

MINUTES

Greater Jamestown Zone Capital Corporation December 8, 2021

A meeting of the Greater Jamestown Zone Capital Corporation Board of Directors was held on Wednesday, December 8, 2021 in the Mayor's Conference Room, Municipal Building.

Members Present: Crystal Surdyk, Secretary
Bill Salter, Treasurer
Jim Domagola
Jim Roach
Jim Jaroszynski
Michael Goldman - Counsel

Members Absent: Amy Bellardo
Mayor Edward Sundquist, Chairman

Others Present: Stephanie Wright, Economic Development Coordinator
Douglas Scott Clark, Falcon Acquisitions

Bill Salter called the meeting to order.

Stephanie Wright stated that Director Andrea Magnuson has resigned her post with the Zone Capital Corporation. A new director will be appointed by Mayor Edward Sundquist.

Bill Salter introduced a loan request from Douglas Scott Clark, CEO of Falcon Acquisitions, to purchase the building at 111 Cheney Street, Jamestown, New York, and the future home of Falcon Conveyor, LLC. The loan is \$50,000 at 4% for 5 years.

Stephanie Wright presented the loan report.

Douglas (Scott) Clark is the owner and CEO of both Falcon Acquisitions (FA) and Falcon Conveyor (FC). Both were established in early 2021, and will be housed at 111 Cheney Street, Jamestown, New York.

Scott has worked in the material handling field for over 30 years, 27 of which were in the conveyor industry. During his career he has held positions of increasing responsibility. The positions include Designer, Mechanical Engineer, Project Engineer, Customer Service Manager, Aftermarket Manager and seven (7) years as the Engineering Manager. All of these positions

were with one of the largest international steel belt conveyor companies in the world, Mayfran International in Ohio. Mayfran International in the US is a \$55 Million manufacturer of Material Handling Conveyors for Stamping Systems, Machine Tools and Swarf Handling equipment for the Automotive Industry.

The steel belt conveyor industry that has seen little advancement in technology in the past 75 years. Scott's vision for FC is to be creative in providing solutions to problems that have plagued the conveyor industry. His innovative solutions will be protected by patents which will give FC one of its several competitive advantages that will allow market penetration. The market is attractive with an estimated \$115 million annual sales.

Over the next three months FC will be building our prototypes. The builds will consist of conveyor frames, pans and drives. These builds will be sourced at Allmetal Press & Fabrication which is a local sheet metal fabricator. The electrical controls will also be sourced locally. The conveyors will then be assembled and tested at FC. Having the floor space to assemble and test will be a great selling tool as most competitors do not have the floor space available.

Ultimately materials, commercial components, hardware, and fabrication will all be outsourced in the Jamestown area. FC will generate approximately 10-12 jobs and subcontracting will also generate 10-12 jobs over the next three years. Once FC is able to procure manufacturing equipment the outsourced jobs will be brought into FC, thus giving FC greater cost control.

With Scott's experience, FC will be positioned in the market as an innovative, high value manufacturing company that is armed with a significant cost advantage by locating in Jamestown and diversifying with FA. Along with the patents, FC will also have a competitive advantage in salaries as the cost of living is low. The revenue from FA generated by renting and leasing space in stories 2-5 will ultimately pay the expenses for the loan, thus giving FC another significant competitive advantage.

In summary, market penetration will be achieved by sustainable innovation through patent protection, low overhead, and lower cost product with higher value.

The United States / Canada / Mexico steel belt conveyor market is estimated at \$115 million per year. With modest projections of 0.75% of the market for the first year increasing to 2% over the next two years, revenue will be totaling near \$5 million.

The building at 111 Cheney Street is near to capacity with leaseholders. The total monthly income generated by these leases is \$3,600 with potential to generate \$3,875 by leasing the fifth floor.

Bill Salter mentioned the Investment Committee very quickly and unanimously approved the loan. They were excited to see new manufacturing come in to Jamestown.

Bill Salter made a motion to approve the loan to Douglas Scott Clark and was seconded by Jim Roach.

5 Ayes 0 Nays

Carried.

Stephanie Wright discussed that we need to designate three signatories for the Greater Zone Capital account, number 3096031582 held at Northwest Bank.

There was a motion to designate Mayor Edward Sundquist, Chairman, Bill Salter, Treasurer, and Jim Roach as signatories for all accounts, including account number 3096031582 held at Northwest Bank. Bill Salter made a motion and Jim Domagola seconded the motion.

5 Ayes 0 Nays

Carried.

There being no further business, Bill Salter made a motion to adjourn, which was seconded by Jim Jaroszynski.

5 Ayes 0 Nays

Carried.

Respectfully submitted,

Stephanie Wright
Economic Development Coordinator

