

WYOMING COUNTY IDA BOARD MEETING MINUTES

The WCIDA Board of Directors met on April 8, 2021 at 2:30 p.m. via Zoom Meeting.

Due to the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo's Executive Order 220.1 issued on March 12, 2020 suspending the Open Meetings Law, the Wyoming County Industrial Development Agency Board Meeting was held electronically via Zoom Meeting instead of a public meeting open for the public to attend in person. Members of the public may listen to and view the Board meeting by clicking the following link:

<https://www.youtube.com/watch?v=ERJBwKLjl7o>

1. Roll call to establish quorum

Chairman Dadd, called the meeting to order at 2:33 p.m., in attendance were: Mark Dadd, Chairman; A. Douglas Berwanger, Vice-Chairman; Rebecca Ryan, Treasurer; E. Joseph Gozelski, Director; James Rutowski, Director; James Pierce, Executive Director; Robin Marschilok, Director of Operations; Jennifer Tyczka, Program Manager; Scott Gardner, Economic Development Specialist (left the meeting at 3:55p.m.) and Kevin Zanner, Hurwitz & Fine, Agency Counsel.

Absent: Thomas McCormick, Secretary

Guest: Nicole Ryan, Freed Maxick (left the meeting at 3:00 p.m.)

2. Administrative

A. Review/approve minutes from March 11, 2021 Board Meeting

The minutes from the March 11, 2021 Board Meeting were reviewed. A motion was made to accept the minutes by J. Rutowski. The motion was seconded by J. Gozelski and unanimously carried.

B. Review and approve Financial Statement March 2021

R. Marschilok presented the financial report from March 2021. After review the Board approved the financial report on a motion made by R. Ryan. The motion was seconded by J. Rutowski and unanimously carried.

C. 2020 Audit Presentation by Nicole Ryan from Freed Maxick -Board Approval Requested.

Chairman Dadd introduced and asked Nicole Ryan from Freed Maxick to present the 2020 Audit Report. N. Ryan announced that per the required partner rotation in lead auditors every five years by PAAA she is filling in for 2 years for Kathy Barrett. Ryan reported that be reviewing the consolidated IDA and BAC Financial Statements. She reported that the audits went well, the staff was organized and prepared. All financials for both entities were presented fairly in all material respects

and they were able to issue an unmodified positive position for both entities. There were no sightings or misstatements, no significant issues or audit adjustments to the original trial balances submitted. N. Ryan pointed out line items associated with the NYS Retirement System and explained that the adjustment reflects members obligations to the system and had the greatest impact on the financial statements due to the pandemic starting at the end of March last year. The net realized increase to the Pension obligation increased by approximately 10%. N. Ryan stated that the amount of restricted fund balance that decreased between 2019 and 2020 reflects the CDBG funds which were granted out to businesses after NYS Office for Community Renewal. In summary N. Ryan pointed out that the IDA financials show decreases in expenses and revenues which was anticipated because of the effect of the pandemic. N. Ryan reviewed the WCBAC financials and pointed out the increase in note receivables due to new loans given out, the overall expenses increasing and net position of the BAC decreasing substantially due to the pay out of CDBG Grants. N. Ryan then reviewed the Letter to Management stating that the observations and recommendations were identical to both of the Agency's. The new GASB Statement 87 relating to leases was postponed due to the pandemic as Standard 95 was issued to allow the postponement of new Standards. After N. Ryan's review the Board made a motion to accept the audited financials on a motion made by D. Berwanger. The motion was seconded by J. Gozelski and unanimously carried. Barrett left the meeting at 3:00p.m.

3. Action Items

A. Request from Laken Holdings LLC dba as Letchworth Base Camp for a sales tax exemption only item for an Adaptive Reuse Project at 58 & 62 S. Main Street, Perry.

Pierce presented a request from Mike Bellamy, owner of Laken Holdings LLC. Bellamy has purchased two buildings from the Village of Perry at 58 and 62 South Main Street, previous the old post office and Silver Grill. The Buildings are run down and unusable as they are. The project coming to the IDA does fit the Adaptive Reuse Project under the Uniform Tax Exemption Policy with a 15-year PILOT. The value of the incentives will not exceed the \$100,000 threshold and will not require a public hearing. The Board's decision today will allow the project to move forward with IDA incentives. Pierce continued that Bellamy completed the Silver Laken project at Silver Lake and the glamping project is very successful. The estimated cost of the restoration and buildout of the new project is \$295,000. There has been a Main Street Grant Awarded to the project for \$200,000, the remaining cost will be self-funded by the owner. The costs of materials have gone up substantially and the IDA Incentives are needed. There has been a completed application, an EAF short form completed and the IDA was the lead agent. There were no negative impacts identified and a negative declaration was completed. The incentives offered for the project include sales tax exemption of \$12,000 and real property tax abatement of approximately \$48,000. Job creation numbers are undetermined because the end users are not identified. There cannot be more than 1/3 of the buildings used for retail in order to stay eligible for the IDA incentive. The project will return two Main

Street buildings into viable structures and there will be residential apartments in the upper floors. After the presentation the Board passed a resolution to approve the project for the IDA incentives requested on a motion made by D. Berwanger. The motion was seconded by R. Ryan and unanimously carried.

