

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

DATE AND PLACE: October 23, 2019, at the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph H. Emminger, Tyra Johnson, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Charles F. Specht and Art Wingerter

EXCUSED: Hon. Bryon W. Brown, James F. Doherty, Dottie Gallagher, Hon. Howard Johnson, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., Hon. Darius G. Pridgen and Kenneth A. Schoetz

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer, Gerald Manhard, Chief Lending Officer, Daryl Spulecki, Credit Analyst, and Karen M. Fiala, Assistant Treasurer/Secretary

GUESTS: Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department; Robert G. Murray, Esq., General Counsel/Harris Beach PLLC; Randy Bernick and Greg Setter, on behalf of Rosina Food Products; and Doug Dehr, on behalf of Moog, Inc.

At 12:10 pm, Ms. McDuffie noted that there was not a quorum yet present, but stated she would proceed with informational items on the agenda. Ms. McDuffie introduced new board member, Denise Abbott, who is the interim President of the AFL-CIO.

There being a quorum present at 12:17 p.m., the meeting was called to order by Ms. McDuffie.

MINUTES

The minutes of the September 25, 2019 meeting of the members were presented. Ms. Benczkowski moved and Sister Denise seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the September 2019 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$30.0 million and net assets of \$22.6 million. The monthly income statement reflects an operating deficit of \$25,000 for September. Operating revenue was below budget by just over \$100,000, due largely to administrative fees. Operating expenses overall were below the monthly budget by \$30,000. After factoring in strategic initiatives and depreciation, there was an overall net loss of \$61,000 for the month. The year-to-date income statement shows operating revenue of \$1.6 million, being \$474,000 below budget for the year, and expenses of \$2.0 million, being \$120,000 below budget. These plus special project grants net to an operating loss of \$366,000 through September. After strategic initiatives and depreciation, there is currently net income of \$471,000 for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic advised that at this meeting the Committee was joined by the Freed Maxick Director in charge of our year end audits, who gave a presentation of the audit plan for the upcoming year end. Ms. McDuffie directed that the report be received and filed.

Approval of 2020 Proposed Operating & Capital Budget. Ms. Profic updated members on the status of the 2020 budget approval process, noting that after the Board's review of the draft last month, there were no changes made requiring additional approval by the Finance & Audit Committee. Ms. Profic briefly reviewed the proposed 2020 budget and specific projects included within the budget. She also reviewed the overall operating budget with comparatives to the 2019 approved budget, 2019 projections, and 2018 actual figures. She also highlighted the operations portion of the budget as a balanced budget. Ms. Profic noted external special projects are expenditures from the UDAG Fund, which have built up over the years and have certain restrictions on their use.

Mr. Poloncarz moved and Mr. Nellis seconded to approve of the 2020 Operating and Capital Budget. Ms. McDuffie then called for the vote and the motion was unanimously approved.

2019 Tax Incentive Induced/Closing Schedule/Backlog Report. Ms. Fiala presented this report. Ms. McDuffie directed that the report be received and filed.

Lead Agency Determination Resolution – Erie Wind, LLC and Niagara Wind Power , LLC, projects. Mr. Cappellino informed members that the Agency has received draft applications from the two aforementioned applicants to completely overhaul and repair and rehabilitate the Lake Erie wind turbines located on the shoreline within the City of Lackawanna and the Town of Hamburg. The applicants have asked that the Agency designate itself as Lead Agency with respect to the coordinated environmental review of the project under the New York State Environmental Quality Review Act (“SEQRA”). Mr. Cappellino provided additional background in regard to this proposed project and request.

Ms. Benczkowski moved and Mr. Wingerter seconded to approve the SEQRA resolution permitting the Agency to act as SEQRA lead agency for the wind turbine projects. Ms.

McDuffie then called for the vote and the following resolution authorizing the Agency to act as lead agency was unanimously approved:

SEQRA RESOLUTION OF THE ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY REGARDING APPLICATION FOR FINANCIAL
ASSISTANCE FOR NIAGARA WIND POWER, LLC AND ERIE WIND, LLC

Policy Committee Update. Mr. Cappellino provided members with a review of the meeting, noting the Policy Committee approved both projects to be reviewed at today's Board meeting. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

Rosina Rood Products, 3100 Clinton Street, West Seneca, New York. Mr. Cappellino reviewed the proposed project known as "the Protein Operation Expansion" which entails the construction of a 105,000 sq. ft. protein plant including a new high-speed, state of the art production line for the manufacture of a variety of frozen meatballs, sliced sausages and toppings. The new facility will be adjacent to Rosina's other West Seneca plant that produces pastas and entrees. There is a high possibility of this expansion representing one phase of a multi-phased development at the project site.

As a condition precedent of receiving Financial Assistance, and as a material term and condition established by the Agency in connection with its approval of the Project, Mr. Cappellino noted that the Company must, subject to potential modification, termination, and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$49,300,000.00 (which represents the product of 85% multiplied by \$58,000,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 100 existing full time equivalent ("FTE") employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the "Baseline FTE"); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE employment at the Facility equal to 134 FTE employees within two (2) years of Project completion [representing the sum of the 100 Baseline FTE plus 34, the product of 85% multiplied by 40, (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company's application for Financial Assistance)]. In an effort to confirm and verify the

Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data on a quarterly basis to the Agency, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.

- (iii) Local Labor Commitment – that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Poloncarz moved and Ms. Benczkowski seconded to approve the Project as proposed.

Mr. Poloncarz spoke in favor of the project and thanked the company for working with the Erie County Department of Environment and Planning to avoid sewer and flooding impacts.

Ms. Benczkowski also spoke in favor of the project.

Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ROSINA FOOD PRODUCTS, INC. AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, 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 BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREE-

MENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT
AGREEMENT, AND RELATED DOCUMENTS

AMENDATORY INDUCEMENT RESOLUTION

Moog, Inc., 400 Jamison Road, Elma, New York. Ms. Fiala reminded members that Moog, Inc. was approved for a sales tax and real property tax abatement benefit in March 2017. The company has informed the Agency that they are anticipating an increase in total project costs of approximately \$11,700,000. The reason for the increase includes both cost overruns as well as unforeseen circumstances surrounding remediation efforts at the site which led to additional spending.

Mr. Blue moved and Mr. Emminger seconded to approve of the increase in Agency financial assistance.

Mr. Poloncarz thanked the company for advising the Agency of the cost overruns before the company went over the original sales tax benefit amount and for creating additional new jobs.

Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

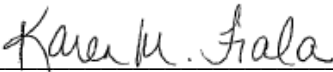
SECOND AMENDMENT TO INDUCEMENT RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE APPROVAL OF AN INCREASE IN THE TOTAL COSTS OF, AND A REVISED SALES TAX EXEMPTION BENEFIT WITH RESPECT TO, THE MOOG, INC. PROJECT (AS MORE FULLY DESCRIBED BELOW)

MANAGEMENT TEAM REPORTS

Mr. Weathers reviewed the 2020 Board meeting schedule.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:37 p.m.

Dated: October 23, 2019



Karen M. Fiala, Secretary