

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency

**Fredonia Technology Incubator
214 Central Avenue, Dunkirk NY
1st Floor Conference Room**

**&
Electronically via Live Stream on YouTube and Zoom**

March 28, 2023
10:04 a.m.

Gary Henry	Chairman
Sagan Sheffield- Smith	Treasurer
Dan Heitzenrater	Secretary
Steven Thorpe	Member
Rhonda Johnson	Member
Dan DeMarte	Member

Also in attendance:

Mark Geise	Administrative Director/CEO
Richard E. Dixon	Chief Financial Officer
Milan K. Tyler, Esq.	Counsel
Greg Peterson	Counsel
Lisa Cole	Counsel
Paul Wendel	County Executive
James Feldman	County Executive Staff
Rosie Strandburg	CCIDA Staff
Kayla Strandburg	CCIDA Staff
Jason Toczydlowski	CCIDA Staff
Carol Rasmussen	CCIDA Staff
Kristine Morabito	CCIDA Staff
Crystal Erhard	CCIDA Staff
Jeanette Lo Bello	CCIDA Staff
Jason Toczydlowski	CCIDA Staff
Nate Aldrich	CCIDA Staff
Rebecca Wurster	CCIDA Staff
Monica Simpson	CCIDA Staff
David DiTanna	BWB Audit
Justin Isaman	BWB Audit
Bill Curry	Chautauqua Lake Hospitality
Jill Curry	Chautauqua Lake Hospitality
Nathan Rizzo	SL Sherman
Sergio Hernandez	Cummins
Ryan Derner	Cummins
Greg Bacon	Post Journal

Absent Board Member(s):

Jay Churchill	Member
Brad Walters	Member
Kevin Muldowney	Member

Meeting was called to order by Gary Henry, Chairman, at 10:04 a.m.

Gary Henry

Good Morning. I would like to welcome everyone to the Board of Directors Meeting of the Chautauqua County Industrial Development Agency Meeting. We are at the Fredonia Technology Incubator, 214 Central Avenue, Dunkirk NY in the first floor conference room and electronically via YouTube and Zoom. It's March 28, 2023 at 10:00 a.m. We will have a call to order.

Board

Aye – Unanimous.

Gary Henry

You should have already received the minutes from the February 28, 2023 meeting. Does anybody have any comments on the minutes? Do we have a motion to accept the minutes?

Sagan Sheffield-Smith

Motion

Steven Thorpe

Second.

Gary Henry

All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? Thank you. The minutes are approved. We will start New Business by welcoming our new Board Member.

Mark Geise

I would like to welcome Dr. Dan DeMarte to our Board. He fills the final vacancy we had. There was a resolution last week at the legislature meeting appointing him to the Board. I will read a little bio about Dan and then if he would like to say anything he can. Read Dan's bio. Welcome Dan. Would you like to say anything?

Dan DeMarte

Unable to hear audio due to technology issues.

Mark Geise

He has been doing a great job over at JCC especially with Workforce Development. We are really grateful to everything you do.

Gary Henry

Next, we will move into our 2022 Audit. Dave and Justin are you going to present that for us?

David DiTanna

Yes. I will talk a little and then I will turn it over to Justin. Discussed audit process.

Justin Isaman

Reviewed/discussed the Audit Report: Audit Opinions - It is a clean audit opinion, Page 1-Emphasis-of-Matter-New accounting pronouncement, GASB 87, Pages 3-7-Management's Discussion and Analysis, Page 8 - Balance Sheet, Page 9-Income Statement – Any questions?

David DiTanna

I was just going to add to that, you had a really good year. There are a lot of loans and this document – within the disclosures – each and every loan that you provided is in here with outstanding balances. If you were to compare that from last year's report you can see that almost all, with a very few exceptions, that there were payments that were made in accordance – A really good year - Unable to hear audio due to technology issues.

