

1 PUBLIC HEARING PURSUANT TO

2 SECTION 859-a OF

3 THE GENERAL MUNICIPAL LAW

4  
5 \_\_\_\_\_  
6 Allegany County Industrial Development Agency

7 Great Lakes Cheese, Co., Inc.

8 Towns of Angelica and Amity, Allegany County, New York  
9 \_\_\_\_\_

10 HELD ON: February 9, 2021

11 TIME: 11:00 a.m.

12  
13 HELD AT: Via conference call, (888) 850-7158

14  
15  
16 BEFORE: TONIA L. TINKER  
17 Court Reporter

18  
19  
20 APPEARANCES:

21 CRAIG CLARK, Executive Director  
22  
23  
24

1                   MR. CLARK: Good morning. My name  
2                   is Craig Clark and I'm the executive  
3                   director of the Allegany County IDA in  
4                   connection with the proposed project,  
5                   which is the subject of this public  
6                   hearing.

7                   Today I am holding this public  
8                   hearing to allow citizens to make a  
9                   statement for the record relating to the  
10                  involvement of the agency with a project  
11                  for the benefit of Great Lakes Cheese  
12                  Co., Inc., a State of Ohio business  
13                  corporation.

14                  The proposed project consists of  
15                  the construction of an approximately  
16                  486,000-square-foot cheese manufacturing  
17                  facility and approximately  
18                  50,000-square-foot distribution water  
19                  treatment facility in the towns of Amity  
20                  and Angelica.

21                  Copies of the notice of this public  
22                  hearing are available on our website and  
23                  have been posted in the paper.

24                  The estimated costs of the proposed

1 project are equal to approximately  
2 \$505,093,950 and the estimated benefits  
3 being considered by the agency are  
4 described as follows: Sales tax  
5 exemption up to \$21,000,000; mortgage  
6 recording tax exemption up to \$9,000,000;  
7 and real property tax exemption over the  
8 time of the pilot is \$170,843,706.

9 The executive director of the  
10 agency caused notice of this public  
11 hearing to be mailed on January 25, 2021  
12 to the chief executive officers of  
13 Allegany County, towns of Angelica and  
14 Amity and the Genesee Valley Central  
15 School District and published on  
16 January 27, 2021 in The Spectator, a  
17 local newspaper.

18 Now, unless there is any objection,  
19 I'm going to suggest waiving the full  
20 reading of the notice of this public  
21 hearing, and instead request that the  
22 full text of the notice be inserted into  
23 the record.

24 I will also note that general

1 information on the agency's general  
2 authority and public purpose are  
3 contained in a separate statement and it  
4 will also be entered into the record.

5 Before we start the public hearing,  
6 I would like to add a few other comments  
7 on the proposed project from the IDA.

8 MR. SPITZER: Craig, this is Dan  
9 Spitzer. Can we please ask everybody  
10 who is not speaking to mute their  
11 phones?

12 MR. CLARK: Yes, I will ask that  
13 again. Can everyone please mute their  
14 phones?

15 MR. SPITZER: Everybody mute  
16 themselves so that the recording is as  
17 clear as possible. So if you are not  
18 speaking, at the time you are not  
19 speaking, please go on mute.

20 MR. CLARK: Yeah, we are getting a  
21 lot of feedback from someone. Thank  
22 you.

23 The Allegany County IDA has been  
24 working with Great Lakes Cheese to

1 support their building of a new plant in  
2 Allegany County site, to retain 229  
3 full-time and add up to 200 full-time  
4 employees at a proposed new \$500 million  
5 plant. We would like to thank Great  
6 Lakes Cheese for their extensive review  
7 of sites over the past 18 months that  
8 have included review in Cuba.

9 The IDA worked hard with Great  
10 Lakes Cheese and the Cuba town  
11 supervisor to find a suitable site in  
12 Cuba. Unfortunately, the potential Cuba  
13 sites were not technically or  
14 economically viable, and Crossroads site  
15 ended up the most viable site according  
16 to Great Lakes Cheese to locate a new  
17 plant close to Cuba and stay in the  
18 county. Keeping the plant in the county  
19 would help numerous farms, would also  
20 have a potential impact of protecting  
21 and adding up to an estimated 600 farm  
22 workers with respect to the milk used in  
23 the new facility.

24 The IDA board will also evaluate as

1 part of its review whether the granting  
2 of financial benefits is necessary for  
3 preventing the company from leaving the  
4 state or to enhance its competitive  
5 position.

6 The comments received today at this  
7 public hearing will be presented to the  
8 members of the agency at or prior to the  
9 meeting at which the members of the  
10 agency will consider whether to approve  
11 the undertaking of the proposed project  
12 by the agency and the granting by the  
13 agency of any financial assistance in  
14 excess of \$100,000 with respect to the  
15 project.

16 Written comments. The notice of  
17 the public hearing indicated that  
18 written comments could be addressed to  
19 myself and we have had a couple of  
20 written comments sent in, which will  
21 also be part of the record. Any other  
22 written comments that want to be  
23 forwarded to me will also be in the  
24 record.

1 I will now open this public hearing  
2 for public comment. We ask, as we  
3 already said, for everyone to mute your  
4 phone unless you have been asked to  
5 speak. Once you have been recognized to  
6 speak, please state your name, address  
7 and affiliation for the record when  
8 making a public comment.

9 In order to accommodate all  
10 speakers, each speaker will try to be  
11 kept to two minutes for public comments  
12 so we can get through everyone and we  
13 will recycle through if there's extra  
14 time, which there probably will be.

15 When everyone has had the  
16 opportunity to speak, I'll conclude the  
17 public hearing and ask that if anyone  
18 has not spoken to identify themselves so  
19 we get them on the record.

20 A record of this public hearing  
21 will be prepared and reviewed by members  
22 of the agency in connection with the  
23 agency's consideration of the public  
24 project.

1           Again, the purpose of the public  
2 project is to solicit public comment.  
3 We are not here to answer all questions,  
4 although we will answer as many as we  
5 can. However, we will in the course of  
6 this public hearing consider questions  
7 if we have the information to answer the  
8 questions and there is sufficient time  
9 to consider such questions.

10           At this time, I will go ahead and  
11 open the public hearing. And if you  
12 could try to be somewhat orderly. I  
13 know it's tough on a phone call, but if  
14 someone can unmute and let me know who  
15 they are and state their comments, we  
16 will see if we can get going.

17           Other than that, thank you for  
18 being on the phone call today. I know  
19 there's a first question. Someone has  
20 to be first.

21           MS. JAMES: Hi, Craig.

22           MR. CLARK: Yes.

23           MS. JAMES: It's hard to hear.

24           There's still a lot of rustling on



1           there. This is Lee James, town of Cuba  
2           supervisor.

3           MR. CLARK: My phone has no  
4           rustling on it now. There is somebody  
5           now rustling again.

6           MS. JAMES: Okay. So for the town  
7           of Cuba, I would just like to make a  
8           statement --

9           MR. CLARK: Thank you, Lee.

10          MS. JAMES: -- that this is  
11          impacting our community greatly and that  
12          our objection would be that if there's  
13          any financial incentive with taking the  
14          current facility in the future and  
15          taking it off the tax role. That not  
16          only injures us with the loss of a  
17          facility in our community, but also in  
18          the future it injures us as well for the  
19          loss of tax incentives.

20          The applications that the facility  
21          is nearing -- is at the end of its  
22          useful life, so that would be a concern  
23          to us as well if the IDA should take  
24          that building.

1 MR. CLARK: We have talked, not in  
2 depth, but we have talked to Great Lakes  
3 Cheese because that would be sometime in  
4 the next five years, it would be quite a  
5 ways out, but we would work with them to  
6 try to find another owner of that  
7 building.

8 There would be no goal for the IDA  
9 to keep that long term if that becomes  
10 an intermediary solution. So I  
11 understand the problem of having --  
12 taking the existing facility off the tax  
13 roles.

14 MS. JAMES: And the stipulations,  
15 if there are any, that the only other --  
16 you know, that it can be anything other  
17 than a cheese factory because there's  
18 portions of that current facility that  
19 no one else would have a use for; so the  
20 cost of any demolition or anything that  
21 could be put back onto the county, I  
22 feel, would be injuring us.

23 MR. CLARK: That will be part of  
24 discussion, Lee. I agree because that's

1 the only thing that Great Lakes Cheese  
2 has said, the facility would be fine to  
3 be used for anything but for cheese  
4 production.

5 MS. JAMES: Okay. Thank you.

6 MR. CLARK: Thank you, Lee.

7 MR. RAUB: This is Steven Raub,  
8 village of Cuba trustee, 17 East Main  
9 Street, Cuba.

10 In your opening remarks, Craig, you  
11 mentioned some figures, \$21 million,  
12 \$9 million as tax exemptions, but then  
13 there was a lot of crosstalk. What was  
14 the third item?

