

BOARD OF DIRECTORS MEETING

County of Chautauqua Industrial Development Agency

BWB Building

**BWB Building
201 West Third Street, Jamestown, NY
2nd Floor Board Room
&**

Electronically via Live Stream on YouTube & Zoom

November 28, 2023
10:05 a.m.

PRESENT:

Gary Henry	Chairman
Brad Walters	Vice Chairman
Sagan Sheffield-Smith	Treasurer
Dan Heitzenrater	Secretary
Steven Thorpe	Member
Daniel DeMarte	Member
Amy Harding	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	IDA Staff
Carol Rasmussen	IDA Staff
Kayla Strandburg	IDA Staff
Nate Aldrich	IDA Staff
Jeanette Lo Bello	IDA Staff
Crystal Erhard	IDA Staff
Jason Sample	IDA Staff
Paul Wendel	County Executive
Greg Bacon	Jamestown Post Journal
Mark Bohn	Original Crunch Roll Factory
Zachery Bohn	Original Crunch Roll Factory

Absent Board Member(s):

Kevin Muldowney	Member
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Meeting was called to order by Gary Henry, Chairman, at 10:05 a.m.

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 in Jamestown NY. We are also streaming live on YouTube and Zoom. It's currently 11:05 a.m. on November 28, 2023.

Milan Tyler

11:05?

Gary Henry

10:05 a.m.

Milan Tyler

Thank you.

Gary Henry

I'm glad to have Milan with us this morning keeping me in line. I already stated before the start of the meeting that I never make a mistake and in the first thirty seconds I've already made my first mistake. You will have to bear with me.

Greg Peterson

It's recorded.

Gary Henry

Right, it's recorded. We'll start out with Roll Call.

Board

Aye – Unanimous. (7 Members Present)

Gary Henry

Welcome. You should have already received the minutes from the October 24, 2023 meeting and had a chance to review those. Sagan did point out one correction that we are going to take a look at. We will double check the name of an approval. Other than that did we have any additions or corrections to the minutes? Hearing none, do we have a motion to approve the minutes?

Sagan Sheffield-Smith

So moved.

Gary Henry

Thank you Sagan. Second?

Daniel DeMarte

Second.

Gary Henry

Thank you Dan. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The minutes have been approved. We will go ahead and move into New Business A and we would like to welcome Amy Harding to our Board. I think Mark has a few things he would like to share.

Mark Geise

Welcome Amy.

Amy Harding

Thank you.

Mark Geise

Amy is joining our Board. She was approved by the Legislature at their last meeting. She will be filling Jay Churchill's term which goes to the end of this year and she will be reappointed by the Legislature for another two year term. Amy joined Lake Shore Savings Bank in 1997 and she has more than thirty years of banking experience and her expertise is in Lending and Development. Through a series of promotions Amy has held positions including Teller, Personal Banker, Mortgage Specialist, Assistant Manager, Manager, and is currently serving as Vice President and Regional Sales Manager. She studied Business Administration at JCC and attended numerous courses and seminars in banking and management from the Center of Financial Training. She has served on the Allocations Committee for the United Way for nine years and she has also served on the board of the Chautauqua Safety Village for the past seven years and is currently serving as Treasurer. She is an active member with the Chautauqua County Chamber of Commerce and is involved in several community non-profit events. Her tireless energy, positive attitude and vast knowledge make her a powerful leader and a role model in the workplace. Amy is from Jamestown and lives in Jamestown. We are really excited Amy to have you on our Board. So, let's welcome Amy.

Amy Harding

I'm excited to be here, excited to meet all of you and see all the fabulous things that are happening in this spot.

Mark Geise

Thank you.

Gary Henry

I would like to welcome County Executive Wendel. Thank you for joining us. Do you have anything that you would like to share this morning?

