

**MINUTES OF THE MEETING OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(ECIDA)**

DATE AND PLACE: September 19, 2011, at the Erie County Industrial Development Agency, 143 Genesee Street, Buffalo, New York 14203

PRESENT: Phil Ackerman, Barry Brandon, Hon. Byron W. Brown, Hon. Anthony F. Caruana, Hon. Chris Collins, Philip Corwin, James F. Doherty, Hon. David Franczyk, Michael Hoffert, Hon. Mary F. Holtz, Michael Laipple, Frank B. Mesiah, Hon. Barbara Miller-Williams, Dr. Andrew J. Rudnick, Henry M. Sloma, Richard Vogan, Hon. Barry Weinstein, and Hon. Timothy J. Whalen

EXCUSED: None

OTHERS PRESENT: Al Culliton, Chief Operating Officer; John Cappellino, Executive Vice President; Andrew Schoeppich, Treasurer; David Kerchoff, Assistant Treasurer; Robert G. Murray, Assistant Secretary; and Pietra G. Lettieri, Assistant Secretary

There being a quorum present at 9:17 a.m., the Meeting of the Membership of the Erie County Industrial Development Agency was called to order by Mr. Ackerman.

MINUTES

The minutes of the August 15, 2011 Meeting of the Members were presented, and upon motion made by Dr. Rudnick, and seconded by Mr. Caruana, approval of the minutes was unanimously carried.

REPORTS

Financial Report. Mr. Schoeppich presented the August, 2011 financial statements, noting that the Agency is ahead of budget on a year to date basis with respect to revenues and expenses. There being no further comments, Mr. Ackerman directed that the financial report be received and filed.

At this point in time, Mr. Hoffert joined the meeting.

Joint Audit & Finance and Governance Committee Report. Mr. Corwin next reviewed items discussed and actions take at the September 8, 2011 Joint Governance and Finance & Audit Committee meeting, noting that Harris Beach provided a review on the status of all active litigation matters, Lawley Insurance provided a review of all current insurance policies noting that all coverages were deemed satisfactory, amendments to the existing Travel, Conferences, Meals & Entertainment Policy were approved, the Banking

Services RFP process was reviewed, and various other items were discussed including an update on the EDA sequestration and budget initiatives, all as described in the memorandum regarding same included in your meeting materials. Mr. Ackerman directed that this report be received and filed.

INFORMATION ITEMS

2011 Closing Schedule/RDC Loan Status/Backlog Report. Mr. Kerchoff presented the year to date 2011 ECIDA Closing Schedule and Loan Status Report dated as of September 14, 2011, and the Bond/Lease Projects Backlog Report. There being no further comments, Mr. Ackerman directed that the reports be received and filed.

2012 ECIDA Board Meeting Schedule. Mr. Ackerman reviewed the 2012 meeting schedule.

At this point in time, Mr. Whalen and Mr. Weinstein joined the meeting.

Cross-Border Study. At this point in time, Mary Ann Stein provided members with an update on the Global Gateway Strategic Initiative and presented the findings of the recently completed Binational Economic and Tourism Alliance Border Study. After some general discussion, Mr. Ackerman directed that the report be received and filed.

INDUCEMENT RESOLUTIONS

David E. Pawlik/2137 Seneca Street, LLC / CCS Construction - Lease/Leaseback – 2137 Seneca Street, Buffalo, New York.

Ms. Fiala presented the inducement resolution for this adaptive reuse and brownfield cleanup program project for the construction of a Dollar General store located at 2137 Seneca Street in Buffalo, New York. Mr. Whalen spoke in favor of the project, thanking Mr. Pawlik for investing in this particular distressed area. Dr. Rudnick expressed general concern with respect to the provision of ECIDA financial assistance to these types of retail projects, a concern echoed by Mr. Ackerman who balanced that concern by noting that the soil remediation efforts are all too common legacy costs that the Agency tries to balance with its various policies. Mayor Brown noted that the site has been a blight to the area, and that 12 new full time and part time jobs will be created. Upon motion made by Mayor Brown, and seconded by Mr. Mesiah, with Dr. Rudnick abstaining, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF DAVID E. PAWLIK (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE

PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AND RELATED DOCUMENTS

Gemcor II, LLC - Lease/Leaseback – 100 Gemcor Drive, West Seneca, New York.

Ms. Fiala next presented the inducement resolution for this project involving the construction of a new 27,000 sq. ft. addition for use as additional manufacturing space. Mr. Murray noted that the Agency holds an equity interest in the company, but further noted that no conflict of interest exists because no pecuniary interest with respect to that invest accrues to any member of the Agency individually. Upon motion made by Mr. Weinstein, and seconded by Mr. Hoffert, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF GEMCOR II, LLC (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

Sleep In Buffalo Airport, Inc. - Lease/Leaseback – 100 Holtz Road, Cheektowaga, New York.

