

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

June 27, 2023
10:00 a.m.

PRESENT:

Gary Henry	Chairman
Bradley Walters	Vice Chairman
Sagan Sheffield-Smith	Treasurer
Dan Heitzenrater	Secretary
Steven Thorpe	Member
Kevin Muldowney	Member
Rhonda Johnson	Member
Daniel DeMarte	Member

Also in attendance:

Mark Geise	Administrative Director/CEO
Richard E. Dixon	Chief Financial Officer
Milan K. Tyler, Esq.	Counsel
Greg Peterson	Counsel
Paul Wendel	County Executive
Kristine Morabito	IDA Staff
Nate Aldrich	IDA Staff
Jeanette Lo Bello	IDA Staff
Crystal Erhard	IDA Staff
Rebecca Wurster	IDA Staff
Luc Fuller	IDA Intern
Vince DeJoy	City of Dunkirk
John Gibson	Electrovaya Company
Dennis Ryan	Busti Solar Project
Al Zylinski	Busti Solar Project
SS Lind	Busti Solar Project
Greg Bacon	Post Journal
Julia Ciesla-Hanley	WRFA 107.9

Absent Board Member(s):

Meeting was called to order by Gary Henry, Chairman, at 10:00 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. We are at the BWB Building, 201 West Third Street, Jamestown NY, 2nd Floor Board Room and also electronically via livestream, YouTube and Zoom. It is June 27, 2023 at 10:00 a.m. We will start with a call to order. Roll call vote.

Board

Aye – Unanimous. (Seven Members Present)

Gary Henry

You should have already received the minutes from the May 23, 2023 meeting and had a chance to review those. Do we have any questions or comments on the minutes? Hearing none do we have a motion to approve the minutes?

Steven Thorpe

I'll make the motion.

Gary Henry

Thank you Steve. Do we have a second?

Rhonda Johnson

I'll second.

Gary Henry

Thank you Rhonda. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The minutes are approved. We have some guests with us here this morning. We will start with Luc Fuller who is an intern with the IDA and a pitcher for the Tarp Skunks. Would you like to mention a few words about yourself this morning?

Luc Fuller

My name is Luc Fuller and I am from St. Louis. I am just interning here for the summer and I'm about half way through. It's been a great experience. Thank you for letting me sit in today.

Rich Dixon

Luc is doing a great job. Very, very smart and he is picking things up quickly. He has been a big help to us.

Mark Geise

He has a finance background.

Gary Henry

It's good when we can have a partnership like that. Something that is good for us here at the IDA and also can be involved in the community with the Tarp Skunks. Hopefully, we will get a chance to watch you play. We have our County Executive here this morning. Would you like to share a few words?

County Executive Wendel

Mark and I had a great meeting yesterday. Touching base with Immunity Bio-really excited with what is going on there-still a lot of activity – looking forward to that. Contrary to what seems to run in the paper by certain individuals the IDA is moving forward and is progressing. I am going to stand behind that and always will. People always find the negative of what happens but I think we are focusing on the positive. There will be set backs along the way certainly but everyone's commitment here as to bringing in industry improving our economic development in our County and WNY. I appreciate everyone's efforts. Always excited to hear what we are doing and see the new projects coming through. Thank you.

Gary Henry

Thank you. We appreciate the support. We will move right into New Business A-Electrovaya Company. Rich, are you going to be presenting that this morning?

Rich Dixon

Yes, I am. Thank you Mr. Chairman. John, are you on?

John Gibson

I am indeed.

Rich Dixon

I'll just say a few things and then we will turn it over to John and then to Milan to talk about our Resolutions. Electrovaya has purchased the old Acu-Rite Heidenhain building. We've been working with them for almost 2 ½ years now on this project. Today, we have a few Resolutions which Milan will describe. John, I don't want to take any of your thunder so please briefly describe your project to our Board.

