

**Allegany County Industrial Development Agency**

August 11, 2022

Crossroads Conference Center, Belmont, New York 14813

[ACIDA.org](http://ACIDA.org)

**OPENING REMARKS**

Chairman R. Ewell called the Board meeting to order at 10:00 A.M. and asked the Board if there were any conflicts of interest. No conflicts were declared.

- Present: Richard Ewell, Judith Hopkins, John Ricci and Douglas Frank.
- By Telephone: Randy Shayler & guest, Dan Hermann-CFO, Runnings Supply, Inc.
- Absent: None
- Others present: Dr. Craig Clark, IDA Executive Director  
Pamela Common, Recording Secretary

Live streaming on YouTube at: <https://www.youtube.com/watch?v=0PwulroPBCQ>

**C. Clark:** We have Dan Hermann on the phone, from Runnings Supply Inc. and he is going to give us the lowdown on the project, that we are going to discuss later in the Board meeting. Dan, so you know, Rich Ewell is here. He is the Chairman, Judy Hopkins is the Vice Chairman, Doug Frank, Treasurer and John Ricci, another member who is, also, an Allegany County Board member and Pam Common, who is the recording secretary, as well.

**D. Hermann:** Good morning, folks. I'd like to give you a view of things regarding the project. We are celebrating 75 years in business, as of last week and have been celebrating with our 75<sup>th</sup> anniversary sale. We gave away a Ford, F-150 pickup and we will be announcing that some time today. Maybe it was somebody from New York. It is a 75-year-old, family business. The name Running came from Norm Running, back in 1947, when he started an automotive parts store. The Running family was involved until 1988, until they sold out to Dennis Reed. Dennis Reed's family has owned it since 1988.

I joined the company in 2006. We had 29 stores, about 600 employees and now we are at 57 stores. Wellsville will be number 58. Now, we have 2,800 employees over eight states. We came to New York, in 2015, because New York had a lot of vacant Walmart & Kmart sized stores, which is the size store we like to buy. We like to buy used buildings and refurbish them. I have worked with Brad, on the Wellsville store, probably for six months, negotiating this. We are excited about it. This is the only store we are planning to open, right now, in 2023, so our focus is on Wellsville. When we are fully ramped up, we plan to open, probably, in April, next spring. Our plans are to have 28 employees, roughly, 8 full time managers and 20 part time employees, ranging from \$15.00 to \$17.00 an hour. Management is going to make \$50-60,000, plus bonuses. As you know, the Kmart building needs work and our plans, right now, are to replace the tile floor, with a concrete floor, the ceiling and lights. It needs a new roof, which is about \$380,000-\$400,000.00. We will replace all the ceiling tiles and lights. The lights will be LED lights, to be energy efficient, with a cost of a couple of hundred thousand dollars. Our plans are to replace 15 rooftop HVAC units. It is hard to find rooftop units and it takes 6-9 months to get those rooftop units. We probably will have to repair the ones we have, at the present time. We will be painting the inside and outside, doing electrical work, as well as the parking lot and dock. The estimates are at, 1.5 million dollars, for renovation costs, to be able to open this store. We have Bast Hatfield, as our general contractor, based out of Albany, NY. They have done all of our renovations for our stores, in New York, over the last few years. We will start mobilizing, next week, if we can get everything approved and move forward. Does anyone have questions?

**C. Clark:** Does anyone have any questions? We are just excited to have a retail operation, in Wellsville. You know that, Dan.

**D. Hermann:** Well, we sell clothing, chain saws and lawn mowers, for that do-it-yourselfer. The ideal customer owns an acre of land, 2 dogs and a cat, who likes to cut wood and go fishing and hunting. That is our sweet spot.

**J. Hopkins:** Where is the closest Runnings, to this one and how many are in New York State?

**D. Hermann:** The closest one is in Jamestown or Canandaigua. Jamestown is about 70-80 miles and it was the former Sam's Club building that we purchased. We like to own our buildings. We have ten in NY, right now, 2 in New Hampshire and 1 in Connecticut. This will be our 11<sup>th</sup> NY store. We are in Malone, Canandaigua, Clay, Lockport, Brockport, Gloversville, Plattsburgh, Watertown. We are not looking to be in the big city. We are a rural company. We like people with acreage, dogs, cats, horses and chickens. Those are our customers.