15 MR. CLARK: I will repeat all three  
16 of them just to be safe. There's a  
17 sales tax exemption up to \$21 million  
18 depending on what they buy and whether  
19 or not it has to be taxed; mortgage  
20 recording tax exemption could be up to  
21 \$9 million depending upon if they have a  
22 mortgage; and the real property tax is  
23 over the term of the pilot, not per  
24 year, but for the total term is

1 \$170,843,706.

2 MR. RAUB: And the term is how many  
3 years? Or is that unknown?

4 MR. CLARK: We are still  
5 negotiating, but right now we are  
6 talking about 20 years.

7 MR. RAUB: That's a lot of tax  
8 exemptions.

9 MR. CLARK: Well, it's a very  
10 massive project, obviously. It's a  
11 \$500 million project.

12 Please make sure that you are muted  
13 if you are not talking because someone  
14 is still giving some feedback. Thank  
15 you.

16 MR. GILDEMEISTER: Craig Clark,  
17 this is Carlos Gildemeister,  
18 superintendent at Cuba-Rushford,  
19 5476 Route 305, Cuba, New York. I have  
20 four objections.

21 MR. CLARK: Okay.

22 MR. GILDEMEISTER: One, I object to  
23 the foregoing of the second hearing. I  
24 believe that more hearings are necessary

1 to ensure that everything is proper and  
2 the right information is with the  
3 taxpayers.

4 Number two, I would actually  
5 re-hold this hearing as in half the  
6 information was not heard and I believe  
7 this is not the proper venue because a  
8 lot of cell phones don't have the  
9 ability to mute; so I would recommend  
10 redoing the hearing, the first hearing,  
11 perhaps in a video type of conference  
12 where there's ease of ability of you to  
13 be able to control the people coming in  
14 and ensure that everybody can hear  
15 properly.

16 I would like to also just reiterate  
17 what Lee James stated that, you know,  
18 any -- I have an objection as a taxpayer  
19 in Allegany County. I feel like the end  
20 of the useful life of that building, any  
21 type of dismantling or tearing down,  
22 that should really be the responsibility  
23 of Great Lakes and that should be  
24 properly stated.

1           And then, I really object to the  
2           idea of it moving out of Cuba for the  
3           same -- for the purpose of the impact it  
4           would have on this community and I would  
5           ask that the board and the legislators  
6           look at providing the same level of  
7           financial support and be willing to  
8           provide that support in all sites that  
9           are being looked it. Thank you very  
10          much.

11           MR. CLARK: Thank you. We will  
12          discuss the first couple with the board.  
13          As far as the last one, I can ensure you  
14          that the same benefits were actually  
15          available at any of the sites that they  
16          reviewed in the county. They didn't  
17          find many sites.

18           We actually looked at -- they  
19          looked at over 70 sites. We looked at  
20          probably half a dozen with them to try  
21          to assist them to have a location of  
22          which a couple were in Cuba, and I  
23          agree. So we have not tried to get them  
24          to move any place, we have tried to keep

1                   them in the county. That's our goal and  
2                   the first goal was to keep them in Cuba.

3                   MR. SPITZER: Craig, this is Dan  
4                   Spitzer, attorney for the IDA. In  
5                   addition to what the superintendent  
6                   acknowledged, there will be a separate  
7                   hearing on February 22nd at 11:00 a.m.

8                   While that is specifically noticed  
9                   related to the potential eminent domain  
10                  related to this project, you can make  
11                  any comments that you want.

12                  Secondly, in regards to this, just  
13                  so it's clear, there is no second  
14                  hearing related to the granting of  
15                  financial benefits required. The state  
16                  law only requires one hearing, but as  
17                  Craig emphasized, the board is  
18                  continuing to receive comments.

19                  I think we received some excellent  
20                  ideas already from the supervisor about  
21                  working with the company for reuse of  
22                  the plant that benefits everybody, but  
23                  the hearing on the 22nd, you can make  
24                  comment about the eminent domain or

1 about the financial benefits, if you  
2 want to.

3 Unfortunately, you are correct in  
4 these days of limited ability to get  
5 together, the hearings are sometimes  
6 hard to hear. Although, frankly, I  
7 think this is how these hearings should  
8 be as it goes in the future as an  
9 alternative because it gives more people  
10 the opportunity to appear without having  
11 to go to a specific location and  
12 particularly those who are limited in  
13 mobility, but we will do our best to  
14 improve everything for the 22nd, sir.

15 MR. CLARK: And let me just --

16 MS. BILOTTA: My name is Jenny  
17 Bilotta, 4425 Hamilton Hill Road, Cuba.  
18 I just want to reiterate the concerns  
19 that Mr. Gildemeister has shared and as  
20 well as the town supervisor, Lee James.  
21 You know, it's devastating to hear that  
22 Great Lakes Cheese is moving out of the  
23 Cuba community.

24 I think we have been hit by a lot



1 over the years. I think we have a lot  
2 of vacant buildings and it's really sad  
3 to see another one going vacant.

4 With an assessed value of \$4.4 --  
5 over \$4.4 million in the town of Cuba,  
6 that's going to have a huge impact on  
7 every single taxpayer in the town of  
8 Cuba because eventually that assessed  
9 value will be grazed and the impact on  
10 every single taxpayer there will have a  
11 huge effect.

12 I'm disappointed. I think that  
13 more effort wasn't done to see if they  
14 could stay at the same place and I'm  
15 disappointed that we will have yet  
16 another vacant building. You know, we  
17 already have the old Acme building, we  
18 already have the "new" old Acme building  
19 and yet to see another vacant building.

20 I just feel like more effort could  
21 have been put forth to see that that  
22 building stayed open. \$188,000 in taxes  
23 was put into both the county and the  
24 town and the schools for Cuba and I hate

1 what's going to happen with all of the  
2 taxpayers once the building is vacated.

3 Additionally, one last point, I do  
4 think that a different venue for the  
5 future meetings of this should be  
6 considered. I know the schools around  
7 here have been using Zoom. It seems to  
8 be a much better venue. People can both  
9 call in or see via video, so I  
10 definitely would encourage you to look  
11 at that. This meeting today was  
12 extremely hard to hear. Thank you.

13 MR. PATERER: This is Richard  
14 Patterer, 5467 Little Road, Cuba, I'm a  
15 counsel member. I had a lot of points,  
16 but Mr. Gildemeister and Lee addressed  
17 most of those.

18 I did have a question. Did GLC  
19 decide to move to Belvidere as being the  
20 best location or was that -- did the  
21 county advise them to?

22 MR. CLARK: No. This is Craig  
23 Clark, The Allegany County IDA director,  
24 and we worked with Great Lakes Cheese

1 over those 18 months and luckily we got  
2 them to stay in the county. They looked  
3 outside the county, to be honest with  
4 you, for other reasons. No, we did not  
5 steer them in any direction and, in  
6 fact, when I finally started the  
7 project, we did not even know who the  
8 potential customer was. It was through  
9 Invest Buffalo Niagara and that was the  
10 only time that we actually suggested  
11 that one site.

12 Once we found out who it was, we  
13 worked hard with Great Lakes Cheese to  
14 try to find sites in Cuba and worked  
15 very hard with Lee James on that.

16 So, no, we did not suggest any  
17 sites. We actually looked at sites  
18 based upon what their requirements were  
19 and we did not suggest any sites except  
20 for, like I said, we worked an extra six  
21 months to try and find a site in Cuba.

22 MR. PATERER: And I also have lots  
23 of question from my constituents. One  
24 of them is a concern over, obviously, if

1           GLC leaves, the tax base and stuff, but  
2           also it, kind of, sounds like, correct  
3           me if I'm wrong, that if they build  
4           another site that they can just leave  
5           the site they are at now and it could  
6           fall back on the town to either remove  
7           the site or fix it up or whatever and I  
8           -- is that true?

9           MR. CLARK: Well, that's always  
10          possible, but I don't see someone  
11          investing \$500 million and then leaving  
12          the site. They are talking about a  
13          long-term commitment when they are  
14          putting that kind of money on the site.

15          MR. PATTERER: All right. Thank  
16          you. That's all of the question I had.

17          MR. CLARK: Sure. Good questions.  
18          Thank you.

19          UNKNOWN SPEAKER: I think the  
20          previous caller was talking about the  
21          current sites --

22          MR. CLARK: Someone, if they're  
23          going to speak up and ask, they have to  
24          make sure they are speaking into their

1 phone because someone in the background  
2 was speaking, but not into the phone, so  
3 I don't know what the question was.

4 Whoever is trying to ask a question  
5 either is going to have to speak up or  
6 send me written comments because I can't  
7 hear those questions.

8 MR. SPITZER: Craig, somebody has  
9 their phone on and is not trying to ask  
10 a question. They're just not listening  
11 to you when you are telling them to mute  
12 their speaker.

13 MR. CLARK: Okay. I see what  
14 you're saying. Is there someone else  
15 who wants to speak? Thank you, Dan.  
16 Yeah, they are just not on mute and are  
17 talking in the background.

