

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency

BWB Building
201 West Third Street, Jamestown, NY
2nd Floor Board Room
&
Electronically via Live Stream on YouTube & Zoom

April 25, 2023
10:05 a.m.

Gary Henry	Chairman
Brad Walters	Vice Chairman
Dan Heitzenrater	Secretary
Steven Thorpe	Member
Rhonda Johnson	Member
Kevin Muldowney	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
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
Nate Aldrich	CCIDA Staff
Rebecca Wurster	CCIDA Staff
Monica Simpson	CCIDA Staff
James Feldman	County Executive Staff
Joe Quinn	2 Portage LLC

Absent Board Member(s):

Sagan Sheffield-Smith	Treasurer
Jay Churchill	Member

Meeting was called to order by Gary Henry, Chairman, at 10:05 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 at the BWB Building, 201 West Third Street, Jamestown NY and electronically via livestream on YouTube and Zoom. It's April 25, 2023 at 10:05 a.m. We will take a roll call vote.

Board

Aye – Unanimous.

Gary Henry

You should have already received the March 28, 2023 minutes previously and had a chance to review those. Do we have a motion to accept the March 28, 2023 minutes?

Rhonda Johnson

I'll make that motion.

Steven Thorpe

Second.

Gary Henry

Thank you. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The minutes are approved. We will move right into New Business and Carol are you going to be presenting?

Carol Rasmussen

Yes. Thank you Mr. Chairman. BP Endeavors LLC. This went to the Loan Review Committee on April 12th and the Loan Review Committee recommended that this loan come to the Board today. The project is a purchase of Wildwood Acres. The current owner who has been there for twenty-one years has ran the business except for during Covid, he was completely shut down. He does have an illness so he is selling the property. It is called Wildwood Acres. Steve Bogart and John Peterson would like to purchase it. It is a campground. They have tents, RV's, swimming pools, catch and release ponds. Actually, the business is doing very well. There is twenty acres of harvestable timber on there which would add to a revenue. They are going to put a moderate increase in rent, which they have done a market study, and it's comparable with other camp grounds. They both have RV's and they are going to be there during the summer. They have a father-in-law who is going to live there and manage. They are both very capable of continuing this. They are both engineers and they are from Warren PA. They also have a lot of experience in rental property. They are partners together, have the experience, the revenue looks good. There are twenty or thirty sites that are cleared and they have slabs, so another increase in revenue is they are going to open those up. They haven't been opened up but they are ready to be opened up. All the electric and sewer is in. They are very excited about it. This is really the only campground around Bemus Point. It's on Brown Road in Bemus Point. The revenue stream is good. Right now its \$242,540 and the increase in the slabs will add another \$24,000 in revenue. So, the purchase is for the land, the whole campground and all the equipment involved. They will be doing a lot of the maintenance themselves which will also save them some money. Their request- we were actually trumped by Erie Bank to come in for \$100,000 to complete the site. The whole project is \$668,000. Also, I should mention the appraisal came in at \$780,000 market value. Including the land the estimated value

is at about \$1.28. Actually Erie Bank did approach us because they need to close the loan very quickly so our check for \$100,000 will go right to Erie Bank. The collateral is second position behind Erie Bank on the land, all assets. The second position is the lien mortgage and assignments of leases and rents. There will also be personal guarantees on life insurance assignments on both Steve Bogart and John Peterson. Does anyone have any questions? The mortgage rate is 4% 15 year term with a 20 year amortization which reflects the same term as Erie Bank.

Mark Geise

I just have a comment. With our Loan Committee the two young men were on the call and they were very enthusiastic. It appeared that they were very capable and you could just see the enthusiasm that they are going to have behind this project. I was encouraged by that. Also, the fact that the AL Tech Loan Fund was DE federalized – certainly this is a type of loan that we can and should do and I think tourism is economic development and is very important. We know that tourism has done very well here and is continuing to do well here. I think it is incumbent upon us to support these types of projects.

Carol Rasmussen

Thanks Mark.

Gary Henry

It's a good project. If we have don't have any further questions, Rhonda would you move New Business A1?

Rhonda Johnson

RESOLUTION 04-25-23-01 OF THE MEMBERS OF THE COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN EDA LOAN/AL TECH LOAN TO BP ENDEAVORS, LLC

Gary Henry

Do we have second?

Dan Heitzenrater

Second.

Gary Henry

Thank you. We will have a roll call vote.

Board

Aye – Unanimous.

Gary Henry

The resolution is unanimously approved. I think Mark pointed out in one of our meetings how well this project fits with some of the other projects that we have going on with the tourism coming into the county but also with the outdoor activities, the lake and the trails. This just comes right in with part of that. I think it will be a very good project for our county. Carol did you want to move right into New Business B?

