

Allegany County Industrial Development Agency
February 11, 2021
Crossroads Conference Center, Belmont, New York 14813

OPENING REMARKS

- Chairman Ewell called the Board meeting to order, by teleconference, at 10:01 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, Attorney
- Greg Merriam, representing the Microenterprise grants.
- Live streaming on YouTube at: <https://www.youtube.com/watch?v=y8vB7-yfcNM>

ELECTION OF OFFICERS

J. Hopkins, the committee Chairman, motioned for the elections of officers and seconded by, M. Johnsen. J. Hopkins stated the committee was comprised of herself, J. Hopkins, the Chairman, M. Johnsen and C. Clark.

The slate of officers is, as follows;

Chairman- R. Ewell **Vice-President-** J. Hopkins

Secretary- M. Johnsen **Treasurer-**D. Frank.

All members voted to elect the proposed officers

EXECUTIVE SESSION

- At 10:04 A.M., D. Frank motioned and J. Hopkins 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 11:05 A.M., M. Johnsen motioned and J. Hopkins seconded, to end the Executive session.

BOARD MINUTES-NONE

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

A motion was made by S. Wilday, seconded by M. Johnsen 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 J. Hopkins and, seconded by D. Frank, to approve the Abstract report. All members were in favor by a vote of 6-0, with no opposition. R. Ewell asked what the expenses were for, regarding Foundation Design, P.C., and the geotechnical survey. He would like to see the site listed in the abstract. C. Clark replied this was for a Cuba site, for Great Lakes Cheese. P. Common was asked to add the site, in the abstract. P. Common acknowledged and agreed to make this description correction, on the abstract.
- **Banking & Financial Summary**- A motion was made by J. Hopkins and, seconded by D. Frank, to approve the banking & financial summary, by a vote of 6-0, with no opposition or further comment.

MAINTENANCE REPORT

C. Clark states we have had to do additional water testing. It is becoming more expensive due to state regulations. A water tank was replaced due to age and corrosion. This is normal maintenance.

ACTION ITEMS

- **SEQRA Negative Declaration-Renesola Power (NY Independence State Route 248 Solar, LLC)**-A motion was made by M. Johnsen, seconded by R. Shayler, to approve the SEQRA Negative Declaration for NY Independence State Route 248 Solar, LLC. All members were in favor by a vote of 6-0, with no opposition or further comment.

Voice vote results, as follows:

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

- **Approving PILOT Resolution-Renesola Power (NY Independence State Route 248 Solar, LLC)**-A motion was made by S. Wilday and, seconded by J. Hopkins, to approve the resolution to approve the PILOT for Renesola Power (NY Independence State Route 248 Solar, LLC). All members were in favor by a vote of 6-0, with no opposition or further comments.

Voice vote results, as follows:

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

- **Approving Project Resolution-Renesola Power (NY Independence State Route 248 Solar, LLC)**-A motion was made by R. Shayler and, seconded by J. Hopkins, to approve the project resolution for NY Independence State Route 248 Solar, LLC. All members were in favor by a vote of 6-0, with no opposition. R. Shayler asked for a clarification regarding the town's approval of the project. C. Clark has been working with Independence and this is their fourth project. They have been working with the company, who has made good presentations to the town. They are on board.

Voice vote results, as follows:

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

- **Approving PILOT Deviation Letter Resolution- Great Lakes Cheese Co., Inc. (Project Block)**-A motion was made by J. Hopkins, and, seconded by D. Frank to approve the resolution for the PILOT deviation letter, for Great Lakes Cheese Co. All members were in favor by a vote of 6-0, with no opposition. S. Wilday commented that he would like to be on the record approving the project, after listening to the public hearing comments. They are concerned about the impact of Great Lakes Cheese leaving Cuba. Most folks have given their heart and soul to revising and supporting Cuba. He supports the resolution, as going to Crossroads was a last resort. Although they weren't staying in Cuba, they are still in Allegany County, which is important in the long run. If there was any way, to keep the company in Cuba, C. Clark and D. Spitzer have tried tirelessly to keep it in Cuba. Unfortunately, that is not the case. If, in the future, the site doesn't go through, we would be happy to find a site, in Cuba, if there was any way possible. He understands this was a gut punch to the people who live in Cuba and, the county in general. But, we know we have done everything we can and he still supports the Crossroads site, as a last resort because we couldn't keep it in Cuba.

