

**ALLEGANY COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Crossroads Commerce Center
September 8 , 2022
10:00 a.m.

https://www.youtube.com/channel/UCXJ1KZ_F90Z77-JQxeHzDXQ?

AGENDA

Approval of Minutes

- Board Minutes August 11, 2022

Treasurer's Report

- Abstract Report – Expenses September
- Banking & Financial Summary September

Building Maintenance Report

Executive Session- discussion of contractual/legal issue

Action Items

- Approving Resolution Pilot Deviation – Running Supply Inc Project Wellsville
- Approving Resolution for Pilot Deviation Arvos Ljungstrom LLC Project, Wellsville

Old Business

- Update Crossroads engineering study
- Solar Updates
- Micro enterprise updates
- Small business grant CBDG CARES act program

New Business

Good of the Order

Adjournment

Allegany County Industrial Development Agency

August 11, 2022

Crossroads Conference Center, Belmont, New York 14813

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=OPwulroPBCQ>

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 75th 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. Runnings 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.

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.

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	R. Shayler-Recused	D. Frank-Aye
J. Ricci-Aye	R. Ewell-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	D. Frank-Aye	J. Ricci-Aye
J. Hopkins-Aye	R. Ewell-Aye	

OLD BUSINESS

- **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.

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.

2022-09 Sept CRC Account Balances - As of 9/2/2022

Account	9/2/2022 Balance
Bank Accounts	
CRC (Capital Resource Corp)	114,276.42
TOTAL Bank Accounts	114,276.42
OVERALL TOTAL	114,276.42

2022-09 Sept IDA Account Balances - As of 9/17/2022

Account	9/17/2022 Balance
Bank Accounts	
Community Checking IDA	93,711.51
First Citizens-IDA	299,554.88
TOTAL Bank Accounts	393,266.39
Liability Accounts	
Crossroads Mortgage	-182,253.44
OFA Mortgage	-412,936.55
TOTAL Liability Accounts	-595,189.99
OVERALL TOTAL	-201,923.60

2022-09 Sept IDA Banking Summary

1/1/2022 through 9/17/2022

9/2/2022

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Category	1/1/2022- 9/17/2022
INCOME	
Crossroads-Income	
Conference Room Fees	2,375.00
Rental Income	
AC Area Foundation	5,250.00
AC DEV-PLN-TOURISM	25,164.00
AC EMS-EMT's	33,055.00
Audio Care	3,600.00
Venture Forthe	3,200.00
TOTAL Rental Income	70,269.00
TOTAL Crossroads-Income	72,644.00
IDA Income	
ACIDA Admin Fee	37,800.00
Microenterprise Grant Award	38,147.24
Park N Ride Parking Lot	10.00
PILOT Application fee payment	3,000.00
Project Waiver Fee	5,000.00
Refunds	9,461.91
Rental Income - PM Research Building	50,000.00
TOTAL IDA Income	143,419.15
IDA PILOT Fees	1,000.00
OFA - Income	
Rental Income	
Allegany County	78,300.00
TOTAL Rental Income	78,300.00
TOTAL OFA - Income	78,300.00
TOTAL INCOME	295,363.15
EXPENSES	
ACUC - Expense	
Professional fees- Permits	110.00
Water Line Contractor Fees	78,722.14
Waterline Fees	
Utilities-Electric	1,190.99
Waterline Supplies	10,896.71
Waterline Water Usage	7,668.00

2022-09 Sept IDA Banking Summary

1/1/2022 through 9/17/2022

9/2/2022

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Category	1/1/2022- 9/17/2022
TOTAL Insurance	7,660.57
Interest Expense	
Equity Loan #6	3,269.20
TOTAL Interest Expense	3,269.20
Maintenance	
Belmont School Parking Lot	280.00
TOTAL Maintenance	280.00
Office Supplies	596.96
Professional fees	
Accounting	15,621.68
Consulting	75,821.50
Legal	83,515.30
Permits	110.00
TOTAL Professional fees	175,068.48
Tax	
County & Town Taxes	33.74
Fire Protection Tax	496.62
TOTAL Tax	530.36
TOTAL IDA-Expense	229,368.05
OFA - Expense	
Annual Inspection	243.00
Cleaning	5,399.26
Supplies	1,387.23
TOTAL Cleaning	6,786.49
Insurance	
Property	1,824.36
TOTAL Insurance	1,824.36
interest	
mortgage	12,129.93
TOTAL interest	12,129.93
Maintenance	3,825.00
Other	1,561.03
TOTAL Maintenance	5,386.03
Refuse	942.39
supplies	589.00
Utilities	
Heat	4,375.53

