

**COUNTY OF CATTARAUGUS  
INDUSTRIAL DEVELOPMENT AGENCY**

**BOARD MEETING MINUTES**

**March 15, 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. Michael Wimer  
Mr. James Snyder

**Excused:**

**CCIDA Staff:**

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

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

**Presenters/Guests:**

Ms. Denise Veloski – *RA Mercer & Co.*  
Mr. John Thomas – *The Villager*  
Mr. Larry Sorokes – *Olean Business Development Corp. (OBDC)*

Chairman Thomas Buffamante called the meeting to order at 11:19 a.m.

Mr. Buffamante first expressed the Board's thanks to Ms. Crystal Abers for her years of service on the IDA Board from July 23, 2008 until February 4, 2016. Mr. Buffamante stated that Ms. Abers has brought an abundance of knowledge to our Board and she will be sorely missed. She will still be attending our Board Meetings and working closely with the CCIDA Board and Staff.

Ms. Abers expressed her appreciation with working and serving on the CCIDA Board and will still work closely with Corey Wiktor and the entire Cattaraugus County Economic Development Team. The IDA Board presented her with a few tokens of their appreciation.

Mr. Buffamante introduced our newest Board Member, Mr. Matthew Keller who has been appointed to replace long time Board Member, Crystal Abers. Mr. Keller is a County Legislator who represents Olean, NY. Mr. Keller is also the Director of the Cattaraugus County Business Development Corp. (CCBDC) along with being a small business and property owner. He will bring much experience and financial background to the IDA Board.

Mr. Wiktor stated that Mr. Keller is the Director of the CCBDC, which has approximately \$450,000 in loans out to small businesses at the current time. Mr. Wiktor stated that with his business and financial background, he will be a valuable addition to the CCIDA Board. Mr. Wiktor wanted to welcome Mr. Keller to the CCIDA Board!

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

### **APPROVAL OF MINUTES:**

A Motion was made by Michael Wimer, with a second by Joseph Higgins to accept the February 4, 2016 CCIDA Board Meeting Minutes as presented to the CCIDA Board. **Motion Carried**

### **Presentation of 2015 CCIDA/CCCRC Audit**

Mr. Buffamante stated that an Audit Committee Meeting was conducted on March 10, 2016 to review the 2015 proposed Audit prepared by RA Mercer & Co. Mr. Buffamante stated that a few minor changes were recommended and made by the Audit Committee at the meeting on March 10th.

Mr. Buffamante next introduced Ms. Denise Veloski from RA Mercer & Co. to present the 2015 Financial Audit to the CCIDA Board. Ms. Veloski first explained that a new Accounting Principle GASB Statement No. 68 which covers Accounting for Financial Reporting for Pensions. This change caused the auditor to restate the beginning balances of the Agency. The change will create a few new line items in the financial statements (inflows and outflows).

Denise Veloski reviewed with the CCIDA Board the Management's Discussion and Analysis letter which is mainly prepared by Corey Wiktor with additional information by RA Mercer & Co. This letter mainly compares the net position for 12-31-15 with the 2014 information.

Denise mentioned some of the items created by the Agency, the Downtown Olean Development Zone to assist in the development of downtown Olean, and also created the three (3) new Best Practice models. The three models are: Community Outreach Best Practice Recommendations, Local Labor Project Best Practice Recommendations, and the Retail Project Best Practice Recommendations. Also mentioned was the Office of the State Comptroller Audit what was conducted in the latter part of 2014 and early 2015. An exact quote from the NYS Comptroller's Office was "We found that the CCIDA was effective in its efforts to promote, develop and assist in economic development projects in the County"

*Ms. Veloski stated that the total increase in net position at the end of 2015 was \$44,800*, with the end of the year net position at \$1,468,036. Mr. Wiktor stated that 2015 was the first year in many years that ended with a surplus in income. The Agency continually tries to keep its expenses down to a realistic minimum. Mr. Wiktor stated that the Agency does not receive any funding through federal or state or grant programs and that the only income is derived by projects that are closed during the operating year. The more projects that are approved by the CCIDA Board and the expansion of the services provided by our Agency will untimely add to the financial position that we currently have.

Denise stated that the Revenues did increase from \$260,781 in 2014 to \$337,029 in 2015. There was also a non-operating expense of \$12,886 which was a pass through grant revenue for the New York and Lake Erie Railroad.

