

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

DATE AND PLACE: January 11, 2010, at the Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York 14203

PRESENT: Phillip C. Ackerman, Barry Brandon, Hon. Byron W. Brown, Hon. Anthony F. Caruana, Philip Corwin, James F. Doherty, Hon. David A. Franczyk, Ramona L. Gallagher, Hon. Mary F. Holtz, Hon. Timothy M. Kennedy, Lawrence M. Meckler, Frank B. Mesiah, Dr. Andrew J. Rudnick, Richard Vogan, and Hon. Barry Weinstein

EXCUSED: Hon. Chris Collins, Jonathan Dandes, and Michael Hoffert

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

There being a quorum present at 9:31 a.m., the Regular Meeting of the Members of the Erie County Industrial Development Agency (ECIDA) was called to order by Mr. Ackerman.

MINUTES

The minutes of the meeting of December 14, 2009 were presented. Upon motion made by Dr. Rudnick, and seconded by Mr. Mesiah, approval of the minutes of the Regular Meeting of the Members of the ECIDA was unanimously carried, with one abstention by Mr. Weinstein.

REPORTS

Financial Report. Financial reports were not presented; year end financials are to be distributed at the February meeting.

INFORMATION ITEMS

2009 Closing Schedule. Mr. Kerchoff discussed ECIDA closings for 2009, which included 32 project closings totaling more than \$640,000,000 for the year. ILDC closings for 2009 included the \$47,755,000 Buffalo State College Housing Foundation Corporation project. There being no further questions, Mr. Ackerman directed that the report be received and filed.

ILDC/RDC Loan Approvals/Closing under \$350,000. Mr. Kerchoff presented two RDC loans that closed (TNT Moberg International and Huber, LLC) for the period December 9 to

January 6, 2010. There being no further questions, Mr. Ackerman directed that the report be received and filed.

ACTION ITEMS

\$25,000 Grant for Jumpstart. Mr. Culliton introduced and discussed the nationally-recognized Jumpstart Inc, and its efforts to create an improved entrepreneurial atmosphere in Western New York, with a focus on the ability to take technology from the lab to the commercial stage. Jumpstart has been successful in Cleveland. The Federal EDA is interested in cloning Jumpstart in the 6-state Chicago Regional Office. Through on-going contacts with Jumpstart, we are pursuing a Jumpstart type program in the counties of Erie, Monroe and Onondaga, with the ECIDA taking a lead role in a 24-month program. Mr. Culliton requested approval for a \$25,000 investment from ECIDA, to be combined with a \$400,000 investment from EDA, a \$125,000 from Oishei Foundation, and \$50,000 investment from National Grid. Upon motion made by Dr. Rudnick, and seconded by Mr. Weinstein, the \$25,000 ECIDA investment was unanimously approved conditioned on the ECIDA being able to be the lead entity in management and operations.

Adding a Loan Write-off Committee. Pursuant to the ECIDA by-laws, the ECIDA wishes to establish a special committee, known as the ECIDA Loan Write-Off Committee, and to appoint the current members of the RDC Loan Write-Off Committee as its membership. Upon motion made by Mr. Corwin and seconded by Mr. Ackerman, the resolution to create the ECIDA Loan Write-Off Committee and appoint the current members of the RDC Loan Write-Off Committee as its membership was unanimously approved.

INDUCEMENT RESOLUTIONS

Newark Niagara LLC – Lease/Leaseback – 55 to 59 Chicago Street, Buffalo, NY

Mr. Cappellino presented this Adaptive Reuse Project for the renovation of the former E&B Holmes Machinery Co, barrel-making machinery complex which has been vacant for at least four years and is located on the Buffalo River Waterfront in Downtown Buffalo. This project consists of four buildings with 43,000 square feet to be converted into 24 live/work apartments and three commercial spaces with on-site parking. The company has requested exemptions from sales tax and mortgage recording tax, and a real property tax abatement. The developer will apply for historic tax credits. Mr. Kennedy added that this project is a very positive investment in the community. There being no further questions, upon motion made by Mr. Franczyk, and seconded by Mr. Weinstein, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF NEWARK NIAGARA 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/OR RENOVATION AND EQUIPPING OF THE PROJECT, AND (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH A PAYMENT-IN-LIEU-OF-TAX 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, PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

A true and complete copy of said resolution is attached hereto and made a part hereof.

