

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency

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

August 22, 2023  
10:00 a.m.

PRESENT:

Gary Henry	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
Lisa Cole	Phillips Lytle
Paul Wendel	County Executive
Nate Aldrich	IDA Staff
Carol Rasmussen	IDA Staff
Jeanette Lo Bello	IDA Staff
Rosie Strandburg	IDA Staff
Kayla Strandburg	IDA Staff
Crystal Erhard	IDA Staff
Steve Baumgartner	Wells Enterprises, Inc.
Brad Galles	Wells Enterprises, Inc.
Adam Baumgart	Wells Enterprises, Inc.
Chris Schastok	CBRE
Bob Murray	Harris Beach
Greg Bacon	Post Journal
Julia Ciesla-Hanley	WRFA 107.9

Absent Board Member(s):

Bradley Walters	Vice Chairman
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Meeting was called to order by Gary Henry, Chairman, at 10:00 a.m.

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Gary Henry

Good Morning. I would like to welcome everybody to the Board of Directors Meeting of the Chautauqua County Industrial Development Agency. We are at the BWB Building, 201 West Third Street also livestream on YouTube and Zoom. It's August 22<sup>nd</sup> at 10:00 in the morning. We will start with a roll call to order.

Board

Aye – Unanimous. (7 Members Present)

Gary Henry

Thank you for attending this morning. You should have already received the July 25<sup>th</sup> minutes and had a chance to review those. Do we have a motion to accept those minutes?

Sagan Sheffield-Smith

So moved.

Gary Henry

Do we have a second?

Rhonda Johnson

Second.

Gary Henry

All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? Minutes have been accepted. We will move right into New Business A-Wells Enterprises Inc. presented by Rich, Rosie & Milan.

Rosie Strandburg

Thank you Gary. We have Chris Schastok from CRBE representing Wells and I am going to pass it off to Chris who is going to describe the project and introduce the team from Wells.

Chris Schastok

Good morning everybody. Thank you again for having us today. We have a slew of team members from the client on the phone as well. I wanted to start Rosie by thanking all of you for the partnership, specifically Rosie, Rich and Mark for their work and consideration that has come together in what is a really really important and transformational project for this client. A big thank you on behalf of my team at CRBE but also from the Wells team. With that I would like to hand it over to Adam. Are you on the line from Wells?

Rosie Strandburg

We can't hear you Brad.

Chris Schastok

Brad and team?

Rich Dixon & Rosie Strandburg

Nothing yet.

Chris Schastok

Alright folks. Give us a second.

Rosie Strandburg

Would it be possible to dial in?

Chris Schastok

Give me one second. Alright, they should be live now on another computer. Adam & Brad-are you guys there?

Mark Geise

They are still connecting.

Chris Schastok

Adam, I am going to hand it to you to take it away.

Adam Baumgart

Perfect. Thanks everyone. My name is Adam Baumgart. I am the Vice President of Integrated Business Communications here at Wells joined by Brad Galles. He is our Vice President of Manufacturing and Engineering. We are extremely excited to be here today to share our plans for a significant commitment to our Dunkirk manufacturing plant. We typically would have joined in person but one of our key principles is always to inform our own employees first and we did that this morning. Brad and I are sitting here in Dunkirk at our facility and just got done talking to our employees today about our plans going forward. We are intending to create a world-class ice-cream facility here in Dunkirk to support our overall growth plan which is an incredibly exciting announcement on our part and in conjunction with the City, the County and the State that reflects our commitment to our team and the community in full for Dunkirk for the long-term. With that, to share some expectations of what to expect I am going to hand it over to Brad now to talk about some of the details of the plant and what's to come. We will be glad to answer questions as they come up.

Brad Galles

Thanks Adam. Good Morning everybody. Thanks for taking time with us today. We are very excited about this project. It's a substantial investment that is going to more than double the output of our current facility. This project will be phased over a two year plan with demo and some construction starting already this year in mid-October. We expect the project to be fully functioning by the end of 2025 where we will have production lines starting up at the end of that year. During that time we will maintain production in our current facility and

maintain all employees through this process. In the end, we are proud to say we will create 200 plus jobs for this region and are excited about the growth our company is going to have with our employees and the community of Dunkirk.