18 MR. KELLY: Hi, Craig. This is  
19 Gerard Kelly. I just want to make it  
20 clear that --

21 MR. CLARK: Gerard, can you speak  
22 up? It's not very clear.

23 MR. KELLY: And I had a hard time  
24 hearing at first, just like everyone was

1 saying that. Basically, I just want to  
2 make it clear that myself and I'm sure  
3 anyone listening or calling in is not  
4 against a proposal of possibly a new  
5 development for Great Lakes or hopefully  
6 staying in Cuba, I just want to make  
7 that clear.

8 My question is: Mr. Spitzer said  
9 something about eminent domain; can you  
10 tell us where we are at and why?

11 MR. CLARK: Dan, can you --

12 MR. SPITZER: Yeah. At this time,  
13 the company does not have a contract to  
14 acquire the land. As part of the  
15 financial benefits that the IDA can  
16 offer, the IDA can acquire land through  
17 eminent domain if it's appropriate to do  
18 so. The IDA has initiated that process  
19 and has made no determination to do so.

20 Both the company and the IDA prefer  
21 to reach an agreement with the landowner  
22 and are absolutely hopeful to do so, but  
23 there's a process. And before the IDA  
24 commits one way or the other, they will

1 go through the process.

2 So at this point, the process has  
3 been initiated and no determinations of  
4 any kind have been made.

5 MR. KELLY: So, obviously, I'm  
6 assuming, there's been some meetings  
7 with the current owner of the 200-some  
8 parcel and you can't come to an  
9 agreement? Is that the deal? That  
10 they're looking to possibly use eminent  
11 domain to try to put pressure on; is  
12 that correct? How does that work?

13 MR. SPITZER: It's not my place to  
14 speak for the company. It's only my  
15 place to speak for the IDA and I'm not  
16 going to speak about specific  
17 negotiations because it's not  
18 appropriate and it's certainly not fair  
19 for me to talk on behalf of the  
20 landowner and what their interest may or  
21 may not be.

22 The IDA is required by law to take  
23 full market value for any land it  
24 acquires. It's preference is not to go

1 through eminent domain, but the IDA is  
2 committed to keeping 200 jobs -- 299  
3 jobs in Allegany County by all -- if it  
4 can do so.

5 The IDA has spent considerable  
6 funds to try to find an alternative site  
7 within the town of Cuba so it will  
8 exercise the legal responsibility it has  
9 to do it's best to keep these jobs  
10 within Allegany County, and this is one  
11 mechanism.

12 But certainly not my place to speak  
13 for the landowner as to what their  
14 motivations are. By law, we will pay no  
15 less than full market value.

16 MR. CLARK: This is Craig Clark. I  
17 just want to add that the landowner has  
18 given us full authority to do all of the  
19 testing on the site and we have been  
20 doing all of the appropriate testing  
21 including geotechnical and topographic  
22 work. So, at this time, the owner is  
23 cooperating with us on developing the  
24 site.



1 MR. KELLY: Craig, what is the soil  
2 plantation there?

3 MR. CLARK: The soil? That, I do  
4 not know. I would have to look that up  
5 because we are really worried more about  
6 the geotechnical.

7 MR. KELLY: Yeah, I could tell you  
8 what that is. It's Tioga.

9 MR. CRAIG: Okay.

10 MR. KELLY: Basically, that's the  
11 best agricultural ground there is,  
12 pretty much, in New York State and  
13 there's a little over --

14 MR. CLARK: Excuse me, Gerard.  
15 There's someone speaking in the  
16 background.

17 MR. SPITZER: Would everybody mute  
18 their phone? Every phone has a volume  
19 button, it can be muted.

20 MR. CLARK: Even a cell phone has a  
21 way to mute. Thank you, Gerard. Now  
22 you can speak.

23 MR. SPITZER: Can you repeat your  
24 question, sir, so we make sure that we

1 have it?

2 MR. KELLY: Sure. So, basically,  
3 the soil classification is Tioga soil.  
4 It's the best soil there is as far as  
5 agricultural with growing and so forth.  
6 And there's not -- obviously, there's  
7 probably, I don't even know, how many  
8 acres in Allegany County, but not a lot  
9 specifically along the Genesee River,  
10 and that's what the farmers try to  
11 utilize so much because it's very  
12 efficient and so forth for the cattle.

13 My concern is there's a little over  
14 100 acres there of the best ground there  
15 is and it will never be replaced.

16 And that's a sad source because I  
17 have been affiliated with agriculture  
18 all of my life and still am, and that's  
19 really a sad, you know, thought.

20 My other concern is, of course, I'm  
21 a counselor in the town of Angelica and  
22 there's about 46 acres in Angelica that  
23 is possibly being bought up here and,  
24 again, we already have something that

1 the IDA owns in Angelica that we're not  
2 putting any taxes on at the moment, so  
3 that's of a huge concern particularly in  
4 this county.

5 MR. CLARK: Thank you, Gerard. I  
6 understand your concerns.

7 MR. KELLY: Like I said, I just  
8 want to make it clear, I'm personally  
9 not against development, obviously.

10 MR. CLARK: Yeah, that's always a  
11 struggle. I understand that especially  
12 when we have so much farmland.

13 MS. DOYLE: This is Connie Doyle,  
14 I'm on the planning board for Cuba  
15 Village. I heard many, many rumors of  
16 why the Great Lakes Cheese is leaving,  
17 but I don't know the real reason. Can  
18 you tell me why the present site is not  
19 appropriate?

20 MR. CLARK: It's not large enough.  
21 The new site, they wanted at least 100  
22 acres plus and most of the sites we  
23 ended up looking at were close to the  
24 140-acre sites that were fairly large

1 sites.

2 They are going develop to begin  
3 with a good 50 acres and looking for  
4 future expansion and do not want to be  
5 in the same position where they couldn't  
6 expand on the site that they are on. So  
7 that's the reason we are looking for a  
8 fairly large site.

9 MR. CROWLEY: Craig, this is David  
10 Crowley, town historian, town of Cuba,  
11 New York and also on the Village of Cuba  
12 Planning Board. I too am all for  
13 development, expansion and what have  
14 you, but I can see a great importance to  
15 keeping Great Lakes Cheese in the  
16 county. But I feel that if the  
17 expansion program in the same general  
18 area as where it's presently located was  
19 to take place, it would be much easier  
20 on our fragile economic conditions.

21 Seeing what's happening in Olean,  
22 New York right now with Siemens and  
23 their announcement, I don't feel that  
24 now is the time, considering all of

1           these things, for a large project to  
2           happen.

3                   I think that IDA should work more  
4           with GLC, Great Lakes Cheese, to find a  
5           solution for expansion locally. It  
6           seems to me, well, how many more acres  
7           do they need? That's one question I  
8           have.

9                   And then, a second question I have  
10          is that the proposed location at  
11          Crossroads, could you give me the  
12          latitude and longitude of that location?

13                   MR. CLARK: David, I have your  
14          email, I can send you the exact latitude  
15          and longitude of the actual site. I can  
16          send you the layout on the site. It's  
17          actually on the website as well because  
18          we have done the -- we're working on the  
19          SEQR right now, so if you look on the  
20          website there's a map, but I will send  
21          that to you.

22                   And as far as working with Great  
23          Lakes Cheese, they have been working on  
24          this project since last June; so it's

1 not like this was a decision that was  
2 made fairly soon. They really wanted to  
3 make the decision last year, but they  
4 went the full extra mile to try to work  
5 on a couple different sites in Cuba,  
6 just couldn't work them out.

7 In fact, the family even visited  
8 Cuba a couple of times to visit sites in  
9 the Cuba area and they are the same as  
10 you, they really wanted to stay in the  
11 area if they could. Their real  
12 commitment is to keeping the 229 people  
13 employed at that factory and that's why  
14 they wanted to stay as close as possible  
15 to Cuba.

16 MR. CROWLEY: Thank you.

17 MR. CLARK: I understand your  
18 concern, David.

19 MR. CROWLEY: Okay. I'm still  
20 concerned about the location, of course.  
21 Gerard's comments about the best soil  
22 there is in Allegany County lies along  
23 the riverbed, but also I know that the  
24 -- I have been in touch with the museum

1 director, the Seneca Iroquois National  
2 Museum in Salamanca, and they are quite  
3 concerned because there are five  
4 geological sites all within probably  
5 about a mile of that area there that are  
6 quite -- will be quite a concern to the  
7 Senecas.

8 And I just wanted to -- you know,  
9 I'm hoping that we don't run into a  
10 burial ground or any kind of a thing  
11 there which nicks it completely anyway,  
12 so just as a heads-up on that.

13 MR. CLARK: That's something that  
14 we are looking at through the SEQR  
15 process and right across the street they  
16 did some extensive work. It's not the  
17 same site, but they did extensive work  
18 before when yhry were going to do the  
19 water park years ago. So I don't know  
20 what we will find when we do the work  
21 across the street.