John Gibson

Thank you. It has been a long process trying to get this over the finish line but we are getting very close. Essentially what Electrovaya is planning to do is retrofit the existing building in Jamestown to build eventually a gigafactory that will purchase lithium batteries for energy storage, electric busses and electric forklifts. This is going to generate about 150 jobs for the first phase which will be 300 megawatt hours up to 250 plus jobs for the gigawatt phase. The initial purchase of the equipment will be funded by a term loan from the New York Green Bank which will be roughly \$34 million dollars. We also have the State Small Business Incentive group who are helping us with some additional funding, as well as, a grant from ESD. So, we are well on the way to fully funding this Stage 1. We have the first couple people hired. A plant manager is going to start September 1 and from there we will begin the build out of the operation. The initial timeline for that is about 15-18 months, however, during this time we will be essentially operating the building in the same fashion that we operate our manufacturing facility in Canada which will be the final assembly of modules and batteries. So, this is a project that is very dear to our hearts. We are reshoring production from China into the US. It's very close to our major partner Remit Corporation who are in Green New York and also Toyota who are in Indiana. We plan on kicking things off – the New York Green Bank loan should close at some point in Q3, early Q4 and at that point it is full steam ahead for us.

Rich Dixon

Great. Does anyone have any questions for John? If not, Milan I would like to turn it over to you so you can discuss the Resolutions that we have in front of us today.

Milan Tyler

Thank you. First, we will do the Deviation Hearing. This is a deviation from the UTEP. It is a fifteen year fixed dollar PILOT - \$114,528.00. Notice letters were sent out on May 18th, 2023 to all the affected tax jurisdictions. My understanding is that the tax jurisdictions have participated in the calculation and negotiation of this amount. We have not received any comments from the affected tax jurisdictions so at this point I would open up the deviation hearing. If there are any representatives from any of the affected tax jurisdictions which wish to be heard please speak now. Hearing none, we will close the hearing. There are three Resolutions. These are the common ones that we often see – a Deviation Resolution because as we have just heard we are proposing to deviate from the UTEP for all the reasons previously discussed. Next, is a SEQRA Resolution. This is an unlisted action and in the Resolution that you received we have analyzed on your behalf the 18 possible impacts and have come to the conclusion that we don't think that there is any adverse impact on the environment and recommend that you come to the same conclusion in the SEQRA Resolution. The last Resolution is the Approving Resolution which authorizes staff council to draft, negotiate and enclose the documents. The financial assistance is real property tax estimated to be \$572,000.00. Mortgage recording tax \$62,000.00 and the Sales & Use Tax is the big number-about \$2.4 million dollars because as you have heard it is a very large project. So, those are the three Resolutions Mr. Chairman.

Gary Henry

Thank you. Brad would you move New Business A3 for us?

Brad Walters

Resolution 06-27-23-01 Deviation Approval Resolution-Electrovaya Company & Resolution 06-27-23-02 SEQRA Resolution –Electrovaya Company & Resolution 06-27-23-03 Final Approving Resolution-Electrovaya Company

Gary Henry

Thank you. Do we have a second?

Sagan Sheffield-Smith

I'll second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

The Resolutions are all approved unanimously. Thank you John for your presentation. We certainly appreciate it. It's an exciting project-150 new jobs being brought into the area right away and then possibly more in the future. I know all the local schools are switching to electric busses so maybe some of your batteries will end up on those busses. You will be powering us locally like Cummins does as well. Thank you.

John Gibson

Thank you. Thanks for your time everybody.

Gary Henry

We will continue on with New Business B-Busti Solar Project LLC. Rich will you presenting that as well?

Rich Dixon

Trying to fill in for Rosie. I'll see what I can do. Today, we have with us Dennis Ryan. Dennis are you on the line?

Dennis Ryan

Yes. Good Morning. How are you today?