Ms. Veloski did mention that the accounts with Community Bank that were briefly uninsured and uncollateralized by a Collateral Statement, due to a misunderstanding with Community Bank, N.A. Mr. Buffamante stated that a Certificate of Deposit had been moved from the Five Star Bank to Community Bank because of the additional interest being paid at Community Bank. This transfer of funds put one of the accounts at Community Bank over the FDIC insured amount of \$250,000. A collateral statement has been requested of the Bank and all paperwork has been signed to put this into place. Mr. Wiktor mentioned that the bank had originally advised that when your account goes over the FDIC insured amount that a Collateral Statement covering the overage would be in place. This was an error/oversight and has now been corrected. Mr. Wiktor thanked RA Mercer & Co. for bringing this to our attention so that it could be corrected.

Ms. Veloski reviewed with the CCIDA Board the Schedule of Bonds and mentioned that the St. Bonaventure University bond deal did actually close in February of 2016. Also reviewed were the schedules of leases of which we had eight (8) closing in 2015 and issued three (3) new PILOTS on the eight projects.

Mr. George Cregg, Jr. asked Ms. Veloski if next year they should do a separate page with the Assets for the Cattaraugus County Capital Resource Corp. breakdown. Mr. Wiktor stated that when the Agencies compile the PARIS reporting requirements that we have not had a problem with both Agencies being reported on the same report.

Mr. Buffamante also stated that the NYS Comptroller's office did not have an issue with the Audit reports covering both companies. Mr. Wiktor noted that this will be taken into consideration for the 2016 Audit Report.

**A Motion** was made by Brent Driscoll, seconded by Joseph Higgins to accept the CCIDA Audit Committee Meeting Minutes of March 10, 2016 as presented. **Motion Carried**

**A Motion** was made by Brent Driscoll, seconded by Joseph Higgins to accept the CCIDA 2015 Audit Report as submitted by RA Mercer with changes that have been recommended by the Audit Committee. **Motion Carried**

Mr. Buffamante and Mr. Wiktor thanked RA Mercer & Co. for another year of Audit work completed in a timely manner.

Mr. Wiktor next introduced Mr. Larry Sorokes who was at the CCIDA Board meeting to give an update on the ongoing Olean Business Institute project. Mr. Sorokes is the Director of the Olean Business Development Corp. (OBDC) and as a full disclosure Mr. Driscoll and Mr. Wiktor serve on that Board as well. The IDA Board heard a proposal to consider a lease for office space from the OBDC to have an office location in the City of Olean at the OBI Building.

Mr. Sorokes stated that the last time he spoke with the CCIDA Board he had intended the Olean Incubator Project to actually be an IDA Project. Mr. Sorokes found two (2) private investors to purchase the building which was completed in August and have since been working on renovations, financing and the whole package. Currently they are about a month away from moving into the building the anchor tenants of Olean Chamber of Commerce, Cattaraugus Region Community Foundation, as well as the for profit Division of the Rehabilitation Center. The incubator is a collaborative effort between the Greater Olean Chamber of Commerce, OBDC, and the Cattaraugus Empire Zone.

Some of the amenities at the building include training, conferencing, and meeting space for tenants and per-diem rentals; an experiential learning center for high school and college students; office space for startup companies or professionals needing temporary working space; and a first-floor café.

Mr. Sorokes explained that the Incubator Project is now in its second phase and are looking for anchor tenants and supporters. Mr. Sorokes stated that OBDC officials are in the finalizing stages of an affiliation with the Western New York Business Incubator Network. OBDC has been asked to be Western New York's Business Incubator Tenth Incubator in the Network. What this means is that any incubator tenant will have access to tax advantages as they establish their company. Those incentives will continue after each tenant relocates into the Community. This is a great incentive to get new businesses to use the incubator as a home base for start-up.

Mr. Sorokes submitted to the CCIDA Board a Request for Support. The OBDC will provide approximately 150 sq. ft. of office space for use by the CCIDA and its partners/clients for five (5) years, beginning in May 2016, specific lease terms to be formalized upon approval. OBDC will provide training space, video-conferencing, and a board/meeting room.

Mr. Wiktor wanted to thank Larry Sorokes for his presentation and update on the progress that is being made on the OBDC Incubator Project. Mr. Wiktor expressed his kudos's to all the people involved with this project, with their vision of this incubator project and getting this off the ground! This building is right by the round-a-bout which is a very strategic spot and also this old building will not be going dark, which is great for the City of Olean. Another great aspect of this project is being awarded \$400,000 CFA funds by NY State, which this was the only project of this kind that recognized by the State, the funds are to be awarded at the completion of the project. New York State and the City of Olean have welcomed this project which will be a great asset to the City of Olean.

Mr. Sorokes stated that the original cost to renovate was originally \$2 Million dollars however; the cost is significantly lower because of the in-kind work that has been done by local contractors.

