

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT CORPORATION
(ILDC)**

- DATE AND PLACE:** June 27, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Patrick Burke, Hon. Mark C. Poloncarz, Hon. Peter J. Savage, III and Maria Whyte
- EXCUSED:** Hon. Byron W. Brown, Richard Lipsitz, Jr. and John J. Mudie
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist and Mark Roundtree from Erie County Department of Environment and Planning

At 8:50 a.m., there being a quorum present, the meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the "Corporation") was called to order by its Chair, Mr. Poloncarz.

MINUTES

Upon motion made by Ms. Whyte, and seconded by Mr. Burke, the April 25, 2018 minutes of the Board of Directors were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the May 2018 Financial Report. Ms. Profic noted that the ILDC ended the month of May with total assets of \$7.1 million and net assets of \$6.7 million. The monthly income statement shows income of \$42 and expenses of \$40,000, and grant income from the ECIDA of \$40,000, for a net loss of \$300. Other expenses in May included a \$28,000 grant application fee for the \$2,780,000 grant awarded to the ILDC by Empire State Development (ESD). The ILDC has applied for reimbursement for the first half of this grant, which will flow back to the ECIDA's UDAG fund in accordance with the agreement between the ILDC and the ECIDA, as related to the Bethlehem Steel real property purchase by the ILDC. The year to date income statement shows operating revenues of \$200, expenses of \$55,000, plus grant income of \$40,000, for a net loss of \$14,000 so far in 2018. Mr. Poloncarz directed that the report be received and filed.

Bethlehem Steel Project Agreements. Ms. Whyte then referred members to the memorandum contained in the Board materials and reviewed the Buffalo Billion II Incentive Proposal. Ms. Whyte confirmed that the Buffalo Billion II Incentive Proposal is part of the continuing partnership with Erie County and ESD and noted that Governor Cuomo recently announced the commitment of an additional ten million dollars of Buffalo Billion II funding for continued redevelopment of the Bethlehem Steel site in Lackawanna, New York. Ms. Whyte then reviewed the various uses of the proposed funding which includes, amongst other items, funds to acquire an additional 90 acres of real property at the Bethlehem Steel site. To secure Buffalo Billion II funding, Ms. Whyte noted that the ILDC must sign off on an incentive proposal which outlines the spending and allocation of the funds.

Ms. Whyte then confirmed that ILDC staff has begun to negotiate the purchase of an additional 90 acres from Tecumseh Redevelopment, Inc. This purchase would increase the overall size of the ILDC land holdings at the Bethlehem Steel site to approximately 240 acres. The additional property would be purchased in the Brownfield Cleanup Program and would be purchased in a cover ready condition. This would secure additional property to the south of the ILDC's current holdings along Route 5 further extending development along the Route 5 corridor.

Ms. Whyte then noted that Tecumseh Redevelopment, Inc. is requiring that the ILDC make a \$15,000 purchase option deposit as part of its sale of the aforementioned 90 acres of real property. The \$15,000 would be credited towards the purchase price upon closing.

Mr. Cappellino then provided additional insights and updates on the current status of the 150 acre parcel owned by the ILDC, explained the ESD approval process with respect to the Buffalo Billion II Incentive Proposal, provided additional background related to purchasing 90 additional acres from Tecumseh Redevelopment, Inc., and provided an update on the current rail relocation project being undertaken this summer.

As such, Mr. Cappellino stated that the ILDC will need to authorize and approve of the negotiation, execution and delivery of the Buffalo Billion II Incentive Proposal, authorize and approve of the negotiation, execution of a purchase option agreement to acquire an approximate 90 acre parcel of real property from Tecumseh Redevelopment, Inc., and also authorize the negotiation and execution of a certain agreement regarding the relocation of railroad infrastructure by and between the ILDC, Erie County, the Erie County Industrial Development Agreement, Tecumseh Redevelopment, Inc., Welded Tube, and South Buffalo Railway Company.

At this point in time, Mr. Murray referred Board members to the draft resolution contained in the Board materials and noted that the purchase price in the first "whereas clause" should be revised to reflect that the acquisition price for the 92 acre parcel of real property would be \$1,380,000, representing the product of \$15,000 per acre times 92 acres.

Mr. Poloncarz then made a motion to revise the resolution to reflect the \$1,380,000 purchase price. Ms. Whyte moved and Mr. Savage seconded to approve of the amendment. Mr. Poloncarz called for the vote and the resolution amendment was unanimously approved.

Mr. Poloncarz then asked for a motion to approve of the now amended resolution. Ms. Whyte moved and Mr. Burke seconded to approve of the resolution. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

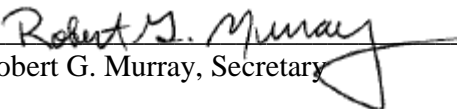
RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC") AUTHORIZING THE ILDC TO: (i)

APPROVE OF AND AUTHORIZE THE NEGOTIATION, EXECUTION AND DELIVERY OF A \$11,300,000 NEW YORK STATE EMPIRE STATE DEVELOPMENT CORPORATION INCENTIVE PROPOSAL (AS MORE FULLY DESCRIBED BELOW); (ii) NEGOTIATE AND EXECUTE A PURCHASE OPTION AGREEMENT WITH TECUMSEH REDEVELOPMENT CORPORATION INC. ("TECUMSEH") TO ACQUIRE AN APPROXIMATE 92 ACRE PARCEL OF REAL PROPERTY AT THE FORMER BETHLEHEM STEEL PROPERTY; AND (iii) NEGOTIATE AND EXECUTE A CERTAIN AGREEMENT REGARDING THE RELOCATION OF RAILROAD INFRASTRUCTURE BY AND BETWEEN THE ILDC, ERIE COUNTY, THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA"), TECUMSEH, WELDED TUBE USA REALTY, LLC ("WELDED TUBE") AND SOUTH BUFFALO RAILWAY COMPANY ("SBR")

Angola Airport Letter of Intent. Mr. Cappellino provided Board members with background on the Agency's efforts to establish an agri-business industrial park in Angola, New York to facilitate the development of new markets for agricultural producers in Erie County. Mark Roundtree, a representative of the Erie County Department of Environment and Planning then provided additional background to Board members. Ms. Whyte confirmed that agriculture is a very important sector of the Erie County economy and is often undervalued. Mr. Cappellino then stated that the next steps would be to ultimately have the ILDC take title to the former Evans-Angola airport site and to secure grant funding for infrastructure development to bring the real property up to industrial park standards.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 9:05 a.m.

Dated: June 27, 2018


Robert G. Murray, Secretary