Carol Rasmussen

Yeah. The next Resolution is the Krog Group, LLC. This is a PILOT Tax Lease Application from Peter Krog. I think everybody is familiar with Peter and his development around the area. On February 28, 2023 there was a Due Diligence Resolution because we accepted the application and through the Due Diligence process on March 22, 2023 we did have a public hearing in the Village of Falconer. The project consists of Peter purchasing the site at 310 East Elmwood in

Falconer, which is the former Truck-Lite building. Peter is going to purchase this and then lease it out to a company- the office space and the manufacturing space. The lease isn't in place right now. The project cost is three million six hundred and fifty-five. In his application he is requesting mortgage tax which would come up at \$43,750 and there is some sales tax that we put in there in case he has to do any renovations for an upcoming leasee. There is also a fifteen year PILOT in place so today there will be a deviation hearing and there will be a resolution to approve the SEQRA and approve the project. Milan can talk a little bit about that. I'll just say the fifteen year PILOT no abatement annually the taxes are \$137,065. It's a fifteen year PILOT and will save him \$513,993 which is 75%. Are there any questions on this?

Mark Geise

I just have one more additional comment. Rich and I met with Janet Bowman, the Town Supervisor sometime back and we discussed this whole thing and she was very much on board with it.

Rich Dixon

As was Mayor Jaroszynski.

Mark Geise

The other thing I wanted to say before we vote on it – how hard the staff has worked on this, especially Carol and Rich. One of the nudges we have made year after year is getting some of these old buildings back into productive use and they are always a challenge but I am really hopeful that there would be a good outcome for this. It starts with Peter Krog buying it, doing some improvements to it – parking lot, roof and other things- hopefully finding a responsible tenant and jobs for it.

Brad Walters

I'm guessing the German company is committed to it with him contractually.

Carol Rasmussen

That is not a for sure at this time.

Mark Geise

We don't want to say too much about that because we don't know what is going to happen with that.

Rich Dixon

It looks good though.

Dan Heitzenrater

I used to live right around the corner and obviously Truck-Lite and that facility is really critical to that neighborhood, the village, the town and the area so I think obviously Peter Krog coming in – knows what he's doing and a big step in the right direction to getting some activity back there.

Rich Dixon

And if it goes through Dan they have some major plans to do major improvements there- the parking lot and making it look a lot nicer. It's all good.

Milan Tyler

Technically this is a spec building because as Mark mentioned there is no tenant yet. There have been lots of rumors and we understand that Peter Krog is close to doing a deal with a particular manufacturer but the approval is not contingent on

that. He is going to fix the building up and lease it to someone and maybe someone that we have heard about or maybe someone else later on.

Gary Henry

Thank you. We can start with the Deviation Hearing.

Milan Tyler

Sure. I note that notice of today's deviation hearing has been sent to each representative of the affected tax jurisdictions by a letter dated March 24th. We have received no correspondence or any other communication objecting to this from any of the affected tax jurisdictions so with that being said I would ask if any representatives of any of the affected tax jurisdictions have any comments at this point please let us know. Hearing none I will call the PILOT Deviation Hearing to a close. There are two Resolutions. The Deviation Resolution to approve the deviation that we just talked about, as Carol mentioned, it's a flat \$102,799 for fifteen years held flat for that period of time – that's the deviation. There is also a sales tax and a mortgage recording tax. Since this is interior renovation only it is considered Type II under SEQRA so there is not separate SEQRA Resolution but in the Approving Resolution you will see that there is a conclusion that because this is all interior and doesn't change the use or anything other than the parking lot it's considered Type II. So, there is that reference in the Approving Resolution so there are just those two Resolutions.

Rich Dixon

So Milan, on the Agenda it would be Resolution 04-25-23-02 and 04-25-23-04 correct?

Milan Tyler

Yes.

Rich Dixon

So, 04-25-23-03 would be crossed out. We can move those two together right Milan?

Milan Tyler

Yes. That's fine.

Gary Henry

Steve would you move Resolution B2?

Steven Thorpe

Resolution 04-25-23-02 Deviation Approval Resolution-The Krog Group, LLC & 04-25-23-04 Final Authorizing Resolution-The Krog Group, LLC

Gary Henry

Very well done. Thank you. Do we have a second?

Dan Heitzenrater

I'll second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

It's approved unanimously. Thank you. Do you want to move C as well?

Carol Rasmussen

This is back on the Krog Group for the purchase of the building at 310 East Elmwood. This went to Loan Review in March and Peter has come to us requesting an AL Tech or EDA Loan for \$900,000. It's a five year term with a ten year amortization. The purchase price of the building is \$3.3 million with some soft costs involved the total project is \$3,655,000. So, this is for the purchase of the building. He has a commitment from Union Bank for \$2.6 million, our \$900,000 and his equity injection of \$155,000. \$155,000 will complete the purchase and the soft costs. At this point I can ask for questions. Our collateral is going to be second behind Union Bank on the mortgage and all assets. Peter has asked us to waive life insurance assignment and personal guarantee.

