

Allegany County Industrial Development Agency
January 14, 2021
Crossroads Conference Center, Belmont, New York 14813

OPENING REMARKS

- Chairman Ewell called the Board meeting to order, by teleconference, at 10:02 A.M.
- The Chairman asked the Board members if anyone had any conflict of interest or conflicts regarding the agenda. There were no questions or discussion.
- Present: Rich Ewell, Judith Hopkins, Mike Johnsen, Randy Shayler and Doug Frank and Ward "Skip" Wilday, by phone.
- Absent: None.
- Others present, by phone: Dr. Craig Clark, IDA Executive Director
- Pamela Common, Recording Secretary
- Guest: Dan Spitzer and Ryan Cummings, Attorneys at Law
- Live streaming on YouTube at: <https://www.youtube.com/watch?v=bDgmfD-dV48>

EXECUTIVE SESSION

- At 10:03 A.M., J. Hopkins motioned and D. Frank seconded, to enter into Executive session, for ACIDA attorney client discussion. The motion was carried by all members present, with a vote of 6-0, with no opposition or discussion.
- At 10:27 A.M., M. Johnsen motioned and D. Frank seconded, to end the Executive session.

ELECTION OF OFFICERS-Tabled until 02-11-2021

BOARD MINUTES-NONE

- **Minutes December 10, 2020, December 29, 2020 & January 7, 2021**

A motion was made by J. Hopkins, seconded by D. Frank and, carried by all members, by a vote of 6-0, with no one opposed, to approve the December 10, 2020, December 29, 2020 and January 7, 2021 Board meeting minutes, with no further discussion.

TREASURER'S REPORT

- **Abstract** –A motion was made by S.Wilday and, seconded by J. Hopkins, to approve the Abstract report. All members were in favor by a vote of 6-0, with no opposition or further comment.
- **Banking & Financial Summary**- A motion was made by D. Frank and, seconded by M. Johnsen, to approve the banking & financial summary, by a vote of 6-0, with no opposition or further comment.

MAINTENANCE REPORT-Tabled until February 11, 2021

ACTION ITEMS

- **Resolution to accept Financial Assistance application-Renesola Power (NY Independence State Route 248 Solar, LLC)**-A motion was made by J. Hopkins, seconded by M. Johnsen, to approve the ACIDA Financial Assistance application. All members were in favor by a voice vote of 6-0, with no opposition or further comment.
- **Notice of Intent to be SEQRA Lead Agency- Renesola Power-(NY Independence State Route 248 Solar, LLC)** -A motion was made by J. Hopkins and, seconded by S. Wilday, to approve the resolution to be SEQRA lead agency. All members were in favor by a vote of 6-0, with no opposition or further comment
- **PILOT Deviation Letter Resolution-Renesola Power (NY Independence State Route 248 Solar, LLC)**-A motion was made by S. Wilday and, seconded by R. Shayler, to approve the resolution for the PILOT Deviation letter. All members were in favor by a vote of 6-0, with no opposition or further comments.

Roll Call Results, as follows:

J. Hopkins-Aye R. Shayler-Aye D. Frank-Aye
M. Johnsen-Aye S. Wilday-Aye R. Ewell-Aye

- **Public Hearing Resolution-Renesola Power (NY Independence State Route 248 Solar, LLC)**-A motion was made by J. Hopkins and, seconded by S. Wilday, to approve the resolution to hold a public hearing. All members were in favor by a vote of 6-0, with no opposition.
- J. Hopkins asked for the date of the public hearing. C. Clark states it has to be set up. It will be, approximately, three weeks from now.

Roll Call Results, as follows:

S. Wilday-Aye M. Johnsen -Aye D. Frank -Aye
R. Shayler-Aye J. Hopkins -Aye R. Ewell-Aye

- **Microenterprise Grant review of three proposed projects**

A motion was made by J. Hopkins and, seconded by D. Frank to approve the Hardy Penwright Microenterprise grant application. All members were in favor, with a vote of 6-0, with no opposition, with the following discussion.

R. Shayler stated, the applications seem to be about repair and/or replacement of equipment and, operating expenses, not the expansion of a current business. He would like more information regarding the terms of the grant.

C. Clark states, it depends on the applicant. If the applicant is low income, it benefits their company by allowing them to expand. If they are not low income, they have to hire, at least one person. The goal is to expand their opportunities to grow the business and add employees. The grants are monitored. These grant applicants were thought to be some of the better applications received. They have the opportunity to grow their businesses.

J. Hopkins noted the amounts they are asking are \$25,000-\$35,000. She would like to know how much money is in the grant and how much are we allotting? Are we close to being out of the grant money?

C. Clark states we have \$170,000.00 to give out. If we give out money to these four applicants, we would be up to \$140,000.00, of the \$170,000.00.

S. Wilday asked about the details of hiring another person to their business. Is it income related, to qualify? He thinks the objective is to grow enough to hire someone.

R. Shayler states, on page three of the Hardy Penwright application, they plan to hire someone in February of 2021 and a second employee, in late 2021.

C. Clark answered, if they are low enough in income, they do not need to hire someone.

J. Hopkins states the price of these pens is high. Is there a market for this kind of a pen?

C. Clark stated there is a market. He has been given two similar pens. People do buy the pens.

D. Frank asked, how successful are these businesses? And, do the applicants have to use their lines of credit? Some have lines of credit that are available and, yet, they are coming to us for a grant.

