

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

BOARD MEETING MINUTES

June 15, 2017

CCIDA OFFICE-Ellicottville, NY – 9:00 a.m.

Roll Call: -Taken-

Members

Present:

Mr. Thomas Buffamante – Chairman
Mr. Joseph Higgins
Mr. Brent Driscoll
Mr. Greg Fitzpatrick
Mr. Michael Wimer
Mr. Joe Snyder
Mr. Vergilio Giardini

Excused:

CCIDA Staff:

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

Presenters/Guests:

Mr. Jim Falsetti – *BQ Energy*
Mr. Mike Dytka – *Kenyon Energy*

Mr. Rick Miller – *Olean Times Herald*

Chairman Thomas Buffamante called the meeting to order at 9:00 a.m.

A roll call of the Board of Directors of the CCIDA was taken, all Board Members were present.

***NEW APPLICATIONS/PROJECTS:**

Solean, Solean West, & Homeridae Projects: BQ Energy/Steel Winds, LLC. has asked the County of Cattaraugus Industrial Development Agency to consider support via inducing their three (3) proposed Solar Energy projects to be constructed in the City of Olean, to help and reduce the operating costs of St. Bonaventure University, Olean General Hospital and the City of Olean.

BQ Energy is the world's leader in renewable energy projects on Brownfield's and landfills. BQ Energy was created in 2002 specifically to develop wind energy facilities on Brownfield sites. BQ Energy recognized then that such sites offered an outstanding fit for the needs of a great wind project. Often such sites are located on coastal regions, so the wind resource and access to transportation infrastructure are available. Other site assets such as existing power lines also make such development attractive since projects avoid any such new construction.

BQ Energy was among the first to realize this new market and has successfully developed projects such as the Steel Winds facility in Lackawanna, NY and others. Various governments have agreed that this is a preferred path to redevelopment of former industrial properties and have made this into public policy. The US EPA has launched an initiative called Repowering America's Land specifically aimed at further promoting the development of renewable on Superfund and other challenged sites.

In 2008, BQ Energy expanded its work to develop solar photovoltaic projects. These efforts have been focused mostly on community landfills. This design allows the environmental integrity of the landfill to be maintained, while moving landfill properties back into productive reuse for the community.

BQ Energy professionally manages all aspects of a project from definition through financing and operation.

BQ Energy has world class experience in the development of utility scale solar energy facilities. Their staff has worked on projects as small as 50 kw and as large as 10 MW. They have worked on rooftop projects but have built up particular expertise in the siting of solar energy facilities on landfills and Brownfield's. Such installations beneficially reuse land which may have limited alternative use but which often have good electrical infrastructure. BQ Energy manages all aspects of the development of landfill or Brownfield based solar installations. They will help the customer figure out if a property is suitable for solar redevelopment, then manage all required permitting, design, financing, procurement, equipment selection, construction, commissioning and operation. BQ Energy has worked extensively with communities in public/private partnerships to ensure that the redevelopment is well received and fair to all stakeholders.

Employment:

This project will create roughly 2/3 new jobs and will also use localized specialized contractors for maintenance contracts throughout the year. In addition, some local construction jobs will be employed for these various projects. Local suppliers will also be utilized as much as possible for the purchase of these products as well.

Investment: Total project cost/investment of: **\$21,600,000 (+,-).**

Mr. Wiktor then introduced Mr. Jim Falsetti from BQ Energy and Mr. Mike Dykta from Kenyon Energy to discuss the three (3) solar projects that are being proposed in Olean, NY, to review and discuss their three (3) proposed solar projects in the City of Olean. Mr. Falsetti from BQ Energy first came to Olean in 2013/2014 to start working on a project that would benefit the local community. New York State and NYSERDA were introducing programs to encourage solar in New York State. BQ Energy specializes in Brownfield redevelopment projects across the State, and are very interested in the brownfields located in the City of Olean. These three proposed solar projects would bring clean, green renewable energy to the area. Mr. Falsetti stated that they were the developers of the Steel Winds project in Buffalo. Mr. Falsetti said that BQ Energy started with a discussion at St. Bonaventure University and realized that they would have additional power to sell and went to Olean General Hospital to propose the solar project to them and they also proposed the same project to the City of Olean. All three (3) places were very excited to be able to have a cost savings in their electric.

Mr. Falsetti said they received a tax assessment that was excessively high and they are appealing this assessment with the City/School and County. BQ Energy was unaware that Cattaraugus County had opted out of 487 which would in turn make this project taxable in the eyes of the City/School and County. Mr. Falsetti stated that Cattaraugus County was not listed on the New York State website of Counties opting out of 487. When it was realized that the municipalities had opted out BQ Energy, Mr. Falsetti contacted Corey Wiktor of the IDA to see what could be done. The total investment for these three (3) projects is approximately \$20 Million.(+or-) The savings from St. Bonaventure University, Olean General Hospital, and the City of Olean will go right to their bottom line through credits to their electric bills, and in turn they will pay a fee to BQ Energy for this credit. BQ Energy is currently working on solving the tax assessment issue to move forward with the project. They are not operational yet however hopefully they will be in the very near future at Solean and Solean West. The Homeridae LLC project will not be operational at the same time as the others but will be online in the very near future also. BQ Energy is currently working on getting the tax issue resolved as soon as possible.

Mr. Fitzpatrick asked if these solar credits were only available to non-profits. Mr. Falsetti stated that BQ Energy has been more successful with non-profits however; the credits are available to all Companies.

