

**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

- MEETING:** May 13, 2021, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone 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-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** Denise Abbott; April Baskin; Rev. Mark Blue; Johanna Coleman; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn Nellis; Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Bryon W. Brown; Richard Cummings and Colleen DiPirro
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiq Abidi, Assistant Treasurer; Jamee Lanthier, Compliance Officer; Brian Krygier, Systems Analyst; Carrie Hocienec, Administrative Coordinator; Beth O’Keefe, Business Development Officer; 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; Alex Carducci on behalf of the City of Buffalo; Peter Wilson and Adrienne Schreier on behalf of 283 Ship Canal/Sonwil Distribution; Eric Ekman and Maria Owens on behalf of MCG Real Estate Holdings; Kevin McAuliffe and Karen D’Antonio on behalf of Barclay Damon; and Jim Loewke on behalf of Loewke Brill Consulting Group

There being a quorum present at 9:05 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the April 15, 2021 Policy Committee meeting were presented. Upon motion made by Mr. Nellis to approve of the minutes, and seconded by Ms. McDuffie, the aforementioned Policy Committee meeting minutes was unanimously approved.

At this point in time, Maria Whyte joined the meeting.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's Project Matrix. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

283 Ship Canal Parkway, LLC, 283 Ship Canal Parkway, Buffalo, New York 14218. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a 335,000 sq. ft. warehouse/distribution facility. The building would allow Sonwil to competitively price their warehouse/distribution services and not only accommodate current customer demand, but also grow such current customers' presence in the region while growing the amount of logistical services to prospective customers and industries. Mr. Cappellino noted that the Committee is only approving the sales tax and mortgage recording tax benefits today. The Committee will take action on a later date on a custom PILOT, upon implementing deviation procedures at the ECIDA June 2021 meeting.

Ms. Smith spoke in favor of the Project.

Ms. Baskin spoke in favor of the Project, but expressed concern that the MWBE section in the application was not filled-in, and asked the Company to describe its MWBE vendor process and practice. Mr. Wilson spoke on behalf of the applicant and confirmed the applicant's commitment to EEO hiring practices and use of MWBE contractors. Ms. Baskin stated she cannot support the project until the application is properly completed and responsive with respect to the foregoing.

Mr. Blue agreed with Ms. Baskin that the use of MWBE contractors must be confirmed within the application. Ms. McDuffie recommended that staff work with applicant to obtain applicant's MWBE commitment for clarification. Mr. Cappellino suggested staff update the applicant's MWBE commitment to the application prior to consideration by the Board.

Mr. Cappellino stated that, in addition to the foregoing, in exchange for providing the sales tax and mortgage recording tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$52,284,244 85% = \$44,441,607
Employment	Coincides with 10-year PILOT	Projected = 76 85% = 64 Recapture Employment = 64
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	10-year PILOT term	Recapture of state and local sales taxes, mortgage recording tax and real property taxes

Ms. Coleman moved and Mr. Blue seconded to recommend the project for sales tax and mortgage tax benefits contingent upon applicant's submission of an MWBE utilization commitment plan. Mr. Lipsitz called for the vote and the project was then unanimously approved.

MCG Real Estate Holdings, LLC, 293 Grote Street, Buffalo, New York 14207. Ms. Fiala presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the adaptive reuse of the former Buerk Tool facility. The building has been vacant for 2 years and underutilized a total of 18 years. The building, once redeveloped, will house 33 apartments. The developer has indicated 12 of the one-bedroom units will be offered at 80% of the adjusted median income.

Ms. McDuffie spoke in favor of the project. Ms. Whyte also spoke in favor of the project.

Mr. Cappellino stated that in exchange for providing the sales and use tax, mortgage recording tax exemption and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$8,258,268 85% = \$7,019,527
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 1 PT 85% = 1 PT Recapture Employment = 1 PT
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property taxes

Ms. McDuffie moved and Ms. Whyte seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

At this point in time, Ms. Baskin left the meeting.

LOCAL LABOR WAIVER STEEL WINDS, LLC

Mr. Cappellino reviewed the Company's request for a waiver from the Agency's local labor policy with respect to use of local labor and presented the results of the analysis of the request as submitted by the Agency's consultant, Loewke Brill Consulting Group, Inc. General discussion ensued.

Mr. Lipsitz asked for a motion to recommend to the Board that the waiver request be granted provided the Company agrees to facilitate the training and certification of local workers with respect to the project's manufacturing vendor's required vendor training.

Ms. McDuffie moved and Mr. Nellis seconded to recommend the approval of a waiver to the local labor policy. Mr. Lipsitz called for the vote and the waiver was then unanimously approved.

SOLAR PILOTS

Mr. Cappellino reviewed recent amendments to the New York IDA Act and the New York Real Property Tax Law that encourage renewable energy project establishment and encourage IDAs to facilitate private investment and establishment of renewable energy system

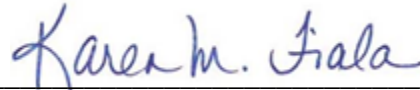
projects by providing financial assistance and real property tax abatements related to same. Mr. Cappellino noted the Agency will be reviewing its Uniform Tax Exemption Policy related to same, and will provide recommendations and updates to the committee in the near future.

MWBE UPDATE

Ms. Whyte provided members with an update on the MWBE working committee.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:17 a.m.

Dated: May 13, 2021



Karen M. Fiala, Secretary