B. Request from Kelly’s Garage for IDA assistance for a new warehouse building in Perry. Acceptance of the application and Board authorization for a public hearing needs to be considered.

Pierce reviewed the request from Mike Kelly, owner of Kelly’s Garage, for IDA assistance with the expansion of the facility at 2848 Route 246 Perry. The project is eligible for IDA incentives under the 10-year standard project PILOT schedule. Kelly’s Garage has been in the community for 134 years. The project consists of a 16,000 sq. ft. steel frame building to be used for fabrication and assembly of large farm equipment and a storage warehouse. The capital investment will be \$835,000. Currently there are 8 employees and with this project 2 new jobs will be created. Pierce reviewed the proposed savings, the IDA incentives available for the project include real property tax abatement valued at approximately \$120,000 and sales tax exemption of 40,000. Pierce added that it is a nice project supporting the Ag community and creating well-paying jobs. A public hearing was held on April 6th. Pierce reviewed the minutes from the public hearing stating that there were no attendees from the public. There was a completed Short Form EAF, the IDA was the lead agent and found no significant impacts to the environment, therefore a negative declaration has been prepared. After the review the Board moved to pass the resolution for the project as presented on a motion made by J. Gozelski. The motion was seconded by J. Rutowski and unanimously carried.

C. Request from Hillcrest Industries for IDA assistance for a new warehouse building in Attica. Acceptance of the application and Board authorization for a public hearing needs to be considered.

Pierce presented the request from Hillcrest Industries for IDA assistance with expansion of its facility located at 40 Favor Street in Attica. Pierce reviewed the project summary noting that the business started in 1989 as an auto repair and collision shop and has continued to expand, acquiring the Westinghouse site in Attica in 2001. Hillcrest used coal slag from the power plant at Kodak in Rochester to make sand blasting media before changing to recycled glass, as an environmentally friendly alternative. The project will include the construction of a 31,250 sq. ft. steel frame building to be used as a storage warehouse and distribution of manufactured glass beads. The total capital investment proposed is \$900,000. Currently there are 26 employees and 4 new jobs will be created over the next 3 years, making Hillcrest one of the largest private sector employers in Attica. Pierce reviewed the proposed savings on the Cost Benefit Analysis which shows the IDA

incentives available for the project as sales tax exemption of \$50,000 on purchases of materials and no production equipment and real property tax abatement of approximately \$259,000 using a 10-year standard PILOT schedule. A public hearing was held on April 6th. Pierce reviewed the minutes from the public hearing stating that there were no attendees from the public. There was a completed Short Form EAF, the IDA was the lead agent and found no significant impacts to the environment, therefore a negative declaration has been prepared. After the review the Board moved to pass the resolution for the project as presented on a motion made by R. Ryan. The motion was seconded by D. Berwanger and unanimously carried.

D. Request for IDA assistance from SunEast Highview Solar, LLC, a 20 MW project planned for Middle reservation Road in Perry. Proposed capital costs are \$20,092,838. Acceptance of the application and Board authorization for a public hearing needs to be considered.

Pierce presented a request from SunEast Highview Solar, LLC, which proposes the installation of a 20MW, solar energy project in the Town of Castile, NY The project will cover approximately 83.4 leased acres and will have a total cost of \$20M+. The Town of Castile will be the Lead Agent in completing the SEQR review for this project. The Town has drafted a Host Community Agreement with SunEast with the terms a \$5,000 per MW Host Fee and PILOT payment at an 80/20 split, over 20 years. The Company requests IDA incentives for exemption of sales tax on construction materials and non-production equipment, a mortgage recording tax exemption, and a deviated PILOT agreement for abatement of property tax. Approximate value of these incentives is expected to be more than \$100,000; therefore, a public hearing is required. The Board moved to authorize a public hearing for the project on a motion made by J. Gozelski. The motion was seconded by J. Rutowski and unanimously carried.

Discussion ensued regarding the agriculture property being used for solar projects. The Board agreed that it would be good to have a member of the Wyoming County Soil and Water staff provide information on soil types and land quality where the proposed solar project will be located.