Rosie Strandburg

Thank you. Are there any questions from the Board? If not, Milan I would have you describe the three Resolutions that are being presented to the Board.

Milan Tyler

Sure. As the Board may recall Wells is an existing IDA project. We gave a sales tax benefit previously and there is a PILOT on the substation across the street. So, because of that unique structure this is-you consider it one project but from a legal and document perspective we consider it three projects. The first one of which is to extend the PILOT on the substation so it is coterminous with the second part of the project which is a new PILOT on the main facility. The third part of this is to extend and increase the existing sales tax exemption program. So, there are three Resolutions. They are very similar in what they are going to do. They are each you're sort of standard preliminary Due Diligence Resolution authorizing staff and counsel to start doing the due diligence, SEQRA, public hearing, looking at documents, looking at corporate structure etc... -before we come back to the Board-possibly a PILOT Deviation before we come back to the Board with a series of probably SEQRA and Final Resolutions. That's why there are three of them but in essence that is just because of the structure. They are each the standard Preliminary Resolutions that you are now used to seeing.

Rich Dixon

Milan, we could pass those all at once, correct?

Milan Tyler

Yes. I would move them 1, 2, 3 and you can vote on all of them at the same time.

Rich Dixon

Thank you.

Gary Henry

Were there any questions from the Board? Sagan would you move New Business A 1, 2, 3 for us please?

Sagan Sheffield-Smith

Sure. A1-Resolution 08-22-23-01 Preliminary Resolution to Amend Existing Tax Lease A2-Resolution 08-22-23-02 Preliminary Resolution to Amend Existing PILOT A3-Resolution 08-22-23-03 Preliminary Due Diligence Resolution

Gary Henry

Do we have a second?

Dan Heitzenrater

I'll second.

Gary Henry

Thank you Dan. Roll call vote.

Board

Aye – (6 Board Members)

Abstained – Kevin Muldowney

Kevin Muldowney

I have to abstain. They are currently a tenant in one of my buildings.

Gary Henry

With that, all three Resolutions have been approved so we will allow the staff to do all these different documents- take a look at them and get us more information and bring them back to the Board.

Rich Dixon

Mr. Chairman, I would just like to add to Brad and them-what a pleasure it was working with Chris-very professional-did a fabulous job. Good job Chris.

Chris Schastok

Thank you very much. It's an exciting day. I appreciate it.

Mark Geise

Thank you. Appreciate it.

Gary Henry

We will move into New Business B Royal Fern Nursery LLC presented by Rosie.

Rosie Strandburg

Thank you. On August 10<sup>th</sup> the Loan Review Committee received an application from Royal Fern Nursery LLC for the request of \$63,000.00 for the acquisition of 8888 Glasgow Road in Fredonia NY. This loan request was contingent on approval from STEDO for \$77,000.00 for that acquisition. The Loan Review Committee did recommend to forward that approval to that request with a term of 10 years at 4% with collateral as follows: Co-equal with STEDO on the mortgage, general UCC filing on all furniture, fixtures and equipment, inventory and accounts receivable. Personal guarantee of Mr. & Mrs. Townsend and keyman life insurance for both Mr. & Mrs. Townsend in the amount of the loan. To provide a little background on Royal Fern Nursery – they began operations in 2019 as a native plants only nursery specializing in pre-Columbia flora. It's the only nursery of its kind in our region. The business is dedicated to providing high quality locally sourced plant material to its customers through providing restorative hardy quick growing native plants. Many native plant species and ecological communities locally and world-wide are being negatively impacted due to development, deforestation and introduction of non-native evasive and exotic species. This loss of native biodiversity is increasing recognized as a serious issue and many efforts are being made underway at the international federal level as well as state and local to combat evasive species-restore native ecosystems and encourage residential land owners to increase the amount of native cover that is present on their properties. With limited access to the nurseries for these materials, local ecological restoration projects must frequently use plants purchased from several counties away, out of state or further abroad. The nursery addresses this issue through providing locally sourced plant material and professional services that aid in ecological restoration projects at all sizes and scales. Royal Fern Nursery has experienced rapid growth and in 2023 Royal Fern Nursery was designated as primary vendor for ecological restoration projects managed by the Chautauqua

County Watershed Conservancy. One of these projects is set to begin in 2024 and will require upwards of 10,000 plants which has created the need for the nursery to expand which is why they are looking to purchase the property adjacent to their current location. STEDO did approve their loan request for \$77,000.00, so we are just coming to the Board for your approval of the request of \$63,000.00.