22 MR. CROWLEY: Okay. Across the  
23 street, you mean County Road 20?

24 MR. CLARK: Yeah, because we are on

1 the other side of the street where the  
2 water park was. There was extensive  
3 work done on the one side, but we're  
4 going to do new work on the new side as  
5 well.

6 MR. CROWLEY: I see. And -- okay.  
7 Thank you very much.

8 MR. CLARK: Sure. Thank you for  
9 your comments.

10 MS. JAMES: Craig, this is Lee  
11 James, town of Cuba supervisor. An  
12 additional comment, I think we should  
13 ask for this to be reheard in a  
14 different venue. It is very difficult  
15 to hear the questions and the -- with  
16 the background noise.

17 Lastly, I also ask for a financial  
18 analysis on how this will impact the  
19 town of Cuba taxpayers when this is  
20 taken off the tax roll.

21 MR. CLARK: Okay.

22 MS. WOOLSTON: Hi, I came in late.  
23 Do I just say who I am and then ask my  
24 questions?



1 MR. CLARK: Who was that? Excuse  
2 me.

3 MS. WOOLSTON: I'm Barb Woolston  
4 and I live in the town of Amity. I  
5 missed the beginning. Do I just start  
6 to ask a question?

7 MR. CLARK: Yes, as long as we know  
8 who you are and where you reside, just  
9 like you just said, that's all we're  
10 asking.

11 MS. WOOLSTON: Barbara Woolston, I  
12 live at 5052 County Route 31A in Amity.  
13 My question, I don't know if I'm way  
14 ahead of things or if that's anything  
15 you're working on or can answer, when  
16 the new Quicklee's came, the whole big  
17 deal was about water for all of the  
18 years, trying to get water to the site  
19 and I was wondering what is the plan to  
20 get water to that site?

21 Because I know the line runs from  
22 Friendship to Quicklee's, but it doesn't  
23 cross through Route 19, I understand.  
24 What are you thinking of for water? Is

1                   that something you can answer now?

2                   Belfast? Belmont? Friendship?

3                   MR. CLARK: As far as water, we are  
4                   still discussing with Friendship on the  
5                   water. The 12-inch line is large  
6                   enough, it would have to cross the road,  
7                   there would have to be some  
8                   improvements. We are working with Great  
9                   Lakes Cheese as well as with Friendship  
10                  on the water demand.

11                  Some of the larger factories don't  
12                  use municipal water and so we are still  
13                  discussing with them on the options of  
14                  having municipal water. They don't use  
15                  municipal water now in Cuba, they have  
16                  their own well.

17                  MS. WOOLSTON: Yeah, I understand  
18                  that and I think Saputo does too, don't  
19                  they?

20                  MR. CLARK: Saputo has their own  
21                  well as well. They only use Friendship  
22                  for fire protection, that's correct.

23                  MS. WOOLSTON: And I know, like,  
24                  those fields use to have -- what do you

1 call it? Nitrate or nitrous, something  
2 like that. The water wasn't good out  
3 there, so I'm thinking can they build  
4 their own well or whatever they have to  
5 clean things with, you know --

6 MR. CLARK: Well, there's always a  
7 way of cleaning the water; so there's  
8 water to be had, we just have to figure  
9 out the most economical way to do that  
10 with them.

11 MS. WOOLSTON: And then, as a town  
12 of Amity taxpayer, and I don't  
13 understand all of the ins and outs of  
14 the project about the incentives and tax  
15 breaks, but while you are working on the  
16 thing or building it and after 15 years,  
17 20 years, will they take a lease on the  
18 land to Amity?

19 Because it will lose what maybe  
20 little tax we got from the farmer for  
21 the land. Would they at least pay that  
22 rate of the land tax so we don't lose  
23 any of our --

24 MR. CLARK: That was brought up

1 with Amity as well. That's under  
2 discussion to make sure that there is  
3 something in the future. Not just  
4 taking off the tax roll for the whole  
5 duration, but that's still being  
6 negotiated.

7 MS. WOOLSTON: Yeah. So if Amity  
8 at least breaks even during this time  
9 with what tax we got from the people  
10 that own the land now, then we haven't  
11 lost anything?

12 MR. CLARK: That's exactly what the  
13 town supervisor asked me the other day.

14 MS. WOOLSTON: Okay. Thank you.

15 MS. BIGELOW: Dr. Clark?

16 MR. CLARK: Yes.

17 MS. BIGELOW: Debbie Bigelow,  
18 Amity, 5792 Tuckers Corner Road. I  
19 would like to know where the estimated  
20 600 workers number comes from, please?

21 MR. CLARK: The farmers is what you  
22 are talking about? It's based upon the  
23 increase in milk production. They are  
24 going from --

1 MR. SPITZER: Hang on a second,  
2 Craig. The 600 farm jobs is the farm  
3 jobs that are currently linked to farms  
4 that would be negatively impacted if  
5 Cuba Cheese left the area and those jobs  
6 were lost.

7 MS. BIGELOW: Okay. That's a good  
8 answer.

9 MR. SPITZER: The source of the  
10 information is the company and the  
11 cooperatives that we have spoken to. In  
12 terms of farm labor, we believe the loss  
13 would be about 600 jobs. In terms of  
14 new farm jobs, we are hoping for  
15 additional 100 jobs with the additional  
16 demand.

17 MS. BIGELOW: Wow.

18 MR. CLARK: That's in addition to  
19 the 429 people that will be employed in  
20 the plant.

21 MS. BIGELOW: Okay. Thank you.

22 MR. RICCI: This is John Ricci  
23 here.

24 MR. CLARK: Hi, John.

1                   MR. RICCI: Legislator from  
2                   District II in Cuba. Just coming from a  
3                   utility background with about 25 years  
4                   in the water business with the city of  
5                   Olean, I know that Cuba has more than  
6                   enough water in the existing wells there  
7                   plus the municipal water, which is a  
8                   very, very big expense to anyone, but  
9                   already -- we are already here in Cuba,  
10                  we have the sewer. We have the electric  
11                  not far away from the site, then you  
12                  have 90-pound gas line that just came  
13                  over the hill in the past year; so it  
14                  seems like quite a heavy lift over at  
15                  the Crossroad.

16                  And also we were under the  
17                  assumption there was enough room here,  
18                  but if not they would have to use  
19                  eminent domain on a lesser piece of land  
20                  to get what you need. It's already  
21                  existing. I just want to put that out  
22                  there. It seems like given all of that  
23                  utility there, it's a pretty heavy lift.

24                  MR. CLARK: Yeah, thank you, John.

1 I mean, we understand there is a heavy  
2 lift on all of the sites as far as  
3 electric, believe it or not. It was  
4 very interesting going through this  
5 process. Our grid is not very well  
6 developed in Allegany County and the  
7 cost for, basically, electric at almost  
8 any site was very high.

9 And even though there's a -- there  
10 are places to tap into the National Fuel  
11 lines and the other high pressure lines,  
12 it's very interesting also on prices and  
13 cost of natural gas after you tap into  
14 the lines. And it's different at  
15 different sites. That all is factored  
16 into the discussion and Great Lakes  
17 decision.

18 MR. RICCI: Okay. If it doesn't  
19 work out over there, I think Cuba has a  
20 great site. We all want it to stay in  
21 the county. Just seems like common  
22 sense. Thank you.

23 MR. CLARK: Thank you for the  
24 comments.

1 MS. DOYLE: This is Connie Doyle,  
2 again, Cuba. On the water comment, Nico  
3 Van Zwanenberg, the ultimate cheese  
4 maker, always said that Cuba's water  
5 made the difference in Cuba cheese, so I  
6 just want that on the record.

7 MR. CLARK: Thank you. I have  
8 heard good things about him.

9 MS. DOYLE: He would be very said  
10 to know that Cuba Cheese might be  
11 leaving. It's sad for all of the  
12 community, but especially all of us who  
13 loved him.

14 MR. CLARK: Someone is not muted  
15 and they are talking. Please mute your  
16 phone unless you are going to speak.

17 MS. GREEN: This is Sandra Green,  
18 Cuba. I wondered if you had any  
19 discussion with GLC as to whether they  
20 could use part of their facilities here,  
21 like if they moved production, they have  
22 to take the waste plant, but could they  
23 have a warehouse over here or string  
24 line here or, you know, would they be



1           able to utilize part of the site or are  
2           they really insistent on having all of  
3           the operation altogether?

4           MR. CLARK: Their new way of  
5           development is to do these mega sites.  
6           This is their fifth mega site, which has  
7           repackaging and, in this case, cheese  
8           production all under one roof. And  
9           that's the economy of scale where they  
10          are making their funds, but we will make  
11          that note to them and ask that question.  
12          It's a good question.

13          MS. GREEN: Thank you. I was  
14          thinking maybe even they could put  
15          warehousing over here or, you know, at  
16          least there would be something that  
17          could be on the tax role for Cuba.