E. Authorization request by Drasgow Manufacturing to amend the current Sale/Leaseback Agreement to a Lease/Leaseback agreement to allow for a building expansion project. In addition, Drasgow has requested IDA assistance for the project. Acceptance of the application and Board authorization for a public hearing needs to be considered.

Pierce explained that Karl Drasgow, owner of Drasgow Inc. had a Lease/PILOT agreement with the IDA for an expansion project in 2006 and has expanded twice since then. The original agreements were structured as a sale-leaseback transaction involving

the conveyance of the Project to the Agency pursuant to a real property deed, with the Agency then leasing the Project back to the Company via an agency lease. Drasgow has requested that the Agency convert the Project to a lease/leaseback structure in order to allow for the merger of two properties to create a new single combined tax parcel, with the intent that the Company will engage in future development of the new single combined tax parcel. The Board authorized the restructuring of the existing Sale/Lease Agreement to a Lease/ Lease Agreement on a motion made by D. Berwanger. The motion was seconded by R. Ryan and unanimously approved.

Pierce then presented the Board with a request from Drasgow, Inc. to consider IDA incentives for a 4,400 sq. ft pole building to improve material and part flow, improve efficiencies through the plant and create room for future growth. The capital investment for this is \$690,000. The Company requests abatement of sales tax on construction materials and non-production equipment, mortgage recording tax exemption and a 10-year PILOT agreement for temporary abatement of property tax using the standard UTEP project schedule. Approximate value of these incentives is expected to be more than \$100,000; therefore, a public hearing will be required. The Board authorized a public hearing to be schedule on behalf of the project on a motion made by J. Rutowski. The notion was seconded by R. Ryan and unanimously approved.

F. Authorization to execute a 5-year sublease with Wyoming County for IDA space in the Wyoming County Ag & Business center for 1770 sq. ft. at \$14.24 per sq. ft. for an annual total of \$25,204.80.

Pierce reminded the Board that at a previous meeting they had agreed to ask the County to reduce the lease obligation due to the reduction in space that the IDA staff needs. The County agreed to the request and has offered a five-year sub-lease agreement. Pierce asked for authorization to sign the sub-lease agreement. The Board moved to authorize Pierce to sign the five-year sublease on a motion made by J. Gozelski. The motion was seconded by D. Berwanger and unanimously carried.

4. Executive Director's Report

Wyoming County IDA Economic Development Projects

- Jim P. continues to work with a developer from Rochester who is interested in acquiring the former Covenant Acres church camp in the Town of Pike on Albro Road and developing it into a public campground facility. The developer is advancing his due diligence including securing the finances he needs for the acquisition and if acquired will be seeking IDA and WCBAC assistance.
- Jim P. is working with the new owners of Koziel's Boat Livery on West Lake Road in Perry. Plans are underway for some improvements to the property including the creation of a campground, picnic area, an Air B & B type element, watercraft rentals and the rehab of cabins for overnight lodging. Project costs are being worked up and consideration for IDA assistance will be needed
- We have received an IDA application for TTI Industry located in Perry as reported on previously. A new building is being planned on Adrian Road in the Town of Perry. We

are waiting on some movement with local approvals before we bring the project to the IDA Board.

- A request for a startup microbrewery project developer that the IDA Board consider subdividing part of the 28 acres light industrial property the IDA owns on Steele Ave in Arcade for a new building of 5,000 sq. ft. for the manufacturing and serving of craft beer. The developer needs in the neighborhood of 3-6 acres.

The Board discussed sub-dividing of the property and agreed that they would not like to see the property split and would like to see a larger business prospect utilize the parcel as it is zoned light industrial. D. Berwanger added that a craft beer facility would do better in a downtown location.

- Jim P. had a discussion with Jeff Carlino, President of the Hiram Lake Association, regarding their concerns with 3 wind turbines that will be constructed near their private lake in the town of Arcade. Peirce added that Carlino stated there was not enough notification of the project for consideration however, Pierce looked into the history of public notices and found that not to be true. On a NYS Siting and Commissions webpage a comment on behalf of Hiram Lake Association was listed in 2017 and there were several public hearings on behalf of the project including the Town of Arcade and the IDA.

5. Other Business

None

- 6. Next Meeting:** The next scheduled meeting of the WCIDA Board is May 13, 2021 at 2:30 p.m.

7. Adjournment

The meeting was adjourned at 4:06 p.m. on motion by J. Rutowski. The motion was seconded by J. Gozelski and unanimously carried.

Minutes prepared by: R. Marschilok