2022-09 Sept IDA Abstract

8/18/2022 through 9/17/2022 (Accrual Basis)

9/2/2022

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Date	Account	Num	Category	Memo	Amount
INCOME					
Allegany County Treasurer					
9/14/2022	Comm...	DEP	Crossroads-Income:Rental Income:AC EMS-EM...	EMS.OES Sept 2022	14,651.00
9/14/2022	Comm...	DEP	OFA - Income:Rental Income:Allegany County	OFA-VETS Lease - Sept 2022	14,501.00
9/14/2022	Comm...	DEP	Crossroads-Income:Rental Income:AC DEV-PL...	PLN/DEV/TOURISM Crossroads Lease -Sept 2022	3,005.00
Cornell University					
8/22/2022	Comm...	DEP	Crossroads-Income:Conference Room Fees	Conf Rm Fee Inv#2022-00 (5-10-22)	8,700.00
EXPENSES					
Argentieri Brothers					
9/8/2022	Comm...	2023	Crossroads-Expense:Cleaning	Linens / Rugs #567130/568523 Aug '22	2,796.00
Compuchecks.com					
9/2/2022	Comm...	EFT	IDA-Expense:Office Supplies	Re-Order Checks 1300 each	150.00
CPL ARCHITECTURE ENGINEERING PLANNING					
9/8/2022	Comm...	2022	IDA-Expense:Professional fees:Consulting	Inv#84288-Hotel site development/SEQR/Traffic stu...	-12,500.80
LaForge Disposal					
9/8/2022	Comm...	2021	...--Split--	Acct#951-Disposal Service-Sept 2022	-37.20
RG&E					
8/22/2022	Comm...	EFT	Crossroads-Expense:Utilities:Electric	Acct#2002-2506-867(6/24 to 7/22/22) Crossrds Ele...	-185.03
9/8/2022	Comm...	EFT	Crossroads-Expense:Utilities:Electric	Acct#2002-2506-867() Crossrds Electric	-9,731.50
Spectator-Evening Tribune					
9/8/2022	Comm...	2020	IDA-Expense:Advertising	CBDG 2nd submission RFP for new grant	-220.64
Stephen Thorpe					
9/8/2022	Comm...	2019	...--Split--	Contractual Bldg Maint/Repairs Aug 2022	-220.64
OVERALL TOTAL					2,150.20

**PILOT DEVIATION APPROVAL RESOLUTION
RUNNING SUPPLY, INC. PROJECT**

A regular meeting of Allegany County Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at Crossroads Commerce & Conference Center located at 6087 State Route 19 North in the Town of Angelica, Allegany County, New York on September 8, 2022 at 10:00 o'clock a.m., local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Richard Ewell	Chairman
Judy Hopkins	Vice Chairperson
Randy Shayler	Secretary
Douglas Frank	Treasurer
John Ricci	Member
Ward "Skip" Wilday	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Craig R. Clark, P.E., Ph.D.	Executive Director
Pam Common	Chief Finance Officer

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0922-

RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH THE PROPOSED RUNNING SUPPLY, INC. PROJECT.

WHEREAS, Allegany County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 99 of the 1973 Laws of New York, as amended, constituting Section 906-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

project where facilities or properties that are primarily used in making the retail sales of goods or services to customers who personally visit such facilities may constitute more than one-third of the costs of the Project, the Agency is authorized to provide financial assistance in respect of the Project pursuant to Section 862(2)(a) of the Act because the Project Facility is located in a highly distressed area, (B) determined, following a review of the Public Hearing Report, that the Project would serve the public purposes of the Act by preserving permanent private sector jobs in the State of New York and (C) determined that the Agency would proceed with the Project and the granting of the Financial Assistance; provided however, that no financial assistance would be provided to the Project by the Agency unless and until the Chairman of Allegany County Board of Legislators, as chief executive officer of Allegany County, New York, pursuant to Section 862(2)(c) of the Act, confirmed the proposed action of the Agency with respect to the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on August 11, 2022 (the "Approving Resolution"), the Agency determined to grant the Financial Assistance and entity into a lease agreement (the "Lease Agreement") by and between the Agency and the Company; and