18          MR. CLARK: It was a good question.  
19          We will ask that question.

20          MS. GREEN: Thank you.

21          MS. BILOTTA: Craig, this is Jenny  
22          Bilotta, from Cuba, again. Can you say,  
23          again, the size of the proposed property  
24          that you are looking at?

1           MR. CLARK: The ones that ended up  
2 making the cuts were always in the 100-  
3 to 140-acre range, total.

4           MS. BILOTTA: 100 to 140 acres?

5           MR. CLARK: Yeah, we originally  
6 looked at the 100-acre range, but I  
7 don't think any of them -- I know none  
8 of them were less than 100 acres that  
9 made any cut at all and they preferred a  
10 little bit more than that. It depends  
11 on what the site is and how flat the  
12 site is, but it's between 100 and 140  
13 acres.

14          MS. BILOTTA: Okay. So it looks  
15 like Great Lakes currently owns  
16 382.76 acres in the town of Cuba. Did  
17 they indicate why that was not  
18 sufficient enough property?

19          MR. CLARK: Most of that is that  
20 hill behind the place. Very little of  
21 that is flat land that's developable.  
22 That's why.

23          MS. BILOTTA: Okay. Thank you.

24          MR. CLARK: I mean, because that

1 was the original when we had the  
2 original meeting with them. That was an  
3 original discussion because we agreed  
4 with you, that would be easier in some  
5 context to develop on that site, but the  
6 site is not big enough to build this  
7 mega plant. And the other thing is  
8 while they are building the mega plant,  
9 they want to keep production because  
10 they, obviously, want to keep selling  
11 cheese.

12 MS. BILOTTA: Is the current  
13 incinerator that's on -- the old  
14 incinerator that's on the current  
15 property, is that able to be demolished?

16 MR. CLARK: I can ask them that  
17 question. I don't know that.

18 MS. BILOTTA: Okay. Thank you.

19 MR. CLARK: Sure.

20 MR. BARE: Hello, this is Charlie  
21 Bare, I'm the majority owner of the land  
22 that we are talking about and also owner  
23 of Mallards Dairy on Rawson Road. I  
24 wanted to address a couple of things.

1           The first is Mr. Spitzer said that  
2           the eminent domain process has been  
3           initiated. I find fault of that as I  
4           have not received anything in the mail,  
5           which I believe is the first step.

6           Secondly, I think it's sad that  
7           we're helping out a company that is  
8           owned by billionaires. This is a  
9           privately-owned company in case people  
10          didn't know this. It's owned by  
11          billionaires and I was told the third  
12          richest people in the state of Ohio.

13          And I just think it's sad that  
14          taxpayer money from this part of  
15          Appalachia of New York State is going to  
16          go and help them line their pockets.

17          MR. CLARK: Dan, are you still on  
18          the phone?

19          MR. SPITZER: I am. In answer to  
20          the gentleman's question, initiation of  
21          the process started on January 7th with  
22          a resolution of the IDA board  
23          authorizing the chief executives, that's  
24          Craig, to move forward with the process

1 including any discussions we have had.

2 The notice of the February 22nd  
3 hearing, I believe, was published for  
4 the first time in the paper today and  
5 was sent out to your office as well as  
6 to your two attorneys that have been  
7 assisting you by certified mail  
8 yesterday.

9 And we have verbally let them know.  
10 The gentleman, I believe, who is  
11 representing the other partner of theirs  
12 knows that they -- we had initiated the  
13 conference even before the IDA acted  
14 with a phone call to your attorney,  
15 Mr. Capolini in Cuba.

16 So the process is on the way. If  
17 you don't get the notice, since it went  
18 by certified mail, by today or tomorrow,  
19 please let us know and we will get you  
20 another copy of it or any other question  
21 that you have.

22 I would say, on behalf of the IDA,  
23 we have really appreciated your  
24 professionalism and your assistance in

1           allowing us on the property. We  
2           understand your position, but you have  
3           been very cooperative and very  
4           professional and we appreciate how you  
5           have handled it.

6           MS. GOWISKI: Hello, this is Cindy  
7           Gowiski from the town of Birdsall. I  
8           agree with Mr. Bare that this is a  
9           billion dollar company and they are,  
10          obviously, making money if they are  
11          willing to do a \$500 million expansion.

12          And in my experience, the IDA and  
13          Allegany County board of legislators has  
14          always expressed the desire to attract  
15          more manufacturing companies to help  
16          alleviate the taxpayer burden on the  
17          little guys in this county and with  
18          incentives of exempting them from  
19          \$21 million in sales tax and \$9 million  
20          in mortgage tax and \$170 million in  
21          property tax, how is that benefitting  
22          any of this?

23          And furthermore, you, as the county  
24          board and IDA, have, for ten or more

1 years now, expressed the idea of the  
2 Allegany County tourism being our  
3 salvation to help our taxpayers along  
4 the Genesee River.

5 How is a Great Lakes Cheese plant,  
6 not that I'm against manufacturing, I'm  
7 all for it, but how is a Great Lakes  
8 Cheese plant next to the river  
9 discharging waste water into the river  
10 going to help the tourism attraction?

11 MR. CLARK: Well, the answer to the  
12 question, you know, and I understand the  
13 concern about any tax benefits, although  
14 it's not cash to companies of this size,  
15 is that I can assure you that our tax  
16 benefits and our assistance to this  
17 company are not the same. In fact, they  
18 are lower than other states.

19 We have to try to be competitive.  
20 That's why a lot of the companies --  
21 you're seeing companies move out of New  
22 York State, so we have to be as  
23 competitive as we can to keep those jobs  
24 and expand companies.

1           In fact, it's very unusual to find  
2           a company that's willing to invest that  
3           kind of money in a rural community. And  
4           the only reason they're willing to talk  
5           to us is, obviously, because they want  
6           to save the 229 jobs, but if we aren't  
7           competitive on some of the benefits,  
8           they will not stay.

9           This was a business decision. So  
10          although I agree with what you're  
11          saying, long term it's going to benefit  
12          the community with having those 449 jobs  
13          and keeping those local farm jobs as  
14          well. And as far as --

15          MS. GOWISKI: The 600 farm jobs  
16          that are impacted aren't all in Allegany  
17          County, that's from the --

18          MR. CLARK: That's Western New  
19          York, yes.

20          MS. GOWISKI: Correct. So I don't  
21          know exactly how many jobs it equates to  
22          in our county, but if you take all of  
23          those tax incentives, the millions and  
24          millions of dollars, almost \$200



1 million, and divide it by the number of  
2 jobs, let's say 400, in 20 years when  
3 those tax incentives are gone and you're  
4 faced with this 100-acre huge building  
5 and they decide they want to leave and  
6 go somewhere else because the tax breaks  
7 are gone and now the tax bill is coming  
8 and they are having sticker shock like  
9 the rest of us are, then you're going to  
10 have this monstrosity right smack dab in  
11 the middle of the county empty. Then  
12 what?

13 MR. CLARK: I don't think that's  
14 going to happen and --

15 MR. SPITZER: Rather than  
16 conjecturing what would happen, the IDA  
17 looked at exactly that. That's exactly  
18 the kind of consideration that they do  
19 look at. It's important that you bring  
20 things like that up. Measured against  
21 that is the \$505 million that the  
22 company would be spending in the county  
23 to build the plant and the 20 years of  
24 \$9 to \$12 million a year of payroll that

1 be saved, which is about \$180 million of  
2 payroll by them not leaving the state.

3 And an additional \$180 million from  
4 new jobs, not counting any of the farm  
5 jobs. New York State uses a process  
6 known as multiplier to consider when you  
7 create new jobs and save jobs, how many  
8 other jobs are created. They use for  
9 manufacturing approximately 2.5 jobs.  
10 If you add 200 jobs, that's another 500  
11 jobs that would be added in the region.

12 And you are correct to look at it  
13 as a region and not just the county.  
14 Keeping this plant in New York State is  
15 the priority for the Department of  
16 Agriculture, the governor and the  
17 county.

18 It was our preference, as Craig  
19 said, to keep in the community. The  
20 company eventually made the decision,  
21 but compared to a loss of the plant to  
22 state and the loss of the plant to the  
23 region, the tax benefits are  
24 significantly less than the benefits of

1 the jobs saved and the income to the  
2 community from the plant.

3 The supervisor brought up the same  
4 question in more direct terms than  
5 you're bringing up, which is what's the  
6 potential use in 20 years? Obviously,  
7 we are hoping that this company, since  
8 they're buying expansion land as well as  
9 current land, is not planning on leaving  
10 in 20 years and the assumption normally  
11 is that when they do an expansion they  
12 would seek additional benefits at that  
13 time for the expansion.

14 But at this time, it's just this  
15 plant for 20 years and employment and an  
16 investment for 20 years. We will work  
17 with Cuba to maximize the recapture of  
18 the plant's value and the minimization  
19 of impact as taxpayers and the  
20 community.