**J. Hopkins:** It seems like this one is well positioned, between Jamestown and Canandaigua.

**D. Hermann:** If you want to visit a store and get a preview of what is going to be there, you've got Brockport, Lockport, Canandaigua or Jamestown, west of you. Basically, you will see those same products that will be in this store. We are planning to open the first week in May, 2023. We may open and operate it for a month or so, to get everybody trained on using our systems, training cashier, etc., then, we do a large grand opening celebration, like a five-day celebration, with a lot of prizes. Usually, we give away a UTV or ATV and a bunch of other prizes.

**C. Clark:** I have a good friend who was at your Brockport store. He was going there the next day and said it is the best store around.

**D. Hermann:** Brockport and Lockport were Walmart stores, as well as Canandaigua. Some of the stores were Sam's Club. Watertown, Malone and Plattsburgh were Kmart stores. We are prepared and able to handle the size of the building and to put merchandise in it, as well as staff and training.

**R. Ewell:** Where do your managers live or do they, typically, come from the community?

**D. Hermann:** Usually, they move into the community, if they are not from there. We have a manager, when I announced this store, that's currently a manager in another Running Store, that's from the area. He says, I grew up 20 miles from Wellsville. I think he has family back there. We might have a manager that grew up around your area, moving back to your area. He is interested in coming back home to the area. We will post the job, internally, about October. Then, we will have someone on board by November. We'll have shelving arriving, in December and start hiring people in December. In January, February and early March, once the shelving is assembled, product will start rolling in. We try to promote within. Like I said, we have one manager from the area, that showed interest, when I talked to him last, about coming back to the area. That would be neat to have a local person manage the store. He's doing a really good job for us, right now.

**R. Ewell:** So, the people you are going to hire this winter are full time and part time employees? Are they going to be putting shelves together and putting the store together?

**D. Hermann:** Yes. We are looking for local employees. I know it's competitive out there and we fight this in every market, because there aren't enough employees, for the demand that is out there, in different businesses. We have to pay competitive wages within the market and we will have, about, 20 part-timers. We hire college and high school kids, working 2-3, after school hours, stocking shelves or whatever. A lot of people have part time jobs. Maybe you are retired but you don't want to quit working so, you work three days a week or something, for Runnings. We have 8 people, managers, assistant managers and department heads. We have department heads for sports, clothing and automotive. I would say, outside of managers, we are looking to hire within 20 miles of Wellsville.

**J. Hopkins:** What would the starting wage be for those part time people?

**D. Hermann:** According to the market, we are probably looking at \$14.00. Is that a good number?

**C. Clark:** I would think you could find some people, part time, for that range. It depends because it is getting harder and harder to find people, every year, wanting to work, period.

**D. Hermann:** For full time people, we pay benefits, healthcare & retirement plans. One thing that is attractive, we think, is, we sell to our employees, with a discount. If you happen to have a dog, cat or like to cut trees, we have our employee discount. It goes from 10-25% off the purchase price. It depends on the market we are getting. Clothing is a higher margin item so, if you were to come in and buy a \$150.00

Carhart jacket, you would get 25% off. That is attractive if you have to feed your dog or cat or buy a fishing pole, you will get a discount off the purchase price. It is an incentive outside of the wages. The discount is for full or part time employees. The healthcare and benefits are for full time. It all depends on the margin that we can achieve.

**J. Hopkins:** Dan, can you share some of the brand names you have in your stores?

**D. Hermann:** We sell Stihl & Husqvarna chainsaws, Carhart clothing, Muck Boots, a lot of fishing, hunting and gun brands, whether it's rifles, shotguns or pistols. We do Blue Buffalo, Diamond Dog, Food Neutral Source dog and pet food. We also have private brands that we sell. We also have Pit Boss, Traeger, DeWalt, Milwaukee tools and Weber grills. We do a lot of wood pellets for cooking and home heating

**J. Hopkins:** That is quite a variety. Thank you for sharing.

**D. Hermann:** A lot of it is expansion. Our supplies can be bought at Ace Hardware and Tractor Supply but, we just expand it. We take a 15,000 sq. foot building and make it 94,000 sq. foot, expanding the product lines, tremendously. I know the clothing is big for us including Carhart, Dickies, Wrangler, Ariat, Muck Boots & Carolina Boots.