WHEREAS, by certificate dated August 17, 2022 (the "Public Approval"), the Chairman of Allegany County Board of Legislators, as chief executive officer of the Allegany County, New York, confirmed the proposed action to be taken by the Agency with respect to the Project for purposes of Section 862(2)(c) of the Act; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy (the "Policy") with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility, which proposed deviation is outlined in the letter dated August 5, 2022 (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency's uniform tax exemption policy, the Agency must give the chief executive officers of the Allegany County and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") written notice of the proposed deviation from the Policy and the reasons therefore prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on July 14, 2022, the members of the Agency adopted a resolution (the "Resolution Authorizing the Pilot Deviation Letter") which authorized the Executive Director to notify the Affected Tax Jurisdictions of the proposed deviation from the Policy in connection with the Project; and

WHEREAS, by the Pilot Deviation Letter the Executive Director notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

STATE OF NEW YORK)
) SS.:
COUNTY OF ALLEGANY)

I, the undersigned Secretary of Allegany County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on September 8, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 8th day of September, 2022.

Secretary

(SEAL)

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Crossroads Commerce & Conference Center
6087 State Route 19 North – Suite 100
Belmont, New York 14813
Phone: (585) 268-7445
Fax: (585) 268-7473

August 5, 2022

Philip G. Stockin, Chairman
Allegany County Board of Legislators
County Office Building
7 Court Street
Belmont, New York 14813

David Foster, Superintendent
Wellsville Central School District
126 West State Street
Wellsville, New York 14895

Shad Alsworth, Supervisor
Town of Wellsville
2600 Tarantine Boulevard
Wellsville, New York 14895

Alan Mosher, Board President
Wellsville Central School District
126 West State Street
Wellsville, New York 14895

Randy Shayler, Mayor
Village of Wellsville
23 North Main Street
Wellsville, New York 14895

RE: Proposed Deviation from Uniform Tax Exemption Policy by
Allegany County Industrial Development Agency in connection with its Proposed
Running Supply, Inc. Project

Dear Ladies and Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law. Allegany County Industrial Development Agency (the "Agency") received an application (the "Application") from Running Supply, Inc., a Minnesota State business corporation (the "Company"), submitted an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 7.20 acre parcel of land located at 121 Bolivar Road (tax map number 238.7-3-14.2) in the Town of Wellsville, Village of Wellsville, Allegany County, New York (the "Land"), together with an existing approximately 94,077 square foot building located thereon (the "Facility"), (2) the renovation and reconstruction of the Facility and other required improvements and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment") (the Land, Facility and the Equipment being collectively referred to as the "Project Facility") all of the foregoing to be owned and operated by the Company as a retail/commercial space and other directly and indirectly related activities; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes

Philip G. Stockin, Chairman
Shad Alsworth, Supervisor
Randy Shayler, Mayor
David Foster, Superintendent
Alan Mosher, Board President
August 5, 2022
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to 10 full-time construction jobs are expected to be created in connection with the Project. After completion of the Project, it is expected that full-time and part-time jobs will be created.

5. The estimated value of new tax exemptions to be provided: Sales tax exemption of \$100,000, real property tax exemption of approximately \$1,298,490.01, and exemption from mortgage recording tax of \$12,000.

6. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The development of the Project Facility will have an overall positive affect on the tax jurisdictions. The Proposed PILOT Agreement will provide definitive tax revenue for budgeting purposes for the affected tax jurisdictions in the form of ten years of PILOT payments, but the main benefit will be 20 full-time and 18 part-time jobs created, and associated economic benefits.

7. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: The Project will have a positive effect on existing and proposed businesses and economic development projects in the vicinity of the Project, as the Project will rely on local services and procure construction materials locally.

8. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: \$3,440,000.

9. The effect of the Proposed Pilot Agreement on the environment: There will no impact on the environment as this is a re-use of an existing facility.