Mr. Wiktor stated that he is in Olean several times a week and it would be beneficial to have a base office in this new incubator facility so that he doesn't have to go back and forth to Olean for meetings. There is also a possibility to hold CCIDA Board Meetings at the Olean location. Mr. Wiktor stated that Larry Sorokes has provided sufficient documentation in regards to the request for support of this project. This will be prepaid office space in the City of Olean for use by the CCIDA and other partners/clients such as the Business Development Corp., Buffalo Niagara Partnership, and Buffalo Niagara Enterprise and any other associates interested in the use of this space.

In exchange for these services that were stated above and in Mr. Sorokes request, OBDC respectfully requests a contribution from the CCIDA of \$20,000 in 2016: \$15,000 in prepaid rent (five years prepaid) and a \$5,000 contribution toward capital improvements to the building. (***The Board made a recommendation to take funds out of the CCCRC for the lease and will be so noted on the CCCRC Board Minutes of March 15, 2016 – action was taken in the CCCRC Meeting and will reflect so in the Minutes.***)

Next, Mr. Wiktor gave a brief presentation in regards to the ***76West Initiative***. Asarasi, Inc., which is owned by Mr. Adam Lazar has submitted an application through the 76West Initiative. Adam Lazar has been very active with his start up business and has gone into production mode. We are currently working with Mr. Lazar to help move his business along with the hopes of him opening a Cattaraugus County production site. Currently the raw product is being shipped from Sprague's Maple Farms in Portville, NY to Mayer Bros. in West Seneca, New York for producing the carbonated maple infused water and bottled in glass bottles at their factory. Mr. Lazar has formed a partnership with Randy Sprague from Sprague's Maple Farms in Portville, NY which is one of the largest maple syrup producers in New York State.

Mr. Lazar was in the final competition of 43 North in 2014 which was derived from the Buffalo Billion. He did not win the competition however that has not deterred him from submitting an application to 76West Initiative.

Mr. Lazar has moved down state from California and is devoting his full attention to Asarasi, Inc. He is considering building a manufacturing processing/bottling facility in Cattaraugus

County. This new business would make an immediate impact to Cattaraugus County with 8 – 10 new employees focused on organic local products. Crystal Abers of the Economic Development, Planning and Tourism Department in Little Valley, New York has asked Mr. Lazar to participate in the Farm Neighbor Dinner on April 13, 2016 at the West Valley Fireman’s Clubhouse. Mr. Lazar is going to supply a bottle of his sparking water to each attendee of the event!

Mr. Wiktor next discussed the actions needed to comply with IDA Reform Act which takes effect on June 15, 2016. Mr. George Cregg, Jr. has compiled a hand-out to alert Hodgson/Russ LLC clients to the changes that will be taking place. Mr. Wiktor and Mr. Cregg, Jr. will be spending some time together to make sure that the CCIDA is in compliance with all the new regulations to date. One of the main points in this new legislation is how it relates to the accountability and efficiency of industrial development agencies and authorities; requires each industrial development agency to develop a standard application form to be used by the agency to accept requests for financial assistance from all individuals, firms, companies and developers; further requires industrial development agencies to develop policies for the suspension or discontinuance of financial assistance of PILOTS.

George Cregg, Jr. suggested that Corey Wiktor look over the application and claw back policy to make sure that they are uniform and in compliance, if any changes need to be made that the CCIDA Board act on those changes and adopt them before June 15, 2016. Mr. Wiktor stated that we have adopted the Eligible Projects policy and also have revised and enhanced our claw-back policy; therefore we are ahead of the curve on some of these items. We do plan on revising and enhancing our application prior to the June 15, 2016 deadline.

Mr. Cregg, Jr. stated that this new legislation in no way will affect the ability of the CCIDA or CCCRC to provide benefits to our clients. This legislation is about accountability and transparency in regards to projects that are receiving benefit. This makes it much easier for the Auditors to determine if the project that was approved met all criteria and expectations and if not did the IDA question the developer or remove benefit if necessary.

Mr. Buffamante stated that this legislation is looking for more reporting after the project is complete. Mr. Wiktor stated that this is already done by the letters that are sent to all projects each year for the yearly audit and also for the PARIS Reporting that must be completed by March 31<sup>st</sup> of each year. Mr. Wiktor stated that he periodically visits the Agency’s projects when they are completed to see how things are going and to see how many employees they have etc. Cattaraugus County is a relatively small County compared to other counties in New York State, so we are much more familiar with our businesses and past projects, and certainly keep tabs on how things are progressing.

