

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

- DATE:** August 4, 2022
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency's website at [www.ecidany.com](http://www.ecidany.com).
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Richard Lipsitz, Jr.; Hon. Glenn R. Nellis; Laura Smith; David J. State; Lavon Stephens; Hon. John Tobia; Paul Vukelic and Hon. Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown, Johanna Coleman, Colleen DiPirro and Brenda W. McDuffie
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Atiq Abidi, Assistant Treasurer; Andrew Federick, Business Development Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications; Pat Smith, Senior Bookkeeper; and Robert Murray General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of the County; Ryan Herrell on behalf of Laborers Way

There being a quorum present at 9:07 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

**MINUTES**

The minutes of the July 7, 2022 Policy Committee meeting were presented. Upon motion made by Ms. Abbott to approve of the minutes, and seconded by Ms. Baskin, the aforementioned Policy Committee meeting minutes were unanimously approved.

**PROJECT MATRIX**

Mr. Cappellino reviewed the Agency's 2022 Tax Incentives Project Matrix. Mr. Cappellino advised that as of this meeting 10 projects have been approved, three of which are adaptive reuse project. Mr. Lipsitz directed that the report be received and filed.

## PROJECT PRESENTATIONS

Laborers Way 1, LLC, 310 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 property acquisition, remediation and construction of 2 one-story steel framed structures totally 75,000 sq. ft. on the site consisting of an office building and a production building. The facility will be used for cannabis production--manufacturing, cultivating, packaging and distribution.

Ms. Baskin was intrigued with the project's robust focus in disadvantaged communities to mitigate the effects of cannabis-related discrimination. Ms. Baskin inquired as to the plan the applicant will put in place to achieve a workforce representative of those members of the community who have been marginalized because of cannabis-related matters.

Mr. Herrell responded that for operational goals, the Company has conducted a number of outreach events. They are working with community leaders and they all are reaching out to the target audience, talking to local education centers to set up training. Mr. Herrell also noted the state will be issuing micro-licenses.

Ms. Baskin stated it would be helpful to identify agencies who have specialized in this type of identification of members of the marginalized workforce.

Mr. Blue stated he would like to know how other organizations and outlets have accomplished such goals and asked whether the Company has asked for assistance in reaching its workforce goals.

Mr. Herrell stated that on the construction side, they are working with general contractors who have extensive databases available to them from working with public works projects. Also, they have been advertising in trade publications. Erie County Community College is also going to set up training programs.

Mr. Blue suggested WUFO, and local papers such as the Challenger as possible outlets.

Ms. Whyte congratulated the applicant on working with BUDC, who has worked to attract investment in the Lakeside Commerce Park. Ms. Whyte noted that the licensing procedure for this facility requires that the applicant submit a Social Equity Plan to New York State. Ms. Whyte inquired whether the Company would be willing to file with the Agency their Social Equity Plan. Mr. Herrell replied in the affirmative and stated he appreciated the feedback.

Ms. Abbott asked what would happen if the Company were unable to reach its workforce goals?

Mr. Herrell stated on the construction side, the projections are goals, although the Company is putting forth a good faith effort to meet its hiring objectives.

Mr. Lipsitz noted that the project is the first cannabis-related proposal before the Committee.

Mr. Cappellino confirmed that Laborers Way 1, LLC is seeking approximately \$2,840,048 in assistance including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$85,984,983 for the direct and indirect jobs created including 119 construction jobs. The resulting cost benefit is 1:28 so for every \$1 of incentives the community benefit is \$28 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$34 in community benefits.

Ms. O’Keefe 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 = \$27,800,000 85% = \$23,630,000
Employment	Coincides with 10-year PILOT	Maintain Base = 0 Create 85% of Projected Projected = 37 FTE 85% = 31 FTE Recapture Employment = 31 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 15-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 15-year PILOT	Adherence to policy
Recapture Period	Coincides with 15-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax abatement

Ms. Abbott 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 a roll call vote and the proposed project was approved with a vote of 10 with 1 abstained vote with Ms. Abbott, Ms. Baskin, Mr. Blue, Mr. Lipsitz, Mr. Nellis, Ms. Smith, Mr. State, Mr. Stevens, Mr. Vukulic and Ms. Whyte voting in the affirmative and Mr. Tobia abstained from voting.

Ms. Baskin requested that the Company provide the referenced Social Equity Report or some deeper understanding of the plan to identify and implement its workforce goals. Mr. Blue and Ms. Whyte agreed with Ms. Baskin.

## MWBE UPDATE

Mr. Cappellino provided an update to Committee members. Materials have been forwarded to Mr. Murray to review. We will meet again to create a policy. Next meeting includes August to early September then working meeting to review draft policy, notify change to UTEP policy, informational session then Board approval.

Ms. Whyte stated they are looking for approval at the October Policy Committee and then November Board meeting. She also notified members that the only other county who has addressed MWBE is Onondaga County. Erie is more comprehensive and we are pioneers in this area.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:38 a.m.

Dated: August 4, 2022

  
Elizabeth A. O'Keefe, Secretary