Rich Dixon

Good. I'm just going to talk for just a minute and then I am going to turn it over to you. Then, Milan will talk about the Resolutions we have in front of us today. This is Busti Solar Project LLC. It's a 10 megawatt located in the Town of Busti on 66 acres. The whole project cost is around \$17 million dollars. It's not a cookie cutter but it's a standard solar deal. Dennis, I will turn it over to you if you want to talk a little bit more about the project and field any questions should our Board have any.

Dennis Ryan

Yes. Thank you very much for this opportunity to explain to you. We are excited about the Busti Solar Project. It's been a labor of love of ours since 2018. I just wanted to let you know that we have been approved for 10 megawatts of solar at the site but we are going to split it up between two 5 megawatt projects so it's kind of fall in line with the NYSERDA rules but it's all the same land. We are very excited to actually have the opportunity to for this project because it's going to be the start of a couple of other really other cool energy related projects we are looking at placing on this location. We look forward to coming back before the IDA with our exciting news once we have the actual data put together for our second phase of these projects. We are ready to move forward. We've got the funding lined up and actually taking delivery of some of the equipment in July that they are ready for us to move forward with the project. We are excited by this and I welcome any questions you may have.

Rich Dixon

I just wanted to add that during the construction there will be 37 full-time equivalents on the job. I've already hooked John up with a couple of local business agents that called and I know he has been discussing working with them. After construction solar panels don't require a large workforce but there will be a half an FTE contracted out for maintenance. A good part of that is that we are not stealing Rhonda's employees to go work there. Also, there is no burden put on the school system yet the PILOT payments – the school benefits mostly from the PILOT payments. We consider this to be a win-win project. It also furthers the states goal of renewable energy. Any questions.

Dennis Ryan

One other thing I wanted to mention that we actually in we in an effort to be a good neighbor-I offered to pay money, not realizing at the time, that the host community agreements that other places work with-we offered to do what we call a community benefit donation to the Town of Busti. That amount is based on megawatt size –it's about twenty to thirty thousand a year as it goes to the payment schedule and increases. It brings about \$750,000.00 to the Town over the time of our relationship. The neat think about this project is that we had the opportunity to work with the Town of Busti to actually have them agree to use these funds not just in the general fund or something like that-to actually be placed toward whenever there are grants or something like that there are always matching funds that need to be there and if our \$20,000.00 can help them procure \$100,000.00 worth of impact through grants and such that's a win-win for everybody. We are excited by that. That's in addition to the PILOT that we're paying just to be a good neighbor. At this property, I'm from East Aurora. I'm actually the owner of the land. We are buying the land which I think may be different then some of the other solar projects. Our goal is to be a locally owned company that uses local employment that offers local workforce training. We've got three other projects in the pipeline in Chautauqua County that could keep people that we hire busy for three years. We are excited by that.

Rich Dixon

Thank you Dennis. Milan would you like to talk about the Resolutions?

Milan Tyler

Sure. First, is the Deviation Hearing. Again, a letter was sent to all the affecting tax jurisdictions on June 5, 2023. The deviation is somewhat standard. It's \$4000.00 per megawatt which is right about where we often see these. They differ occasionally because while the host community benefit agreement isn't with the IDA we look at what that is in terms of sizing the PILOT payment. So again, it's separate from the PILOT but it does go into the overall economics of the project. \$4000.00 per megawatt for 25 years with a 2% annual inflator is fairly common. I would open it up-we have not received any written comments from any of the affected tax jurisdictions but if there are any representatives from the affected tax jurisdictions who would like to be heard on the proposed PILOT deviation please speak now. Hearing none, we will close the deviation hearing. Again, there are three Resolutions before you. We can take them together. The first is the Deviation Resolution because this is a deviation from your UTEP. Your UTEP doesn't really specifically address solar, and I think in part because each deal is a little bit different depending on its size and cost -part of that cost the host community agreement. You'll find, I think, we deviate every time on solar deals because each is a little different. So, the first is the Deviation Resolution, the second is SEQRA and again there are 18 specific potential impacts that are recited at length in the SEQRA Resolution in your package. We've analyzed them and would recommend that you come to the conclusion that there is no significant adverse effect on the environment. The final is the Final Approving Resolution. We've calculated the real property tax savings are about \$1.7 million dollars over the course of the 25 years. Mortgage recording tax is \$220,000.00 and sales tax is about \$1.4 million dollars. Again, these are very similar to other size projects. This is twice the size of any standard community solar of 5 megawatts. We are taking them together because under SEQRA-SEQRA doesn't like it when you sort of cookie cutter to make a project smaller. They call that segmentation. So, we put them all together so it's one resolution for quote both projects. We will probably document them separately but again the approval is for both. Those are the three resolutions Mr. Chairman.