Voice vote results, as follows:

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

- **Microenterprise Grant review of two proposed projects**
C. Clark asked G. Merriam, to comment on potential liens and the purchase of one large piece of equipment, on the Cooperwood application. G. Merriam replied, the grant agreement sets potential reasons to sign liens, which allows the IDA to take a lien on existing assets. It is a blanket agreement that will be filed by the IDA. It is at the IDA's discretion weather they decide to file a lien. In this case, the Board would have to decide if this is an action they would like to take, specific to this project and any other project the IDA has approve. It can be discussed and he can assist with the filing of the liens. They do microenterprise grants all over and some communities like to file liens, to give them additional protection. It is about 50/50. He has been doing these grants for over five years, working with the H. Sicherman Co and there has not been a default on a

microenterprise grant. They work, very diligently, to obtain all the documentation, job creation and contributions, up front. We try to satisfy any of the terms of default immediately so, there is no opportunity to default. In this case, he is going to purchase a large piece of equipment. The cost limitation will be easy and, he is low income himself so, he will not have the requirement of job creation. The terms of the grant will be satisfied very easily, on this particular project. It will depend on the aid and the Board's comfort, moving forward.

M. Johnsen questioned, in the case of default, if the IDA be on the hook for anything?

G. Merriam stated, the IDA is a sub-recipient, who is granting the money to these applicants. In terms of that agreement, there would be recapture clauses allowing you to go back and secure funds that have been granted and that is how the blanket lien does that.

R. Shayler asks, in the case of defaults and the inability to pay, will the IDA pay anything or, will the state come after us for payment.

G. Merriam states, the state will come after the county because the county gave it to the IDA. The county will be on the hook but, there are terms of agreement between the county and the ACIDA where the IDA is granting the money to the applicant. Just to clarify, we have not had a default. We have not had to chase anyone down, on one of these grants. We get to know these folks, individually, spending a lot of time on the phone with them, all the way through the process. We stay in touch with them. We will be monitoring these microenterprise grants, throughout the next year, to make sure they are doing what they said they would. If they had to create a job, we make sure that job is still in place. We see if the business is still in operation and if they still have their purchased equipment. We make sure they didn't sell it and pocket the money. We work, diligently, to stay on top of these folks.

D. Frank asked a question regarding the applicant's credit. Is it typical they would have lower credit ratings or delinquencies, on their personal credit? He feels that both of the applicants have credit questions.

G. Merriam states, it is common in the communities they work in. It is just the nature of how these microenterprise programs are designed to work. They are intended to assist low to moderate individuals, giving them a leg up, helping them to get a start in a business, helping them survive the Covid pandemic or helping them grow and expand. You have seen the range of applicants. Generally, they are those that have poor credit ratings.

C. Clark added, basically, as long as they follow through with the grant application and agree to do what's required, such as, putting their business forward and/or hiring an employee, they will not get the funds until this is completed. Greg does a great job making sure they do all the grant requirements, up front. This does not have anything to do with, whether or not the company fails long term or not. It is just following what the grant application requires.

G. Merriam answered, yes. He alluded previously to this. If an applicant has to create a job, we make sure that job is created before they receive any funds. And, before they see their final grant funds, we need to see the ten percent equity requirement documented. We need to see that equity match, in place, before they receive their final dollars. Job creation and the equity contribution are the two, primary, ways we could have a problem. But, we won't have a problem because we handle them upfront, to make sure they do the projects they promised to do.

R. Ewell asks D. Frank, in regard to this piece of equipment, if he thought it would be prudent for the IDA to have a separate UCC filing, on that particular piece of equipment.

D. Frank states, you can refer to that specific, piece of equipment and all business assets.

R. Ewell, so then, if he tried to sell that particular piece of equipment and the buyer did a UCC search, they would know there was a lien. If they didn't do a search, they would never know about the lien. Although, they do not have to do a UCC search?

D. Franks states, this is correct.

R. Ewell asks if the IDA should require it.

D. Frank answered, he would require it.

A motion was made by D. Frank and, seconded by S. Wilday, to approve the Cooperwood Microenterprise grant application, along with a lien regarding the purchase of a new piece of equipment. All members were in favor, with a voice vote of 6-0, with no opposition or further discussion.

G. Merriam states, the next application is for Kissing Tree Farms. Rob & Melinda Thompson own a farm, in Scio and, recently bought a restaurant, intending to renovate it for a retail outlet. They will be selling their goods, produced on the farm, eggs, poultry, etc. They will be working with other local providers, as well, to sell these goods. At the farm, they are planning on installing tunnels to allow four season vegetable production. This operation is really the opening of a local grocer. They are using the grant proceeds to purchase machinery, equipment and some working capital, for freezers, coolers, prep tables, to turn the restaurant into a local grocer. He is an army veteran, currently working for the VA, as an engineer and does have a significant source of income. They are not low to moderate income individuals. They will be required to create a job. Greg has already had discussions with them and laid out the expectations, clearly. They hope to be open on the 4th of July. They have a lot of work to do to get that place ready. He has had good and ongoing conversations with them.

D. Frank asked if they are they going to be required to put in \$7,500.00. If so, where is that money coming from? According to their financial statement, it doesn't show they have that much cash.