County Executive Wendel

I would just like to welcome Amy to the Board and just really excited – I say this often and its somewhat rhetorical now. As you know we can't make light –a lot of criticism publically about the ABO and as I was out during the last several months there was a lot of question. People always meet and say well what's going on? I say – well you have to look at what's happening. Criticism in the paper about shovel ready sites and the state comes back with a \$5 million dollar grant to the IDA. The state doesn't invest in something that is not going to be profitable to the state, not going to be profitable for this area or for Western New York. So, I tell people you have to look. Yes, there's going to be things out there but you have to look at the track record. There may be questions but when the state is willing to invest millions of dollars – you

look at the REDC just announced more funding – that’s in part in parcel with our work with the IDA so I really think we need to get by and pass this piece of Western New York is dying and things are going bad. We are investing money, the state is seeing this gem of Chautauqua County investing money in the efforts of not only our businesses but also the IDA and everything we have to do. I think you are going to hear from one of our visitors today - who I was able to get a tour of Crunch Roll. I think the story they are going to tell you is phenomenal. As a national chain, if you don’t mind be saying Mark, how many stores do you want to be in? They are basically looking at this group saying how big do you want to get? That’s investment from the IDA. That’s investment from our local communities and the Village of Westfield. I’m not going to stop singing those praises. I am not going to be the one that is going to get down on things and look at the negative. The glass is always half full especially when it comes to IDA especially when it comes to economic development. So, I appreciate everybody’s efforts here and I’m going to keep saying this. We’re on the right track. We are moving the needle in the right direction. This isn’t a rubber stamp. This isn’t a group that not doing things. We are doing our jobs and we’re making strides and moving this County forward. I thank everybody who is here. I can’t say enough about the efforts that we are doing and really excited to be part of this group.

Gary Henry

Thank you.

Mark Geise

Thank you PJ.

Gary Henry

Now, we’ll move into New Business B – Original Crunch Roll Factory. Is that presented by Kristine? Is she with us?

Mark Geise

I ‘m going to fill in for Kristine. Kristine is home ill. So, I said I would step in so I’m going to try not to talk too much because I want Mark and Zach Bohn, the owners of Crunch Roll, to really tell their story. I will lay the ground work here. They requested a loan in the amount of \$ 400,000.00. Part of it is for working capital and part of it is for a new piece of machinery and the ancillary stuff around this piece of machinery. We did help Crunch Roll back in 2016 with a loan and PILOT. They started out at I think it was about thirty-five jobs they promised. They did more than that and now they are in a situation where their supply will not keep up with the demand. So, they really need this new piece of machinery. I am not going to say anymore. I’ll get back after you guys talk and then I will talk about the loan terms etc...

Mark Bohn

Thank you very much and thanks for having us. I can’t thank the IDA, from the beginning, seven years ago. We came and we found Westfield and did not know Westfield before that. I was born and raised in Batavia, a little small town. We came down to Westfield and with open arms really quickly found there was a home here for us. I still live in Rochester and Zach lives in Buffalo but Chautauqua is kind of our second home as well. I spent a lot of time in the market as most people around here know. We’ve come to a great place in our company’s history that yes we started seven years ago down here, a little over seven years ago, and it’s been phenomenal. It’s not been all roses but there has been a lot of positives. Here we are. We want to expand. We have the demand. I’ll let Zach talk about some of the new things that are going on but we’ve hit some great opportunities. It’s not been without a lot of hard work and dedication and stuff but we are pretty proud of what we’ve built and we want to grow it to the next level. So, that’s why we are here asking for the participation and the overall investment. It’s about a \$1.5 million dollar investment in total to buy equipment, outfit the factory and set it up in order to give us the opportunity to grow to the next level. I’ll let Zach talk about some of the fun and exciting things that are going on and go from there.

Zachery Bohn

So, as we expand we are expanding both channels of our business. Of course we have our retail – grocery stores and supermarkets- and also service a lot of food service operations –college campuses, amusement parks and also as recently we are on every single US Military base in the commissaries. So, it’s some pretty exciting stuff for us. We also have

some new opportunities in our retail that are really driving a lot of this in our expansion –some national chains that we just won't be able to meet their needs if we don't have this equipment. With this we will be able to open the doors and continue our growth across the country.

