

TOWN OF CLARENCE, ERIE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

March 21, 2013

Mr. Hartzell called the meeting to order at 8:00 a.m.

Present were Elaine Wolfe, David Schuster, Michael Buettner, Chris Kempton, Mary Powell and Chairman Hartzell. Clayt Ertel was absent as he was out of town. Also present were Paul Leone, Nathan Neill, Lawrence Meckler, Steven Bengart, Pamela Smith, Cynthia Rosel and Jim Rash. Town Councilman, Robert Geiger and Matt Glynn from the News, were also in attendance.

Minutes of February 21, 2013.

There was a motion by Elaine Wolf with a second by Michael Buettner Schuster to approve the minutes of the February 21, 2013 meeting. There was nothing on the question.

Vote: Ayes: Wolfe, Schuster, Buettner, Kempton, Powell, Hartzell. Noes: None
Absent: Ertel. Recuse: None. Motion carried.

Treasurer's Report.

Mr. Kempton went over the Treasurer's Report through March 21, 2013. He went over the balance sheet and the profit and loss statement. Fees received were \$10,500. Expenses to date are \$21,254.06. There is a negative net income of -\$10,546.09. Mr. Kempton is making a recommendation to adjust the budget regarding the EDO and change the \$12,000 to \$26,000 and make a corresponding adjustment to the Administrative Fees under revenues. The EDO – contributed share line will be changed to read EDO. Mr. Kempton said we will need a motion to accept the financial statements and a second to adjust the budget.

Mr. Schuster asked about the Board voting on the running of the office as part of the expenses, also. Mr. Hartzell added that he received a letter from Judy Sirianni from the Chamber with a quote for renting office space at the Chamber. He e-mailed it to everyone to look it over for this week. The Chairman added that the CIDA cannot give the Chamber a grant but we can do business with the Chamber as long there is some kind of standing. Mr. Kempton asked if this helps the Chamber at all. Mr. Hartzell said that it did. It would be good for the Chamber and good for the CIDA. Mary Powell will have to recuse herself. Mr. Hartzell would like to make a motion to rent space at the Chamber at the quoted rate of \$350 per month for an office for Jim Rash. That would include secretarial services and use of the media room for Jim. There was a second by David Schuster. On the question, Mr. Buettner did not think it was a necessary expense. He added it is an expense that was not planned on when we envisioned this to begin with. He did not think it is an expense we can take on. Mr. Hartzell said you have to look at this two ways. It would give Jim Rash an office that he can use and the CIDA would be doing business with the Chamber. There was further discussion regarding the necessity of renting the space and the cost per year for same. Mr. Hartzell said there is a motion and second. There was nothing further.

Vote: Ayes: Wolfe, Schuster, Kempton, Hartzell. Noes: Buettner.
Absent: Ertel. Recuse: Powell. Motion carried.

There was a motion by David Schuster with a second Mary Powell to accept the Treasurer's Report. There was nothing on the question.

Vote: Ayes: Wolfe, Schuster, Buettner, Kempton, Powell, Hartzell. Noes: None
Absent: Ertel. Recuse: None. Motion carried.

Mary Powell wanted to comment that there is a lot of activity at the Chamber and it puts the EDO right in the middle of it. There are a lot of businesses coming in and a lot of contacts.

Mr. Kempton said that it does not appear that we can anticipate that we are going to generate the amount of revenues needed to cover expenses as we have in the past few years. It looks like we will be dipping into the capital fund to cover expenses. Clearly, the budget will have to be amended to increase the line item for the EDO from \$12,000 to \$26,000 and add another line item for office space. Mr. Bengart suggested calling it office rental. Mr. Kempton added that the rent will be prorated for the rest of the year assuming that it will begin April 1st. He added that he is recommending moving an amount equivalent from that from the Advertising, which is the largest budgeted amount, reducing it to by \$3,000. He added that Mr. Buettner does have a point. We have to watch how much we are spending. We have to be prudent about it instead of counting on revenue.

Mr. Bengart asked if the office rental is going to be a month to month tenancy. Mr. Kempton asked if there was a contract. There is no contract now. It was decided that it would be kept on month to month basis. Then there would not have to be an agreement.

Ms. Powell asked if it was mentioned what line item the EDO's expenses were going to be taken from. Would it all come from the Advertising line item? Mr. Kempton said that the expenses that have already accrued have been charged to the EDO account. The \$26,000 will not be enough. There will have to be sub-categories. Mr. Buettner added that the sub-categories should be still be under EDO so that it can be determined what the EDO situation actually costs. It was decided to add subcategories under EDO to monitor any other expenses that occur. Other categories could be travel expenses, seminars/education and perhaps meals, not that there will be a lot of meal expense. Mr. Bengart suggested that the rental expense not be under EDO but a separate line item. It should not be an office for the EDO. He is an independent contractor. The space should be for the CIDA and any member could use the office, as long as it is used for CIDA business. Mr. Buettner added that he still thought it was not a necessary expense for the CIDA for the few hours it would be used.

