

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

- DATE AND PLACE:** June 24, 2020, held via telephone conference. Governor Cuomo’s Executive Order 202.1, as amended, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA’s website at [www.ecidany.com](http://www.ecidany.com).
- PRESENT:** Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph Emminger, Dottie Gallagher, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz, and Art Wingerter
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Hon. Howard Johnson, Tyra Johnson, Hon. Brian J. Kulpa and Charles F. Specht
- OTHERS PRESENT:** John Cappellino, Chief Executive Officer; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Karen M. Fiala, Assistant Treasurer/Secretary; Gerald Manhard, Chief Lending Officer; Grant Lesswing, Business Development Officer; Robbie Ann McPherson, Director, Marketing & Communications; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Assistant and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Alex Carducci and Petro Kushnir, on behalf of Kamax/Raine Logistics

There being a quorum present at 12:07 p.m., the meeting of the Members of the ECIDA was called to order by Vice Chair Lipsitz.

Mr. Cappellino noted that this will be the last meeting to be attended by Mr. Specht, as his term as President of the Erie County Association of School Boards is expiring, and as such,

the new President of the Erie County Association of School Boards will be joining the Agency as a new member starting next month. Mr. Cappellino and Mr. Lipsitz thanked Mr. Specht for his service.

## **MINUTES**

The minutes of the May 27, 2020 meeting of the members were presented. Sister Denise moved and Mr. Nellis seconded, to approve of the minutes.

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

Mr. Lipsitz called for the vote, and the minutes were then approved 10-1 with Ms. McDuffie abstaining.

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

## **REPORTS/ACTION ITEMS/INFORMATION ITEMS**

Financial Report. Ms. Profic presented the May 2020 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$27.8 million, which includes \$7.4 million of unrestricted cash available for Agency operations. Net assets at the end of May were \$21.2 million. The monthly income statement shows a net loss from operations of \$66,000. Operating revenue was below monthly budget by \$68,000 due to administrative fee receipts of just under \$99,000. Operating expenses were under budget by \$95,000. After depreciation, a non-cash expense, there was a net loss of \$77,000 for the month. The year-to-date income statement shows revenues of \$881,000, being \$283,000 below budget for the year, and expenses of \$1.17 million, being \$79,000 below budget. After special project grants, the operational side/top half of the income statement shows a net loss of \$273,000 through May. After factoring in strategic initiatives and depreciation, there is currently a net loss of \$1.4 million for the year. Mr. Lipsitz directed that the report be received and filed.

2020 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report. Mr. Lipsitz directed that the report be received and filed.

Policy Committee Update. Mr. Lipsitz presented this report and noted the Policy Committee recommended approval for the Kamax, LLC/Raine Logistics project by a vote of 10-1. Mr. Lipsitz directed that the report be received and filed.

## **INDUCEMENT RESOLUTION**

Kamax, LLC/Raine Logistics, Inc., 2890 North America Drive, West Seneca, New York

Ms. Fiala reviewed the proposed project noting that Raine Logistics is currently located in the City of Buffalo in a 6,000 sq. ft. leased facility on Hamburg Street. After reviewing several sites within the City of Buffalo, the company has made the decision to construct a 14,380 sq. ft. truck terminal in the Town of West Seneca. Since the project involves movement of a company from the City of Buffalo to the Town of West Seneca, the Agency has followed its Inter-Municipal Move Policy and has notified both the Mayor of the City of Buffalo and the

Supervisor of the Town of West Seneca regarding this proposed move. Ms. Fiala commented on the company's contractor's use of MWBE contractors and noted the general contractor anticipated use of MWBE contractors for the construction of the project.

Ms. Gallagher spoke in favor of the project and, in particular, thanked the company for making this capital investment at this point in time.

Mr. Poloncarz spoke in favor of the project.

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

Mr. Lipsitz commented on importance of using MWBE contractors.

Mr. Blue queried as to breakdown of the company's minority employees.

Mr. Kushnir then spoke on behalf of the company and stated that the company is an EEO employer, and that, so long as a person meets the company's employment qualifications, that person will be hired.

Mr. Blue asked if there is a breakdown on race of employees.

Mr. Kushnir stated they have no African-American employees and one Native American employee.

As a condition precedent of receiving financial assistance, and as a material term or 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 \$1,881,900 (which represents the product of 85% multiplied by \$2,214,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment - that there are at least 12 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 full-time equivalent ("FTE") employment at the Facility equal to 13 FTE employees [representing the sum of (i) 12 Baseline FTE employees and (ii) 1 FTE, being the product of 85% multiplied by 1, (representing the 1 new FTE employee position 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 to the Agency on a quarterly basis, 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.

General discussion ensued. Ms. Benczkowski moved and Mr. Wingerter seconded to approve the Project as proposed.

Mr. Lipsitz confirmed the Agency desires to see a demonstrated use of MWBE hiring for contractors and contractor work.

Mr. Pridgen queried if the company has a plan to hire minorities.

Mr. Cappellino confirmed Kulback's Inc. anticipates use of 5 MWBE certified subcontractors.

Mr. Lipsitz noted MWBE goals/practices are a Policy Committee action item and is to be addressed in future meetings.

Ms. Lipstiz 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 KAMAX, LLC, 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

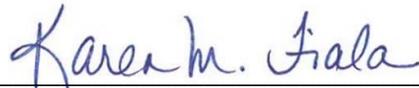
RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

## **MANAGEMENT TEAM REPORTS**

Mr. Cappellino updated members that staff is occupying the facility at 50% capacity and discussed various ECIDA activities related to various projects, its COVID-19 lending program, new EDA grant funding appropriations, and new IDA legislation allowing IDAs to provide grants and loans to COVID-19 impacted companies to fund PPE purchases and/or facility improvements required to be made to comply with office/facility opening requirements. Mr. Lipsitz directed that the report be received and filed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting of the Agency at 12:34 p.m.

Dated: June 24, 2020



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Karen M. Fiala, Secretary