10. Project Timing: Completion anticipated by December 31, 2022.

11. The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services: It is not anticipated that any additional educational, transportation, police, emergency medical or fire services will be required as a result of the Project.

12. Anticipated tax Revenues: PILOT payments are expected to be \$581,684.32 over 10 years.

13. The extent to which the Proposed PILOT Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located: The benefit is a positive one economically, in that the Project will provide high paying manufacturing jobs.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.

**PILOT DEVIATION APPROVAL RESOLUTION
ARVOS LJUNGSTROM LLC PROJECT**

A regular meeting of Allegany County Industrial Development Agency (the "Agency") was convened in public session at the office of the Agency located at Crossroads Commerce & Conference Center located at 6087 State Route 19 North in the Town of Angelica, Allegany County, New York on September 8, 2022 at 10:00 o'clock a.m., local time.

The meeting was called to order by the (Vice) Chair of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Richard Ewell	Chairman
Judy Hopkins	Vice Chairperson
Randy Shayler	Secretary
Douglas Frank	Treasurer
John Ricci	Member
Ward "Skip" Wilday	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Craig R. Clark, P.E., Ph.D.	Executive Director
Pam Common	Chief Finance Officer

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. 0922-

**RESOLUTION AUTHORIZING A DEVIATION FROM THE AGENCY'S UNIFORM TAX
EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PAYMENT IN LIEU OF
TAX AGREEMENT TO BE ENTERED INTO BY THE AGENCY IN CONNECTION WITH
THE PROPOSED ARVOS LJUNGSTROM LLC PROJECT.**

WHEREAS, Allegany County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 99 of the 1973 Laws of New York, as amended, constituting Section 906-a of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, in connection with the Project, the Company has requested that the Agency deviate from its uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility; and

WHEREAS, pursuant to Section 874(4) of the Act, prior to taking final action on such request for a deviation from the Agency's uniform tax exemption policy, the Agency must give the chief executive officers of the Allegany County and each city, town, village and school district in which the Project Facility is located (collectively, the "Affected Tax Jurisdictions") written notice of the proposed deviation from the Policy and the reasons therefore prior to the meeting of the Agency at which the members of the Agency shall consider whether to approve such proposed deviation; and

WHEREAS, on August 11, 2022, the members of the Agency adopted a resolution (the "Resolution Authorizing the Pilot Deviation Letter") which authorized the Executive Director to notify the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy in connection with the Project, which proposed deviation is outlined in the letter dated Executive Director (the "Pilot Deviation Letter"), a copy of which Pilot Deviation Letter is attached hereto as Exhibit A; and

WHEREAS, by the Pilot Deviation Letter the Executive Director notified the chief executive officers of the Affected Tax Jurisdictions of the proposed deviation from the Agency's uniform tax exemption policy and further notified said chief executive officers that the members of the Agency would consider whether to approve such proposed deviation at this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby finds and determines as follows:

(A) The Agency has considered any and all responses from the Affected Tax Jurisdictions to the Pilot Deviation Letter.

(B) The Agency has reviewed and responded to all written comments received from any Affected Tax Jurisdiction with respect to the proposed deviation.

(C) The Agency has given all representatives from an Affected Tax Jurisdictions in attendance at this meeting the opportunity to address the members of the Agency regarding the proposed deviation.

Section 2. Based upon (A) the findings and determinations in Section 1 above, (B) any comments received at the Public Hearing, (C) input received at this meeting from the Affected Tax Jurisdictions with respect to the proposed deviation, (D) the Agency's knowledge of the Project, (E) the recommendations of Agency staff, and (F) such further investigation of the Project and the effect of the proposed deviation as the Agency has deemed appropriate, the Agency hereby determines to deviate from the Agency's uniform tax exemption policy with respect to the terms of the proposed payment in lieu of tax agreement to be entered into by the Agency with respect to the Project Facility for the reasons set forth in the Pilot Deviation Letter. Based upon the aforementioned, the Agency hereby approves a deviation from the Agency's uniform tax exemption policy, the terms of the approved deviation to be as described in the attached Pilot Deviation Letter.

