

County of Chautauqua Industrial Development Agency (CCIDA)

February 4, 2013

10:00 a.m.

Public Hearing for the benefit of:

French Creek Properties LLC

Attendance:

Leo McCray	French Creek Town Council
Dave Himelein	Chautauqua County Legislator District 21
Paul Carey	French Creek Town Council
Jon Taber	Phillips Lytle (CCIDA Counsel)
Carol Rasmussen	CCIDA Project Manager

HEARING OFFICER: Good morning. My name is Carol Rasmussen. I am a Project Manager for the County of Chautauqua Industrial Development Agency (hereafter, the "Agency") and I have been directed by the members of the Agency to hold a public hearing. Today is **February 4, 2013 and the time is now 10:04 a.m.** We are at the Town of French Creek Hall, 10106 Ravlin Hill Road, Clymer, County of Chautauqua, New York 14724.

This is a public hearing pursuant to section 859-a of the New York General Municipal Law, as amended. The Agency has received an application for financial assistance in connection with the following matter:

French Creek Properties, LLC a limited liability company existing under the laws of the State of New York (the "Applicant"), presented an application (the "Application") to the Agency, which Application requested that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately .74 acre parcel of land located at 1433 Conway Road, Town of French Creek, County of Chautauqua, New York (collectively, the "Land"), (2) the construction of an approximately 4,200 square foot building located on the Land (collectively, the "Building"), and (3) the acquisition and installation therein and thereon of certain furniture, fixtures, machinery and equipment (the "Equipment"), all of the foregoing for use by the Applicant as a tourism destination facility (collectively, the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions or partial exemptions from sales and use taxes, mortgage recording taxes and real property taxes (but not including special assessments and ad valorem levies) (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Applicant or such other entity as may be designated by the Applicant and agreed upon by the Agency.

Notice of this public hearing was published in Jamestown Post Journal on January 26, 2013 and provided to the Chief Executive Officer of each affected tax jurisdiction.

The purpose of this hearing is to provide an opportunity for all interested parties to present their views, both orally and in writing, with respect to the Project.

Is there anyone wishing to be heard with respect to the Project?

Leo McCray

Exactly, where is the project located?

Jon Taber

Are you familiar with Conway Road that goes into the Peak?

Leo McCray

Yes.

Jon Tabor

If you look at that; on the road on the right hand side there is a little construction parcel. It's a building, and will be right there in that spot. So that will be the 'Fairway Projects' that have been condo minimized. It's one little section of the condominium; which will be a rec building with a weight facility and a laundry room. Basically accoutrements' for tourists that come and visit the area, so they have those things readily available.

Carol Rasmussen

The plans also call for an infinity pool.

Leo McCray

That answers my question.

Jon Taber

I am counsel for the IDA, so these comments will be made public for the board to hear. They can read the comments from the public, so the board hears what the public has to say, and considers

those comments when they base their decision on whether or not to move forward with the project.

It's really not a 'Q and A' session, but after we close the meeting, if you guys have questions, I would be happy to stay and answer them. Carol too; we know about the project.

Carol Rasmussen

Any other questions?

Dave Himelein

I don't really. But, it doesn't sound like it is going to bring in a lot of jobs or anything, really.

Jon Taber

There will be construction jobs.

Dave Himelein

Oh yeah, right.

Jon Taber

I frankly can't recall if there are, maybe one permanent.

Carol Rasmussen

There are actually planning on two permanent positions and twelve part-time (seasonal).

Depending of course on the season. I am sure the golf season will bring more visitors.

Dave Himelein

I get that, if they bring twelve people here, whether they are locals or not, they spend money here too. That will definitely help. I guess I have no real objection.

Carol Rasmussen

Thank you.

Jon Taber

(As Paul Carey arrived)

Are you here for the Public Hearing?

Paul Carey

Yes.

Jon Taber

We are now in open session (comment session); we have just described the project which is on Conway Road. We were just about to close, but if you would like to make a comment.

Paul Carey

I basically wanted to see what it was about because the letter that I received didn't really say who the company is, or what they were trying to do, or anything.

Jon Taber

The company is an entity called, French Creek Properties, LLC; it is not the same ownership as Peak 'N Peek, it's a separate company. When Peak 'N Peek went through bankruptcy a year or two ago, the assets were all sold to the bankruptcy court and this property was bought separately from Peak 'N Peek. So it's not Peak 'N Peek. If you go down Conway Road, it's the 'Fairways Condominium' property, right past the driving range on the right side. You may have noticed there is a construction site; the building will be built right where the construction is now. If you are looking at the fairway, it's on the right hand side, it's that building that will be for tourists that come and stay at the Fairway. They will have a pool and laundry, weight room and that kind of thing. It's a small three-quarter of an acre parcel lot.

Paul Carey

This is another IDA deal, where they don't have to pay any sales tax on construction, and that kind of thing.

Jon Taber

The benefits that the IDA offers will be really three-fold. They won't pay any mortgage tax on any financing to build the project. They will not pay any sales tax on any building materials or items that have a useful life of more than one year. They receive property tax abatement, which means that right now their property is already taxed at a certain level, but when they build this building obviously their assessment will go up significantly, and they will receive abatement off of the increase. So, the result is that they will pay more to the taxing jurisdictions than they are paying right now. But, less if the IDA were to be involved, and the property was fully assessed.

Dave Himelein

Is that forever, or a period of time?