**\*Resolutions from prior Applications/Projects that are in process\***

**-Sunny Olean, LLC:** A Public Hearing for this proposed project was held on March 2, 2016 at 10:00 a.m. in the Olean City Hall, 101 East State Street, Olean, NY. Minutes of the public hearing were included in your packets for your review. For the record, Olean Mayor, Mr. William Aiello was the only person in attendance at this Public Hearing and spoke in favor of this project.

**RESOLUTIONS:**

A **Motion** was made by Brent Driscoll, seconded by Michael Wimer, **RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF SUNNY OLEAN 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. Wimer, Mr. Snyder, Mr. Higgins, Mr. Driscoll, Mr. Keller and Mr. Buffamante voting yes. **Motion- Carried.**

A **Motion** was made by Brent Driscoll, seconded by Joseph Higgins, **RESOLUTION MAKING RETAIL FINDINGS FOR A CERTAIN COMMERCIAL PROJUECT FOR SUNNY OLEAN, LLC.** A Roll Call vote was taken with Mr. Fitzpatrick, Mr. Wimer, Mr. Snyder, Mr. Keller, Mr. Driscoll, Mr. Higgins, and Mr. Buffamante voting yes. **Motion- Carried.**

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

**-49 S. Water Street, LLC:** A Public Hearing was conducted at 2:30 p.m. at the Gowanda Village Hall, 27 East Main Street, Gowanda, NY. Minutes of the public hearing were included in your packets for your review. For the record there were eight people in attendance at this Public Hearing with only six people speaking and all were in favor of the project. Everyone is in agreement that they are excited that this project will still happen in Gowanda, NY and that the developer did not give up on this project.

A **Motion** was made by Brent Driscoll, seconded by Gregory Fitzpatrick, **RESOLUTION DETERMINING THAT ACTION TO UNDERTAKE A PROJECT FOR THE BENEFIT OF 49 S. WATER STREET, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.** A Roll Call vote was taken with Mr. Fitzpatrick, Mr. Wimer, Mr. Snyder, Mr. Keller, Mr. Driscoll, Mr. Higgins, and Mr. Buffamante voting yes. **Motion – Carried** *(Mr. Wimer did note that Cattaraugus County Bank is working with this developer however, he has no financial interest or direct involvement in this proposed project.)*

A **Motion** was made by Brent Driscoll, seconded by Joseph Higgins, **RESOLUTION MAKING RETAIL FINDINGS FOR CERTAIN COMMERCIAL PROJECT FOR 49 S. WATER STREET, LLC.** A Roll Call vote was taken with Mr. Fitzpatrick, Mr. Wimer, Mr. Snyder, Mr. Keller, Mr. Driscoll, Mr. Higgins, and Mr. Buffamante voting yes. **Motion – Carried** *(Mr. Wimer did note that Cattaraugus County Bank is working with this developer however, he has no financial interest or direct involvement in this proposed project.)*

**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 49 S. WATER STREET, LLC (THE “COMPANY”)**. A Roll Call vote was taken with Mr. Fitzpatrick, Mr. Wimer, Mr. Snyder, Mr. Keller, Mr. Driscoll, Mr. Higgins, and Mr. Buffamante voting yes. **Motion – Carried** (Mr. Wimer did note that Cattaraugus County Bank is working with this developer however, he has no financial interest or direct involvement in this proposed project.)

### **FINANCIAL REPORTS:**

A Motion was made by Brent Driscoll, seconded by Gregory Fitzpatrick to approve the February 2016 Operating Statement as prepared. **Motion – Carried**

Mr. Wiktor stated that the CCCRC had \$30,305.00 in income resulting from St. Bonaventure University Bond Issuance which is reflected in the February statements.

Project closing updates: We currently have five (5) projects in the closing phase and anticipate several of these projects to close within the second quarter of 2016.

### **ADJOURNMENT:**

**A Motion** to adjourn the CCIDA meeting was made by Brent Driscoll, seconded by Michael Wimer. **Motion Carried**

**A Motion** was made by Brent Driscoll, seconded by Joseph Higgins to go into a CCCRC Meeting to discuss a matter of a Proposal. **Motion Carried**

**A Motion** was made by Thomas Buffamante to reopen the CCIDA Meeting, seconded by Joseph Higgins. **Motion Carried**

### **EXECUTIVE DIRECTORS REPORT:**

Mr. Wiktor first handed out an updated CCIDA Board Member roster, to all Board Members. If anyone has any changes please let us know so that we can update our list.

**Buffalo Niagara Partnership:** 2016 Advocacy Agenda prepared by Buffalo Niagara Partnership. Please review the initiatives and recommendations set forth by the BNP, this impacts the private sector in different regards in Albany, NY.