Gary Henry

Thank you. Sagan, would you move New Business B3 for us?

Sagan Sheffield-Smith

Resolution 06-27-23-04 Deviation Approval Resolution-Busti Solar Project LLC & Resolution 06-27-23-05 SEQRA Resolution – Busti Solar Project LLC & 06-27-23-06 Final Approving Resolution – Busti Solar Project LLC

Gary Henry

Thank you. Do we have a second?

Dan Heitzenrater

I'll second.

Gary Henry

Thank you Dan. Roll call vote.

Board

Aye – Unanimous.

Gary Henry

The Resolutions are unanimously approved. I would like to take a moment here as we move into New Business C and just thank Jeanette, thank the whole IDA team for sending out all this information ahead of time. You do a great job summarizing it up here for our meetings before we vote on it but a lot of these programs have a lot of things going on, a lot of moving parts. It's hard to follow it all if you haven't had all that, but with all the documentation that you send us that we can review and research it it's a lot easier to understand when we come here and have these meetings already having had a chance to know some of the details. So, thank you.

Dennis Ryan

Thank you very much everybody. We really appreciate you working with us and look forward to coming back to seeing you for more projects.

Rich Dixon

Take care Dennis.

Gary Henry

We'll go ahead and look at New Business C. Who will be explaining that one for us?

Mark Geise

I'll talk about it and then Nate Aldrich will talk about it. He has really taken the lead on this. If you recall several years ago we were awarded capital projects money through the County. We really took a deep dive looking into the Brownfields and opportunities to use Brownfields and put them back into productive use. Also, at the same time the cities of Dunkirk and Jamestown have both done Brownfield opportunity area plans to identify those parcels. One of the things that we concluded at the end of it is that it would be good to have more resources and more tools to help us to do that. If you look at Niagara County they've got a very active Brownfield program and they have a revolving loan fund. I'm not sure if they have a grant fund but I know they did at one time. It's really the idea of creating a fund where we can help developers with those initial cost of doing the assessments and really sort of set the table for them to pull the trigger on utilizing these Brownfield sites. So, we applied for US EPA money to establish, it's called a Brownfield Revolving Loan Fund Program and we were awarded a \$600,000.00 grant. We are matching that with both County and IDA money. Again, it will provide loans and sub grants to carry out clean-up activities at Brownfield sites. So, that's what this is about, and because there is a lot of work involved and we really don't have the bandwidth or the skillset internally to really manage this program-this Resolution will allow us to enter into a contract with C & S Engineers who has been around this area for a long time and done a number of the BOA studies I talked about earlier and really knows the lay of the land. Also, entering into a contract with Orion Environmental Services to be the project manager. So, Orion will be a service agreement and C & S will be on an hourly rate agreement. So, that's really in a nutshell what this is about. Do you want to add anything Nate?