C. Clark states the purpose of the grant funds is to help them. These are reimbursable grants. They have to use their lines of credit, until the project is completed and/or hire someone. Otherwise, they are not reimbursed and will be out \$31,000.00.

Dan Spitzer states that when New York States gives a grant, their monies are the last dollars. As an example, if a municipality is borrowing, for a project and, they are also getting a grant, the New York state dollars are not given or are taken back, unless they spent everything else first. So, you have leeway, going forward, with these rules, to see if there is borrowing, as well as grant monies, on a dollar by dollar basis or, otherwise, depending on the Board philosophy, regarding the questions that were raised.

R. Ewell states the grant requires ten percent equity.

C. Clark states, yes. We can't change the state rules.

S. Wilday asked how we determine the likelihood of success with these start-ups. Obviously, it is high risk with new businesses. The success rates are very low. What is our responsibility? What is the downside? What is our exposure? What should we be concerned with?

C. Clark states, the reason we got this grant, a federally and state funded grant, is to try to give start-ups and small business the ability to grow. They know some of the companies will not make it. The biggest thing is the follow through; making sure no one gets reimbursed unless they have followed the rules, like hiring employees and following the business plan. They must spend the money according to the grant application. We would never reimburse them until they have been checked on. The state has to approve those reimbursements. There is little to no liability for the IDA, as long as they have a good, solid business plan and, have been approved by the state.

We are approving these to send to the state, for their final approval.

R. Ewell reiterated the only requirement, on the grant application, on page 7, states a ten percent equity requirement and that the grant applicant is aware, the receipt of the grant, disbursement of funds and an equity contribution, by the grant recipient is, at least, ten percent of the total project cost. It doesn't say anything about hiring anyone. We need to be clear. It doesn't look like he needs to hire anyone, to receive this grant money. He just needs to prove he paid ten percent.

Dan Spitzer and C. Clark agreed with R. Ewell's statement.

There were no other questions from the Board.

A motion was made by S. Wilday and, seconded by J. Hopkins, to approve the Hooker Microenterprise grant application. A vote of 5-0 was obtained and M. Johnsen abstained due to a personal relationship with the applicant. There was no discussion and no one opposed.

A motion was made by D. Frank and, seconded by J. Hopkins, to approve the Old Mill Microenterprise grant application. There was a vote of 6-0, with no one opposed and the following discussion.

D. Frank states, we are talking about a restaurant and Covid conditions. He has lines of credit that total \$75,000.00 and an outstanding balance of \$2,500.00. He has the propensity to borrow and we are giving him a grant. He feels this is questionable.

J. Hopkins asked if this restaurant currently open or had been owned in the past or re-opened?

C. Clark states, it is a new owner. He is dynamic and he is doing a very good business including take out. It is a nice place to have re-opened. He is doing quite well, considering Covid.

The last applicant is the Cooperwood Microenterprise grant application. This application was just sent to the Board, on Monday.

A motion was made by D. Frank and, seconded by S. Wilday.

D. Frank was reading through the credit report. His credit history is not good, at all. His student loans are 90 days overdue.

R. Ewell states his credit rating is 644 and his credit lines are, all, outstanding.

C. Clark knows the last two things, involving the mortgage company and student loan debt has been resolved. Greg worked with him on that.

R. Ewell states the applicant is going to purchase an excavator and that is collateral and security? Is the IDA going to be the lien holder on that equipment?

C. Clark states, no, this is a pass through, as far as us approving things. This is all through the state funding. It is CBDG money. We are not the lien holder.

D. Spitzer says, NYS would be the lienholder. A lot of times, with the state, it would be the IDA, as the party to obtain the equipment. This could be approved, subject to confirmation of, either the IDA or the state, will be the first lienholder on the equipment.

The application from Cooperwood will be tabled pending confirmation of the lien holder, on the equipment.

There was a motion to table the Cooperwood Microenterprise grant application by R. Shayler and, seconded by M. Johnsen. There was no further discussion. With a vote of 6-0, this application has been tabled. No one was opposed.

EXECUTIVE SESSION

A motion was made, at 11:01 am by S. Wilday and, seconded by M. Johnsen, to enter into Executive session for attorney-client discussion. All members were in favor, with a vote of 6-0, with no one opposed.

A motion was made, at 11:19 am, to come out of Executive session, by S. Wilday and, seconded by M. Johnsen.

OLD BUSINESS

- ACIDA building roof replacement-Tabled
- Waterline financial close out-Tabled
- Solar project updates. C. Clark states the two Oya projects should close, this month or within 2-3 weeks, at the latest. They will be paying us, in the short term. All the other projects are still waiting to make sure they have all their financial obligations taken care of.
There were no questions or further discussion regarding the solar projects.

- Project Block update-None
- Alliance law suit update –C. Clark states D. Spitzer is working with the school system and the town to figure out what they want to negotiate, at the end. We are taking them to court and they are asking for a settlement, again. Obviously, everyone was to make sure we get money up front, this time.
- ACIDA buildings rental extensions-C. Clark states the county has approved the extensions and he will get those documents to the Board, when they are received.

NEW BUSINESS-None

GOOD OF THE ORDER-None

CALENDAR

Next Meeting: February 11, 2021 @ 10:00 A.M.
The Crossroads Commerce Center, Belmont, NY

ADJOURNMENT

With no further business, a motion to adjourn, at 11:20 AM was made by M. Johnsen, seconded by J. Hopkins; with all in favor and no one opposed, by a voice vote of 6-0, the meeting was adjourned.

Respectfully submitted,
Pamela Common
Recording Secretary