21 The goal right now is to maximize  
22 the benefits and keep the company here  
23 when this company could very easily flee  
24 to other states that are offering far

1 higher potential benefits and much lower  
2 costs.

3 MS. GOWISKI: Okay. So if in 20  
4 years they understand and get another  
5 tax break for another 20 years, at what  
6 point do they eventually start kicking  
7 into the kitty to alleviate the burden  
8 on the local property tax owner?

9 MR. SPITZER: If they leave the  
10 county completely, that would be a lost  
11 to the county immediately. If they move  
12 to this site, the site would lose its  
13 existing real property tax -- and you  
14 would have to have taxes paid.

15 In terms of pilot, they are adding  
16 \$20 million in payments over the  
17 20 years that is not currently coming  
18 into the community.

19 People need to mute their phones.

20 MR. CLARK: Somebody is not muted  
21 again.

22 MR. SPITZER: By the way, if  
23 somebody doesn't hear what we say, don't  
24 hesitate to call Dr. Clark or myself to

1 follow up with the answer to these  
2 questions. The questions you have  
3 raised are very good question that the  
4 IDA board struggles with whenever it's  
5 asked for tax benefits, what is the  
6 potential benefit versus the potential  
7 cost. In this case, when --

8 MS. GOWISKI: Who I am speaking  
9 with?

10 MR. SPITZER: Dan Spitzer, the  
11 attorney for the IDA. This is always  
12 the question with benefits and you are  
13 competing against other states and other  
14 counties who are happily offering more  
15 money than we are.

16 And you are correct to consider  
17 when will they kick in. Part of that  
18 question is what is the value to you of  
19 the existing \$9 million a year of  
20 payroll in the county? If you lose  
21 that, that's, you know, who else is  
22 going to pay -- their taxes is going to  
23 be a loss of other value.

24 If you have a company come in, you

1 get a lot of other benefits. First of  
2 all, you have \$505 million worth of  
3 construction, which is a lot of  
4 construction jobs, which are very  
5 important. You have ancillary benefits  
6 in terms of the company that supplies  
7 the plant that are local, trucking and  
8 other services that provided to the  
9 plant, and you get all of those services  
10 for 20 years.

11 In this case, although they are  
12 large numbers, no question about it, the  
13 benefits potentially far, far outweigh  
14 the proposed reduction in taxes. And  
15 remember, it's not a loss to the Amity  
16 community. It is a loss to the Cuba  
17 community because the Cuba community is  
18 losing a facility that will have lesser  
19 taxes. The IDA board is very aware of  
20 that and takes it into consideration.

21 In the Amity and Angelica  
22 community, it's an additional revenue,  
23 not a loss of revenue because of the way  
24 the IDA handles the underlying land. So

1           it's not a matter of failing to kick  
2           into the kitty because they're going to  
3           kick into the kitty from day one.

4           It's a matter of making sure that  
5           there's a benefit weighing all of these  
6           things and it's not all financial.

7           Mr. Crowley pointed out there's  
8           also impacts on the environment that are  
9           being considered. All of this goes into  
10          the IDA's consideration, which is why  
11          your question and your thoughts are so  
12          important.

13          MS. GOWISKI: Thank you.

14          MR. RAUB: Steve Raub here again,  
15          village of Cuba trustee. The use of the  
16          adjective "potential" is troublesome to  
17          me because I keep hearing 229 jobs or  
18          429 potential jobs, I hear 600 potential  
19          jobs and, I mean, there's -- it's just  
20          disturbing that that potential is, sort  
21          of, the caveat there. There's no way of  
22          knowing and I just -- that's troublesome  
23          to me.

24          MR. CLARK: That's not true.

1           There's 229 existing jobs. They are  
2           going to be adding 200 jobs. That's a  
3           commitment they're making to both the  
4           IDA and as well as to the Empire State  
5           Development.

6                     And so that's -- I guess you could  
7           call them potential, but what Dan is  
8           saying is potential loss of those jobs,  
9           but right now there are 229 jobs and  
10          they are going to keep those and they  
11          are going to add 200 jobs.

12                    As far as the 600, that's the best  
13          estimate they could make based upon what  
14          it would take to produce the kind of  
15          milk that they use. And that's a  
16          potential loss, is what Dan was saying,  
17          so I apologize, but yeah, those are -- I  
18          guess you could say they're potential,  
19          but they are, pretty much, for sure  
20          needed if they build this plant.

21                    MR. SPITZER: It's also under state  
22          law with the Empire State Development as  
23          well as with the IDA a requirement for  
24          callback if the jobs that they promised



1 to maintain are not maintained. There's  
2 some callbacks if they doesn't create  
3 all of the new jobs.

4 Their new jobs that their talking  
5 about, as you say, are potential, that's  
6 only at full capacity. But in terms of  
7 protecting jobs, the ESD and IDA both by  
8 state law callbacks and it's based on  
9 the information on their application,  
10 the information that's being provided to  
11 you that they have signed under penalty  
12 of perjury and we expect them to enter  
13 into a project to meet those goals.

14 Otherwise, the financial benefits  
15 are limited and all of that is taken  
16 into consideration to make -- obviously,  
17 none of us have a crystal ball. I don't  
18 think many of us thought we would be  
19 doing public hearings virtually a couple  
20 years ago, but there are protections to  
21 the state and to the county if the goals  
22 aren't reached.

23 MR. CLARK: Are there any other  
24 comments?

1 MS. MILLER: This is Michelle  
2 Miller, village of Cuba mayor. So what  
3 is the short-term impact to the county  
4 taxpayer for this initiative?

5 MR. CLARK: I'm not sure what you  
6 are asking, Michelle.

7 MS. MILLER: Will our tax bill go  
8 up or down in the short-term?

9 MR. CLARK: In the short-term,  
10 there shouldn't be any changes because  
11 it's not for at least five years when  
12 you're talking about decommissioning  
13 your plant in Cuba and the same as in  
14 Belmont or Amity.

15 They will be starting construction  
16 sometime this year, that's the plan, and  
17 there is no impact to the taxpayer.

18 MS. MILLER: Okay. So the only  
19 taxpayers that will be impacted will be  
20 the Cuba town and Cuba taxpayers?

21 MR. CLARK: But that's in five  
22 years and then, obviously, they're not  
23 going to pay an increase in taxes, is  
24 what they are not going to pay.

1 MS. MILLER: Sorry there was  
2 interference.

3 MR. CLARK: Basically, what it  
4 comes down to is the tax benefits we're  
5 giving them are taxes they are not  
6 paying, but they are not paying them  
7 now.

8 MS. MILLER: Okay. Thank you.

9 MR. CLARK: Gerard, do you have a  
10 question?

11 MR. KELLY: Yeah. Can you hear me?

12 MR. CLARK: There's someone else in  
13 the background that's talking.

14 MR. KELLY: You were just saying to  
15 Cindy, basically, the Belmont, Angelica,  
16 obviously we've already talked about  
17 Angelica, the underlying issues or  
18 whatever they were going to benefit  
19 from.

20 I get it, there's jobs and we all  
21 want that and more, but how is, like,  
22 the acreage in Angelica, how is that  
23 going to benefit through the underlying  
24 you were just discussing?

1 MR. SPITZER: This is how I  
2 understand the project will go forward  
3 in Angelica so I will see if I can  
4 answer the question, but, again, not  
5 trying to say there's not a negative  
6 impact to Cuba.

7 Let's just talk about Angelica. In  
8 Angelica, currently the land that is  
9 being looked at by the company has an  
10 agricultural exception. Once it's  
11 converted from agriculture it loses that  
12 exemption and even if the value has not  
13 changed, you would get more tax dollars  
14 from the date of the taxable status date  
15 upon which after the conversion goes.

16 Going forward, there is a pilot in  
17 place on the project which splits up the  
18 benefits to the company that once it  
19 kicks in, the payment would be split  
20 among the tax and jurisdiction. The  
21 school gets most of it, the county gets  
22 the next chunk of it based on the tax  
23 rates and then the two towns split up  
24 their share.

1           Again, it depends on their  
2           respective shares, but there would be a  
3           net compared to what the property is  
4           currently producing for tax revenue to  
5           the town of Angelica even with the  
6           benefits that's proposed, the tax  
7           benefits. The tax and pilot revenue  
8           would be higher under this project.

9           MR. KELLY: I'm, obviously, well  
10          aware of that exemption. So, basically,  
11          you're saying that through the tax  
12          exemption, the pilot, we would get more  
13          taxes per year? Is that correct?

14          MR. SPITZER: Yes. So if you look  
15          at the property currently in terms of  
16          what you're currently receiving, you're  
17          receiving taxes from the current owner.  
18          The current owner has agricultural  
19          exemptions in place.

20          When the land is converted away  
21          from agriculture if the project goes  
22          forward, the exemption is lost. There's  
23          a callback period that we covered and  
24          the town gets a share of that going

1 forward. Even if the value of the land  
2 is unchanged, the taxes are paid based  
3 on the current value of the land and  
4 that's a higher number than you are  
5 currently getting.