Jon Taber

Ten years, this is a standard typical ten-year abatement.

Carol Rasmussen

It's a tourism destination; fifteen year decreasing.

Jon Taber

Yes, this fits under tourism for 15 years.

Paul Carey

Do we know who owns it? Who are they, and do we know where they are from.

Jon Taber

Do we have the name?

Carol Rasumssen

French Creek Properties LLC is the applicant. Office Manager's are James Bennett and Timothy McGahen. A group of property owners from TCC Holding Corporation, Stanford, CT. In the past when Peek 'N Peak owned the property, the amenities were shared, but now they cannot use the facilities at the Peek.

Jon Taber

Yes, that's right. It was owned by the same entity, so the folks that stayed there were able to use the Peak's facility. But now it is a new owner.

Paul Carey

My question is that when these companies come in from out of state or whatever and the IDA basically rolls over and gives them Carte Blanche', no taxes and all that, why doesn't the IDA ever do anything for the business that are already here? I've got two businesses here that I am trying to run. I bought a front end alignment machine, and I had to pay \$1,000 sales tax. That just about killed me, it was almost a determining factor as to whether I even did that or not. Then these guys come in and they build everything up and get no sales tax. My attitude is what they don't pay, I pay. I mean, just because they are not paying doesn't mean there isn't any cost.

Jon Taber

Can you state your name for the record?

Paul Carey

My name is Paul Carey.

Jon Taber

And you live locally?

Paul Carey

I live right up the road, about a mile and a half.

I see this stuff happening, Peak 'N Peek rolls in here (the people that own Splash Lagoon), and they are going to hire all these local people. Well if you go over there right now, most of the local people don't work there anymore. I mean they got rid of most of them, so where is our incentive, and where are the wages we were going to get. I mean, if you go over there; most of the people that worked there have been there twenty plus years, and they're gone. So, I don't really see the big advantage of giving all these breaks for people to come in when the local people are barely getting by. It doesn't really make any sense to me.

Leo McCray

Are you aware of what he just said about the people who have been there so long, and are no longer there? They had no fringe benefits and no time off.

Jon Taber

I have to answer factual questions. The reason for the meeting is frankly for you to make comments like that and all of your comments will be typed out. Everything you just said will be typed out and handed out to the Board of Directors. As the board considers whether to approve this application.

Leo McCray

Do you sit on the board?

Jon Taber

I do not sit on the board. I am legal counsel for the IDA.

Paul Carey

When the Peak 'N Peek rolled in here; Splash Lagoon rolled in, we came into the meeting. I have two businesses, like I said, and I see a lot of people. I basically cranked up the business owners in town. I got the French Creek Tavern owner and the French Creek store owner, and we basically filled this room, ok. What we were told at that meeting is that the decision had already been made. This meeting is a formality, and that right there did not set very well with me. Now is that the case this time, is the decision already made.

Jon Taber

The decision is not made, this is not a formality, and I don't think it was a formality in that case.

Paul Carey

That's what we were told.

Jon Taber

This is part of the IDA statute. The IDA statute requires that whenever there is a project like this, when the IDA is considering the abatement of property taxes or offering this financial assistance, the statute requires that you hold a Public Hearing to receive comment and then it is turned over to the board. So, the board has not made its decision, but the board will make its decision based in part on what it is you say in this hearing. They are going to consider, of course other things, but will hear your input.

Paul Carey

They told us before that the decision has already been made, and the guys are going to go in and they are going to decide, and it's already done. So, basically I wasted a bunch of people's time.

That's why I didn't get all the business owners in here today.

Jon Taber

I don't think you wasted anyone's time, and I don't think (frankly I was not at the last meeting), but no decision was made at the time.

Paul Carey

This young lady was at the last meeting, and like I said there were several people in here and the guy that seemed to be in charge basically said, "We already decided, we are going to do this and it doesn't matter what this group of people says, we are pretty much going to do it". That's the consensus that I got out of the meeting. Now, I felt really bad because I got all these business owners in here and I thought maybe they would have a say. But, not when the decision has already been made.

Jon Taber

They do have a say, just like you have a say. Your comments will be reviewed, but the purpose for comment is to provide feedback from the community. You don't have a right to vote on it. Maybe that was the message that was sent. That is not something that can be approved or not approved locally.

Paul Carey

Well, that's not the message I got out of it. I was basically under the impression that the meeting was a formality; we didn't think anybody would really show up anyway. This is kind of what I was hearing from the people here.

Dave Himelein

Can you say again, what this is going to be used for?

Jon Taber

Yes, as Carol said in the beginning, they are going to be building a building as part of the complex located on Conway, and it will be used as a tourist destination facility. It will be used to service tourists when they come and stay in the different apartments and condominiums there at the fairway. It is going to include weight room facilities, laundry facilities, rec facilities and pool facility. Services associated with that particular development.

Dave Himelein

And, that makes it a tourist attraction?

Jon Taber

Yes, I believe it does and I believe the board believes that it does. Quite frankly, it's for them to make that determination. Not me, but the CCIDA Board.

Carol Rasmussen

Would anyone like to say anything else?

Since there are no other comments, I will call this hearing to a close.

It is now 10:17 a.m. and I officially call this hearing to a close.

I would like to thank the members of the public for attending this public hearing and for their comments with respect to the Project.

Respectively,


Carol Rasmussen

CCIDA Project Manager

TIME NOTED: 10:17 a.m.