Ms. Fiala presented the inducement resolution for this project involving a request for a sales tax exemption with respect to the renovation and upgrading of this hotel facility, noting same is consistent with the Agency's hotel policy. Upon motion made by Ms. Holtz, and seconded by Mr. Weinstein, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF SLEEP INN -

BUFFALO AIRPORT, INC. (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AND RELATED DOCUMENTS

SPECIAL RESOLUTIONS:

Tenant Approval - Kaleida Health Systems – 300 Niagara Street, Buffalo, New York.

Ms. Fiala presented this special resolution providing for the Agency's consent for the subleasing of the facility by Kaleida Health Systems to Northwest Community Services. Ms. Miller-Williams noted that she and her staff had meet with Kaleida, the new subtenant, and community members and noted that while enhanced medical services will be provided by the new subtenant in relation to those currently provided. She then expressed concern that Northwest be held accountable to deliver healthcare to the community. Mr. Mesiah noted that he understands that Kaleida has met with community representatives and believes that the community is satisfied that Northwest will be able to provide appropriate care to neighborhood residents. Mr. Sloma noted that, as a former Berger Commission member, that there will continue to be changes in the health care delivery system in our area. Upon motion made by Mr. Sloma, and seconded by Mr. Ackerman, the resolution was unanimously carried.

Mark IA, LLC – 12479 Olean Road, Chaffee, New York.

Ms. Fiala presented the resolution for the granting of a collateral mortgage in favor of Lake Shore Savings in an amount not to exceed \$1,800,000. Upon motion made by Mr. Corwin, and seconded by Mr. Brandon, the resolution was unanimously carried.

W.N.Y. Bus Parts, Inc. d/b/a Gorman Enterprises – 691 Bullis Road, Elma, New York.

Ms. Fiala presented the resolution for the granting of a collateral mortgage in favor of Five Star Bank in an amount not to exceed \$1,250,000. Upon a motion made by Mr. Corwin, and seconded by Mr. Brandon, with Mr. Doherty abstaining, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF W.N.Y. BUS PARTS, INC. D/B/A GORMAN ENTERPRISES (THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; AND (iii) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING AND/OR REFINANCING RELATED TO THE PROJECT

ACTION ITEMS:

Banking Request for Proposal.

Mr. Schoeppich next reviewed the ECIDA's Request For Proposal (RFP) for banking services, noting that RFPs were sent to the ten largest banks in Erie County as ranked by the Business First Book of Lists, and further noting that the RFP was posted on the ECIDA's website. The ECIDA received five responses, and internal ECIDA staff reviewed the responses. Based upon first-round scoring, a short-list of banks was developed and further questions were thereafter submitted to those short-listed banks. Mr. Schoeppich noted that the staff unanimously was recommending that First Niagara Bank be selected because: (i) it offered the highest interest rate; (ii) it offered no service charges; (iii) the prime relationship manager has over 18 years of government banking experience; and (iv) First Niagara has demonstrated commitment to the community via acquisition of HSBC branches. Mr. Schoeppich also noted that the Finance & Audit Committee has unanimously approved to recommend that First Niagara Bank be approved by the Agency as the prime banking institution for the ECIDA, RDC and ILDC. After some general discussion, upon motion made by Mr. Corwin to authorize the engagement of First Niagara Bank, and seconded by Mr. Brandon, the motion was unanimously approved.

Audit Extension.

Mr. Schoeppich next presented a proposal to exercise the second year of the two year renewal option for Toski Schaefer & Co., for audit services. It was noted that in October, 2010, the Agency determined to exercise the first year of the two year renewal, and to wait another year to decide whether to continue with the second year of the two year renewal option. Mr. Schoeppich noted that staff recommends that the second year of the two year renewal option be exercised because (i) staff is very satisfied with Toski Schaefer's work product and knowledge; (ii) Toski Schaeffer average audit fee is 22% lower than the second lowest bidder; and (iii) a new RFP for the 2012-2016 Fiscal Years will be conducted in the second quarter of 2012. Mr. Schoeppich also noted that the Finance & Audit Committee has unanimously approved this recommendation at its September 8, 2011 meeting. Upon motion made by Mr. Corwin and seconded by Mr. Brandon, the request to approve the second year of the optional two-year extension to engage Toski Schaefer & Co., for the 2011 fiscal year-end audit, was unanimously approved.

Travel, Conferences, Meals & Entertainment Policy.

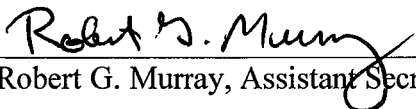
Ms. Boudreau reviewed proposed amendments to the existing Travel, Conferences, Meals & Entertainment Policy, noting that changes were being proposed to ensure full compliance with NYS Authority Budget Office best practice recommendations. Upon motion made by Mr. Hoffert, and seconded by Mr. Corwin, the changes to the policy were unanimously approved.

MANAGEMENT TEAM REPORTS:

Media/Press Coverage. Mr. Culliton reviewed the recent media coverage that the ECIDA has received over the prior month, as contained within the packages distributed to the members.

There being no further business, upon motion made by Mr. Corwin, seconded by Mr. Brandon and unanimously carried, the meeting was adjourned at 10:03 a.m.

Dated: September 19, 2011



Robert G. Murray, Assistant Secretary