6 So even before the pilot kicks in,  
7 the town of Angelica is marginally  
8 ahead.

9 MR. KELLY: Okay. So how would  
10 that work -- I'm assuming, Craig, as  
11 well, that IDA is the lead agency,  
12 right, on this project?

13 MR. SPITZER: Yes.

14 MR. CLARK: Well, for the SEQR.

15 MR. SPITZER: Yes, sir. We haven't  
16 gotten to that point yet. The IDA has  
17 sent out a notice of intent to act as  
18 lead agency.

19 MR. CLARK: Right.

20 MR. SPITZER: But the SEQR is not  
21 going to be in front of the IDA board  
22 until March at the earliest.

23 MR. KELLY: Okay. I guess my  
24 question is: You're saying that once it

1 comes of the exemptions, the IDA ends up  
2 taking the property over, how are we  
3 going to get more tax money than we're  
4 currently getting when the IDA doesn't  
5 pay taxes?

6 MR. SPITZER: So the IDA doesn't  
7 own the property. The IDA may take it  
8 and then provide it to the company, but  
9 the IDA pilot, the way it works,  
10 generally doesn't remove the exemption  
11 on the land, only the exemption on the  
12 improvements.

13 And Crag will slap me down if I'm  
14 saying it wrong in terms of how that  
15 works, but, basically, the goal here is  
16 not for the IDA to end up as the owner  
17 of the property. Rather we have an  
18 interest in the property, but the  
19 company would be the owner of the  
20 property just like any other private  
21 owner.

22 MR. KELLY: So if you're working  
23 with the private owner on that, Craig,  
24 would we get the taxes immediately once

1                   they change hand or new ownership?

2                   MR. SPITZER: Yeah. I mean, so  
3                   taxes are dependent on the status as of  
4                   March 1st, known as the taxable status  
5                   date. So depending on which taxable  
6                   status date is on March 1st would  
7                   dictate the amount of money would you  
8                   receive the following January.

9                   MR. KELLY: Like we said earlier,  
10                  we have, you know, quite a bit of  
11                  acreage right now that I think it's  
12                  affiliated with the same scenario here  
13                  that if we don't get this taxes and --  
14                  that's all of our concerns because we,  
15                  obviously, need taxes in this small  
16                  county and we need businesses too, of  
17                  course, and I get that; so --

18                  MR. CLARK: Any other comments?

19                  MS. GOWISKI: I have one more  
20                  comment, this is Cindy Gowiski again.  
21                  Jenny Bilotta said earlier there was 382  
22                  acres owned by GLC in Cuba.

23                  MR. CLARK: Correct.

24                  MS. GOWISKI: I know a lot of that



1 is a side hill, but if we're talking  
2 about millions of dollars for electric  
3 and water and other use of gas and other  
4 utilities at the Crossroads, how far  
5 could those millions of dollars go in  
6 earth work to make that acreage that  
7 they already own useable?

8 I would think for far less money.  
9 Being in the earth work business myself,  
10 you could move a whole side hill for  
11 half of what it costs for the estimates  
12 that I heard for electric, water and gas  
13 at that Crossroads site.

14 MR. CLARK: Well, I can't say for  
15 sure at that particular site, but we did  
16 look at a couple different sites at Cuba  
17 and the costs were significant enough  
18 that they would more than balance out  
19 the electric costs.

20 MS. GOWISKI: And what is the  
21 electric costs estimate at Crossroads?

22 MR. CLARK: It's in the \$30 million  
23 range.

24 MS. GOWISKI: \$30 million? Do you

1 know how much earth can be moved for  
2 \$30 million?

3 MR. CLARK: And it's in the  
4 \$20 million range for Cuba too, just so  
5 you know.

6 MS. GOWISKI: And what's the gas  
7 estimate?

8 MR. CLARK: They are both about the  
9 same as far as cost, it was \$2 to \$3  
10 million on either site. The natural gas  
11 was a lot cheaper on the Belmont site,  
12 but the cost for the line was about the  
13 same in either case.

14 MS. GOWISKI: And water, I mean  
15 water has been a huge issue with the  
16 town of Friendship getting it out there  
17 in previous failed projects. What makes  
18 you so sure that you can get the water  
19 out there this time?

20 MR. CLARK: We have looked at all  
21 of the studies they have done in the  
22 last few years and we are pretty sure we  
23 can do that.

24 MS. GOWISKI: Pretty sure?

1 MR. CLARK: Yes, we are pretty  
2 sure. It's an engineering solution,  
3 it's not a problem.

4 MR. GILDEMEISTER: Carlos  
5 Gildemeister. One quick question about  
6 the pilot. The pilot is 20 years; what  
7 is the schedule percentage of paying  
8 taxes? You know, what percentage are  
9 they going to start with? And they end  
10 up with, obviously, 100 percent, but can  
11 you share a little bit of the schedule?

12 MR. SPITZER: The current proposal  
13 in front of them is for 15 years at  
14 100 percent exemption and that's based  
15 on the final five years. That's the  
16 schedule that was used to determine the  
17 exemption numbers that were provided to  
18 you.

19 MR. CLARK: It's not agreed upon at  
20 this time, but that's what's proposed,  
21 yes.

22 MR. GILDEMEISTER: That's typically  
23 not the schedule followed, right?  
24 Typically you start at 30 percent and

1 move gradually up?

2 MR. CLARK: No, we typically have a  
3 certain period of time of full exemption  
4 and then we move up at a regular rate.

5 MR. GILDEMEISTER: Let me ask a  
6 more pointed question. Has there been  
7 any pilots in the last ten years where  
8 we have offered 15 years at 100 percent  
9 exemptions?

10 MR. SPITZER: There's been several  
11 at ten years. It depends on the  
12 100 percent. I'm thinking back to the  
13 last one that was ten years was the Cuba  
14 old Acme building. I'm not aware of one  
15 where it's 15 years.

16 Of course the Alliance one they  
17 haven't paid their pilot in 20 years. I  
18 think the answer is no, sir.

19 MR. GILDEMEISTER: Thank you very  
20 much.

21 MS. JAMES: To clarify that, on the  
22 Cuba Acme building that you're speaking  
23 of, it wasn't full exemptions, it was  
24 only a partial exempt.

1 MR. CLARK: Who is this speaking?

2 MS. JAMES: I'm sorry. Lee James.

3 MR. SPITZER: As I recall, Lee,  
4 when we looked at it, the original  
5 exemption on the building, though, was  
6 going back to when it was first granted  
7 on the original owner, it was ten years.  
8 But you are right, the more recent one  
9 was a partial one.

10 MS. JAMES: Are you talking about  
11 when the IDA, under different  
12 leadership, had the Acme building and  
13 exemptions?

14 MR. SPITZER: I'm talking about  
15 when it was built, which was, yeah,  
16 different leadership.

17 MS. JAMES: Okay. Are you talking  
18 about the Tracewell building?

19 MR. SPITZER: I know it as the --

20 MR. CLARK: She's talking about the  
21 -- you're talking about the newer  
22 manufacturing building that was built  
23 that's now called the Tracewell  
24 building?

1 MS. JAMES: Okay. So that was  
2 probably more than ten years ago.

3 MR. CLARK: It was quite a while  
4 ago.

5 MR. SPITZER: Even the more recent  
6 exemption was more than ten years ago,  
7 yeah. I'm not aware of -- in terms of  
8 the last -- one of the benefits that the  
9 IDA board is dealing with here is we  
10 have virtually no manufacturing in this  
11 county and if you look at the IDA  
12 benefits that were granted, the last  
13 major one we did was the Ludkins  
14 building and then Ludkins sold and left,  
15 they gave us the building and we did a  
16 very favorable pilot to get somebody new  
17 in there.

18 But Ludkins building is the one I  
19 was thinking of that was ten years is  
20 the most recent one that we have done.  
21 If you look at your core manufacturers  
22 in the county, particularly in  
23 Wellsville and the low energy cost area,  
24 they have not come to the IDA for any

1 projects in the 20 years I have been  
2 representing the IDA.

3 Most of the IDA projects that we  
4 have done have been for renewal energy  
5 systems lately and then, before that,  
6 for the three colleges, but it has been  
7 extraordinarily difficult to attract  
8 manufacturing to this county and Craig  
9 and his predecessors have continually  
10 solicited the core manufacturers within  
11 the county.

12 I know I was involved in Friendship  
13 Dairy at one point and other projects  
14 began. Nobody went with expansions or  
15 improvements. So what I was thinking  
16 of, in terms of the last one that was  
17 ten years when I answered the  
18 gentleman's question, was the original  
19 Ludkins building at the airport.

20 MS. JAMES: Thank you.

21 MR. CLARK: Thank you, Dan. Are  
22 there any other comments?

23 MS. JEFFERDS: This is Margaret  
24 Jefferds, Jefferds Livestock. And I

1 just got in to be able to get on the  
2 call. I have a couple of questions.