Nate Aldrich

Mark, I think that sums it up pretty well. Again, C & S Engineer Services specifically entail the EPA requires us to contract with a qualified environmental professional as well as we have incorporated additional activities in the contract relative to required meeting engagement and then marketing the program as well. So, that's the contract with C & S Engineers. It will be through the term of the grant which is a four year performance period which started October 1, 2022. Then Orion Environmental Services-really pleased to team up with Bryan Hann out of Sinclairville. He has recently relocated to the area, has 30 years' experience in the environmental engineering fields, done a lot of Phase I and II's in the area-really glad to have his skills sets to help us develop and launch the program, developing and application process. Again, working with our team and C & S to market the program to interested property owners, developers and then comply with all the EPA grant requirements. So, again the IDA has already accepted the grants and allocated the County and IDA matching funds so that's all in place. This is consistent with the work plan and budget and will allow us to really excel this to the next step. One additional thing, in the grand scheme of things when we're talking about redevelopment of these Brownfield sites \$600,000.00 is what we have available for loans and sub grants for Brownfield Cleanup. That doesn't go very far but our rationale is if over the course of the next three years we could do half of that in loan funding and half of that in grant funding – get our feet wet, we will have the program established and as long as we are showing

success EPA has a history of doubling down and reinvesting in those funds as Mark explained what's happened in Niagara County. We see this as a tool and hopefully help a few projects get over the finish line in the next couple of years and we will go from there.

Gary Henry

Thank you. Do we have any questions? Dan Heitzenrater would you move New Business C for us?

Dan Heitzenrater

Resolution 06-27-23-07 Authorizing Professional Service Agreements with C&S Engineers Inc. and Orion Environmental Solutions, LLC in connection with establishing and implementing the CCIDA Brownfield Revolving Loan Fund Program

Gary Henry

Thank you. Do we have a second?

Kevin Muldowney

I'll second.

Gary Henry

Was that Kevin?

Kevin Muldowney

Yes.

Gary Henry

Just making sure. Roll call vote.

Board

Aye – Unanimous.

Gary Henry

It is unanimously approved. At his point would you like to have an Executive Report?

Mark Geise

Yes. I'll be quick today. I just wanted to mention a few things. Some good news. First off, and you may have read about it, we had the groundbreaking for Hideaway Bay last Friday the 16th on a rainy day. This site has been cleared. It's an investment north of \$2 million dollars-glamping resort with all kinds of activities to appeal to these outdoor recreation and others. We worked on that for about nine years-to get to that moment between the foreclosure on the property and it going to LandBank, RFP's, talking to developers and on and on and on-IDA incentives, etc. That was a really fabulous day joined by the County Executive and Dan did a nice job hosting the event. That was a really good thing and it will be a really good thing for Silver Creek. It's a beautiful site if you haven't been there. It's incredible. Refresco- as you all know, last month we approved the sale of Talcott Street building that the IDA owned for eight or nine years to Refresco. To make it part of their campus they are going to invest over \$13 million dollars in it –employ ten people. That sale has happened. Again, that was many years in the making and several years of negotiating with Refresco to get to that point. So, the PILOT is in the process of being finished up, consummated so, a really good project there. It means a lot. It's another stake in the ground. We worked closely with the City of Dunkirk, Vince is here. Again, it's another investing in our community, creating jobs, pulling things from other areas to bring back to here, create employment, etc.

County Executive Wendel

A good friend of mine Gary Thompson is down there. He stopped me the other night in Bemus (known him for thirty years) and he said how exciting it is because that project was scheduled to go to Charlotte. They were scheduled to move a lot of their activity out of Chautauqua County. He was very excited to say what happened-the work that was done by the IDA to make that sale happen, keep Refresco and bring more here. Really excited. Being a life-long resident he can't say enough about the work that was done. It may seem small and incremental but it really is big-Refresco notices what we're trying to do here as far as keeping them here and working with them. I just wanted to share that.

Mark Geise

Talking about it for a few minutes doesn't do it justice. It was a lot of work. Rich worked really hard on it along with Kristine and others. The last thing I wanted to say is that you all know we had a review by the ABO, a draft report, we commented on it, and responded. Then they responded to our response and today we have our exit interview -this afternoon. We will get through it and we will be better for it. That's all I can say. We are always going to continue to try to improve here and that's the way we are taking this and we will be better for it. That's all I wanted to say unless anybody has any questions.

Gary Henry

Thank you Mark. Rich, did you want to do the Treasurer's Report?

