.

Senator Catherine Young Letter: Senate Bill 6870 Would amend the public authority law by enacting the “Just and Open Business subsidies (JOBS) act of 2014. This act would provide oversight and regulation of Industrial Development Agencies (IDAs) and other State and Local authorities which provide tax subsidies to certain businesses throughout New York.

Packets sent to Cattaraugus County Legislature Members – All packets were sent out on January 14, 2015 giving a year end recap of 2014. This packet is sent out each year to all members of the Cattaraugus County Legislature to keep them informed of what is happening with the CCIDA and what projects have been assisted throughout the year. Much positive feedback has been received since we have been providing this information on a yearly basis and it also keeps the line of communication open at all times between the CCIDA and the Cattaraugus County Legislature.

Olean Times Herald Article: \$15 Million Solar Power Complex Planned in the City of Olean. Mr. Wiktor has spoken to the Principal of this Company in regard to this proposed project and a meeting has been scheduled for the mid February 2015. This Solar project has targeted St. Bonaventure University as one of possible users of the solar energy that they plan to provide. The company has also made a pitch to Cattaraugus County for them to use the solar power for their Olean County Office Building which could mean a significant amount of savings in the future.

ARARASI: General project update, production will be starting in six (6) weeks with SubCon Industries doing the labeling/packaging. This is very good news for a new business in Cattaraugus County.

Evloft.us Article: 16 Martha Street LLC final approval received on December 9, 2014 with construction to start in January 2015. Recent articles state that this is in a “Brownfield” which has been cleaned up and construction will start on this new tourism based project in the Village

of Ellicottville. Phase 1 repurposes two existing buildings and features 18 high-end 940 – 2,000 sq. ft. furnished rental apartments. Phase two calls for four more structures with a total of 16 additional units.

Article “Possible Record Year for E’Ville: Ellicottville on pace for a record setting year according to the Ellicottville Chamber of Commerce. Visitor traffic is up about 20 percent in 2014, which about 7 percent of that converting to overnight stays. Residential and tourism related development tops \$100 million in the last 5 years and there is another \$30 million in the works. “Ten million dollars in lodging sales in a village with a population of 1,800 which seems nearly impossible, but not in Ellicottville NY. “ This is great news for Ellicottville and Cattaraugus County.

Olean Times Herald Article: December 18, 2014 “Locals ecstatic to forsaken by NY Fracking decision” Governor’s action of prohibiting deep well drilling in New York State. “Rather than outright prohibiting fracking, Mr. Wiktor would have preferred the state allowing companies to drill on a very limited basis while conducting its own tests on the method.” “Had they allowed fracking, it would have allowed the literal hundreds of hard-working men and women around here in the gas and oil fields to propel their future even further. This could have been a big, big opportunity for the County”

Business First Article: December 17, 2014 by David Bertola “New York State Keeps ban on fracking” “While the oil and gas industry will find opportunity elsewhere, the farmers and landowners in the Southern Tier whose livelihoods are based in New York State are in jeopardy” New York State regulators said they need more time before they would permit hydraulic fracturing, the controversial natural gas drilling technique.

Independent Oil & Gas Associates Article: By: Brad Gill, Executive Director- IOGANY. A General Update from Mr. Gill on IOGA’s action in regards to the recent decision to ban fracking in New York State and what can be done in light of this decision.

Olean Times Herald Article: December 17, 2014 by Kate Day Sager – “Everpower, Allegany settle on shares of Escrow Account” A key point in the agreement was that the escrow account that had been established for the project would essentially provide the town a total of \$104,000, approximately the amount the town spent in its legal struggles with EverPower. For its part of the settlement, EverPower will receive approximately \$396,000 from the original \$500,000 it had established in the escrow account at the beginning of the project.

Press Release: Composite Panels Solutions - “Cattaraugus Manufacturer Fills US Coast Guard Related Contract Projecting Job Growth in 2015”. With already an increase in booked contracts through 2020, the Company is projected to grow their workforce by 9 to 10 employees this year. Composite Panel Solutions has partnered with the Cattaraugus-Allegany workforce investment Board to provide on-the-job training to qualified candidates who are currently unemployed, possess a self-motivated desire to learn new skills and are committed to the Company.

EXECUTIVE SESSION:

A Motion was made by Brent Driscoll, seconded by Greg Fitzpatrick to go into Executive Session to discuss a matter with our Attorney.

A Motion was made by Brent Driscoll, seconded by Michael Wimer to return to Regular Session.

ADJOURNMENT:

A **Motion** to adjourn the CCIDA Board Meeting was made by Thomas Buffamante, seconded by Brent Driscoll at 12:35 p.m. **Motion Carried.**

**The next CCIDA Board of Directors Meeting: Tuesday March 17, 2015 at
11:15 a.m.**