Mark Geise

The Loan Committee recommended approval.

Carol Rasmussen

That's the way the Loan Committee recommended it. Any other questions on that.

Kevin Muldowney

How big tis the building. Any idea?

Carol Rasmussen

Its 160,000 sq. ft. and there is like 20 acres.

Kevin Muldowney

Big one.

Rich Dixon

It's a beautiful building.

Carol Rasmussen

There is a lot of office space there and then some. Any further questions on that?

Gary Henry

Dan Heitzenrater would you move New Business C1 for us?

Dan Heitzenrater

RESOLUTION 04-25-23-05 OF THE MEMBERS OF THE COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY TO APPROVE AN AL TECH LOAN TO THE KROG GROUP, LLC

Gary Henry

Do we have a second?

Brad Walters

Second.

Gary Henry

We will take a roll call vote.

Board

Aye – Unanimous.

Gary Henry

It's unanimously approved. Thank you Carol. You've been busy this morning. I'm sure a lot of work went into this. Now you can relax for the rest of the meeting.

Carol Rasmussen

Thank you Mr. Chairman.

Gary Henry

We will move into New Business D. Kristine, are you going to explain that one to us?

Kristine Morabito

I think Rich plans to and then I will supplement with Milan.

Rich Dixon

Thank you Kristine. Mark please feel free to jump in. 2 Portage LLC is for the project for the old Welch's Building in Westfield. The Board had previously approved a PILOT there that was one of our standard policies. It was an Adaptive Reuse PILOT. It was a fifteen year PILOT. The developer was talking to his investors, people who were making him the loan-they were hoping that they could get more certainty as to what the tax payments would be after year fifteen. They originally came to us and said they talked about maybe a 30 year, 25 year – we ended up with a compromise that I think is very fair. For a 20 year PILOT years 0-15 are exactly the same as the UTEP was as far as the percentage for an Adaptive Reuse and year 16-20 is 100% tax but it's fixed. So, for the investors in this type of project and the lenders certainty is the key. So, while we are not really giving them a break in year 16-20 we are fixing it so that's the amount. The investors are happy, the banks are going to be happy and the developers happy. We spoke at length with Martha Bills about this. She was in favor of it. We did have a Public Hearing on this right Kristine.

Kristine Morabito

Yes. We issued a Public Hearing and Deviation Notices on April 13th. The Public Hearing was yesterday and there were no comments received at the hearing or in writing on either regard for the public hearing or related to the deviation notices.

Rich Dixon

So, not really changing any of the dollar amounts just fixing it. I thought it was the greatest solution to help them keep moving this project forward because they are very excited about it. That's all I have. Milan, I will turn it over to you.

Milan Tyler

We need to do a Deviation Hearing as well because while we value the additional financial assistance for years 16-20 at zero it is still technically a deviation because you're UTEP provides for 15 year PILOT Per Adaptive Reuse. Notice was sent to all the affected tax jurisdictions with the schedule of the PILOT including the fact that year 16 -20 the PILOT just about doubles from fifty-seven thousand and change to one hundred and six thousand. As Rich said, that approximates what we think the taxes would otherwise be. So notices have been given to all the affected tax jurisdictions and we received no correspondence either way. At this time I would like to ask if any affected tax jurisdictions would like to be heard by the Board. Hearing none, I would like to close the Deviation Hearing and now we have two Resolutions. The first is the Deviation Resolution because we are now deviating as I just described and the second is an Amended Approval Resolution because we are both approving the additional PILOT Deviation and the borrower has asked for a slight increase in the amount of sales tax and mortgage recording tax because the costs have gone up. This is a TYPE II Action for SEQRA because it's been previously approved. So, this action is a paper transaction only involving the financial assistance. It does not change the project in any way. The project has not changed since the Approving Resolution late last year.

Gary Henry

Thank you. Dan DeMarte would you move Resolution D2?

Dan DeMarte

I will. Resolution 04-25-23-06 Deviation Resolution-2 Portage LLC-Resolution 04-25-23-07 Amended Authorizing Resolution.

Gary Henry

Thank you. Do we have a second?

Kevin Muldowney

I'll second it.

Gary Henry

We'll take a roll call vote.

Board

Aye – Unanimous.

Gary Henry

The Resolution is unanimously approved. We will go ahead and move right into New Business E1 presented by Nate.

Mark Geise

I'm going to jump on that one. Thank you Mr. Chairman. This Resolution approves the CCIDA entering into a contract with the County to accept funding from the American Rescue Plan Act and or Capital Projects Funding from the County towards a development of a North County Industrial Park. The County authorized funding to us about six months ago from the ARPA monies and this is adding to that pot of money. As you know, and I will talk about it a little bit more in my Executive Report, about the work we are doing to identify a large site and make sure it has the infrastructure and everything. We are using this funding and other funding that we are applying for to get that done.

