

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

MEETING: September 7, 2017, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Hon. Johanna Coleman, Colleen DiPirro, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Laura Smith, David J. State, and Maria Whyte

ABSENT: Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Geoffrey M. Szymanski and Paul V. Vukelic

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; and Robert G. Murray, Secretary

GUESTS: Rebecca Gandour, Director of Development, City of Buffalo Office of Strategic Planning; Andrew Federick, Erie County Senior Economic Development Specialist; Chris Lewandowski and Peter Woodward, on behalf of ITT Enidine, LLC; Amy Harrington and John Thurber, on behalf of Unifrax I LLC.

There being a quorum present at 8:43 a.m., Mr. Lipsitz called the meeting to order.

MINUTES

The minutes of the August 3, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Lorigo, and seconded by Ms. DiPirro, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

ITT Enidine, LLC, 7 Centre Road, Orchard Park, New York. Mr. Cappellino reviewed this proposed sales and use tax and real property tax abatement benefits project involving construction of an 11,000 sq. ft. addition to the company's existing 100,000 sq. ft. manufacturing plant.

Mr. Cappellino stated that in exchange for providing the sales and use tax 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 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 = \$1,200,000 85% = \$1,020,000
Employment	Coincides with 7 Year PILOT Term	Maintain Base = 261 Create 85% of Projected Projected: 10 85% = 8 Recapture Employment: 268
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Unpaid Tax	Coincides with 7 Year PILOT Term	Adherence to policy
Pay Equity	Coincides with 7 Year PILOT Term	Adherence to policy
Recapture Period	Coincides with 7 Year PILOT Term	State and Local Sales Taxes Real Property Tax

At this point in time, Ms. Coleman jointed the meeting.

Mr. Cappellino then introduced Mr. Lewandowski and Mr. Woodward who spoke on behalf of the company about the project.

Ms. DiPirro expressed her support for the project.

Ms. Whyte also expressed support for the project and queried as to what the company would do if the ECIDA determined not to provide financial assistance. Mr. Lewandowski responded that such a determination would adversely affect company operations because ECIDA financial assistance is intended to reduce operating costs which will keep project costs lower, thus making the company more competitive.

Mr. Lipsitz queried as to the anticipated wages. Mr. Lewandowski responded that the company has a mix of skilled and unskilled jobs and the average salary starts at approximately \$45,000 and goes upwards for professional trades.

Ms. McDuffie queried as to where the company finds its employees and how it trains its employees. Mr. Lewandowski responded that the company hires professionals directly and noted that the market is tight right now. Mr. Lewandowski also stated the company uses temporary placements, trains such temporary placements internally and then brings them on to permanent status. Mr. Lewandowski also stated that the company works with the Department of Labor and the Workforce Investment Board to find new employees and for training partnerships.

Ms. McDuffie moved and Ms. DiPirro seconded to approve of the project as proposed. Mr. Lipsitz called for the vote and the project was then unanimously approved.

COMPLIANCE

Mr. Cappellino reviewed a request received from Unifrax I LLC requesting a waiver from the 90% local labor area requirement related to its Tonawanda, New York project. The company has specifically stated that it is unable to utilize the required 90% local labor workforce because of certain warranty issues related to installation of specialized equipment.

Ms. Harrington and Mr. Thurber, then spoke on behalf of the Company noting that some local labor would be utilized to install some of the specialized equipment, however, there are a number of pieces that require specialty contractor installation to insure OEM warranties stay intact and are not otherwise voided.

Ms. Smith expressed support for the local labor waiver process.

Ms. McDuffie noted that the local labor policy anticipates waiving the local labor requirement in just such a situation. Ms. McDuffie then moved, and Mr. State seconded, to approve of the local labor waiver request. Mr. Lipsitz called for the vote, and the local labor waiver request was approved unanimously.

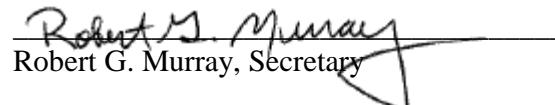
UPDATES/DISCUSSION

Adaptive Reuse Working Group Meeting. Mr. Cappellino provided members with an update on the adaptive reuse study as related to the Agency's role in supporting market-rate housing.

Bethlehem Steel Update. Ms. Whyte gave members an update on the ILDC's acquisition of Phase I parcels at the Bethlehem Steel site, which closed on July 25, 2017, and stated that the ILDC anticipates closing on Phase II parcels this coming Friday. Ms. Whyte then noted that the seller had originally planned on using certain slag material for cover purposes related to obtaining certificates of completion under the New York State Brownfield Cleanup Program, however, Albany Department of Environmental Conservation officials raised issues related to using the previously approved slag material. These concerns introduced delays which resulted in seller and the ILDC agreeing to use soil for cover, as opposed to the slag material, however, the soil cover system was more costly than the slag. As a result, Ms. Whyte noted that cover costs and land purchase costs have increased such that it is likely that the ILDC will request the ECIDA to grant additional monies to allow the ILDC to pay for increased costs of using a soil cover system, estimated in the amount of an additional \$600,000 from the Agency's UDAG fund. General discussion ensued.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:22 a.m.

Dated: September 7, 2017



Robert G. Murray, Secretary