

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

DATE AND PLACE: May 23, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Patrick B. Burke, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., David L. Lowrey, Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Louis Panzica, Sister Denise Roche, and Kenneth A. Schoetz

EXCUSED: Hon. Byron W. Brown, James F. Doherty, Tyra Johnson, Hon. Mark C. Poloncarz and Hon. Darius G. Pridgen

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer; and Robert G. Murray, Secretary

GUESTS: Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist and Christopher Whitmarsh, on behalf of Niagara Label.

There being a quorum present at 9:00 a.m., Ms. McDuffie called the meeting to order.

MINUTES

The minutes of the April 25, 2018 meeting of the members were presented. Mr. Nellis moved, and Mr. Burke seconded, to approve of the meeting minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the April 2018 financial report noting that the balance sheet shows that the Agency finished the month with total assets of \$32.6 million and net assets of \$20.9 million. The monthly income statement shows an operating net loss of \$83,000. Ms. Profic noted that operating revenue was under budget by \$4,000, due mainly to receipt of administrative fees. Total operating expenses were in excess of budget by \$15,000, due to retroactive salary increases going into effect in April. After factoring in strategic investments and depreciation, there was a net loss of \$94,000 for the month. The year to date income statement shows revenues of \$512,000, being \$392,000 below budget for the year and expenses of just over \$1 million, being approximately \$4,000 below budget. After special project grants, strategic initiatives and depreciation, there is currently a net loss of \$729,000 for the year. Ms. Gallagher-Cohen

commented that administrative fees are off budget and asked if there are trends or projections that may shed light on anticipated administrative fees throughout the remainder of the year. Ms. Profic commented that the Agency is low on projects but noted that a few projects are up coming and will be presented to the Board at the next few meetings. Ms. Profic also noted that in the past, the Agency has experienced a large number of fourth quarter closings that have helped the Agency achieve its administrative fee budget. Ms. Profic did agree that she would review administrative fee projections and compare current year administrative fee revenue to that of prior years. There being no further questions or comments, Ms. McDuffie directed that the report be received and filed.

2018 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Lipsitz provided members with an update from the most recently completed Policy Committee meeting, noting that the Policy Committee has unanimously approved the Niagara Label project that is before the Board members today. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTIONS

Niagara Label/12715 Lewis Road, LLC, 12715 Lewis Road, Newstead, New York. Ms. Fiala reviewed this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction and equipping of a 16,000 sq. ft. warehouse/office expansion to the company's existing facility. The additional space will allow for improved workflow and represents a doubling of the company's operations.

As a condition precedent of receiving financial assistance and as a material term and condition established by the Agency in connection with its approval of the project, Ms. Fiala noted that the Company must, subject to potential termination and/or modification and/or recapture of financial assistance, submit on at least an annual basis or as otherwise indicated below, through the conclusion of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$1,627,750.00 (which represents the product of 85% multiplied by \$1,915,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 49 existing full time equivalent ("FTE") employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the "Baseline FTE"); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE employment at the Facility equal to 53 FTE employees [representing the sum of the Baseline FTE plus the product of 85% multiplied by 5 (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company's application for Financial Assistance)]. In an effort 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.

Ms. McDuffie then introduced members to Christopher Whitmarsh, a representative for the Company. Mr. Whitmarsh provided members with additional background regarding the proposed project.

Mr. Blue then moved and Mr. Mudie seconded to approve of the project as proposed. Ms. McDuffie 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 NIAGARA LABEL COMPANY, INC., 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

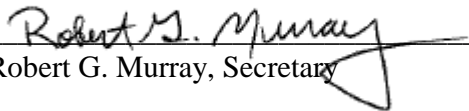
MANAGEMENT TEAM REPORT

Ms. McDuffie then recognized ECIDA member David Lowrey, commenting that his term as Chair of the Erie County Association of School Boards was coming to an end, and as such, so would his membership position with the Agency. Ms. McDuffie thanked Mr. Lowrey for his service.

Mr. Weathers provided members with an update of a recently concluded meeting he had with the French Consul General.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:12 a.m.

Dated: May 23, 2018


Robert G. Murray, Secretary