Mr. Kempton moved to make the appropriate adjustments to the budget regarding the EDO expenses as discussed and there was a second by Chairman Hartzell. There was nothing further on the question.

Vote: Ayes: Wolfe, Schuster, Buettner, Kempton, Powell, Hartzell. Noes: None
Absent: Ertel. Recuse: None. Motion carried.

Correspondence.

E-mails were sent to the members regarding public hearings from the Town of Amherst IDA, Town of Lancaster IDA and the ECIDA for the Boards information.

CCB Report - Carl Calabrese.

Mr. Calabrese passed out some information summarizing what the Coalition for Community Building (CCB) has accomplished in 2012. He would like to address the accomplishments that were made in 2012, what the Coalition is doing now and what the future may hold for local IDA's. The Coalition has been in existence for almost 4 years. The members consist of all the local IDA's plus the Buffalo Niagara Builders, the New York State Commercial Association of Realtors-Western New York Chapter, plus the Town of Lockport IDA.

Each year there is a legislative agenda developed. CCB meets every 6 weeks and more often whenever necessary. The representative from the CIDA at these meetings receives a copy of agenda. At the beginning of the year a summary is sent out for the accomplishments of the previous year. There were several items in the packet having to do with IDA's. Mr. Calabrese added that as Executive Director of the Coalition, his role is not a policy role but his role is to help the IDA's assess their political situation and properly position and equip the IDA's to deal with that political situation. Whatever the policy would be, CCB would come up with the best way to utilize the policy.

In 2012 the State Comptroller made a ruling that if an IDA did not have outstanding Bonds, after 10 years, they would be out of business. The CCB began an extensive lobbying effort with the State Comptroller, the State Legislature, the Economic Development Council and eventually got the State Comptroller to amend his ruling to include Bonds, Notes and Lease Agreements.

He spoke on the Ryan legislation that would have essentially taken away the IDA's ability to use the County portion of sales tax in any economic incentive package. It also set up a myriad of bureaucratic hoops that businesses would have to go through in order to access any IDA benefits. CCB went to the key members of the State Senate and got their commitment that there would not be a majority sponsorship of the Ryan legislation in the State Senate. To date there has been no member in the Majority caucus in the Senate sponsoring the Ryan legislation.

Mary Powell commented on the CCB meeting and the handouts that were passed out to those in attendance on proposed legislation that would affect IDA's and business. She thought that it was very interesting and educational information for the work we are supposed to be doing. Mr. Calabrese has a program called State Watch where CCB can utilize to find proposed legislation that would affect IDA's and other business. Mr. Hartzell asked if there were any more questions for Mr. Calabrese and thanked him for coming in.

Mr. Calabrese added that his motto in politics is "when only one side fights, it usually wins!" He thanked everyone and added that he would love to keep working with the CIDA.

Auditor's Report.

Wayne Drescher handed out three documents relative to the annual Auditor's report. There was a Draft Audit letter. The letter addresses if there were any issues, problems, did everyone

cooperate and give the Auditor all the information they needed. They received all the information they needed to complete a thorough Audit. The bound document is the Audited Financial Statements for fiscal year 2012 and 2011 is in there as well. There is a letter included with the Financial Statements that is the Independent Auditors opinion. They consider this opinion to be a very clean, full scope, no issues, no difficulties and found the financial statement to be clearly stated. Page 6 is the balance sheet. Assets are all cash and there are no liabilities. On page 7 there is the statement of activities. Revenues decreased and activity has gone down. Operating expenses also decreased. Interest on earnings is at .15%. There is a loss for the year of (15,581). They are still compiling the report to be in compliance with the Public Authorities Reporting and Information System report requirements. They need to get the annual surveys back from all of the entities that still have payments in lieu of taxes on the Town's books. All the survey information goes into the information at the New York State level. The last document is a Management Letter. There is a new recommended governance policy regarding the use of discretionary funds.

Mary Powell asked about the LDC (Local Development Corporation). Is this something we can look at again. It was discussed at the last Strategic Plan meeting, generally. She wanted to know about loans. Mr. Hartzell said that loans can be very complicated. There was further discussion regarding the loan process. Mr. Drescher said they could consider a Development Corp. for several different purposes. A development corp. could be used to do loans and for acquiring land for future development. Mr. Bengart added that it is also a vehicle for the Town to use. Mr. Drescher added that it would be set up as a non-for-profit entity. The two would be linked by common board members. Development Corps. can take grants from other places.

Mr. Hartzell suggested that everyone work on their own to research how other IDA's are using their funds and bring their ideas to the next meeting for discussion.

Mr. Hartzell thanked Mr. Drescher for his report and information on development corps. The Chairman added that Drescher and Malecki does a great job for the CIDA and we appreciate their professionalism.

New Business.

Mr. Leone said that the Niagara Produce has been issued a sales tax letter and the project is well under way with their construction.

Paul. Leone will be meeting this morning with a potential applicant regarding a project for a 90,000 sq. ft. building on Sheridan Drive.

