

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

- MEETING:** March 10, 2016, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** James J. Allen, Richard Lipsitz, Jr., Brenda W. McDuffie, Frank B. Mesiah, John J. Mudie, Hon. Glenn R. Nellis, Hon. Edward A. Rath, Laura Smith, David J. State and Maria Whyte
- ABSENT:** Hon. Byron W. Brown, Chris T. Johnston, and Hon. Geoff Szymanski
- OTHERS PRESENT:** Steve Weathers, Chief Executive Office; John Cappellino, Executive Vice President; and Robert G. Murray, Secretary
- GUESTS:** Fred Heimle, on behalf of Mayor Szymanski; and Hal Morse, Executive Director of One Region Forward

There being a quorum present at 8:35 a.m., Mr. Lipsitz called the meeting to order.

MINUTES

The minutes of the February 4, 2016 meeting of the Policy Committee were presented. Upon motion made by Ms. Smith and seconded by Ms. McDuffie, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's project matrix, noting that no changes have been made since the February 4, 2016 Policy Committee meeting. Mr. Lipsitz directed that the project matrix be received and filed.

PROJECT PRESENTATIONS

Upstate Pharmacy, Ltd. (the "Company"), 1900 North American Drive, West Seneca, New York. Mr. Cappellino reviewed this proposed sales tax exemption benefit project involving the acquisition of certain machinery and equipment and the equipping of a certain 10,000 sq. ft. facility within which Upstate Pharmacy, Ltd., will undertake its pharmaceutical activities. Mr. Cappellino noted that in September 2015, the Agency approved the construction of this facility to be undertaken by the Shevlin Land and Cattle Company. The Company is in the process of moving into this facility.

Mr. Cappellino stated that in exchange for providing the sales tax exemption benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to potential recapture 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 = \$310,000 85% of total project amount = \$263,500
Employment	Same Recapture Terms	Maintain Base = 70 Create 85% of projected jobs = 10 85% = 8 Recapture Employment = 78
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	See Recapture Period	Adherence to policy
Unpaid Tax	See Recapture Period	Adherence to policy
Recapture Period	2 Years after Project Completion	Recapture of state and local sales taxes

Mr. Cappellino noted that the Company is utilizing the Erie County Workforce Investment Board to find qualified workers.

Ms. McDuffie expressed support for the project and for the high quality jobs being created and stated she was happy to hear that the Company is utilizing the Workforce Investment Board.

There being no further discussion, Ms. McDuffie moved and Mr. Nellis seconded to approve of the project. Mr. Lipsitz called for the vote and the project was then unanimously approved.

INFORMATIONAL ITEMS

Framework for Regional Growth. Ms. Whyte reviewed the Framework for Regional Growth, approved by the Erie County Legislature in April 2007, as well as the historical basis for the Framework, noting it involved the study of development and demographic trends over the prior 50 year period and tried to anticipate trends going forward. Ms. Smith then provided additional review of the Framework.

One Region Forward. Mr. Lipsitz introduced Hal Morse, Executive Director of One Region Forward and Mr. Morse then presented a summary of the One Region Forward plan to the Committee.

General discussion ensued. Mr. Mesiah commented that Buffalo is the sixth most segregated city in the country and expressed concerns that employers need good workers, but workers often cannot get to places of employment.

Mr. Rath queried as to how One Region Forward will track and assess results, specifically, what metrics will be used to assess performance of the One Region Forward plan. Mr. Morse responded that baseline data is available, and as such, the One Region Forward plan knows what to measure going forward. The challenge, Mr. Morse stated, is that the One Region Forward plan has no funding to undertake a review and assessment of its performance.

Ms. McDuffie stated that she shares Mr. Rath's concerns, and stressed that the Agency needs to connect its activities with both the Framework for Regional Growth plan and the One Region Forward plan.

Mr. Lipsitz stated that the Agency has a leading role to play in economic development and stressed that the Agency should promote the One Region Forward plan. Mr. Mesiah expressed his agreement with Mr. Lipsitz and also stated that this plan should be promoted without the technical jargon contained within it because the audiences will need to understand the language of the plan.

There being no further discussion, Mr. Lipsitz thanked Ms. Whyte, Ms. Smith and Mr. Morse for their presentations.

STATE LEGISLATION

NYSEDC Best Practices and Proposed Part R Budget Legislation-NYSEDC Opposition. Mr. Cappellino briefly reviewed certain provisions of the new Industrial Development Agency Reform Legislation and gave an update on the New York State Economic Development Council's best practice recommendations related thereto, noting that he has, along with Mr. Murray, developed best practice recommendations with respect to project review criteria, the new uniform application, and the new project agreement requirements. Mr. Cappellino stated that the Agency will need to take action on certain items to come into compliance with this new statute by June of 2016.

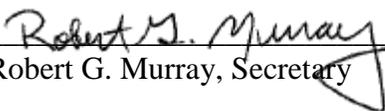
Mr. Cappellino reviewed a provision contained in Governor Cuomo's 2016 Budget requiring all IDA projects financed by tax-exempt private activity bonds to be approved by the State Public Authority Control Board. Mr. Cappellino suggested that the Agency should resolve to have its CEO draft a letter in opposition to this proposed piece of legislation. Ms. McDuffie moved and Ms. Whyte seconded, to authorize the ECIDA CEO to submit a letter in opposition to this proposed piece of legislation.

2016 WORK PLAN DISCUSSION

Mr. Lipsitz reviewed the memorandum he prepared for Committee members wherein he compiled the list of work plan items that were previously on the work plan list and obtained from Committee members over the last several weeks. Mr. Lipsitz requested that Committee members review and rank their priority items as described within his memorandum and submit their rankings to Mr. Cappellino with a goal of presenting the rankings at the Policy Committee's April meeting.

There being no further business to discuss, upon motion made by Ms. Whyte and seconded by Mr. Mesiah, the meeting was adjourned at 9:47 a.m.

Dated: March 10, 2016


Robert G. Murray, Secretary