3 First of all, how many dairy  
4 producers service the present plant?

5 MR. CLARK: I do not know that, but  
6 I can get you that information.

7 MS. JEFFERDS: Okay.

8 MR. CLARK: It's through a co-op.

9 MS. JEFFERDS: I understand that.  
10 How many producers do you figure are  
11 going to service the new plant if you do  
12 put the new plant in?

13 MR. CLARK: Well, we have had some  
14 discussions. They would probably have  
15 to double their production. It would be  
16 an increase of not just numbers, but  
17 some of the farmers would increase their  
18 production, so it would be both.

19 MS. JEFFERDS: It looks good on  
20 paper. In reality, every day we are  
21 losing farms and yes, farms are getting  
22 bigger --

23 MR. CLARK: Correct.

24 MS. JEFFERDS: -- but you have a



1 situation of where you are going to put  
2 in a new plant that's going to have a  
3 shrinking production base to support it.

4 And with what milk prices are right  
5 now and what the futures are projecting  
6 them going forward, you are going to  
7 find yourself in a situation of where  
8 you are not going to have enough  
9 production so then you are going to have  
10 look for production. And I would sure  
11 hope that somebody is not thinking about  
12 bringing Canadian milk into here because  
13 that has happened in the past.

14 And the other thing that you need  
15 to think about is, and this is a rumor  
16 going around, there's two rumors going  
17 around. One is that the Cuba plant is  
18 going to sitting empty. The other one  
19 is that the Cuba plant that's there now  
20 is going to continue to make mozzarella.

21 And one other thing that I want you  
22 to find out for me is has Great Lakes  
23 Cheese gotten money from DFA to put in a  
24 new plant? Thank you.

1 MR. CLARK: We will ask those  
2 questions that you asked. Thank you.

3 MS. JEFFERDS: Okay. Thank you.

4 MR. CLARK: Those are good  
5 questions. Thank you.

6 MR. GILDEMEISTER: This is Carlos  
7 Gildemeister. I do want to close with a  
8 positive. I appreciate everybody's  
9 efforts to try to make these type of  
10 conversations where both communities and  
11 other communities can join in.

12 Transparency and openness is always  
13 good for everybody, it's good for  
14 business. I would recommend Zoom, which  
15 does allow phone calls as well so that  
16 the host can control better the people's  
17 volume and so forth.

18 Sometimes I wonder if we are doing  
19 something that is of high economical  
20 impact for the benefit of one company  
21 that will save jobs for sure and it's a  
22 good thing for our county, but I'm  
23 wondering if sometimes any thought has  
24 been put into taking that large sum of

1 money and reducing all taxes in the  
2 county and leaving the way for  
3 establishing, sort of, a culture where  
4 it just doesn't benefit one company and  
5 one set of employees, but creates and  
6 environment for everybody around.

7 Other counties and other states to  
8 say, "Hey, look at what Allegany County  
9 did. They eliminated all of their taxes  
10 for manufacturing and that brought in  
11 ten companies, which employed 600 people  
12 each." So it's a long-term vision  
13 rather than a short-term solution. I'm  
14 looking at 100 years, not 20 years.

15 With that in mind, I appreciate all  
16 of the efforts of everybody and you guys  
17 have a great day. Thank you.

18 MR. CLARK: Thank you for your  
19 comments.

20 As we wind down, I want to make  
21 that anybody that has an extra comment,  
22 to make it. And if anybody has not  
23 spoken that would like to get recorded  
24 on the phone, please let us know because

1 we have not only a recording, but we  
2 have it actually being typed up as we  
3 speak.

4 So let me know if there's anyone on  
5 the phone that would like to speak or  
6 anyone who would like to not speak and  
7 be acknowledged.

8 MS. DOYLE: This is Connie Doyle,  
9 again, from Cuba planning board. I'm in  
10 the village office right now and I have  
11 been told that the downtown Acme  
12 building has had full exemptions since  
13 at least 2014.

14 Also I want to go on record that  
15 this loss to Cuba is more than taxes.  
16 It's our heritage. We have a cheese  
17 museum, we have three banks, we have a  
18 hospital, we have groceries stores,  
19 restaurants, a trucking company and a  
20 railroad that comes through here and we  
21 need Cuba Cheese to stay here. I know  
22 it probably won't, but I want you to  
23 know what we are losing. Thank you.

24 MR. CLARK: Thank you. Any other

1 comments?

2 MR. DECKER: This is Dave Decker.  
3 Has there been any -- I heard rumors  
4 about Friendship Dairy looking to expand  
5 as well. Is there any possibilities  
6 that, of course they don't make cheese,  
7 they could go into the Cuba plant if  
8 Great Lakes decides that Belvidere is  
9 where they want to be?

10 MR. CLARK: I will talk to Steve  
11 about that because I know they are still  
12 doing very, very well and right now are  
13 actually one of the largest employers  
14 besides the three colleges in the  
15 county.

16 MR. DECKER: Well, I know the  
17 parking lot is full of vehicles every  
18 day.

19 MR. CLARK: Yeah, they expanded the  
20 parking lot because the third shift is  
21 so busy, but I will talk to Steve about  
22 that.

23 MR. DECKER: Okay. Thank you.

24 MR. CLARK: Good idea.

1 MS. DUTTON: This is Cindy Dutton,  
2 Cuba Patriot. Just checking in. Very  
3 interesting.

4 MR. CLARK: Thank you, Cindy.

5 MS. SKINNER: This is Wendy Skinner  
6 from the town of Amity planning board.  
7 I just want to be acknowledged as  
8 present.

9 MS. ZLOMAK: This is Barb Zlomak  
10 for the Amity planning board to be  
11 counted as present.

12 MR. CLARK: Thank you very much.

13 MR. FRANK: This is Doug Frank,  
14 Allegany County IDA. I want to be  
15 acknowledged that I was on the call.

16 MR. CLARK: Thank you, Doug.

17 MS. CONKLIN: Michelle Conklin,  
18 Cuba town board. I would like to be  
19 acknowledged as well.

20 MR. CLARK: Thank you.

21 MR. BARNES: Gary Barnes, I want to  
22 be acknowledged.

23 MR. CLARK: Thank you, Gary.

24 MS. FARWELL: Melodie Farwell, town

1 of Cuba councilman.

2 MR. TAYLOR: Tom Taylor, village  
3 board, Cuba, New York.

4 MS. SWEET: Corine Bump and Lori  
5 Sweet, clerk treasurer and deputy clerk,  
6 village of Cuba.

7 MR. CLARK: Thank you.

8 MR. STOCKIN: Philip Stockin,  
9 county legislator.

10 MR. CLARK: Who else?

11 MR. BARNES: Jim Barnes, village of  
12 Cuba.

13 MS. HOPKINS: Judy Hopkins,  
14 legislator.

15 MR. WILDAY: Craig, it's Skip  
16 Wilday, from the IDA board.

17 MR. EWELL: Rich Ewell, IDA board.

18 MR. CRANDALL: Curt Crandall. He's  
19 the chairman of the board.

20 MR. HAVEY: Steve Havey, county  
21 legislator.

22 MR. CLARK: Is there anyone else to  
23 be acknowledged?

24 MS. BARE: Liz Bare, from Mallard

1 Diary.

2 MR. THOMAS: George Thomas, with  
3 Genesee River watch.

4 MR. CLARK: Thank you, George.

5 MR. BURCH: Dustin Burch, police  
6 chief, Cuba.

7 MR. CLARK: Last call. I do  
8 apologize we are not in person. It's a  
9 much nicer event to be in person. We  
10 are evaluating how we can do a Zoom or  
11 Webex on the next meeting.

12 MR. DIRLAM: This is Kier Dirlam.

13 MR. CLARK: Who else?

14 MS. KNAPP: Carissa Knapp.

15 MR. PEKAREK: Ed Pekarek, attorney  
16 in Wellsville.

17 MR. POTTER: Chris Potter,  
18 Spectator.

19 MR. CLARK: You are still on, huh,  
20 Chris?

21 MR. POTTER: Yep, I'm still here.

22 MR. PEKAREK: Craig, it's Ed again.  
23 I wanted to note that Laura Hunsberger  
24 was on the call, but she had to go on



1 another call.

2 MR. HOWE: Casey Howe, Whitesville.

3 MR. CLARK: Unless there are any  
4 other comments, I propose we close the  
5 hearing. It's 12:27.

6 I want to thank you for all of your  
7 comments. We are not acting on this  
8 until sometime in March. There's an  
9 another public hearing. We will deal  
10 with how we get better interaction on  
11 February 22nd. Thank you. Thanks again  
12 for your time.

13 (Hearing concluded.)

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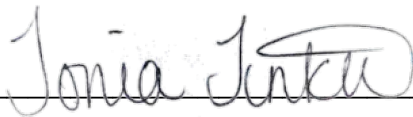
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**CERTIFICATION:**

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the above cause and that this is a correct transcript of the same to the best of my ability.



---

TONIA L. TINKER