Mr. Leone received an application for a project at 8321 Main Street that he would like to submit to the Board. The applicant is MCG Real Estate Holdings/Tronconi Segarra & Associates, LLP. The project is an enhancement zone. The project amount would be for \$4.6 M. It is a vacant slums and blight building that will be demolished. They would be constructing a 20,000+/- sq. ft. office building . Mary Powell asked if this was before the Town Board yet. Mr. Hartzell said no that it has not. Mr. Leone would like to submit it for a public hearing in April.

Mr. Leone will be meeting with County Clerk Chris Jacobs today regarding small businesses and IDA's.

Amended Resolution for 8230-8240 Main Street.

Nathan Neill was not able to attend the meeting. Mr. Bengart reported that they received notice that Town Mini needed a separate entity to hold the real estate for the project. There will be a name change in the lessee. It is basically the same resolution. There was a motion by Chris Kempton and second by Elaine Wolfe to adopt the resolution as read by Mr. Bengart.

Vote: Ayes: Wolfe, Schuster, Buettner, Kempton, Powell, Hartzell. Noes: None
Absent: Ertel. Recuse: None. Motion carried.

EDO.

Jim Rash reported that he is working on the CIDA Community Benefits (return on investment presentation), CIDA Strategic Planning and on a power point presentations. He met with John Braddell regarding his project. Mr. Braddell was provided with a letter of support from the Chairman that will hopefully help him get financing for the road. Mr. Rash thanked the Board for the ticket to the Chamber Dinner. He met with Judy Sirianni to look at the office space there, attended the CCB meeting that was mentioned earlier, and met with Mr. Callahan to discuss sewers. He will be addressing the Chamber Board at the monthly meeting and will meet with the Hollow Association on March 26th at 10:30 a.m. here at the Town Hall. The Chairman added that Hollow Assoc. has asked for help in developing business in that area. Any member of the Board is welcome to attend. Mr. Rash would like to get some proposals and meet with ad agencies for image or business attraction ads. He is also working on a listing of commercial properties available. The Town of Orchard Park has a link on their website with listings. He would also like to meet with Paul Leone.

Mr. Hartzell added that before we spend any more on advertising, other than the Kittinger ad, we should have a three year advertising and marketing plan. Mr. Kempton came up with this idea and concept a couple of years ago. The CIDA did get proposals from 4 or 5 agencies and narrowed it down to 2. He suggested that is something Mr. Rash should talk about when he meets with the agencies. We should have an idea of where we want to go before we spend anymore on ads. Mr. Hartzell would meet with the agencies with Mr. Rash.

Mary Powell asked if Mr. Rash contacted the person who developed the commercial listing for Orchard Park website. He did speak with someone named Dawn. He will contact them again.

Mr. Hartzell added that he is working on a program "One to One" with Orchard Park. The concept is to do business sharing between Clarence and Orchard Park. There will be meeting and everyone who wants to attend is welcome to. Mr. Hartzell will let the Board know when it will be.

Mary Powell asked if Mr. Rash was going to be setting up the Strategic Planning meeting. He will be organizing the meetings. Mr. Kempton and Ms. Powell said they will provide any information that he would need from the prior meetings.

Pilot – David DeMarie Studios.

Mr. Bengart reported that Mr. Castilone could not make the meeting because he was ill. His pilot payments are current. Mr. Bengart has copies of the receipts of the payments for Town /County, School Taxes and Special District Taxes.

Mary Powell reported that she attended the meeting on the proposed new policy (Common UTEP) a few weeks ago. She had comments on drafting the document. She wanted to talk to the Board before she offered language for the document. Mr. Hartzell said that we will talk about this at the next meeting. The should be a product of the CIDA.

Mr. Hartzell would like to vote on continuing the membership with the CCB. Mary Powell added that we should wait until we have the Strategic Planning Session. She thinks there is a way to utilize the CCB. Mr. Hartzell thinks that we do not need to renew. Mary Powell added that she has not seen any minutes from the meetings. It may be a good idea for the Board members to take turns going to the CCB meetings. Mr. Hartzell made a motion to cancel the contract with CCB with a second by Michael Buettner. On the question, Mr. Buettner said we should consider signing on again at the Strategic Planning meeting. Mr. Kempton commented that CCB is proving a function, if we do not sign on who will lobby for the IDA's. If we don't have a voice in Albany, are we going to go to Albany. He would rather see less spent on advertising and renew the contract. Mary Powell added that she would rather continue a month to month contract until the Strategic Plan. Mr. Hartzell did not agree. There was further discussion. Mr. Hartzell said that instead of paying for the service, we cancel the contract and discuss it at the Strategic Planning meetings. His motion is to cancel the contract and discuss at the Strategic Planning meeting to consider signing back on with the second by Mr. Buettner.

Vote: Ayes: Wolfe; Schuster; Buettner; Kempton, as presented; Powell, as presented; Hartzell. Noes: None Absent: Ertel. Recuse: None. Motion carried.

Mr. Hartzell said that we received another letter from Sean Ryan that we did not reply to his request. Mr. Meckler will send a letter to let Mr. Ryan know that there is no new Dash's Project or application.

There was no further business. Meeting adjourned at 9:47 a.m. Respectfully submitted,

Cynthia M. Rosel