G. Merriam answered, the \$7,500.00, is an amount they were injecting into business. The terms of grant requires 10% of the total project cost. In order to satisfy the grant requirement, we are looking at, about, \$3,300.00. This is a ball park contribution number. He is expecting that money to come from existing farm operations and monies, of their own; they are putting back into their business. They were pursuing another Microenterprise grant but, they have decided to walk away from that, after receiving some family assistance and support. They will have additional funds to put into this project. Rob expects to be doing a fair amount of the work, on this project, including construction and renovation. There is not a lot of liquidity there or extra to go around but, we are comfortable they will meet the requirements.

J. Hopkins asked where the restaurant is located. Is it in the Town of Scio?

R. Ewell stated, it is the little restaurant, near the jail, on the corner.

R. Shayler had a question; on page one, of the application, indicating a first lien on business assets, evidenced by UCC 1 filing. We had a conversation, earlier, where it was recommended, for or against. In this case, do you recommend it?

G. Merriam says, it is, generally, our recommendation is, you file against all applicants and, this is a blanket recommendation from us. There is nothing specific to this one that would push me to that recommendation.

D. Frank is very impressed with the presentations, by G. Merriam. He feels they are well done

A motion was made by D. Frank and, seconded by M. Johnsen, to approve the Microenterprise grant application for Kissing Tree Farms. There was a voice vote of 6-0, with no opposition or further discussion.

➤ **Approval of the ACIDA building rental extensions with Allegany County-**

C. Clark explained that the legislators had approved it, in December, 2020.

Unfortunately, they had just hired a new attorney, who just came on board, two weeks ago. We just got the actual extension documents, extending what we already have, with the two building, until 12-31-2025. The conditions will be the same. In the last year, the county has taken care of all the snow plowing and grass cutting. That was not in the original documents. But, this has been taken care of in the last year. It will be reimbursed, through the contract we have with the county, to rent the parking lot. We may be looking at some minor costs, in the future and that is to be determined. Otherwise, we have the same terms and conditions.

A motion was made by R. Shayler and, seconded by S. Wilday, to approve the building rental extensions with Allegany County.

M. Johnsen asked if we ever did a look at the financials, to see if what we are getting, at least, covers our expenses.

C. Clark answered, yes. We are, basically, covering all costs, including the loans. And, both buildings have a twenty to forty thousand dollar positive, per year.

M. Johnsen is concerned there is no cost of living built into this contract. He feels we are going to be doing this for ten years.

C. Clark stated the document was for four years. We can still open that discussion. She has been willing to give us more funds. Once we get all the financials done this year, he will sit down with Carissa Knapp and work on that for next year.

M. Johnsen would like to see that study.

J. Hopkins questioned whether she should abstain on this item, as she is a county legislator.

C. Clark told J. Hopkins to vote whatever way she feels comfortable. It is up to her.

A voice vote of 6-0 was obtained. There was no opposition or further discussion.

OLD BUSINESS

- **Waterline financial close out**-C. Clark states, as far as he knows, we are done with both of them. Dr. Clark will follow up with Ryan Cummings, Attorney, regarding the close out, officially. LaBella has agreed to closing out their financial part and he believes, Evingham has, as well. He will verify all this information.
- **Solar project updates**-C. Clark states Oya should be closing in February, 2021. All the projects haven't started because of the weather. Once the weather breaks again, they will begin construction.
J. Hopkins asked C. Clark to update the solar project spreadsheet. C. Clark agreed, especially since there will be one new project, in the near future.
- **Project Block update**-C. Clark would like to thank all the Board members, for being on the public hearing for Great Lakes Cheese (Project Block). Now, we will be sending out the PILOT deviation letters, as noted. There will be some action, coming up, in March because everything is moving along, in the right direction. As things get finished, he will keep the Board informed before the March meeting. It is, now, official, as of yesterday, Project Block is Great Lakes Cheese Co., Inc. Also, on February 22nd, we are already set for a public hearing, that will be in the newspaper for the next ten days. There will be a public hearing regarding eminent domain, on that land. Hopefully, we will not have to go through eminent domain but, if we do, we do. Great Lakes Cheese and the landowner are still, actively, discussing the sale of the land. The landowner has been very courteous and has let us on the land, to do all the preliminary SEQRA related studies, including the geotechnical investigation. We are hopeful that will be settled before the eminent domain public hearing, on Monday, February 22nd.
- **Alliance law suit update** –C. Clark states, we continue to work with the town, county and school district. Hopefully, we will be doing a settlement with Alliance, to settle some of their back taxes. That information will be forthcoming, hopefully, before the next Board meeting.

NEW BUSINESS-None

GOOD OF THE ORDER

M. Johnsen would like to compliment P. Common, on the way she sent out this last batch of files, for the Board meeting. Instead of a dozen files, we just got one big one. Nice job, Pam! J. Hopkins and S. Wilday agreed.

CALENDAR

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

ADJOURNMENT

With no further business, a motion to adjourn, at 11:29 AM was made by J. Hopkins, seconded by M. Johnsen, 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