

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

- DATE:** July 7, 2022
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency's website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Johanna Coleman; Colleen DiPirro; Richard Lipsitz, Jr.; Brenda W. McDuffie; 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
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O'Keefe, Vice President of Operations; 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; Lynette Thompson, Receptionist and Robert Murray General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of the County; Julius Aebly on behalf of Aebly & Associates Insurance Services, Inc.; Joe Casullo on behalf of Carrier Terminal Services, Inc. and Steve Helms on behalf of Perry's Ice Cream Company

There being a quorum present at 9:01 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the June 2, 2022 Policy Committee meeting were presented. Upon motion made by Ms. Whyte to approve of the minutes, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's 2022 Tax Incentives Project Matrix. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

Carrier Terminal Services, Inc. / Speed Global Services, 380, 400, 408 and 416 Vulcan Street, Tonawanda, New York 14207. Ms. O’Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the purchase and repurpose of 170,399 sq. ft. (or 98% of the 176,399 sq. ft.) of space within the 21 buildings located at 380, 400, 408 and 416 Vulcan Street in the Town of Tonawanda. The renovation will be in phases with a completion date of January 2024. The space will be used by Speed Global Services for warehouse and distribution uses.

At this point in time, Ms. DiPirro joined the meeting.

Mr. Casullo spoke on behalf of the company, and reviewed the proposed project.

Ms. Whyte queried as to how the company can utilize the facility to create more jobs. Mr. Casullo responded that it will just need to grow its Buffalo customer based and discussed how factors such as types of services requested and ceiling height requirements effects job #s. Ms. Whyte then asked about challenges that might occur if incentives were not approved. The company confirmed that more deterioration has been found in the building, further increasing rehabilitation costs, and if the company didn’t get incentives, it would probably slow the project down.

Ms. O’Keefe confirmed that Carrier Terminal Services, Inc. is seeking approximately \$1,520,894 in assistance including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$8,401,745 for the direct and indirect jobs created including 25 construction jobs. The resulting cost benefit is 1:6 so for every \$1 of incentives the community benefit is \$6 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$6 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 = \$7,145,000 85% = \$6,073,250
Employment	Coincides with 7-year PILOT	Maintain Base – 4 FTE, 2 PTE Create 85% of Projected Projected = 3 FTE, 2 PTE 85% = 3 FTE Recapture Employment = 8 FTE

Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to policy
Recapture Period	Coincides with 7-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax abatement

Ms. Whyte moved and Ms. McDuffie 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.

Perry's Ice Cream Co. Inc., 1 Ice Cream Plaza, Akron, New York 14001. Ms. O'Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of an approximately 23,000 sq. ft. building next to an existing structure at the Perry's facility. The new building will house a new extruded ice cream novelty machine with conveyoring as well as upgrading the site's engine and pumping rooms. Products produced can be dairy and non-dairy, can include more than one base flavor, inclusions, toppings, and dipped coatings.

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

Mr. Helms spoke on behalf of the company.

Ms. Whyte queried what would happen if the Agency did not approve of the project.

Mr. Helms responded that Perry's would still pursue the project but the speed of the project would slow down and would impact financing.

Mr. Lipsitz spoke in favor of the union membership at Perry's and asked if new employees will be union employees. Mr. Helms confirmed.

Ms. O'Keefe confirmed that Perry's Ice Cream Co., Inc. is seeking \$669,933 in incentives including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$334,158,086 for the direct and indirect jobs created including 79 construction jobs. The resulting cost benefit is 1:490 so for every \$1 of incentives the community benefit is \$490 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$703 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 = \$18,000,000 85% = \$15,300,000
Employment	Coincides with 7-year PILOT	Maintain Base – 356 FTE, 14 PTE (363 FTE) Create 85% of Projected Jobs Projected = 15 FTE 85% = 12 FTE Recapture Employment = 378 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to policy
Recapture Period	Coincides with 7-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax abatement

Ms. Abbott moved and Mr. Tobia 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.