Justin Isaman

Reviewed/discussed the following: Notes, Supplemental Schedules, Page 32, Government Auditing Standards Letter-it's a clean form letter-nothing to report there, Page 34-Uniform Guidance – Any questions on the other letters? We did provide two other letters – Governance Letter – this is a clean letter as well.

David DiTanna

Another point of this letter is that it talks a little about your depreciable assets. Primarily you have two – one in regards to your depreciable assets that are being depreciated over time. The other is you have a reserve for bad debts on your outstanding loans. We had a lot of discussion about this in your audit committee meeting. Discussed reserves.

Justin Isaman

The final letter that we provide is the Management Letters. Discussed/Reviewed Management Letters.

David DiTanna

There is a lot of correspondence throughout the year between the County and the IDA-obviously there is a relationship there. I think the intent of the reporting is what is the status of the project, how is it going, are there any issues, is that happening.

Rich Dixon

We have a plan for that.

David DiTanna

You could put together a template and you could utilize that. A lot of work and effort – a lot of moving parts. We appreciate all the efforts.

Rich Dixon

I want to thank you and your staff too Dave. Your staff – very professional. We enjoy working with you guys. A big shout out to Kayla who did 95% of this. At one point I called Dave and said my phone does work- no I don't need to talk

to you Rich. Kayla has done an amazing job here and with the complexity of what Mark and Nate have been able to accomplish here with all these new grants and the funding streams- my hats off to them. We'll track whatever you bring, right Kayla? Bring it on. We'll track it all.

Gary Henry

I thank you as well. You do a great job of explaining it in a way that we can all understand these things even if we are not financial experts. We certainly appreciate that and everybody on the IDA. It's a pleasure to be on the Board when you know that the work is being done properly, everything lines up and we can get a clean report. Everybody is doing a great job. Very well done.

Rich Dixon

Thanks Dave. Thanks Justin.

Gary Henry

I would like to welcome County Executive Wendel. I'm glad you could make it. Do you have anything you would like to say this morning?

County Executive Wendel

Obviously there are a lot of exciting things happening in and around the county. I say this every month but it's exciting to see what opportunities have been afforded the county. I think when you look at where we are as a county, the investment that is being made – front page of the paper today your looking at the IDA had five hundred million dollars' worth of investment last year. There looking at one company with four hundred and fifty two million dollars in one project. Having said that, that is great news in Chautauqua County. Those things happen when we are doing things right. Can we improve? Certainly but really excited to see and listen to what the IDA does every month. My hats off to you all for what you do. Our industry is investing in the future of Chautauqua County.

Gary Henry

Thank you. We'll move into New Business C-SL Sherman LLC presented by Rosie.

Rosie Strandburg

Before you today we have Solar Liberty Sherman I and Solar Liberty Sherman II, LLC. We received tax lease PILOT applications for a total project of 9.625 megawatt AC Solar Farm located in Sherman NY at 176 and 191 West Main Street over approximately 34 acres. Worth noting that the majority of the project will be located in the town and 17% of the project is located in the village. We did speak with the Village Mayor and the Town Supervisor and they are in favor of the project. The village did complete the SEQRA which resulted in a negative declaration. Total project cost for SL Sherman is six million six hundred and three thousand and SL Sherman II is seven million one hundred thousand. I see Nathan is on. Do we have Adam?

Rich Dixon

Just Nate today.

Rosie Strandburg

Nate would you be able to discuss the project with us –visual mitigation as well as any of the decommissioning bonds for the projects?

Nathan Rizzo

Definitely

Rosie Strandburg

Just one moment Nate. We can't hear you.

Mark Geise

Can I say something really quick before we jump into that? Difficulty hearing audio due to technology issues. This has been in the works for quite some time-well over a year. You may have read in the paper about the town and the village discussing annexation and they figured all that out and they have come to an agreement on what that relationship will look like. I didn't want you to think that we are just opening things back up here. This is something that has been in the works

Nathan Rizzo

It's been a little bit choppy so maybe – it goes in and out from being able to hear and not being able to hear you -you so maybe I will jump into some of the project details.