**C. Clark:** That is a big thing that is missing here, is clothing.

**D. Hermann:** Yes. We sell women's and men's clothing. We are not big into fashion. We will sell some ladies, seasonal dresses but, we are more of a work wear company. We do sell some Skechers shoes but, most of our footwear is work wear. We have kids clothing, ladies clothing and footwear. We are kind of a jack of all trades. I would encourage you, if you had the chance, to stop at one of our stores and get a feel for it.

**R. Ewell:** Does anyone else have any questions? No? Then, thank you very much, Dan.

**D. Hermann:** Craig, we hope to hear back from you soon?

**C. Clark:** Yes, you will and we will be able to move forward quickly.

**D. Hermann:** Thank you very much.

## MINUTES

- **Minutes of the IDA Board Meeting of 07-14-2022-** A motion was made by J. Ricci, seconded by J. Hopkins, to approve the July 14th IDA Board minutes. There was no discussion. All members were in favor of the approval of the minutes, by a vote of 4-0, with no opposition.

## Treasurer's Report

- **Abstract Report-** July, 2022 expenses-A motion was made by J. Ricci, seconded by D. Frank, to approve the July, 2022 Abstract Report, by a vote of 4-0, with no opposition.
  - J. Hopkins:** Pam, what is the progress on training?
  - P. Common:** I spoke with BWB, to the person who had been on vacation. She said, the best one to get, for us, would be a desktop version of QuickBooks Pro. It is \$394.00. Right now, QuickBooks is in the process of determining our tax exemption for the charges and I am waiting for their email. They are supposed to give me the heads up and then, I can order it, without the tax being applied. As soon as we get it downloaded, I will call the girl from BWB's accounting office and she will walk us through the set up and accounts.
  - Banking & Financial Summary-**July, 2022-A motion was made by J Hopkins, seconded by D. Frank, to approve the Banking and Financial Summary for July, 2022, by a vote of 4-0. There were no questions or discussion.

### Building Maintenance Report

**C. Clark:** We have had a chlorine issue in the building. It has been fixed. We found out the water softener, in the OFA building was running all the time. All the chlorine was being used and flushed down the system. We are fine now and back up to full chlorine levels. While we were down, unfortunately, the county did a bacteria test and we failed the test because there's no chlorine in the system. As soon as they put chlorine in the system, it's been fine again with no problems. We knew there was a problem, it just happened the county came at the same time to test. They were doing a regular testing. No one had any problems either and they were told right away about the issue. We are up and running again and Pam does check the chlorine every day. We knew we had a problem but didn't know what was causing it. We were flushing too much water.

### Executive Session

A 10:22 am, a motion was made by J. Hopkins, seconded by J. Ricci, to enter into Executive Session to discuss a contractual/legal issue.

At 10:38 am, a motion was made by D. Frank and, seconded by J. Ricci to resume the IDA Board meeting. All members were in favor, by a vote of 4-0.

### Action Items

- **Approve 2021 financial audit**-A motion was made by D. Frank, seconded by J. Hopkins to approve the 2021 financial audit. All members were in favor by a vote of 5-0, with no further discussion or opposition.
- **Resolution on Retail Findings – Running Supply Inc Project Wellsville**-A motion was made by J. Hopkins, seconded by J. Ricci, to approve the Resolution on Retail Findings, by a vote of 4-0 and one recusal. There was no opposition or further discussion.

**Roll call vote, as follows:**

**J. Ricci-Aye**

**D. Frank-Aye**

**R. Shayler-Recused**

**J. Hopkins-Aye**

**R. Ewell-Aye**

- **Resolution to approve financial Assistance for Runnings project, Wellsville**-A motion was made by J. Ricci, seconded by D. Frank, to approve the financial Assistance for the Runnings Supply Inc. project, by a vote of 4-0, with one recusal. There was no opposition.

**R. Ewell:** We had a call from the supervisor of Wellsville. He has asked, when it comes to time to consider the PILOT, consider using the purchase price of the building, rather than the assessed valuation. I just wanted to mention that today. He is very supportive of the whole project and glad Runnings is coming in but, he brought that topic up. We are not voting on any kind of a PILOT, today. We are just voting on the financial assistance, which will allow sales tax.

**C. Clark:** We still have to get the full approval from the county. The county needs to actually give us a letter saying it's okay to do this because it is a retail operation.