Rich Dixon

Sure. Reviewed and discussed the Treasurer's Report. That's all I have unless anyone has a specific question.

Gary Henry

Any questions? Thank you Rich.

Rich Dixon

You're welcome.

Gary Henry

At this point 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. In particular I would like to discuss the status of our loan portfolio and the financial and credit status of some of our borrowers as well as some CCIDA personnel. I believe that discussing this in open session could substantially affect the value. Do I hear such a motion?

Sagan Sheffield-Smith

I'll move.

Gary Henry

Thank you. Do we have a second?

Dan Heitzenrater

Second.

Gary Henry

All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? We will move into Executive Session.

Executive Session

Start Time: 10:30 a.m.

Executive Session

End Time: 10:48 a.m.

Gary Henry

We are back in open session and I would like to report that no actions or votes were taken during the Executive Session. Do we have any New Business to come before the Board?

Mark Geise

Do you want me to give an overview?

Milan Tyler

Sure. Then he will read the letter and then I will review the Resolution.

Mark Geise

We are going to be talking about and voting on a project that involves a Mr. Peter Smith who is interested in purchasing the assets, membership interest and assumption of lease for the Dunkirk Marina. We have had many conversations with him and the City and we feel comfortable that Mr. Smith will step into this role and do good things at the marina. Milan is going to talk about what Resolution we need to talk about and pass here today in order to make that happen. First, Vince has a letter from the Mayor of the City of Dunkirk. Vince DeJoy is the Development Director and he has a letter that he would like to read from the Mayor.

Vince DeJoy

Thank you Mark. Vince read letter from the Mayor.

Gary Henry

Thank you.

Milan Tyler

The Resolution would be a Consent Resolution consenting to the transfer of the membership interest of Chadwick Bay Marina LLC and Pier LLC from Charles Pringle to Peter T. Smith. We would amend the requisite documents including a release of Mr. Pringles guarantee in favor of one for Mr. Smith. All the other documents would be in the same names but the membership interest one level up would change. That would require amending the various documents. It's a Consent Resolution to the change in membership interest of those two entities.

Gary Henry

Thank you. Do we have any questions? Hearing none, Rhonda would you move that Resolution for us?

Rhonda Johnson

So moved.

Gary Henry

Do we have a second?

Sagan Sheffield-Smith

I'll second.

Gary Henry

We'll do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

Thank you. It is unanimously approved. It's certainly exciting to see all that is going on. It's our privilege to be able to partner with the City of Dunkirk. We thank Vince DeJoy for being here with us. We thank the Mayor for his kind letter. When we can partner together, the County, the City and see these things move forward it compounds what gets done. More than any one of us can do as an organization. I'm excited about it. This kind of also ties in when we see other harbors we are talking about being improved in our area, all the trails we're doing, kayak launches – all these things with the outdoors is drawing in the tourism. It's just exciting. Thank you.

Milan Tyler

Mr. Chairman, I forget whether or not you mentioned but we were in Executive Session. We discussed the credit worthiness of certain individuals and took no actions. Therefore there will not be any minutes or any resolutions reflected.

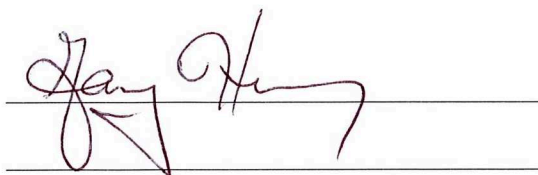
Gary Henry

Thank you. I believe I mentioned it but better safe than sorry. I appreciate it. Do we have any Old Business to come before the Board? Hearing none the meeting will be adjourned. Our next meeting for the CCIDA will be July 25, 2023 at 10:00 a.m. It will be here again in the BWB Building. Also, it will be streamed on YouTube and Zoom. Thank you.

The meeting is adjourned. This meeting is adjourned at 10:56 a.m.



(Assistant) Secretary



(Vice) Chairman