Rosie Strandburg

Please. Thank you.

Nathan Rizzo

As Rosie mentioned, the project is located on West Main Street. That is where we will install an access road that pretty much bisects the property. The system consists of approximately 24,000 solar modules. Its 9.625 megawatts. Along West Main Street that is the North side of the array. The modules will be facing the opposite direction towards Cornish Street. What is particularly nice about this project is the utility connection points aren't located on West Main Street but they are actually on Cornish Street right at the village's waste water treatment facility. So, from an aesthetic perspective basically all of the wiring will be behind the modules within the center of the array and then exit out towards the east heading towards the waste water treatment facility. At the same time the village just approved the use of an agricultural fence – 8 feet tall agricultural fence which will lend itself to the farmland that we are utilizing for this particular project. From an aesthetic perspective we haven't included any visual screening from the system. It wasn't required at this point from the village. We are part of our special use permit however – if there is glare or any modifications after the system is installed that the village would like to see – they have left that open for us to install any visual screening measures. From a decommissioning bond – if we were to decommission the system today it would be approximately \$319,000 and we have highlighted that with a 2% escalation rate in five year increments in years 25, 30 and 35. At year 25 the cost is estimated at approximately \$523,000 and at year 35 the decommissioning cost is approximately \$638,000. So, this is a decommissioning bond that we worked with the village and their engineering firm to get a rate that they felt comfortable with a bond for.

Rosie Strandburg

Thank you Nathan.

Rich Dixon

One thing I would like to say before questions – what excited us initially about this project was that the property that this solar farm will be located on is actually owned by the village. The village had some of their property that was part of their waste water treatment. They actually went and acquired another parcel that was adjacent to that. So, not only will the revenues from the host agreement and the PILOT for the taxing jurisdictions revenue for the leasing of the property will go to the taxing jurisdictions. We thought that was a pretty cool way to enhance your village and your town by bringing in revenue like that. I know of no other ones in the state that have done that. So, I don't know Nathan if you have run across another one like that in your travels but we are pretty excited about that here.

Nathan Rizzo

No. This is really the first time that we've seen a municipality really push forward with a project like this. The mayor has done an excellent job with spearheading this project.

Rosie Strandburg

Any questions for Nathan? We do have two due diligence resolutions that I will go ahead and have Milan discuss with the Board.

Milan Tyler

I apologize to Dr. Dan DeMarte as he was not a board member when these were drafted. So, the final version will have him on them and he will be voting one way or another. These are a typical two diligence resolutions. They authorize to instruct staff and council to investigate SEQRA, publish a PILOT deviation- with all the solars we do a deviation from your U-TEP and to investigate things like title, insurance and all the IDA documents so when and if we come back to you for a final approving resolution everything is tied up in a nice neat bow. The only thing unusual about this project, as was mentioned before by Mr. Rizzo, tis both in the town and in the village. So, instead of having two PILOTS, one for each of the two projects, we are going to end up having three-one for the one project that is in the town then another one that is in the village and the town- we will split those up just to make the calculation a whole lot easier. Rich and Rosie have done a spreadsheet of where we think that is going to be. That's going to be the only thing unusual with this project. That's it for the due diligence resolution.

Gary Henry

Rhonda would you move Resolution C2?

Rhonda Johnson

Resolution 03-28-03-01Due Diligence Resolution & Agreement-SL Sherman LLC

Milan Tyler

I think that should be 03-28-23-01for the record.

Rhonda Johnson

Should I read it again?

Milan Tyler

No, that's fine.

Gary Henry

Do we have a second?

Sagan Sheffield-Smith

Second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

Approved. We will go right into New Business B Solar Liberty Sherman II LLC presented by Rosie.

Rosie Strandburg

So, that was the same description, same project as Milan said we had to split it based on locations.

Gary Henry

Steven would you move New Business D2?