**Buffalo Niagara Partnership:** Can Am Council Meeting with Logistics & Transportation Council conducted on February 18, 2016. Mr. Wiktor did a presentation at this meeting. The upcoming Mega Region Event will be held on April 14, 2016 an all day event between United States and Canada of which the IDA is a Sponsor. Mr. Wiktor plans to participate in this event which is very well attended. If any Board Members are looking for a ticket to this event please let Mr. Wiktor know and he is happy to sponsor you for this event.

**Buffalo Niagara Enterprise (BNE): Investor only Invitation** – March 10<sup>th</sup>, BNE has rebranded their name. The new name will be Invest Buffalo Niagara. The CCIDA does belong to this group.

**2016 Policy Agenda – Unshackle Upstate:** I would encourage all Board Members to look on Unshackle Upstate’s website to see their points and recommendations on policies that they would like to incorporate in on the proposed NYS 2016 Budget.

**USDA Article:** - 3-3-16 Article by Lisa Smith, Chautauqua County FSA Office. *“New Program Bridges to Opportunity”* Agricultural is key and vital component to our economy here in Cattaraugus County. This is very good news for western New York!

**March 1, 2016 Senate Passes Bill to Connect Local Farmers with More Economic**

**Resources:** *“Legislation would allow IDA’s to help farmers as part of their efforts to Boost New Yorkers Agricultural Economy”* NYS Senate is proposing a Bill that would allow IDA’s to assist farmers. This is also is very good news! We have helped a few agriculture tourism projects in the past such as Four Mile Brewing and Ellicottville Brewing Co. Mr. Wiktor mentioned that most dairy farmers are tax exempt on purchases and also there must be a defined project to be eligible for IDA benefits. We have discussed doing projects for methane digesters and other small projects however the numbers were not there, we are not the best vehicle to assist small farmers.

**Olean Times Herald Article:** by: Christopher Michel & Rick Miller *“76 West Aims to bring area Economic Growth”* As stated this business competition looks to bolster Economic Development in the Southern Tier. We have an applicant we are working with submitting an application – Mr. Adam Lazar from Asarasi, Inc.

**Olean Times Herald Article:** Article dated 3/1/16 – *5<sup>th</sup> Annual Farmer Neighbor Dinner to be held at the West Valley Fire Hall on April 13, 2016.* The IDA will be a sponsor of this yearly and very successful event in April. If any Board Members would like to attend please contact our offices and we will get the tickets.

**Route 219 Corridor Development Committee:** Mr. Wiktor was recently appointed to the Route 219 Corridor Committee by Mrs. Paula Stockman, Chairman of the Cattaraugus County Legislature. The first meeting of 2016 was held on March 3, 2016 in Little Valley, NY. This was a very well attended meeting and appointing Mr. Hugh Dunn as Chairman of the Committee who is looking to gather local support. Crystal Abers mentioned the “Fast Act” that gives the New York State the opportunity to apply for federal dollars. New York State must apply for these monies by April 1, 2016, Sen. Young has encouraged the Governor to apply for these funds to help out with the Route 219 Development.

Mrs. Abers stated that the section in question to be completed is from Salamanca to Seneca Junction. This would add Exit 22 off of I86 which has been in the works for a number of years. Another thing that has been discussed is the by-pass around Ellicottville for the truck traffic. This stretch of road completion is further complicated because of trying to finalize a deal with the Seneca Nation.

**Sen. Young's Office:** E-mail dated 1/22/16 "*Progress on US Route 219 addressed during State Budget Hearing*". A very critical topic for the Southern Tier relating to a necessary upgrade and expansion of our infrastructure.

**Apres – News Article** "*Ski Around Ellicottville, Breweries, Spas, more fun things to do*" A nice article highlighting the Ellicottville region and it's tourism assets.

**Buffalo News Article:** Dated 2/6/16 by: David Robinson "*National Fuel cuts back on drilling, delays pipeline as gas prices hurts profits.*" Price of natural gas has delayed some development projects that impact our County and Region.

**Buffalo News Article:** Dated 3/3/16 "*Buffalo a front line candidate for back office jobs*" Buffalo/WNY is a top candidate for back office jobs being moved out of costly places like New York City according to a recent site selection study.

**-ADJOURNMENT:**

A **Motion** to adjourn the CCIDA Board Meeting was made by Brent Driscoll, seconded by Joseph Higgins at 1:20 p.m. **Motion Carried.**

**\*Next CCIDA Board of Directors Meeting: Tuesday April 19, 2016 at 11:15 a.m. at CCIDA Office in Ellicottville, New York\***