Gary Henry

Thank you. Are there any questions from the Board? Dan Heitzenrater would you move New Business B1 for us?

Dan Heitzenrater

Absolutely. Resolution 08-22-23-04 of the Members of the County of Chautauqua Industrial Development Agency to Approve an AL Tech Loan, EDA Cares Act Funds, or CRLF to Royal Fern Nursery LLC

Gary Henry

Thank you. Do we have a second?

Steven Thorpe

Second.

Gary Henry

Roll call vote.

Board

Aye – Unanimous.

Gary Henry

It's unanimously approved. Certainly excited about this one. I got a chance to learn a little bit more about Royal Fern Nursery. It's not only heavily involved with our County and a lot of restoration of things were doing along the river – even on a personal level. They will be more open to the public and have better opportunities to sell some of these plants that are native to our area and I had never even heard of them before. Certainly a great opportunity not only for them but for everybody in our community. Next, we will move into New Business C Policy Review presented by Bob Murray from Harris Beach. Mark, do you want to introduce?

Mark Geise

This should probably say Policy Discussion because it's going to be coming back to the Board in September for review and approval. Both the Audit and Finance Committee and the Governance Committee met this morning. They received copies of the policies. This is in response to the ABO's review of the IDA. They found a number of policies that needed to be either amended or new policies put in place and to be exact there are fourteen new policies and seven amended or restated policies. So, we have been working with Harris Beach for six plus months to tweak the ones we have and draft the new ones in order for us to be in conformance with the ABO's recommendations. So, the Audit & Finance Committee reviewed them this morning the Governance Committee –again we will come back to you in September. The committees will meet again before then to review. They have copies of all these. They are going to read through them, mark them up and meet again in a couple of weeks. We will tweak them, get them fully drafted and then they will come back to the Board in September for approval. Do you want to take it from there Bob?

Bob Murray

Sure Mark. Thank you. Not a lot to add as to what Mark stated. As a result of the ABO audit we have spent significant time responding to the audit, defending the agency where we could. We had some legitimate disputes with respect to policy versus best practice and conceding where we had to concede. This agency is great. You always looking to do better is which is what good governance should do. Like Mark stated there are some new policies, some amended policies because you did have some policies, and there are some amended & restated policies where we made significant changes where we amended it but totally restated it. So, for purpose of tracking these documents in the history books you can see over time how these policies evolve. So while some policies get vetted through your Audit & Finance Committee because they are money related other policies should get vetted through the Governance Committee because they are more policy and governance and procedure related. At the end of the day you're the Board of Directors, you need to develop and approve the policies, staff needs to implement the policies and that is what you're really getting audited on. Was there policy? Did the Board give direction? Did the Board approve that direction and did the staff and the agency follow that direction? So these policies will be memorializing a lot of things in the past arguably and I think there are some instances where you really don't need a policy but ok best practice let's make a policy. I think that will help Mark and Rich as well just to have some guard rails up on some things as well. We are making our way through these things and it looks like in September we'll present them more fully. You'll have time to review them and certainly then we can go through if you have any questions you'll have time to review them We can go through them. The other thing I want to talk about is the Code of Ethics Policy. That is an important one and we will spend a little time talking about it in September. Anything else you have questions on while we go through this and certainly next month we can expand upon.

#### Mark Geise

There's also Charters for both the Governance Committee and the Audit & Finance Committee-each one has a charter and also what we are going to provide you with is mission statements for all three-the IDA and the affiliated entities along with performance metrics for each of them as well. So, those were all things that were recommendations in the ABO audit.