Steven Thorpe

Resolution 03-28-23-02 Due Diligence Resolution & Agreement-SL Sherman II LLC

Gary Henry

Do I have a second?

Rhonda Johnson

Second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

Approved.

Rosie Strandburg

Thank you Nathan.

Nathan Rizzo

Thank you everyone. We look forward to getting this project constructed.

Gary Henry

It's an exciting project for the village and the town of Sherman. We all know with these small communities taxes and fees add up so this is certainly an opportunity that is good for the whole community and it's exciting to be a part of. Next, we will have New Business E Bemus Point Inn Restaurant presented by Rosie.

Rosie Strandburg

Thank you. Last Spring Bemus Point Inn approached us for a loan. They were one of the last customers we were able to assist with the EDA CARES Act. As a refresher the Bemus Point Inn had approached the Small Business Administration for a loan. They were in the final process of signing documents and then at the last minute unfortunately the SBA pulled out and advised that they had run out of funds. Bemus Point Inn approached us for assistance along with their bank. We

were able to assist them with a Working Capital and FEE Loan. Unfortunately, due to construction cost increasing, the inflation and the eggs and bacon the Millers were short unfortunately in some of their financing. So, they have approached us for a second loan in the amount of \$125,000 and for working capital at an interest rate of 4%, five years for the first three months interest only. So, this is the same project we did last year just looking to help them out a little bit more. Earlier this month we did have a Loan Review Committee Meeting and the Loan Review Committee did recommend this for approval.

Gary Henry

Any questions?

Rich Dixon

I would just like to add that the Bemus Point Inn recently expanded to dinner. They also got their liquor license. The menu look fabulous there. I want to encourage everyone to go out and try it and support them-very excited about it.

Rosie Strandburg

If you haven't had an opportunity yet the pastries here besides the donuts are a gift from the Bemus Point Inn. Definitely enjoy those.

Milan Tyler

That should not influence your decision.

Rose Strandburg

Definitely not. Are there any questions from the Board?

Gary Henry

Sagan could you please move New Business E1.

Sagan Sheffield-Smith

RESOLUTION 03-28-23-03 OF THE MEMBERS OF THE COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN AL TECH LOAN or EDA CARES ACT RLF TO BEMUS POINT INN INC.

Gary Henry

Do I have a second?

Dan Heitzenrater

Second

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

Approved. I did go there for an evening dinner. Their menu is very good. Gary read a thank you note from the Bemus Point Inn. It's important for us to remember on the IDA that a lot of times these businesses are struggling and they are in difficult situations, but they also have the opportunity to bring so much to our community. Whether it's the restaurants we enjoy or the jobs that we have –it helps all of us when these businesses do well. It's exciting when we do have an opportunity to be a part of these businesses that are growing-pulling more people and getting involved with our community. We will continue with New Business F Chautauqua Lake Hospitality, LLC presented by Rosie.

Rosie Strandburg

At last month's Board Meeting the Board was presented with a Due Diligence Resolution and Agreement for Chautauqua Lake Hospitality, LLC. Again, they are purchasing Hotel Lennart and reimagining the hotel to something a little bit more modern. Today, we are presenting the SEQRA Resolution as well as the Final Approving Resolution. I do have Jill on zoom and of course Bill is here in person if the Board has any questions. No, ok, then Milan if you don't mind I will have you discuss the resolutions.

Milan Tyler

There are two resolutions. The SEQRA Resolution in your package we have updated a little bit to describe the project a little bit more including that there are forty guest rooms, spa, outdoor deck, pool, elevator – and we also in terms of the item number nine – the impact on aesthetic resources – how the project would fit in with the environment the surrounding uses. First, is the SEQRA Resolution - having gone through all those factors –you will see them enumerated – there are 18 specific factors that we have gone through with staff and the applicant and we have come to the conclusion to recommend to you that this project will not have any adverse impact on the environment. The second resolution is the Final Approving Resolution which allows us to go forward and close with the applicant. The exemption from real property taxes is estimated at a value of \$431,262. There is a mortgage recording tax exemption of \$62,500 and the sales tax is in the maximum of \$332,263. So, that is what is before you and subject to your approval. The public hearing – there were no adverse comments.

