

HEARING OFFICER: Good evening. My name is Joseph Johnson. I am the Lakewood Village Clerk and I have been directed by the members of the County of Chautauqua Industrial Development Agency to hold a public hearing. Today is April 25, 2011 and the time is now 6:55 p.m. We are at the Village of Lakewood [Village Hall], 20 West Summit Street, Lakewood, County of Chautauqua, New York.

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:

Widewaters Lakewood Village Center, a general partnership 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 6.5 acre parcel of land located at 279 Fairmount Avenue, Village of Lakewood, County of Chautauqua, New York (collectively, the "Land"), (2) the renovation of an existing approximately 82,000 square foot building located on the Land (collectively, the "Building"), together with parking and related improvements to the Land, 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 multi-tenant commercial 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. The Project Facility would be initially owned, operated and/or managed by the Applicant.

A representative of the Agency will at the above-stated time and place hear and accept comments from all persons with views with respect to the granting of the Financial Assistance contemplated by the Agency or to the location or nature of the Project. Interested parties may present their views both orally and in writing with respect to the Project.

Copies of the Application, including an analysis of the costs and benefits of the Project, are available for review by the public at the offices of the Agency at 200 Harrison Street, Jamestown, NY 14701.

COUNTY OF CHAUTAUQUA INDUSTRIAL
DEVELOPMENT AGENCY

William J. Daly
Administrative Director/CEO

Mayor Wordelmann

Thank you, I would like to remind everyone that if you would like to speak, please stand and state your name and address.

Is there anyone to speak for or against the project?

Carol Rasmussen, CCIDA

I am Carol Rasmussen, representing the CCIDA. The Public Hearing notice was posted in The Jamestown Post Journal on April 11, 2011. As of this date, there have been no written comments or phone calls received by the CCIDA. If anyone would like to comment on the project, please give your name and affiliation before speaking. If desired, you may put your comments in writing to:

William J. Daly, Administrative Director/CEO
200 Harrison Street
Jamestown, NY 14701

I also have copies of the official notices for anyone who would like a copy. I will now be passing around a sign-in sheet for your name and affiliation. This is a regulation for our public hearings.

On Wednesday, April 27, 2011 we will be presenting two resolutions. One is a SEQR resolution, which seems to result in a negative declaration. The company has filled out a long environmental form. The other resolution involves sales tax exemption, and if so wished a mortgage recording tax exemption.

Mayor Wordelmann

Just so the public knows a negative declaration is a good thing.

Joseph Troche, Trustee

I know it has been a short period, but have you talked to the school board and the legislature?

Carol Rasmussen, CCIDA

Representatives from the CCIDA have spoken to them; it seems those spoken to be in favor. However, CCIDA has not stipulated what property tax incentives would be. At this time the resolution involves sales tax exemption and mortgage tax exemption, if so desired. The property tax exemption has been requested, but not negotiated.

Joseph Troche, Trustee

This is just the main building for sales tax.

Carol Rasmussen, CCIDA

Yes, the main building for renovation purposes; anything used for the renovation that has a life time value of one year.

Mayor Wordelmann

Just so you know we have two distinguished guests in the back row; Ms. Kathy Sullivan, Town Supervisor of Busti and Mr. Daniel George, Southwestern School Superintendent.

Paul Wendel, Trustee

Just to be clear, the sales tax exemption is for the building materials?

Carol Rasmussen, CCIDA

Yes, County and State tax.

Paul Wendel, Trustee

What is the amount of sales tax?

Carol Rasmussen, CCIDA

I would have to refer to the application, (I will get back to you).

Paul Wendel, Trustee

Also, trying to get back to speed here, as the application stands, is that good for three or four years. So that as three or four years go by and they shut the building. The tax payers would get stuck with a building if a company pulls out, taking advantage of the economy. A lot of these IDA projects start out wonderfully; I am just trying to look out for the tax payers. A year or two from now if things don't work out that money is gone. I don't mean this negative; just want to know for myself and the tax payers here. Do you have any requirement for Widewater that they stay in business for five years, or not? Will they repay the IDA or replenish the amount.

Carol Rasmussen, CCIDA

No, but the sale tax exemption is only for the construction period. The renovations would be complete. As stated before, our resolutions for this month will not stipulate any property tax exemption amount. However, if they sold the building the program would cease under the agreement.

Mayor Wordelmann

There is property tax exemption in the PILOT program that some may not be familiar with; Mr. Andris would you like to speak to that.

William Andris, Widewaters

To be honest, I am not familiar with the IDA process.