**Roll call vote, as follows:**

**J. Hopkins-Aye**  
**J. Ricci-Aye**

**R. Shayler-Recused**  
**R. Ewell-Aye**

**D. Frank-Aye**

- **Resolution for Pilot Deviation Notice Arvos Ljungstrom LLC Project, Wellsville-A** motion was made by J. Hopkins, seconded by J. Ricci, to approve the Resolution for PILOT Deviation on the Arvos Ljungstrom, LLC project, by a vote of 5-0, with no opposition of further comment.

**Roll call vote, as follows:**

**R. Shayler-Aye**  
**J. Hopkins-Aye**

**D. Frank-Aye**  
**R. Ewell-Aye**

**J. Ricci-Aye**

<b>OLD BUSINESS</b>
---------------------

- **Other Solar project updates-C. Clark:** I talked with the Belfast-Angelica Developer and everything is 100% up and running. They've turned the power on and it has been working well for a while. There was a concern that some people thought there was a problem in the grid but, it is not a problem and it is feeding power. He is pleased it is all operational. They are talking about doing some other things out there, as well. They are trying to get new activities, not just solar projects. He is, actually, proposing to do five small projects, in Burns. It has gone through the county's Planning Board. That will come to the Board, eventually. It is going to be, about, twenty-five megawatts.

**J. Hopkins:** So, he has all four sections operating?

**C. Clark:** All four sections are up and running.

**J. Hopkins:** How many watts is that?

**C. Clark:** They were all five megawatts so, it was 20 megawatts total. He is happy. It is operational and life is good. He is looking at proposing another one, in Burns, right now. They are still working on the connection details because, obviously, they have to work with NYSEG.

- **Microenterprise Grant – next phase-C. Clark:** With the Microenterprise Grant, we are finally closing. There're a few small things we have to do, with the county, to close the last one. We spent all the money but, there are things we have to do to keep them happy, as far as all the paperwork, which is more than I thought. It was mostly from the county but, some from our point of view, as to what we did with all the money, which I had told them all along. They've got other reports that need to be analyzed.

**R. Ewell:** We have consultants to do that, don't we?

**C. Clark:** Yes, they are doing that, with no problem but, I'm just saying, there is more to do. Once it is all done, we are going to put in for another Microenterprise grant, this fall. They'll give us another one. There is no problem getting another but, we have to close this one first, officially.

**R. Ewell:** Can you work with that Pam, with the consultant?

**C. Clark:** What she'll have to do, and I talked to her about it, is verify that we paid the money out.

**P. Common:** I just keep a spreadsheet of everything.

**R. Ewell:** So, it's not a ton of work for you?

**C. Clark:** They did all the work. They earned their money, I can tell you that.

- **Status small business grant CBDG CARES act program-C. Clark:** I think the county approved it. Right now, I think it is approved and there was an MOE they had to sign. They have to approve the grant and then, we are going through that same process to hire a consultant. Then the Board will get out the money available. It's not quite available until they approve the grant funding.

**J. Ricci:** Is there anything else the county needs to do on that Microenterprise grant?

**C. Clark:** They are working on it. Teri and the state are taking care of everything they need. We had a meeting last week. It is sending in things we have already sent in once. It is just resending information, there is no work. It is just getting it all together.

- **Update Crossroads engineering study -C. Clark:** I just got the last revision, yesterday and I will send that out. It is not much different than the first layout of the Crossroads facility. The only thing on it was larger retention ponds because of working with the DEC, on the wetlands. They are making sure we can deal with the wetlands. After that, the proposal will be at the hills because everything has been done out there. I will have the engineers discuss where we are on that. I did talk to Carissa and the county would like to start working on some of the work out there, including the road. We'll end up having to deed that land over to the county so they can work on it. They can't work on our property for the road. We don't want to own the road. The county wants to own the road and let them do the road. That way, we can start work out there and talking with developers. That'll make a big difference on who we can attract, as far as a hotel.

**R. Ewell:** So, you're going to see that the engineers are at the next meeting?

**C. Clark:** Yes, they'll come here.

**J. Hopkins:** With the additional wetlands, has that eliminated anything we put there or is it rearranging?

**C. Clark:** No, it didn't even rearrange it. It just has more ponds. You have to make sure you replace wetlands. It is the same layout except for the ponds. I will email that out and have Andrew come to the next meeting to explain the process. He already has the SEQR filled out so we can look at that, as well.

