

**Allegany County Industrial Development Agency**

May 12, 2022

Crossroads Conference Center, Belmont, New York 14813

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

**OPENING REMARKS**

Chairman Ewell called the meeting to order, in person, at 10:01 A.M. and asked the Board if anyone would like to declare any conflicts of interest. There were no conflicts stated.

- Present: Richard Ewell, Judith Hopkins, Ward “Skip” Wilday and John Ricci.
- Absent: Douglas Frank,
- Present by Telephone: Randy Shayler
- Others Agency Staff present: Dr. Craig Clark, IDA Executive Director & Pam Common, Recording Secretary
- Guests: Greg Moscato-Vice President & Chief Human Resources Officer-Arvos Ljungstrom, Jeff Yowell-Director of Manufacturing Technology-Arvos Ljungstrom Oakley Sortore-Town of Friendship Supervisor of Public Works.

Live streaming on YouTube at: <https://www.youtube.com/watch?v=rUGH2r3NiMM> & [https://www.youtube.com/watch?v=IRt\\_jnyGNTA](https://www.youtube.com/watch?v=IRt_jnyGNTA)

**Craig Clark:** We have two guests, from Arvos Ljungstrom, who are here to discuss their expansion project. I will let them introduce themselves.

**Greg Moscato:** Greg Moscato-Vice President and Chief Human Resource Officer.

**Jeff Yowell:** Director of Manufacturing Technology.

**Craig Clark:** We just did a visit of their shop, yesterday, with Gayle Manchin, from the Appalachian Regional Commission. It went very well. It is an exciting project and I would like you to hear how they are doing and how they are changing their whole business model. That is how we are helping them with the PILOT.

**Greg Moscato:** First of all, we are excited to be here and thank you for having us. We are on a complete change but, we are still doing our original product, which is our air preheater. However, for the last two years, we have planned and ventured into renewable wind. We will be participating with contacts along the eastern coast of the United States, where they will be putting, up to, 2,000 windmills out into the ocean. They will be 15 miles out on the continental shelf. Our piece of that is the structure that hold the windmills. Jeff can talk a little about that., in a moment. We are, also, getting into CO2 capture, another green product, to help preserve the environment. Those are resulting in us, hiring approximately 60 people this year, between the months of April or May, until October. Then, we anticipate hiring another 60 people, next year. It would be upwards of another 100. That is the plan at the current time. I will turn it over to Jeff Yowell, to talk a little bit about the expansion and what is going into the facility.

**Jeff Yowell:** So, we are converting all the coal, factory floor space, that we have dedicated to coal power plants, coal fired heat exchangers and grinders, coal mills, to essentially, offshore wind. And, at this point, the CO2 is somewhat of an R & D. We’ve done two PILOT projects; one in Saskatchewan, Canada and another one in Bakersfield, California. When will we start making parts here? In July, as far as our prototypes and test pieces. The goal is to make anything for the offshore

wind market that can be done. Obviously, we can't make the amount of piles and the larger structures, due to shipping restrictions. We work with the wind developers, to break apart some of the parts, so we can ship them. One of them is at the port, where we'll do the major assembly and reassemble our parts. There is us and another manufacturer, in Maryland. At this time, we will be the first company to make anything for offshore wind in the United States. We will be the first people to produce parts for this. As Greg mentioned, it has been a two-year, ongoing project, to get qualified, certifications they have and numerous, different types of certifications and quality requirements, which we all have to comply to and adapt for our products and processes.

**Greg Moscato:** We are, also, hoping this is the foundation we're setting, hopefully, for the next twenty years, to get into this new industry. There are many more states that will be building these products. We've got the first two, which is in Rhode Island and, we anticipate, coming up on a New York contract, as well. There are many, many more and we are really excited about this.

**Craig Clark:** You have mentioned, a couple of times, the investment you are making. It is a pretty major investment you are getting into, at that building.

**Jeff Yowell:** Yes. At this point, we have a ten-million-dollar investment going on. It is a phased project, with roughly three phases, at this point. We are well into the first one. The second one is in the scope generation, specifications and contractor selection phase. It is early on.

**Craig Clark:** So, you don't find a lot of companies in the region, investing that kind of money into a facility.

**Skip Wilday:** They are doing a lot of offshore, up in the Great Lakes, as well. They are putting in offshore windmills.

**Craig Clark:** I don't know if you contacted them but, Union Concrete has a group up there. They are doing some of the offshore windmills. I think I turned you on to Gary Hill. It is not as deep as what is going on in the ocean but, it's still offshore.

**Rich Ewell:** My question is; How did you, with lots of investment and risk, put in money into being a player? How did that all come about?

