

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

**DATE AND PLACE:** May 22, 2019, at the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203

**PRESENT:** Rev. Mark E. Blue, Dottie Gallagher, Hon. Howard Johnson, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, Kenneth A. Schoetz and Art Wingerter

**EXCUSED:** Hon. Diane Benczkowski, Hon. Bryon W. Brown, James F. Doherty, Hon. Joseph H. Emminger, Tyra Johnson, John J. Mudie, Hon. Darius G. Pridgen, and Charles F. Specht

**OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; Mollie Profic, Chief Financial Officer; and Karen M. Fiala, Secretary

**GUESTS:** Robert G. Murray, Esq., General Counsel; Maria Whyte, Deputy County Executive; Andrew Federick, Erie County Senior Economic Development Specialist; Todd Chalmers on behalf of CPI Process Systems, Inc.

There being a quorum present at 12:04 p.m., the meeting was called to order by Ms. McDuffie.

**MINUTES**

The minutes of the March 27, 2019 meeting of the members were presented. Mr. Nellis moved and Sister Denise seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

**REPORTS/ACTION ITEMS/INFORMATION ITEMS**

Financial Report. Ms. Profic presented the April 2019 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$30.4 million and net assets of \$21.3 million. The monthly income statement shows an operating loss of \$79,000. Operating revenue was slightly under budget by \$82,000. Operating expenses were under budget by \$17,000. After factoring in strategic investments and depreciation, there was a net loss of \$178,000 for the month. The year-to-date income statement shows revenues of \$524,000, being \$390,000 below budget for the year, and expenses of \$953,000, being about \$27,000 below budget. After special project grants, strategic initiatives, and depreciation, there is

currently a net loss of \$781,000 for the year. Ms. McDuffie directed that the report be received and filed.

BERC Loan Fund – Partial Termination Request. Ms. Profic reviewed the partial termination of the EDA Fund resulting from the corporate dissolution of the Buffalo Economic Renaissance Corporation (“BERC”), dependent upon, amongst other items, ECIDA board approval of the partial termination of the fund as related to the termination and returning of funds to the EDA related to BERC’s 204 Land Reclamation Revolving Loan Fund (“BERC Loan Fund”). Ms. Gallagher moved and Mr. Blue seconded to approve of the partial termination request with regard to the BERC Loan Fund. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “AGENCY”) AUTHORIZING THE AGENCY TO: PARTIALLY TERMINATE THE ECONOMIC DEVELOPMENT ADMINISTRATION (THE “EDA”) AWARD; EXECUTE ANY AND ALL AGREEMENTS RELATING TO THE PARTIAL TERMINATION OF THE EDA AWARD; AND RETURN THE BERC FUND PORTION OF THE EDA AWARD TO THE EDA

2019 Tax Incentive Induced/Closing Schedule/Backlog Report. Ms. Fiala presented this report. Ms. McDuffie directed that the report be received and filed.

Nominating Committee Update. Mr. Poloncarz provided members with a report on the Nominating Committee’s most recent meeting whereat the committee reviewed the slate of committee members and officers, and recommend same for approval by the ECIDA. Mr. Lipsitz moved and Sister Denise seconded to approve of the Nominating Committee list of committee and officer assignments. Ms. McDuffie then called for the vote and the motion was unanimously approved.

## **INDUCEMENT RESOLUTIONS**

CPI Process Systems, Inc., 2800 North America Drive, West Seneca, New York. Ms. Fiala reviewed this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a new 11,600 sq. ft. facility which will allow the company to combine all inventory under one roof and will provide more room to stage project orders.

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 modification, termination and/or recapture of Financial Assistance, submit, on at least an annual basis or as otherwise indicated below, through the conclusion of the termination 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 \$2,635,000.00 (which

represents the product of 85% multiplied by \$3,100,000.00, being the total project cost as stated in the Company's application for Financial Assistance).

- (ii) Employment Commitment - that there are at least 13 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, within two years after Project completion, until the termination of the PILOT Agreement, the Company has maintained and created FTE employment at the Facility equal to 15 FTE employees representing the sum of 13 Baseline FTE plus 2 (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.

Mr. Poloncarz queried as to timing. Mr. Chalmers responded on behalf of the company and stated that he anticipates starting construction in the summer of 2019 allowing the company to enter the new space by the end of 2019.

General discussion followed. Mr. Poloncarz moved and Ms. Gallagher seconded to approve 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 CPI PROCESS SYSTEMS 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 REPORTS**

Mr. Weathers noted a bill requiring live streaming of public hearings and IDA meetings and committee meetings has been approved by both the New York State Senate and Assembly, and that it is anticipated that it will be signed into law by Governor Cuomo, and if so, that the Agency will need to live stream such meetings and will need to purchase video equipment to comply with this new law, upon its passage.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:20 p.m.

Dated: May 22, 2019



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Karen M. Fiala, Secretary