

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

- DATE AND PLACE:** August 28, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Denise Abbott, Rev. Mark Blue, Thomas Emmerling, Tyra Johnson, Richard Lipsitz, Jr., Brenda McDuffie¹, Glenn R. Nellis, Hon. Brian Nowak, Hon. Mark C. Poloncarz, Hon. Christopher Scanlon and Kenneth A. Schoetz
- EXCUSED:** Patrick Boyle, Hon. Bryon W. Brown, James Doherty, Hon. Joseph Emminger, Dottie Gallagher, Michael P. Hughes and Hon. Brian Kulpa
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Jerry Manhard, Chief Lending Officer; Atiqā Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Michelle Moore, Compliance Associate; Lori Szewczyk, Director of Grants; Robbie Ann McPherson, Director of Marketing & Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of Erie County; Jason Hurley on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Jonathan Epstein on behalf of the Buffalo News; Randy Huggins and Craig Caldwell² on behalf of Agile Cold Storage; and David Smith, Tom Smith and Christopher Sansone on behalf of Secondary Services

Recognizing that a quorum was not yet present, Mr. Lipsitz reviewed information items only.

Mr. Lipsitz introduced Thomas Emmerling, being the new chair of the Buffalo Niagara Partnership, as a member of the Agency.

¹ Ms. McDuffie participated via video conference pursuant to Section 103-A of the New York State Public Officer's Law and the Agency's Videoconferencing Participation Policy.

² Mr. Caldwell participated via video conference.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the July financial reports. The balance sheet shows that the IDA ended the month with total assets of \$35.9M including unrestricted cash & investments of \$6.5M available for Agency operations, and net assets of \$19.4M. The first half of City PILOT payments were received for 3 of the PILOT Increment Financing (PIF) funds, increasing Restricted cash & investments and Funds Held on Behalf of Others in July. The monthly income statement shows a net loss of \$110,000 in July. Operating revenue of \$173,000 was below the monthly budget by \$142,000, due mainly to the lack of administrative fees received during the month (\$339,000 of administrative fees have been received so far in August, bringing us to 52% of our annual administrative fee budget). We did however receive the annual profit share from Gateway Trade Center for the Port Terminal facility of \$111,000, included in the Rental Income line. Operating expenses were \$266,000 were \$10,000 above our monthly budget, with variance in salaries and benefits, building operating costs, and professional services. The variance in salaries and benefits is mostly due to timing and accruing payroll at month end. Building operating costs variance was due to the payment of the first half of property taxes for our building at 143 Genesee Street. Professional services had a negative variance for July due to a reclassification of a prior cost. After \$75,000 of strategic initiatives and net non-operating revenue of \$57,500, there was a net loss of \$110,028 for the month. The year-to-date income statement shows operating revenues of \$1.1M, including administrative fee revenue of \$590,000. We are at 33% of our annual budget through seven months of the year. Other revenue lines are in line with the YTD budget. Operating expenses of \$1.8M are \$75,000 below budget. The negative \$74,000 variance on the salaries & benefits line is mostly due to the budget including room for performance incentives. Professional services are about \$29,000 below budget, due to lower than expected legal and consulting costs. Public Hearing and marketing is \$28,000 above budget due to timing of marketing costs for RCP. Net special project grant expenses are \$16,000, and strategic initiatives year to date total \$326,000. After net non-operating revenue of \$266,000, there is currently a net loss of \$761,023 for the year. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic advised members that the Committee reviewed the first drafts of the budgets for ECIDA/RDC/ILDC. The Committee will meet again in September and make recommendations to the Boards.

There now being a quorum present at 12:27 p.m., the meeting of the members of the Agency was called to order by the Vice Chair, Mr. Lipsitz.

MINUTES

The minutes of the June 26, 2024, meeting of the members were presented. Mr. Blue moved, and Mr. Nellis seconded to approve of the minutes. Mr. Lipsitz called for the vote and the minutes were unanimously approved.

2024 Tax Incentives Induced/Closing Schedule. Mr. Cappellino provided this report. Mr. Lipsitz directed that the report be received and filed.

Policy Committee Update: Mr. Lipsitz provided an update on the most recent Policy Committee meeting noting the Policy Committee approved the project that is before the Agency today. Mr. Lipsitz directed that the report be received and filed.

INDUCEMENT RESOLUTION

3200 Clinton Street, LLC / Agile Cold Storage, 3200 Clinton Street, West Seneca, New York. Mr. Cappellino reviewed this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project consisting of the construction of additional manufacturing space for Rosina Foods (16,000 SF) and a cold storage warehouse for Agile Cold Storage (99,000 SF) which will increase Rosina's production space and to utilize a cold storage warehouse. This will also provide storage options for other frozen and refrigerated food manufactures in the area.

General discussion ensued regarding an update to include an additional 10 new FTE jobs to be created, thus increasing the new jobs from 45 to 55. General discussion also ensued regarding the local labor waiver request and the company's efforts to find additional local labor workers.

The Project's cost benefit ratio was reviewed, and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

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 must covenant and agree 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, 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 made with respect to the Project at the time of Project completion equals or exceeds \$39,550,500 (which represents the product of 85% multiplied by \$46,530,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 47 FTE employees [being the product of 85% multiplied by 55 (being the 55 new FTE employee positions proposed to be created by the Company as stated in its Application)]. 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. Poloncarz moved and Mr. Blue seconded to approve the Project with updates, as reflected above, to include the additional 10 new FTE employee positions proposed to be created, and authorizing the local labor waiver. Mr. Lipsitz 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 3200 CLINTON ST., LLC, 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

MANAGEMENT TEAM REPORT

Ms. Profic presented an update on the legal counsel RFP process noting the Agency received 5 proposals for the three legal positions: general counsel, loan counsel and tax-exempt bond counsel. Interviews are expected to begin during September/October and staff anticipates making recommendations to the boards in October.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting of the Agency at 12:45 p.m.

Dated: August 28, 2024



Elizabeth A. O'Keefe, Secretary