Mr. Wiktor discussed the Wind PILOT that was negotiated several years ago with includes methane digesters, wind mills, and solar panels. All of these items would be exempt from New

York State taxes if not for the RPL 487 that the City, School, and County opted out of. The per mega watt tax rate would not make these projects viable in the State of New York.

Mr. Falsetti also stated that site work and shovel ready work is being done by local contractors. Also an electrical worker will be hired to perform routine maintenance. Further discussion in regards to the feasibility of this project which would not be sustainable long term if not for the New York State – NYSEERDA.

Mr. George Cregg, Jr. discussed the PILOT that is currently in place for wind farms which is the closest product we have that would be used to cover this type of solar projects. BQ Energy is asking for \$2,500 per mega watt and our normal wind PILOT is currently at \$5,000 per mega watt. BQ Energy would still be paying property taxes on the land that was purchased, however they would be paying the PILOT payments based on the value added.

There was much discussion in regards to the State and Federal benefits associated with commercial solar projects by the Board as well. The IDA will be conducting meetings with all involved stakeholders to gauge their support and ideas of any potential IDA benefits that may be leveraged to help the project move forward.

The Three (3) Proposed Projects:

- **(#1.) Solean Project** – A 4 MW solar energy photovoltaic plant; 100% of its production will be sold to the St. Bonaventure University (a 501c3 Corporation) under a 25 year contract. *This proposed project would result in an average of \$283,000 per year in direct reduction in operating costs. **Total project investment is: \$10,075,000.***

RESOLUTIONS:

A **Motion** was made by Joseph Higgins, seconded by Brent Driscoll, **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 1406RB PV LLC.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini, and Mr. Wimer and voting yes.

A **Motion** as made by Brent Driscoll, seconded by Michael Wimer, **RESOLUTION DIRECTING THE EXECUTIVE DIRECTOR OF COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY TO TAKE CERTAIN ACTIONS UNDER ARTICLE 8 OF THE ENVIRONMENTAL CONSERVATION ALW IN CONNECTION WITH A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF 1406RB PV LLC.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini, and Mr. Wimer and voting yes.

-(#2.)Solean West Project – A 1.6 MW solar energy photovoltaic plant; 100% of its production will be sold to the Olean General Hospital (a 501c3 Corporation) under a 20 year contract. *This proposed project would result in an average of \$40,000 per year in direct reduction in operating costs.* **Total project investment is: \$5,500,000.**

RESOLUTIONS:

A Motion was made by Michael Wimer, 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 1496RB PV LLC.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini, and Mr. Wimer and voting yes. *(Mr. Buffamante did note that he is a Board Member of Olean General Hospital but has no financial interest or direct involvement in this proposed project.)*

A Motion as made by Joseph Higgins, 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 ALW IN CONNECTION WITH A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF 1470RB PV LLC.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini, and Mr. Wimer and voting yes. *(Mr. Buffamante did note that he is a Board Member of Olean General Hospital but has no financial interest or direct involvement in this proposed project.)*

-(#3.) Homeridae Project – A 3.2 MW solar energy photovoltaic plant; 100% of its production will be sold to the City of Olean (a municipal Corporation) under a 25 year contract. This proposed project would result in an average of \$125,000 per year in direct reduction in operating costs. **Total project investment is: \$6,000,000.**

RESOLUTIONS:

A Motion was made by Brent Driscoll, 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 HOMERIDAE LLC.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini, and Mr. Wimer and voting yes.

A Motion as made by Joseph Higgins, 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 ALW IN CONNECTION WITH A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF HOMERIDAE LLC.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini, and Mr. Wimer and voting yes.

RESOLUTION:

NORTH DELAWARE HOLDINGS LLC AND STILLHOUSE OF BUFFALO, LLC:

A Motion was made by Brent Driscoll, seconded by Joseph Snyder, **RESOLUTION AMENDING A RESOLUTION ENTITLED “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. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini voting yes. Mr. Wimer abstained. *(Mr. Wimer noted that Cattaraugus County Bank has been involved in a banking relationship with North Delaware Holdings LLC/Stillhouse of Buffalo, LLC, however they have no financial interest or direct involvement in this proposed project)*

RESOLUTION:

16 MARTHA STREET, LLC:

A Motion was made by Brent Driscoll, seconded by Joseph Snyder, **RESOLUTION AUTHORIZING THE EXECUTION BY COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY OF A CERTAIN SECOND MODIFICATION AGREEMENT IN CONNECTION WITH THE 16 MARTHA STREET, LLC PROJECT.** A Roll Call vote was taken with, Mr. Buffamante, Mr. Higgins, Mr. Driscoll, Mr. Fitzpatrick, Mr. Snyder, Mr. Giardini voting yes. Mr. Wimer abstained. *(Mr. Wimer noted that Cattaraugus County Bank has been involved in a banking relationship with 16 Martha Street, LLC however they have no financial interest or direct involvement in this proposed project)*

ADJOURNMENT:

A Motion to adjourn the CCIDA Board Meeting was made by Brent Driscoll seconded by Michael Wimer at 10:15 a.m. **Motion-Carried.**

***The next CCIDA Special Board of Directors meeting: Tuesday, July 25, 2017 11:15 a.m. a.m. at the Olean Business Development Corp. office in Olean, NY**