Gary Henry

Does anyone have any questions? Hearing none, Brad would you move Resolution E1?

Brad Walters

RESOLUTION 04-25-23-08 RESOLUTION OF THE MEMBERS OF THE COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY APPROVING ENTRY INTO AGREEMENT WITH CHAUTAUQUA COUNTY

Gary Henry

Thank you. Do we have a second?

Dan DeMarte

Second.

Gary Henry

Thank you. We'll do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

The Resolution is unanimously approved. Mark, did you want to give your report?

Mark Geise

I'll go fairly quickly here and if you have any questions please raise your hand or shout out. I am just going to summarize some of the initiatives that we are undertaking and where we are at with those. Discussed the following: White Inn, Hideaway Bay, Shovel Ready Sites, funding and grants, Silver Creek School and the Fredonia Water Study. There are a lot of other stuff going on but that's sort of for the time being. I just wanted to say how great our staff is and how hard they work – how professional they are and how much I appreciate them. A shout out to Crystal Erhard who is going to be filling in for Kayla while she goes on maternity leave. Crystal has jumped right in and taken some of that work and I appreciate that and everything that everyone is doing. That's all I have unless anyone has any questions.

Gary Henry

Rich, are you going to do the Treasurer's Report?

Rich Dixon

Yes. I am. As you remember, last year we received a letter from the ABO telling us that CREDC was no longer to be considered to be a component unit of the IDA for reporting purposes. We have to separate now completely from the IDA report and report that separately on the state system. It's quite a bit more work but we are plugging away at it. So, we will

have IDA financials now and we will have CREDC financials. Mark and I in our wisdom had nothing on the CREDC Agenda so we canceled that Board meeting but we do have to go over the financials so Kayla will be doing it today after my report on the IDA. She will be doing the CREDC format and going over that. Reviewed/Discussed Treasurer's Report. Any questions?

Kayla Strandburg

Reviewed/Discussed CREDC Financials. That's all I have unless there are any questions.

Rich Dixon

I just want to add that this is a lot of work for Kayla, Nate and Crystal. There is a lot of action here and a lot of stuff going on. Money in and out, large dollar amounts- quickly in and quickly out. They do a good job tracking it and making sure everything is right. I would just like to add that tomorrow is Kayla's last day at work with us and then she is off on maternity leave. We will see you back in the fall Kayla. Thank you for all your hard work.

Kayla Strandburg

Thanks.

Gary Henry

Do we have a motion to accept the Treasurer's Report?

Kevin Muldowney

So moved.

Gary Henry

Do we have a second?

Steven Thorpe

Second.

Gary Henry

Thank you. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The Treasurer's Report is approved.

Gary Henry

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?

Steven Thorpe

Motion.

Gary Henry

Do we have a second?

Rhonda Johnson

Second

Gary Henry

We are in Executive Session.

Executive Session

Start Time: 10:45 a.m.

Executive Session

End Time: 10:50 a.m.

Gary Henry

We are out of Executive Session and I would like to report that no actions were taken during Executive Session. At this point we would like to have another Resolution. Milan can you tell us what that Resolution will be?

Milan Tyler

Happy too. Chautauqua Commerce Park LLC is the recipient of two outstanding loans. One AL Tech Loan and one CRLF Loan. Chautauqua Commerce Park has asked for the IDA consent to transfer those loans to Wavepoint Warehousing Inc. So, the Resolution that is being suggested to the Board is to consent to the assignment and assumption of both loans to subordinate those loans to a new purchase money security interest mortgage, release the existing guarantor and replace that guarantor with a new guarantor from Wavepoint. So, it's those four items and we will amend the loan documents accordingly if approved.

Gary Henry

Thank you. Do I have a motion to approve that Resolution?

Brad Walters

So moved.

Gary Henry

Do we have a second?

Dan Heitzenrater

Second.

Gary Henry

Thank you. We will do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

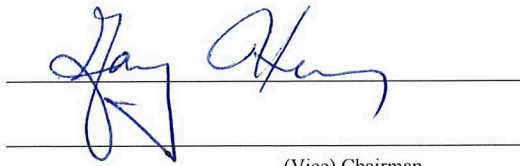
The Resolution is approved unanimously.

Do we have any Old Business to come before the Board? Hearing none we will adjourn our meeting. Our next meeting for the CCIDA will be May 23, 2023. It will be here at the BWB Building. It will be electronically via livestream and YouTube. Thank you.

The meeting is adjourned. This meeting is adjourned at 11:17 a.m.



(Assistant) Secretary



(Vice) Chairman