**Greg Moscato:** I believe, in the beginning, we began watching. We have been in business for 99 years and, we've had 90% of the world market in air preheaters. So, ten plus years ago, 40% of our power was generated by coal burning power plants. We supply air preheaters for gas to gas power plants. But, as the war on coal has developed, it is down to, about 19%, providing electricity and so forth. We realized this trend was coming. We didn't expect it to be as fast as it's coming. So, we truly focused. Our biggest capacity was steel. We're a fabrication shop that can take a sheet of 10 x 20-foot steel, bend it, cut it up to 6 inches thick, weld it, machine it, whatever we need to do. Then, we can lift it because we have heavy lifting capabilities. Based on those skill sets, great workers, a very skilled workforce, we need to retrain them on some welding. Jeff talked about ISO. We're, obviously, ISO 991 certified, 1401 environmentally certified. And, the new certification is European certification call 3834. That is a whole new certification level. It took that long, about a year, to get that certification. We created a department called Custom Manufacturing Solutions and they started going out and reaching out to different industries and customers, developing a diverse product line. We are pleased with that and have a great group of people. They continue to go out and find new products that we can do, around the whole United States, therefore, putting work, here, in Allegany County. That is the best part of this. It's not just dependent on New York State. It is branching out throughout the United States.

**Rich Ewell:** I know the Town of Wellsville supports this and I am sure the County does. Our IDA Board, obviously, does. What kind of support are you seeking from New York State or the federal government?

**Greg Moscato:** We did receive a grant from Empire State Development. That is a 2.5-million-dollar grant, over the course of ten years. It is based on hiring people and cap backs, that we're putting in. It's a two-fold program. We, also, just received a \$628,000.00 plus grant from The Appalachian Regional Commission, called the WORC grant. As you can imagine, in the beginning, we were trying to branch into a whole new industry. You're investing a lot, not only in the facility but, also, in the people. There's a whole new training program we have to do, including different types of welding. This investment, hopefully, is for the next twenty years.

### EXECUTIVE SESSION

A motion was made, at 10:20 am, by J. Hopkins and, seconded by S. Wilday, to enter into Executive Session, for a discussion of contractual/legal issues. All members were in favor, by a vote of 5-0, with no opposition of further comment.

At 11:15 am, a motion was made by S. Wilday and, seconded by J. Ricci, to end the Executive Session and return to the regular IDA meeting. All members were in favor, by a vote of 5-0. There was no opposition or further discussion,

### MINUTES

- **Minutes of the IDA Board Meeting of 04-14-2022-** A motion was made by J. Hopkins and, seconded by J. Ricci, to approve the April 14, 2022 IDA Board minutes. There was no discussion. All members were in favor of the approval of the minutes, by a vote of 5-0, with no opposition.

### TREASURER'S REPORT

- **Abstract- April, 2022-** A motion was made by J. Hopkins and, seconded by S. Wilday, to approve the May 2022 Abstract report. There was no discussion, questions or opposition. All members approved the Abstract reports, by a vote of 5-0.

### Banking & Financial Summary

- A motion was made by S. Wilday and, seconded by J. Ricci, approving the Banking & Financial Summaries for May, 2022. All members were in favor by a vote of 5-0, with no further discussion.

### MAINTENANCE REPORT-None

**ACTION ITEMS**

- **Resolution regarding SEQR-Arvos Ljungstrom, LLC project-** C. Clark: Basically, this is determined in phase 2 because they are not doing anything, it is mostly in the building of the work will be inside the building. They're not really doing much exterior so, there really isn't any environmental impact, at all. A motion was made by J. Hopkins and, seconded by S. Wilday, to approve the resolution. There was no opposition or further discussion.

**Voice vote, as follows:**

J. Hopkins--Aye      S. Wilday--Aye      R. Ewell--Aye  
J. Ricci--Aye

- **Resolution regarding financial assistance-Arvos Ljungstrom, LLC project-**A motion was made by S. Wilday and, seconded by J. Ricci, to approve the resolution. There was no opposition. Craig Clark: I would like to go on the record, officially, that he did meet with the Town Board of Wellsville, last night, they understand why we would be giving them a PILOT. So, they understand the financial assistance.

**Voice vote, as follow:**

J. Ricci--Aye      J. Hopkins--Aye      S. Wilday--Aye  
R. Ewell--Aye

- **Set meeting to consider financial assistance & SEQR review-OYA Chenunda Creek, LLC project**

**R. Ewell:** We are going to need a mid-cycle meeting so that, we can, hopefully, get this approve and they can get working.

**C. Clark:** We did the Public Hearing, on Monday and there were no comments. But, the SEQR cannot be finalized until it has been a full 30adays. It will not be a full 30 days until next week. We would like to meet in two weeks because the Whitesville Town Board is going to approve their host agreement, next week. Is the 25<sup>th</sup> a good day for the meeting?