Mark Bohn

I think also important to note we had a few of the local dignitaries down for a tour and we spent a little bit of time talking about a relationship with one of the local farms. We have a relationship with a bunch of different farms that supply us but – everything we've done since we've moved down here has been with locals – local contractors, local machine shops, everybody, the electricians, the plumbers – everybody's local and it's just been a great relationship with (difficulty hearing audio). We are very happy to be here, very happy to continue to grow the business here and looking forward to growing it many, many years into the future. Open for any questions. Happy to answer them if anybody's got them. Whether it's here or live or after. I am easy to get a hold of. Zach is easy to get a hold of. Part of the team so let's grow it.

Dan Heitzenrater

Yeah, I just have a quick question. You mentioned that the equipment increases capacity to potentially move into some of kind of national chains. What is sort of your current footprint? I know I've saw on the shelves of some regional stores and some restaurants. How far do we stretch currently?

Mark Bohn

So, interestingly enough we stretch almost around the globe now that we're on every U.S. Military Base around the world. Whether that's in Japan, Kuwait wherever there is a base we're on it- which is very exciting. We are on Royal Caribbean Cruise Lines so we're up and down. We have distributors taking our product in Hawaii and in Puerto Rico. Zach is working on a project in Saudi Arabia now. The concentration of our business is still the Northeast but it has grown in every other facet. We have a great distribution partner now that really helps get our product out. We brought that relationship together only in the last five months. So, that's going to be a game changer for us too. Being in the frozen food arena it's sometimes very expensive to move goods around the world. With this relationship it makes it much easier.

County Executive Wendel

Again, I want to make a plug. We did the field to manufacturing tour – a great relationship as Mark said with the local farmer. I think what most intrigued me was to look at their operation and the capacity to expand. If I can share, I won't give the name, there is a national retailer that said we've got several thousand stores. How many do you want to be in? That's the potential this company has right now. This investment is an investment not only for Mark, Zach and his company but it's an investment for the County when you look at our manufacturing. We do have an agribusiness footprint in Western New York and in the Northeast part of the U.S. Their connections and their product is phenomenal. I'm not getting a free crunch roll after this but it's amazing when you watch how significant – the new machine their looking at is going to expand their capacity. I think honestly if they got this one they could probably by another one in and still probably need more. The potential for their growth is huge. That goes with saying their business model – their coaching it the right way, they are taking their time and making sure they have a quality product. To get food in Saudi Arabia is no easy task. I was watching a television show last night and one person said the one comfort food was a Clark Bar. Any military base around you could get a Clark Bar. Any military base right now you can get a Crunch Roll. You can get Buffalo Chicken Wing- those are the types of things that we have and Mark and Zach have created. So, along with multiple companies in Chautauqua County I'm just excited to see the growth of this small group and how they've expanded and just really what the future has. Hats off to them and their hard work. The investment we're making is critical but their hard work, their determination is really what's been driving this. I support this 100%.

Gary Henry

Do you want to give us the details?

Mark Geise

Yeah. So, a little bit more. I wanted to also inform the Board that the original amount of their loan in 2016 was \$585,000.00. They've paid that down to about \$200,000.00 and they've been good payers. They haven't missed a beat on that. The other thing I wanted to say is that this project will create eight new full-time jobs. That's very important. Also, it will expand – they didn't talk about the mini crunch rolls so they are actually going to offer a new product as well as expanding what they currently have. The Loan Committee met on November 9, 2023 to discuss the loan request and they unanimously recommended (difficulty hearing audio). Again its \$400,000.00 that's broken down by \$225,000.00 for machinery and equipment. The financing will be over seven years at a 4% interest rate. \$175,000.00 for working capital and that will be a five year term at 4% interest. In terms of collateral the loan will be secured by a subordinate lien mortgage position on the real-estate owned by the Bohn's – a subordinate lien assignment of rents by Original Crunch Roll Factory and Bohn Street Holdings. A subordinate lien position on all business assets including but not limited to furniture, fixtures, machinery, equipment, inventory and accounts receivable behind the bank and CCIDA's existing assignment –unlimited personal guarantee provided by Zachery Bohn and unlimited guarantee of Bohn Street Holdings and also key man life insurance in the amount of the loan provided by Zachery Bohn. Do I need to say anything else?

Rich Dixon

That's good.

Mark Geise

Is there any questions for me? Any details?

Gary Henry

Brad would you move New Business B2 for us?