Signature Development of WNY, LLC – Lease/Leaseback – 377-393 Main St., Buffalo, NY 14203

Mr. Cappellino presented this Adaptive Reuse Project of the 350,000 square foot former AM&A facility, which has been vacant since 1995, for a multi-tenant facility to include offices, apartments, food court, banquet facilities and a hotel. This project also has the potential for senior housing. The company has requested exemptions from sales tax and mortgage recording tax, and a real property tax abatement. The developer will apply for historic tax credits, and presented his concerns with respect to issues related to claiming such credits. It was noted that The Hamister Group, Inc., will be an investor/owner of this facility and intends to move from space it currently leases in Amherst, New York, to this facility, however, based on information contained in the application and additional materials submitted by the Hamister Group, Inc., in compliance with the Uniform Tax Exemption Policy, this anticipated move is reasonably necessary to preserve the competitive position of The Hamister Group. There being no further questions, upon motion made by Mr. Brown and seconded by Mr. Franczyk, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF SIGNATURE DEVELOPMENT OF WNY, 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/OR RENOVATION AND EQUIPPING OF THE PROJECT, AND (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH A PAYMENT-IN-LIEU-OF-TAX 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, PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

A true and complete copy of said resolution is attached hereto and made a part hereof.

SPECIAL RESOLUTIONS

Iskalo Development Corp on behalf of Iskalo 2780 Delaware, LLC and 2800 Delaware LLC **– Lease/Leasebacks – Village of Kenmore, NY 14217**

Mr. Kerchoff presented reaffirming resolutions for these two projects which were induced on February 9, 2009 for the redevelopment of the former Kane Doyle Jeep dealership for a mixed-use facility. There being no further questions, upon motion made by Mr. Caruana, seconded by Ms. Gallagher, the following resolutions were unanimously carried:

REAFFIRMED AND RESTATED RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE ACQUISITION, RENOVATION AND CONSTRUCTION OF A FACILITY BY ISKALO 2780 DELAWARE LLC (THE “COMPANY”) AUTHORIZING (i) 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 (ii) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AND A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

REAFFIRMED AND RESTATED RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE ACQUISITION, RENOVATION AND CONSTRUCTION OF A FACILITY BY ISKALO 2800 DELAWARE LLC (THE “COMPANY”) AUTHORIZING (i) 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 (ii) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AND A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

True and complete copies of said resolutions are attached hereto and made a part hereof.

Arrow Grinding, Inc. – Lease/Leaseback – Tonawanda, NY 14150

Mr. Kerchoff presented a reaffirming resolution for this project which was induced on January 7, 2008. There being no further questions, upon motion made by Mr. Weinstein, and seconded by Mr. Caruana, the following resolution was unanimously carried:

REAFFIRMED AND RESTATED RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE ACQUISITION, RENOVATION AND CONSTRUCTION OF A FACILITY BY ARROW GRINDING, INC. (THE “COMPANY”) AUTHORIZING (i) 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 (ii) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AND A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

MANAGEMENT TEAM REPORTS

Bond/Loan Report. Mr. Culliton presented a schedule of backlogged and closed bond/lease projects and a backlog of loans, noting that RDC has had one of its best years regarding loan amounts. The tax abatement project backlog has dropped consistently, and is currently at \$161,000,000. There being no further questions or comments, Mr. Ackerman requested the report be received and filed.

Report on Bi-National Tourism Alliance. The Bi-National Tourism Alliance (BNTA) has recently become a tenant at 275 Oak Street. Ms. Arlene White from the BNTA was then introduced and she provided the Membership with a summary of the Alliance’s mission and recent achievements and goals regarding fostering better relationships with our border neighbors by focusing on cultural, cross-border tourism draws for economic development.

OTHER BUSINESS

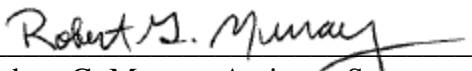
Mr. Ackerman spoke on behalf of the ECIDA to thank Dr. Mohan for his two years of service and presented a special token gift of appreciation from the ECIDA to Dr. Mohan.

At his point in time, Mr. Ackerman expressed a desire to enter into Executive Session to discuss the outcome of meetings he has had with Innovative Chemical Corporation, with respect to its financial information related to its loan application from the Buffalo and Erie County Regional Development Corporation (RDC). Mr. Murray noted that the ECIDA is the responsible entity for overseeing the RDCs reporting and compliance requirements, and thus updating

members on the status of the loan application would be an appropriate issue for the ECIDA membership to consider in executive session. Upon motion made by Mr. Corwin and seconded by Mr. Meckler, the motion to enter into Executive Session to discuss the financial information of Innovative Chemical Corporation was unanimously carried. Members of the public present were excused. The Members entered Executive Session at 10:23 a.m. A motion to terminate Executive Session and resume the regular meeting was made by Dr. Rudnick and seconded by Mr. Meckler and carried unanimously. The Members then concluded Executive Session at 10:47 a.m. Members of the public were asked to rejoin the meeting.

There being no further business, upon motion made by Dr. Rudnick, and seconded by Mr. Meckler, and unanimously carried, the meeting was adjourned.

Dated: January 11, 2010



Robert G. Murray, Assistant Secretary