#### Gary Henry

So, there will be more information coming on that. As Mark stated the Audit & Finance and Governance Committee have already taken a look these. They are going to review them in depth and make sure that if there is anything that needs changed we will note it. Then we will get these policies sent out to all the Board Members and hopefully give you at least a couple of weeks before our next meeting so you can review them. There is a lot of them. There extensive. Its thrilling reading. You won't be able to tear yourself away from them. We really do appreciate if everybody can take the time to look through them, get everybody's opinion so we can make sure we get these right. So, more information next month. Next – Mark would you like to have an Executive Directors Report?

#### Mark Geise

I'll be very brief. Two things. One is that there is the County and the Department of Planning, the IDA, and Cornell Cooperative Extension are hosting a Chautauqua County Field to Manufacturing Tour in September. You all have postcards/invites in your packets. The County Executive, the Legislature, Assemblyman Goodell, Senator Borrello, Congressman Langworthy, Supervisors and Mayors are all being invited. It's going to be a sort of how do you grow this stuff, where does it go, and what is the result. That will be a nice tour. I was asked to call that out and mention about the postcards. I hope you can all attend. I think two out the three visits are companies that we helped. That's exciting. The only other thing I wanted to say is that as part of this ABO review, we have a work plan and we have everything-and we have to update this, but we have everything written out-what we need to do, when we are doing it, who's responsible and we are checking those boxes. We hope in the next few months to have everything taken care of. The big one is the website. Our website is old. It uses WordPress. It's whatever version- I'm not an IT guy- it's outdated. We are totally redoing the IDA and

the affiliate's websites and we are working with a company call Clevermethod. It's a lot of work but we are going to have a really nice website at the end of this. That's it. I just wanted you to know that we are working on this and we are working with Harris Beach, Phillips Lytle and others – there's a couple of other people that we are working with as well to make sure that we address all of those recommendations. That is all I have unless anybody has any questions.

Gary Henry

Thank you. Next we will move into the Treasurers Report.

Rich Dixon

Reviewed and discussed the Treasures Report.

Gary Henry

Do we have any questions about the budget?

Rich Dixon

Kayla did you want to go over the CREDC budget?

Mark Geise

Do you want to do that now or in the CREDC meeting?

Rich Dixon

That's right. We have to do that in the CREDC meeting. I keep forgetting.

Gary Henry

Can we have a motion to accept the budget as presented by Rich?

Kevin Muldowney

So moved.

Gary Henry

Do we have a second?

Dan Heitzenrater

Second.

Gary Henry

All in favor of approving the budget say Aye.

Board

Aye – Unanimous.



Gary Henry

Opposed? The Amended Budget is approved.

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 would substantially affect the value. Do I hear such a motion?

Dan Heitzenrater

I'll make that motion.

Gary Henry

Thank you. Do I have a second?

Rhonda Johnson

Second.

Gary Henry

All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? We will go into Executive Session.

Executive Session

Start Time: 10:29 a.m.

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Executive Session

End Time: 10:34 a.m.

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Gary Henry

We are back in open session and I would like to say that no votes were taken or no actions done during the Executive Session. Do we have any Old Business to come before the Board? Hearing none we will adjourn the meeting of the Board of Directors of the County of Chautauqua Industrial Development Agency. I would like to remind everyone that our next meeting will be September 26, 2023. We are meeting in Fredonia in September. So, just a reminder to all the Board that we will be meeting at the Fredonia Technology Incubator, 214 Central Avenue, Dunkirk NY. Of course we will be via livestream and zoom as well. We do not need to have a CREDC or CRC meeting.

Mark Geise

We originally thought that we would be reviewing the policies in a much deeper level and we would do that with both the IDA, CREDC and CRC but we are going to have one resolution that approves all the same policies for all three organizations. We already reviewed that during the IDA Board Meeting so there is no sense in having a CREDC or a CRC because that is all we were going to do at those meetings.

Bob Murray

Yeah. That works.

Gary Henry

Thank you all for your attendance. We appreciate everybody being here today. You're dismissed. The meeting is closed.

The meeting is adjourned at 10:37 a.m.



(Assistant) Secretary



(Vice) Chairman