PANDEMIC IMPACT 2021 RECAPUTRE WAIVER

Mr. Cappellino reviewed the memorandum prepared for the committee describing employment difficulties and challenges that ECIDA clients continue to experience due to COVID-19 impacts, noting about 10% of the Agency’s companies are continuing to experience employment shortfalls related to decline in sales, supply chain impacts, time lag in getting raw materials and difficulty in finding employees despite advertising for employment. Mr. Cappellino stated that it was the recommendation of Agency staff that the Agency continue with the “Special COVID Waiver” with respect to the potential recapture of Agency financial assistance for employee related shortfalls for the 2021 calendar year.

Ms. Smith spoke in favor of the waiver, but expressed concerns that it be linked to COVID-19 impacts and not general global gas/inflation cases.

Ms. McDuffie spoke in favor of the ECIDA’s waiver. Ms. Whyte commented and stressed that COVID-19 is still a health challenge in 2022 based on Erie County Health Department statistics, confirmed that employers are having difficulty filling open job positions, and commented on the growing number of woman having to leave the workforce to tend to children, and how this issue continues to challenge women, families, and employers.

Mr. Stevens moved and Ms. McDuffie seconded to recommend to the board that the COVID-19 waiver for 2021 for employee related shortfalls remain in place. Mr. Lipsitz called for the vote and the project was then unanimously approved.

JUNE BOARD MEETING UPDATE

Aebly and Associates Insurance Services a/k/a A&A Union Road, LLC, 1471 Union Road, West Seneca, New York 14224. Mr. Cappellino advised that the Agency, at its June 22, 2022 meeting, expressed concerns over COVID-19 and its impact on the new “work from home” model, and perhaps how the new “work from home” model is contributing to office space vacancy, and noted that the board tabled the project, and asked the ECIDA Policy Committee to consider post-COVID-19 impacts on commercial office and workforce space.

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

Mr. Lipsitz stated he is in favor of reviewing the larger commercial office space policy issue and also in favor of putting this particular project back on the Agency Board meeting agenda as a project recommended for approval by the Policy Committee, unless any member of the committee desires that the committee take a second vote on whether or not to send the project back to the Board.

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

Ms. McDuffie confirmed Mr. Lipsitz’s recommendation that this project go back to the Agency Board, as having been already approved by the Policy Committee, and that this project should not be held up based on a desire to create a new commercial office space policy.

Ms. Whyte confirmed that Ms. Gallagher expressed concerns that the project may not be a smart growth project, but notes her conclusion that this project is a smart growth project by reusing a blighted area in West Seneca, so just because it’s not an adaptive reuse project, per se, doesn’t make it a non-smart growth project. Ms. Whyte expressed support to create an office space working group to analyze this issue going forward. Ms. Whyte also stated her belief that the project should move forward and noted the Agency has approved of other projects even while MWBE and affordable housing policies are under discussion and development.

Mr. Blue noted the Agency continues to evolve and that we still take action even when we do not have a policy for everything.

Mr. Nellis stated that it is important for Policy Committee members to speak up on this project at the next Agency Board meeting.

Mr. Lipsitz proposed that this project go back to the Agency Board for consideration at its July meeting, without a new Policy Committee vote because it was already considered and approved by the Policy Committee at its June 2, 2022 meeting. No objection to Mr. Lipsitz’s proposal was made.

Mr. Cappellino stated it's in the discretion of the ECIDA to create an ad hoc working group or a new committee. Ms. McDuffie stated her desire to create a working group to consider and analyze the future of commercial office space, as opposed to a new committee.

Ms. Smith expressed support for the establishment of a commercial office space working group, and stated her opinion on the need for experts to be utilized to assist in this analysis.

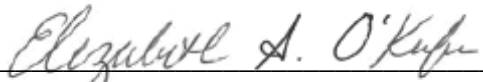
Mr. Lipsitz confirmed that a working group will be created to analyze the future of commercial office space and that this A&A Union Road, LLC project will go back to the Agency Board for consideration.

MWBE UPDATE

Mr. Cappellino provided an update to Committee members.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:23 a.m.

Dated: July 7, 2022



Elizabeth A. O'Keefe, Secretary