Rosie Strandburg

The transcript has been included in your packet with the questions that were asked during the public hearing.

County Executive Wendel

I really can't say, express my appreciation in the magnitude – I was walking down to another event in Bemus and somebody stopped me and said I need to introduce the new owners of the Lenhart. I did meet Bill and Jill on the sidewalk. The Lenhart is one of the last remaining grand hotels of our Victorian Era. When you look at pictures of Chautauqua County the Lenhart was there. It has always been sold out on holiday weekends with four floors – no air conditioning on the fourth floor and high humidity in Chautauqua County. People want to stay there. There is an ambiance. The modern amenities that they want to add really bring to life that Victorian Era. The investment that they are making and the investment that we make in Chautauqua County is going to pay back. This iconic landmark will stand the test of time for another one hundred years. Really excited about the economic impact and the tourism. This is one of the last remaining bastions of our old days. I appreciate it and hats off to the Curry's for their investment – really excited to see what this is going to turn into.

Gary Henry

Can we move these both together?

Milan Tyler

Yes, happy to move them both together.

Gary Henry

Dan can you move New Business F2 please?

Dan Heitzenrater

Resolution 03-28-23-04 SEQRA Resolution-Chautauqua Lake Hospitality, LLC & Resolution 03-28-05 Final Approving Resolution-Chautauqua Lake Hospitality, LLC

Gary Henry

Do I have a second?

Sagan Sheffield-Smith

Second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

Approved.

Rosie Strandburg

Thank you Jill.

Gary Henry

We will move onto New Business G Cummins, Inc. presented by Carol Rasmussen.

Carol Rasmussen

Cummins, Inc. has a very exciting and aggressive project. We have two guests here that are going to speak on the project for you. We have Sergio Hernandez who is the Controller and Ryan Derner who is also in finance. I am going to turn it over to them to speak on the project.

Ryan Derner

We are investing across our footprint to support our destination zero strategy. Destination zero is where we are trying to get to zero greenhouse gas reduction by 2050. The next generation engine portfolio is where our investment is and our Jamestown Engine plant is a critical piece of this long term strategy. We are evaluating it for additional investment opportunities and as part of this process we are working with the IDA to understand what is available at this point in time. Our application speaks for itself. I would like to mention that we are anticipating that over the next five years we do want to invest hopefully \$451 million dollars in that facility. Our facility is approaching fifty years old. It does need some infrastructure upgrades which are typically taxable. That is why we are coming to the IDA to get those infrastructure sales tax exemptions. A lot of our manufacturing investment is not typically taxable to begin with but it is a big important part to anchor the amount of jobs that we have there. We need to continue to make sure that we are the local cost producer when they look at these investments they do look across the globe and across all the Cummins entities and we have to be cost competitive compared to them. We are excited about it. We feel that this is a real beneficial partnership

and it's going to be something we can really land the next level and do this. We are asking for \$3 million dollars sales tax exemption for a lot of that infrastructure we want to put in place to prepare for our next products. These products will essentially be our products that we produce for 2026 is what they really want. So, they really want to start making that investment now to be prepared for that time.

Carol Rasmussen

Just technically, we have had a transaction committee meeting on March 8th which gave us the opportunity to do the Due Diligence on the project. The public hearing was just yesterday, March 27th. There are no comments to report on the public hearing. So, at this time do you have any questions for Ryan or Sergio? Otherwise we will go ahead with the Approving Resolution. Any questions?