Section 3. Upon preparation by counsel to the Agency of a payment in lieu of tax agreement with respect to the Project Facility reflecting the terms of this resolution (the "Payment in Lieu of Tax Agreement")

STATE OF NEW YORK)
) SS.:
COUNTY OF ALLEGANY)

I, the undersigned Secretary of Allegany County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on September 8, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 8th day of September, 2022.

Secretary

(SEAL)

ALLEGANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Crossroads Commerce & Conference Center
6087 State Route 19 North – Suite 100
Belmont, New York 14813
Phone: (585) 268-7445
Fax: (585) 268-7473

August 11, 2022

Philip G. Stockin, Chairman
Allegany County Board of Legislators
County Office Building
7 Court Street
Belmont, New York 14813

David Foster, Superintendent
Wellsville Central School District
126 West State Street
Wellsville, New York 14895

Shad Alsworth, Supervisor
Town of Wellsville
2600 Tarantine Boulevard
Wellsville, New York 14895

Alan Mosher, Board President
Wellsville Central School District
126 West State Street
Wellsville, New York 14895

RE: Proposed Deviation from Uniform Tax Exemption Policy by
Allegany County Industrial Development Agency in connection with its Proposed
Arvos Ljungstrom LLC Project

Dear Gentlemen:

This letter is delivered to you pursuant to Section 874(4)(c) of the General Municipal Law.

Allegany County Industrial Development Agency (the "Agency") received an application (the "Application") from Arvos Ljungstrom LLC, a Delaware State limited liability company (the "Company"), a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 1.37 acre portion of an approximately 36.30 acre parcel of land located at 3020 Truax Road (tax map number 226.-1-28) in the Town of Wellsville, Allegany County, New York (the "Land"), together with an existing approximately 253,400 square foot building located thereon (the "Existing Facility"), (2) the modification of approximately 20,000 square feet of the Existing Facility to temperature and humidity-controlled environment, incorporating a shed extension of the Existing Facility to protect the various booths and auxiliary equipment from the elements and other required improvements (the Existing Facility and all said improvements being collectively referred to as the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment"), all of the foregoing to constitute a manufacturing facility to be owned and operated by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

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completion of the Project, it is expected that 130 full-time jobs will be retained and 120 full-time created during the term of the Proposed Pilot Agreement.

5. **The estimated value of new tax exemptions to be provided:** Sales tax exemption of \$150,000, real property tax exemption of approximately \$3,493,991.44 (currently under the UTEP, the benefit is \$4,091,658), and exemption from mortgage recording tax of \$75,691.

6. **The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions:** The development of the Project Facility will have an overall positive affect on the tax jurisdictions. The Proposed Pilot Agreement will provide definitive tax revenue for budgeting purposes for the affected tax jurisdictions in the form of fifteen years of PILOT and special district tax payments, but the main benefit will 130 full-time jobs retained and another 120 created, and associated economic benefits.

7. **The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity:** The Project will have a positive effect on existing and proposed businesses and economic development projects in the vicinity of the Project, as the Project will rely on local services and procure construction materials locally.

8. **The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement:** \$10,697,106.

9. **The effect of the Proposed Pilot Agreement on the environment:** There will no impact on the environment as this a re-use of an existing facility.

10. **Project Timing:** Completion anticipated by December 31, 2022.

11. **The extent to which the Proposed Pilot Agreement will require the provision of additional services including, but not limited to, additional educational, transportation, police, emergency medical or fire services:** It is not anticipated that any additional educational, transportation, police, emergency medical or fire services will be required as a result of the Project.

12. **Anticipated tax Revenues:** PILOT payments are expected to be \$1,091,006.60 over 15 years. Land taxes are not reduced. Fire district taxes of \$229,006.59 are expected over 15 years.

13. **The extent to which the Proposed PILOT Agreement will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the Project Facility is located:** The benefit is a positive one economically, in that the Project will provide high paying manufacturing jobs.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Agency's Uniform Tax Exemption Policy) at the Meeting. The Agency would welcome any written comments that you might have on this proposed deviation from the Agency's Uniform Tax Exemption Policy. In accordance with Section 874(4)(c) of the General Municipal Law, prior to taking final action at the Meeting, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Meeting to address the Agency regarding the proposed deviation.