Mayor Wordelmann

I'm not familiar with the IDA process, but the way I understand the PILOT program that you are asking for is that, previous to the Quality Markets going out, the assessment was a little over \$5 million on the property and since been dropped to \$3,400,000 because they have an 87% unoccupied part of the building. This has dropped the total property taxes combined, (school, village, town and county) to \$139,000. That amount would be frozen for a 15 year period. In other words, each of us entities would not receive less then we are receiving now. We would continue to get the same amount. The PILOT program would help Widewaters because they are spending \$3.5 million to renovate the building. The tenants actually pay the taxes on the building, and when it's full, it is assumed that the assessment will go back up to at least \$5 million dollars. That would be a difference of \$55,000 per year, which the tenants will continue to pay. They will pay at the new rate of about \$187,000 per year. The difference that is owed to the

municipalities; \$130,000 and the \$180,000 that they are collecting, will be handled by the IDA and refunded to Widewaters at a rate of \$55,000 per year for the 15 year term. This brings the total tax abatement to \$850,000 over a 15 year period. In other words, the village, town and school are protected of taxes not going down during the period. If the building continues to sit empty, we will end up like the other side of Jamestown, where the Ames Plaza, etc. remains empty, and they cannot fill them. This is my own personal feelings, but it's a lot better idea to keep getting what we are getting. Widewaters is stepping up and spending \$3.5 million to invest into this property; I believe they deserve some sort of tax break to help pay for this.

Paul Wendel, Trustee

I'm not being adversary, but 15 years is a long time. The tax payers are the concern, but I totally agree with the mayor that we don't want an empty building over there. We just don't want an empty building, and the benefit of the tax break

Mayor Wordelmann

They won't get the benefit of the tax break; if they pull out, it goes back to where it was. This is really not a 15 year program.

William Andris, Widewaters

These are National tenants, which we fill are a good credit risk.

Paul Wendel, Trustee

The only concern I have is that it will be awfully busy; I can tell you right now that if TJ Max goes in, there will be a line larger than Tim Horton's. It will be packed; I am concerned about traffic between Walmart and such.

John Bentley, Chief of Police

That was my concern about the walkway.

William Andris, Widewaters

Once the leases are signed, it ties our hands on eliminating entrances and so forth. Anytime we modify, they need to approve it, which takes away the leverage.

Paul Wendell, Trustee

Maybe when they see the issues arise.

William Andris, Widewaters

That's possible.

John Bentley, Chief of Police

There will be serious traffic conditions at the light, at other locations, and on the roadway. We will have an increase in traffic accidents, which there already are a lot. I will have DOT look at it again.

William Andris, Widewaters

It won't hurt to ask.

Carol Rasmussen, CCIDA

Mr. Mayor, thank you for your explanation. I just want to state that the property tax amount will not be part of the resolutions on Wednesday. The Public Hearing is taking place to inform the public.

We are not at that process.

Mayor Wordelmann

Maybe I shouldn't have said that, but I think the public has a right to know. I think that one of the concerns we had is that when it was first presented to us, we were told there was a time-line to get their tenants in, and the projection was October. You needed approval by board, town, village, county and school, and it was a monthly process. I see it as a plus; we will see a benefit in sales tax revenue. My question, Mr. George; if you are at liberty to speak on the school board's behalf, are they in favor? We will see an increase in sales tax revenue, and the schools will not see revenue from there.

Dan George, Superintendent Southwestern Schools

At this point and time, a sub committee of the Board of Education met with Mr. Daly and Mr. Dixon of the IDA. Tomorrow evening the school board is holding a board meeting at the Busti Fire Department and Mr. Daly and Mr. Dixon will be present, as they come before the full board. I think there is a positive feeling, but I think the full board really needs to be addressed by the IDA.

Joseph Troche, Trustee

IDA, you mentioned that the school board and legislature had a positive feeling about the project.

Carol Rasmussen, CCIDA

Yes, they are positive about the project, but the property taxes are still in negotiations. I cannot make a statement for sure on the property tax amount.

Mayor Wordelmann

The projection is that these businesses will do a projection of \$16 million a year in revenue, which would generate about \$560,000 more in sales tax revenue for the county. This is spread out throughout the county. If you are looking at what we would lose because we are freezing the tax rate, we more than make up for that in the sales tax revenue getting back from this project. Not to mention the ripple effect that it will have throughout the business community. I think these three businesses will create more opportunity for people in this area. I worked for Quality Foods for thirty-six years; it was a great store, but the market changed. I think these are the best tenants that could possibly go in. So, Mr. Andris, I would like to commend your group for bringing in the tenants.

William Andris, Widewaters

Thank you, sir.

Mayor Wordelmann

I can't imagine a Legislator saying no, since they need all the money they can get. Are there any other questions or concerns?

No responses.

Joseph Johnson, Lakewood Village Clerk

I call this Public Hearing to a close.

It is now 7:35 p.m.

Notice of this public hearing was published in *The Jamestown Post-Journal* on April 11, 2011

and provided to the Chief Executive Officer of each affected tax jurisdiction.

Respectively,



Carol Rasmussen, CCIDA Project Manager