Milan Tyler

One comment is that we don't typically do Transactions Committee but getting into the speed that we wanted to get this done to meet Cummins timing we went with the Transaction Committee Meeting for bringing it to you for preliminary and then a final. This is a combined resolution for SEQRA purposes. This is a Type 2 because it is all purchase of machinery and some internal renovation so by definition this does not have an effect on the environment –the same use – all internal-no expansion etc. So, your resolution recites the fact that it's a Type 2. As mentioned, this is approving up to \$3 million dollars in sales tax exemptions. There is no real-estate tax or mortgage recording tax extension being requested. So, it is sales tax only. This is the final agreement resolution. If it is approved we will move straight forward to documents. We have done other IDA transactions with Cummins before so I don't anticipate any issues in terms of the draft on that.

Gary Henry

Rhonda would you go ahead and move the Resolution for Cummins?

Rhonda Johnson

Resolution 03-28-23-06 Final Resolution-Cummins, Inc.

Gary Henry

Do I have a second?

Dan Heitzenrater

Second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous except for Dan DeMarte as he had to leave the meeting.

Gary Henry

Approved.

This is very exciting. We know that these are very competitive across not just the United States but the whole world so we are certainly thankful that Jamestown is being considered for this and whatever we can to help with incentives and be as competitive as we can – it is a stable part of our county and it's the largest private employer in the county. We certainly appreciate all the work that you provide and we look forward to the expansion.

Sergio Hernandez

Thank you to Mark, Rich and Carol. We are excited for this investment.

Ryan Derner

I'll second that. The professionalism from Rich and Carol giving us top notch service. We are the biggest but what is nice to hear the smaller entities are getting the same type of treatment as well. We appreciate that.

Rich Dixon

Thank you.

Gary Henry

We will move to the Executive Director Report.

Mark Geise

I am not going to take a lot of time here. There isn't a lot of stuff to report. Discussed/Reviewed the following: County Executive Wendel's State of the County Address- well done-one thing he highlighted was economic development efforts – work that is going on in the county and the work that the IDA is doing- very appreciative of that. Also discussed -kicking off a talent attraction campaign, Block Club, updating of the CCIDA website – Clever Method, (Unable to hear certain segments of audio due to technology issues) does anyone have any questions?

Gary Henry

Do we have a Treasurers Report?

Rich Dixon

The only thing we would need to do under the Treasurers Report is to approve and accept the Audit. We don't need a roll call for that.

Gary Henry

We have a motion to accept the Auditors Report.

Sagan Sheffield-Smith

Motion.

Rhonda Johnson

Second.

Gary Henry

All in favor say Aye.

Board

Aye – Unanimous except for Dan DeMarte as he had to leave the meeting.

Gary Henry

Opposed? Motion carried.

At this time I would entertain a Motion to go into Executive Session, for the purposes of discussing the financial or credit history of a particular person or corporation, and to discuss matters relating to the proposed acquisition, sale or lease of real property. In particular, I would like to discuss the status of our loan portfolio and the financial and credit status of some of our borrowers. Also, we will discuss certain possible property acquisitions and dispositions and I believe that discussing them in open session would substantially affect their value. Do I hear a motion?

Sagan Sheffield-Smith

So moved.

Dan Heitzenrater

Second

Gary Henry

We will go into Executive Session.

Executive Session

Start Time: 10:56 a.m.

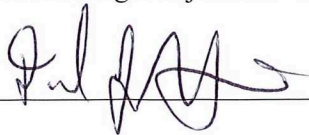
Executive Session

End Time: 11:07 a.m.

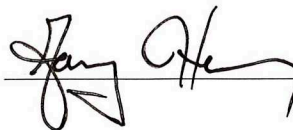
Gary Henry

We are out of Executive Session and I would like to report that no actions were taken during Executive Session. Do we have any Old Business to come before the Board? With that we will adjourn our meeting. Just a note that the next IDA meeting will be April 25, 2023 at 10:00 a.m. We will be back at the BWB Building at 201 West Third Street, Jamestown NY.

The meeting is adjourned. This meeting is adjourned at 11:07 a.m.



(Assistant) Secretary



(Vice) Chairman