Brad Walters

Resolution 11-28-23-01 to Approve an AL Tech Loan, EDA CARES ACT Funds, and/or CRLF Loan to Original Crunch Roll Factory, LLC

Gary Henry

Thank you and do we have a second?

Steven Thorpe

Second.

Gary Henry

Thank you Steve. We will do a roll call vote.

Board

Aye – Unanimous.

Gary Henry

Thank you. It's unanimously approved. We are certainly excited to be a part of this again – having worked with you in the past. Having growing up in Westfield I can remember that building be just a fireman's exempt hall. It's exciting when we something like that turn into an economic development. Not only what you're employing there but as you mentioned all the external people that are working there, the farmers and everybody that is involved. We are just thankful that you picked our county to grow this business and we are glad to be a part of it.

Mark Bohn

Thank you very much.

Mark Geise

Thank you.

Gary Henry

Next, we will move into the Executive Directors Report.

Mark Geise

Yeah. So, I'm going to be quick here to the point. I've got five or six things really quick. I would say there is a general slowdown in activities at least – it seems regionally. I met with the other IDA Directors a few weeks ago and we had a long conversation. I mean I haven't really experienced it –I don't think we've really experienced it because we've had several projects it seems every month but I did want to give a heads up that it seems like there is a slowdown. I wanted you to know that we are closing by the end of the month on our Phase I parcels at the Ripley Shovel Ready Site. It's about 45 acres and we hope to have that closed by the end of the year. So, we're making headway. We're working on a Broadband project. If you recall the County allocated two and a half million dollars to the IDA to manage a process whereby we would extend broadband to all unserved and underserved locations across the county. We've spent a lot of time on this and we did an RFP, we broke the County into four segments and there is BEAD money out there. It's called BEAD money. Its connect all is that Empire State Development Agency that was created or all the ARPA money that's come down to the states for Broadband and that won't be out in the streets until 2025. We didn't want to wait that long to allocate our funding so we are going to contract with DFT Communications one segment of those four which is around the Dunkirk Fredonia area. It will serve approximately 400 unserved or underserved locations and we are going to get that rolling here in the next couple of months. So, we'll get that done and then the other three segments –we still have funding available – the grant funding which will leverage or another carrier to do the other three and they are going to be applying for the BEAD funding. That will come in 2025. We passed a Resolution in May, so we don't need to approve it here, it's already been approved that we accepted the funding and you gave approval also to us to enter into contracts for the use of that money. That's big news. We also received \$400,000.00 of ARPA money for the Business Assistance Program and we did three things with that. We provided grants to businesses to upgrade their marketing. We did an ESG Whitepaper with Insyte –we also worked with Invest Buffalo Niagara to provide what they call their Economic Gardening Program where they take Stage 2 companies and they assist them to get to the next level. So, they did this Economic Gardening Program with six companies in Chautauqua County. We did roll out that ESG Whitepaper. We sent it out to all the businesses. We have it on our website. In terms of the businesses we helped with the ARPA money from marketing we allocated funding to almost eighty businesses. They averaged about \$8,000.00 apiece. If you do the math it doesn't add up, right? But what we also did is we went to the Ralph Wilson Foundation and they allocated almost over \$250,000.00 and we teamed with the Chamber, we teamed with the Small Business Development Center, Crystal Erhard has been involved. At the end of the day and we are going back for a little bit more of the ARPA money. We hope that we can serve the remaining six or seven that are still on the waiting list. We had 85 on the waiting list and we were able to get almost, I think 79 as of today – get the funding allocated to them. So, big deal. New websites, marketing, street level marketing, social media marketing, branding – all of those types of things – almost 80 businesses. So, that's a good one. We're also working on Talent Attraction – campaign where we've been working with Block Club and Clevermethod. Jason Sample has been worked really hard on this. We branded the County – we're going to be rolling all of this out in March – really looking at our Social Media Marketing and also redoing our Website. Clevermethod-we've been working with them to revamp our entire IDA and Partnership website. That's also an ABO issue because they wanted us to have – our website is old and tired and really needed to be revamped. We're going to roll that out probably in March sometime. I wanted to let you know that. I wanted you to know – I'm not going to talk a lot right now but in January we'll have our Annual Reports will be completed for both the IDA and the Partnership. We'll have two separate Annual Reports. We'll print a number of copies, we'll get them to the legislatures, we'll get them to other key stakeholders and I'll be giving a talk on all the things that we accomplished in 2023. That will probably be fifteen or twenty minutes. I'll leave it at that unless anybody has any questions.

