

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

DATE AND PLACE: September 23, 2020, held via telephone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, 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.

PRESENT: Denise Abbott, Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph Emminger, Hon. Howard Johnson, Tyra Johnson, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Kenneth A. Schoetz and Art Wingerter

EXCUSED: Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Hon. Brian Kulpa, Hon. Darius G. Pridgen and Renee Wilson

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Karen M. Fiala, Vice President/Secretary; Gerald Manhard, Chief Lending Officer; Dawn Boudreau, Director of Compliance; Beth O’Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Lori Szewczyk, Director of Grants; Robbie Ann McPherson, Director of Marketing and Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist; Deputy County Executive Maria Whyte; Alex Carducci on behalf of the City of Buffalo; Christopher Canada of behalf of Hodgson Russ; Kevin J. Zanner on behalf of Hurwitz & Fine; Amber Storr on behalf of Hurwitz & Fine; Deep Katdare on behalf of Related Affordable; David Pearson on behalf of Related Companies; Hon. April Baskin, Erie County Legislature

There being a quorum present at 12:04 p.m., the meeting of the Members of the ECIDA was called to order its Chair, Ms. McDuffie.

MINUTES

The minutes of the August 26, 2020 meeting of the members were presented. Mr. Lipsitz moved and Mr. Poloncarz seconded, to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the August 2020 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$27.3 million, which includes over \$7 million of unrestricted cash available for Agency operations. Net assets at the end of August were \$21.0 million. The monthly income statement shows net income from operations of \$125,000. Operating revenue was above monthly budget by \$89,000, due to administrative fee receipts of \$258,000 in August. Operating expenses were under budget by \$34,000. After strategic initiatives and depreciation, there was net income of \$111,000 for the month. The year-to-date income statement shows revenue of approximately \$1.4 million, being \$485,000 below budget for the year, and expenses of \$1.8 million, being \$160,000 below budget. Combined with special project grants, the operational side/top half of the income statement shows a net loss of \$407,000 through August. After factoring in strategic initiatives and depreciation, there is currently an overall net loss of \$1.7 million for the year. Ms. McDuffie directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic gave a report to the members on the joint Finance & Audit Committee meeting held on September 16, 2020. At this meeting the Committee reviewed and recommended the proposed IDA bond issuance for Related Affordable, reviewed again the 2021 budget process and timetable and reviewed the proposed budgets of the ECIDA, RDC and ILDC. There will be two voluntary Board Q&A educational sessions that will be held on October 2 and October 6. The Committee voted to recommend the proposed 2021 budgets of all three entities, subject to changes of greater than \$100,000 on any one budget line. If there are additional adjustments to the budget that need to be reviewed, the Committee will convene in October. Ultimately, the Board will be asked to take action on the budget in October for submission to the ABO by the November 1 deadline. The Committee also approved the retention of Freed Maxick as independent auditors for the ECIDA, RDC and ILDC 2020 financial statement audits. Ms. McDuffie directed that the report be received and filed.

2021 Budget. Ms. Profic presented the 2021 Budget to the members. Ms. Profic advised the Board that action will be required on the budget at the October board meeting. Ms. McDuffie directed that the report be received and filed.

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

Approval of COVID-19 Disaster Emergency Grant Application. Mr. Cappellino reviewed the ECIDA's COVID-19 Disaster Emergency Grant program.

Ms. O’Keefe reviewed the proposed nine (9) grant applications. Ms. McDuffie asked members if they had any questions or conflicts for each application and then moved to approve all 9 applications. Upon motion made by Mr. Johnson and seconded by Mr. Poloncarz to approve nine (9) COVID-19 Disaster Emergency Grant applications. Ms. McDuffie called for the vote and the following nine (9) grant applications were unanimously approved:

1. AI Express Inc.
2. ABC Lean and Play 1, Inc.
3. Arts Services Initiative of WNY, Inc
4. Black Rock Historical Society
5. Explore Buffalo Inc.
6. Kirchmyer & Goode Physical Therapists, P.C.
7. MidCity Office
8. Peaceprints of WNY
9. Theodore Roosevelt Inaugural Site Foundation.

Policy Committee Update. Mr. Lipsitz provided members with an update from the most recent Policy Committee meeting. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

Related Affordable, LLC/Elmwood Square Apartments, 505 Elmwood Avenue (aka 501-505 Elmwood and 258 West Utica), Buffalo, New York

Ms. Fiala reviewed the proposed project involving the Agency’s issuance of its taxable and/or tax exempt revenue bonds in an amount not to exceed \$9,000,000, proceeds to be used for the renovation of one 12-story tower containing 32 studio units, 106 one-bedroom units and a non-revenue producing employee unit. The company is also seeking sales tax and mortgage recording tax exemption benefits. In addition, the property contains a management office, community room, gated resident parking lot, outdoor mezzanine common area, rear courtyard, multiple laundry rooms and five commercial spaces. The total building is just over 107,000 sq. ft. The proposed renovation is expected to include building envelope site work (roof replacement, façade repair, lighting, repaving, landscaping and concrete work), building system and common area improvement (elevator modernization, mechanical upgrades, common area renovation and upgrades, lighting efficiency and upgrades, and storefront repairs) and updates to 100% of the apartment units (counters, cabinets, appliances, vanities, sinks, faucets, toilets, tubs, lighting, outlets, smoke detectors, range hoods and accessibility upgrades).

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it 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 conclusion of the later of two (2) years following either the construction completion date or the termination of the Agent 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 \$13,452,857 (which represents the product of 85% multiplied by \$15,826,891, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least Four (4) 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 Facility employment equal to Four (4) FTE employees.

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.

Mr. Wingerter moved and Ms. Abbott seconded to approve the Project. Mr. Lipsitz then called for the vote and the following resolution was unanimously approved:

RESOLUTION (A) AUTHORIZING THE ISSUANCE, AND SALE OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TAX-EXEMPT AND/OR TAXABLE MULTIFAMILY HOUSING REVENUE BONDS (ELMWOOD SQUARE HOUSING, L.P. PROJECT), IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,000,000; (B) THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS; AND (C) MAKING A FINDING IN COMPLIANCE WITH THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT.

COMPLIANCE UPDATE

Ms. Boudreau reviewed the Agency’s 2019 Compliance Report. Ms. McDuffie thanked Ms. Boudreau for her excellent compliance monitoring and reporting. Ms. McDuffie directed that the report be received and filed.

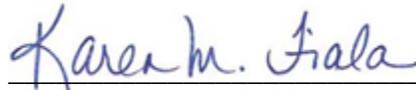
MANAGEMENT TEAM REPORT

EDA Award. Mr. Cappellino advised members that the ECIDA has received a U.S. Economic Development Administration \$5.42 million grant award for to fund a new ECIDA lending program to assist in COVID-19 economic recovery.

COVID-19 Response Update. Mr. Cappellino updated members on ECIDA/RDC COVID-19 response.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:57 p.m.

Dated: September 23, 2020



Karen M. Fiala, Secretary