

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

- DATE AND PLACE:** February 24, 2021, 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, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche and Kenneth A. Schoetz and Paul Vukelic
- EXCUSED:** Hon. Bryon W. Brown, James Doherty, Dottie Gallagher, Hon. Howard Johnson, Hon. Darius G. Pridgen and Renee Wilson
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiqa Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; Jamee Lanthier, Compliance Officer; Beth O’Keefe, Business Development Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocienec, Administrative Coordinator; Lori Szewczyk, Director of Grants; Robbie Ann McPherson, Director, Marketing & Communications, and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Lisa Hicks on behalf of the City of Buffalo; Seth Piccirillo on behalf of Buffalo Niagara Partnership; Kirk Dorn and Robert Laughlin on behalf of Time Release Properties; and Steve Calzi on behalf of Eastman Machine Company

There being a quorum present at 12:05 p.m., the Meeting of the Board of Directors of the Erie County Industrial Development Agency was called to order by Chair McDuffie.

MINUTES

The minutes of the January 27, 2021 meeting of the members were presented. Mr. Nellis moved and Sister Denise 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 gave a brief update regarding the 2020 year-end audit process. Freed Maxick auditors have been performing fully remote audits. At this point we are awaiting the drafts of the financial statements. There haven't been any audit adjustments or other internal control issues brought to our attention. The financial statements and related reports will be reviewed in detail at the Finance & Audit Committee meeting on March 17. As a reminder, all Board members are welcome to attend the Committee meeting. The final reports will be presented to the Board at the March 24 for approval and submission to the ABO prior to the March 31 deadline.

The January financial reports show that the ECIDA ended 2020 with total assets of \$28.3M and net assets of \$21M. The ECIDA had a nearly breakeven 2020 year before "Strategic Investments and Initiatives", with net income from operations of roughly \$1,500. We achieved 97%, \$1.85 million, of our administrative fee budget for the year, and had lower operating expenses than anticipated, due mainly to lower staffing costs from employee turnover and lower general expenses due to the pandemic. Included in that breakeven \$1,500 net income are \$57,000 of PPE grants that had been distributed prior to the end of the year. Strategic Investments of UDAG monies totaled \$1.4M, including grants to the ILDC for the purchase of the Angola Airport property and carrying costs for the already ILDC-owned Bethlehem Steel property. Overall there was a net loss of \$1.5M in 2020.

The ECIDA finished the month of January with total assets of \$28.5M, which includes over \$7.3M of unrestricted cash available for Agency operations, which includes the PPE Grant program. (UDAG cash in excess of \$10.9M is in restricted cash.) Net assets were \$20.8M at the end of January. The income statement shows an operating loss of \$173,000 for January. Operating revenue of \$71,000 was under budget by about \$242,000, due mainly to low administrative fee receipts during the month. Operating expenses of \$199,000 were about \$17,000 under budget. Under Special Project Grants, nearly \$45,000 of PPE grant funds were disbursed to nine grantees in January. After Strategic Investments and depreciation, there was a net loss of \$273,000 for the month. The year-to-date Income Statement is the same at this point, but also includes a comparison to January 2020. Ms. McDuffie directed that the report be received and filed.

2021 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. Ms. O'Keefe reviewed the six (6) various grant applications presented to the members.

Ms. McDuffie confirmed no conflicts of interest or potential conflict of interests exist with respect to any members of the Agency.

Mr. Poloncarz moved and Ms. Abbott seconded to approve the six (6) grant applications. Ms. McDuffie called for the vote and the following six (6) grant applications were unanimously approved for COVID-19 Disaster Emergency Grants.

1. Be Fit Fitness, Inc.
2. Buffalo Glass Block Company
3. Buffalo River Fest Park, LLC/Valley Community Association Inc., Sole Member
4. Fika Midwifery PLLC
5. Greco Trapp, PLLC
6. Sherri's Little Angels Inc.

Policy Committee Update. Mr. Lipsitz noted the Policy Committee's prior review and approval of the Eastman Machine project being considered by the members at today's meeting. Ms. Whyte updated members on status of the MWBE Policy working group. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

Eastman Machine Company, 775 and 779 Washington Street, Buffalo, New York

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

Ms. Fiala reviewed this proposed sales tax exemption, mortgage recording tax exemption, and real property tax abatement benefit project which consists of the construction of an approximately 7,400 sq. ft. expansion to the company's existing 130,000 sq. ft. facility which will include storage for purchased items that are to be used in the assembly process.

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 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 \$1,415,250 (which represents the product of 85% multiplied by \$1,665,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 126 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 within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 128 FTE employees

[representing the sum of (x) 126 Baseline FTE and (y) 2 FTE employees, being the product of 85% and 3 (representing the 3 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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. Blue moved and Mr. Vukelic seconded to approve 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 EASTMAN MACHINE COMPANY, 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

AMENDATORY INDUCEMENT RESOLUTION

Time Release Properties, LLC / Time Release Sciences, Inc., 2303 Hamburg Turnpike, Lackawanna, New York

Ms. Fiala reviewed the proposed sales tax benefit increase request submitted by the Company resulting from increased project and material costs associated with construction costs.

Mr. Poloncarz thanked the Company for proactively reaching out to the Agency for a sales tax increase.

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


AMENDATORY INDUCEMENT RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF A REVISED SALES TAX EXEMPTION PACKAGE AND RELATED DOCUMENTS WITH RESPECT TO THE TIME RELEASE PROPERTIES, LLC PROJECT (AS MORE FULLY DESCRIBED BELOW)

MANAGEMENT TEAM REPORT

Mr. Cappellino provided the Management Team Report.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:30 p.m.

Dated: February 24, 2021



Karen M. Fiala, Secretary