County Executive Wendel

Just to piggyback – that ARPA funding for the Broadband is critical. One of the pillars if you will or one of the statements we made is we wanted to make sure we kept this local so obviously we have DFT involved in a quarter of this operation – how can you not recognize a company with 125 years of business in Chautauqua County. We could have gone to bigger firms – may have been able to bring something but I don't think they can bring any more than the Maytums did. There a top notch group and committed to our community. The second piece, just another pitch to Mark, of you go to NYSAC – New York State Association of Counties website – in their recent publication Justin from my office, our Media Information Director Officer, did a piece called CHQ We're Here For You. It's basically Talent Attraction and what we have to offer here in Chautauqua County and we've got several comments back from other people of other counties throughout New York. The comment is we didn't know Chautauqua County was there and what you have. So, I think that's a great tribute to what we are doing here in Chautauqua County. I can't say enough about it. Really excited. To piggyback on Mark we are doing things from multiple angles of hitting some talent attraction, bringing some people into our area. The Broadband piece is critical I feel going forward because with remote employment now having that Broadband accessibility to unserved areas in this community and in this County – you look at some of these picturesque places that are maybe more than a hunting cabin now but that's a weekend retreat for somebody from New York, LA, Chicago – they can come here and do their business living right here in Chautauqua County with that access. So, really excited about what the IDA is doing on that front and people from the outside coming in.

Mark Geise

Thank you.

Gary Henry

Thank you. Rich did you want to present the Treasurer's Report?

Rich Dixon

I was going to do it when Mark referenced old and tired but I waited. Rich reviewed and discussed the Treasurer's Report.

Gary Henry

If we don't have any questions do we have a motion to accept the Treasurer's Report?

Daniel Heitzenrater

So moved.

Gary Henry

Thank you Dan. Do we have a second?

Brad Walters

Second.

Gary Henry

Thank you Brad. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? The Treasurer's Report is accepted. Thank you Rich. Did we have things some things -some financial issues to discuss in Executive Session?

Rich Dixon

The Loan Report.

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?

Brad Walters

So moved.

Gary Henry

Thank you. Do I have a second?

Steven Thorpe

Second.

Gary Henry

Thank you Steve. All in favor say Aye.

Board

Aye – Unanimous.

Gary Henry

Opposed? We will go into Executive Session.

Executive Session

Start Time: 10:34 a.m.

Executive Session

End Time: 10:58 a.m.

Gary Henry

We are back in open session and I would like to report that no actions or votes were taken during Executive Session. Do we have any Old Business to come before the Board? Hearing none I would like to point out one thing. While I admitted to making a mistake at the beginning of the meeting I would like to correct that. It's not my fault the clock is wrong. I know Milan can't see that but I wanted to point that out. I resend having made a mistake. If there is no other business to come before the Board do we have a motion to adjourn?

Sagan Sheffield-Smith

So moved.

Gary Henry

Thank you Sagan. Do we have a second?

Brad Walters

Second.

Gary Henry

Thank you. All in favor say Aye.

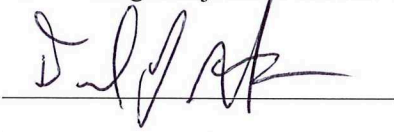
Board

Aye – Unanimous.

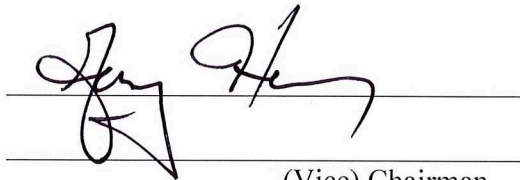
Gary Henry

Opposed? Ok. The meeting has been adjourned.

The meeting is adjourned at 10:59 a.m.



(Assistant) Secretary



(Vice) Chairman