All the Board members agreed to meet on May 25, 2022, at 11:00 am., at the Crossroads.

**C. Clark:** Our lawyers have informed us, as you know, we approved the other OYA projects, quite a while ago, and, one of the tax benefit documentations runs out the end of June. So, we will have to re-approve that. They only get a certain time to get those tax benefits and they haven't bought anything, yet. That will be the third thing on the agenda.

- **Resolution to approve LaBella settlement for waterline-**A motion was made by J. Hopkins and, seconded by Wilday, to approve the resolution. There was no opposition or further discussion.

**Voice vote, as follows:**

S. Wilda--Aye      J. Hopkin--Aye      J. Ricci--No  
R. Ewell--Aye

**OLD BUSINESS**

- **Review of the Hume Solar Project-C. Clark:** The Hume Solar Project has reached agreements. They have not signed the agreement yet. As soon as they sign, we will be ready to move forward. They have reached verbal agreement. The lawyers got involved with one small thing, at the end and it hasn't been signed, yet.
- **Other Solar Project updates-C. Clark:** Cuba is going to move forward. We have mentioned OYA. We have had an initial discussion with the large Northland project, up in Alfred. They are still negotiating a host agreement. Once the host agreement is negotiated, they'll be putting in a financial application, to us, for the PILOT. They are, also, the same company doing the large 100 MW system up in Hume. Lastly, it is not solar but, the wind project is still moving forward. Dan Spitzer assures me, sometime, by the next board meeting or two, we will end up having something from the wind company, as to how they're going to settle our fee. There is no proposal yet but, they will owe us a fairly substantial fee. Quite often, they pay those in installments versus a one-time payment. It is going to be, about, a 1.5-million-dollar fee.  
**J. Hopkins:** How long do those installments stretch out?  
**C. Clark:** Two or three years. They do that, one, for cash flow and two, to keep the project moving. It is up to the Board whether or not they accept that.
- **Microenterprise Grant-Next Phase-C. Clark:** We are still going to apply for that grant.
- **Travel Center Update-C. Clark:** I would like to talk about the crossroads engineer study. They are pretty much going to be finished within the next week or so. Most of the phase one things are done and they'll give us a full report. I have sent out the reports they have given us, which is the geotechnical, delineation of some of the issues, at the site. Nothing is going to stop us from developing that site. Oakley has a copy and will be working with them, as far as the waterline expansion. We will add to the discussion of both package plans, as well as the sewer line, to either Belmont or Friendship; whatever makes the most sense. We have those options.  
**R Ewell:** Oakley's here. What is going on? Has the engineer contacted you?  
**O. Sortore:** I haven't heard anything, yet.  
**R Ewell:** It is my opinion, they need to interact with Friendship. Otherwise, it would be worthless.  
**C. Clark:** As you know, Clark, Patterson has already had pretty significant interaction with him, when we have talked about the Great Lakes Cheese expansion. They know the system very well and they have worked with Oakley. It is really just looking at it, one last time.  
**R. Ewell:** If we want to get this done, in the next two weeks, Oakley's got to have time, too. So. Hopefully, they're in contact with him. Oakley, can you let me know when you hear from them?  
**O. Sortore:** Yes.  
**R. Ewell:** And, Craig, can you promise me, you're going to contact them today?  
**C. Clark:** Sure. I've already contacted but, I'll follow up with them, to make sure.  
**R. Ewell:** Tell them, it is very important to me and the Board, that the waterline is squared away. I don't want any surprises. I don't want to assume it is okay. Thank you.

- **Status of small business grant CBDG Cares Act program-C. Clark:** We have put in for the small Cares Act business grant. We have to do more leg work. They changed their requirements. They want us to give them a list of companies that would be interested in the grant. Our contact is trying to work with the CBDG people, at the Department of State on that. It is getting towards the last year or so, of this grant monies and they want to know you can spend the money. This is for companies of 25 employees or less, that have had impact because of Covid. It is one million dollars. We were hoping to get it approved by May but, it looks like it won't be until June. I am not sure if there is a maximum amount for companies but, it is usually fifty to sixty thousand dollars. The company has to guarantee hiring people. The money can be used for everything, including salaries. It doesn't have to be for hard capital or equipment. It can be used for salary costs and expansion.

**NEW BUSINESS-None**

**GOOD OF THE ORDER-None**

**CALENDAR**

**Next Meeting:** Special Meeting: May 25, 2022 at 11:00 am and the regular IDA Board meeting on June 9, 2022 @ 10:00 A.M.  
The Crossroads Commerce Center, Belmont, NY

**ADJOURNMENT**

With no further business, at 11:28 am, a motion to adjourn was made by S. Wilday and, seconded by J. Ricci, to close the meeting.

Respectfully submitted,  
Pamela Common  
Recording Secretary