<b>NEW BUSINESS-None</b>
--------------------------

<b>GOOD TO THE ORDER</b>
--------------------------

**D. Frank:** I read, with interest, in the Olean Times Herald, about the three projects in Wellsville. There is going to be an application for the Restore NY Initiative grant.

**C. Clark:** Yes, I have been talking to Randy about that.

**D. Frank:** That is terrific for Wellsville but, I am a little concerned about Cuba, with Great Lakes moving out. Is there anything that can be taken on, as far as that grant programs for Cuba?

**C. Clark:** It's a restore NY program. You have to work with Great Lakes Cheese, on the facility. I haven't had a chance to talk to Matt but, I will bring Matt into a discussion for what they are planning to do with the facility. That is what it comes down to.

**D. Frank:** Okay but, rather than that, can we also look at downtown to give a spark to Cuba?

**C. Clark:** Yes. I think that is a good idea. The Restore NY was perfect for what is going on in Wellsville. Everyone saw that in the paper? It is, actually, on the website too. It is, basically, for rebuilding the train depot. Restore NY is perfect and it is not matched funds. Two million dollars, right Randy?

**R. Shayler:** Yes. It is a total of 2 million dollars, spread across the three projects. It is the depot, the old village hall and 156 North Main, the former library. And, it is for another project downtown for storefronts. It is good, as far as the grant funding and, is encouraging because it requires the principals get involved and they have to contribute also. It is not 100%. There is a significant match by the principles.

**C. Clark:** It fits exactly to Restore NY. It is a perfect match.

**D. Frank:** One of the questions I had, in reading the article, does it matter who the ownership is, as far as the various project, like the depot, owned by three people?

**R. Shayler:** No. The only restriction that the ownership has is, it cannot be owned by a public entity, for public use or use by that entity. What is underway, with the old village hall, is looking at a long-term lease, with a buyout provision, similar to what the IDA did with the Lufkin building. Consequently, that would qualify for the grant money.

**J. Hopkins:** Randy, do you have information on what the ultimate purpose of each one of those facilities are going to be?

**R. Shayler:** With the Restore NY, they are looking at making the depot an event center and, possibly, putting some museum type activity around that. They would have it as a museum, five days a week and then, an event center for the other two. The village hall, that is a high-end restaurant. The other is just renovations.

**C. Clark:** One thing about Restore NY, it is not for new builds. It has to be old buildings.

**D. Frank:** Then, the pocket parks, as well?

**R. Shayler:** The pocket parks are a different application. We have identified, what appears to be neighborhoods, within Wellsville, that have houses requiring demolition. We're looking to demolish the condemned properties, in six neighborhoods and put in a pocket park, where the property stands, right now.

**C. Clark:** I think, I would like to bring this to Cuba, to figure out how to do something like this. Maybe Doug and John could talk to you about it.

**R. Shayler:** We will share that information. We are in the very early stages, applying for the grant. At this stage, we have sent in the letter of intent, to apply for these grants. That is the first cut of elimination. It is only a three-page application. The rural applications will go in within 30 days.

**R. Ewell:** Well, today is a sad day. We received the resignation letter from Skip Wilday and, it says;

Dear Craig,

It is with regret that I am writing to inform you of my decision to resign from the Allegany County IDA Board. We recently sold our primary home in Cuba and are changing our primary residency to Cattaraugus County. I feel it is time for me to make room for a full-time resident to serve on the IDA Board.

It has been an honor and privilege to serve on the IDA Board. The Allegany County IDA has made great strides over the past several years in fostering growth in Allegany County. I believe the dedicated members of the Allegany County IDA are some of the finest citizens to carry on the mission of the County and the IDA. Allegany County is a true gem of New York State.

I have no doubt the IDA will be continue to be an integral part of the future growth of Allegany County.

All The best!

Sincerely

Ward “Skip” Wilday

A motion was made by J. Hopkins, seconded by D. Frank, to accept Ward “Skip” Wilday’s resignation. All members were in favor, by a vote of 5-0 to accept the resignation, with no opposition.

**R. Ewell:** Thanks Skip for all you work!

<b>CALENDAR</b>
-----------------

**Next Meeting:** September 8, 2022 @ 10:00 A.M.  
The Crossroads Commerce Center, Belmont, NY

<b>ADJOURNMENT</b>
--------------------

With no further business, at 10:55 am, a motion to adjourn was made by J. Ricci, seconded by D. Frank, to close the meeting.

Respectfully submitted,  
Pamela Common, Confidential Secretary