

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

- DATE AND PLACE:** November 28, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Byron W. Brown, Richard Lipsitz, Jr., John J. Mudie, Hon. Mark C. Poloncarz, Hon. Peter J. Savage, III and Maria Whyte
- EXCUSED:** Hon. Patrick Burke
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department; Mark Roundtree of the Erie County Environment & Planning Department

There being a quorum present at 8:46 a.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Mr. Lipsitz who presided over the meeting in the absence of Chair Poloncarz.

MINUTES

Upon motion made by Mr. Mudie, and seconded by Ms. Whyte, the October 24, 2018 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) meeting were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the financial statements, noting that the ILDC ended the month with total assets of \$7.1 million and net assets of \$6.7 million. During October, the ILDC had a slight decrease in cash along with an increase in amounts due to ECIDA and an offsetting decrease in other liabilities. Approximately \$109,000 was drawn from the ECIDA’s UDAG Fund Grant by the ILDC as approved by the ILDC Board in August, which will be repaid upon receipt of grant reimbursement. The monthly income statement reflects minimal interest revenue, expenses of \$9,900, and offsetting special project grant income and expenses of \$109,000, for a net loss of \$9,900 during the month. The year to date income statement displays operating revenues of \$49,000, expenses of \$135,000, plus net grant income of \$80,000, for a net loss of \$6,300 so far. Mr. Lipsitz directed that the report be received and filed.

At this point in time, Mr. Poloncarz joined the meeting.

Canisius College 2015A Series Bond Amendment. Mr. Cappellino reviewed the ILDC's 2015 tax-exempt bond issuance which was used by Canisius College to refund the outstanding principal balance of its 2004 Dormitory Authority of New York State Bonds and refund outstanding principal balance of 2010 bonds issued by the ILDC. Mr. Cappellino explained that the 2015 bond documents must adjust for interest rate changes on the bonds due to certain changes to the Federal Tax Code made by the 2017 Tax Cuts and Jobs Act. As such, the action today is to authorize an amendment to the indenture, to permit the adjustment of the interest rate on the bonds.

Ms. Whyte moved and Mr. Savage seconded to approve of the amendments. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION AUTHORIZING THE FIRST AMENDMENT TO THE TRUST INDENTURE RELATING TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION TAX-EXEMPT REVENUE REFUNDING BONDS (THE CANISIUS COLLEGE OF BUFFALO, NEW YORK PROJECT), SERIES 2015A AND 2015B, AND THE EXECUTION THEREOF AND OF RELATED DOCUMENTS.

Resolution to Convey Permanent Easement for Dona Street. Mr. Cappellino updated members on construction activities related to Erie County's construction of the Dona Street extension. As currently designed, a 100 foot right of way has been redesigned and as such, the southerly border of the ILDC's land is affected. As such, Erie County requires a permanent easement on this newly affected land, being approximately 0.712 acres in size. The action today is to convey a permanent easement for the Dona Street extension to Erie County.

Mr. Lipsitz moved and Ms. Whyte seconded to authorize the conveyance of the permanent easement. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (i) AUTHORIZING THE EXECUTION AND DELIVERY OF A PERMANENT EASEMENT AGREEMENT RELATING TO CONSTRUCTION AND OPERATION OF AN EXTENSION TO A PUBLIC ROADWAY TO BE KNOWN AS "DONA STREET" TO BE UNDERTAKEN BY THE COUNTY OF ERIE (AS MORE PARTICULARLY DESCRIBED HEREIN); (ii) ADOPTING FINDINGS WITH RESPECT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT ("SEQR"); (iii) TO CONFIRM THAT THERE IS NO REASONABLE ALTERNATIVE TO A BELOW FAIR MARKET VALUE TRANSFER OF THE PERMANENT EASEMENT TO THE COUNTY OF ERIE; AND (iv) AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS WITH RESPECT TO THE FOREGOING.

At this point in time, Mr. Brown joined the meeting.

Bethlehem Steel Land Purchase. Mr. Cappellino updated members on the ILDC's proposed acquisition of an additional 93 acres of real property at the former Bethlehem Steel site located to the south of the real property acquired by the ILDC in 2017. This new acquisition will allow the ILDC to expand its overall property holdings to roughly 240 acres by purchasing the remainder of the property in Business Park II. This will allow for the continued redevelopment of the frontage of the site along Route 5, extension of the bike path, and incorporates the main road and utility corridors as proposed in the master planning efforts. As such, staff is seeking the ILDC Board approval to enter into a funding agreement in the form of a partially refundable grant from the ECIDA to provide the ILDC with up to \$1,750,000 of UDAG funds for the acquisition, carrying and miscellaneous costs for approximately 93 acres of real property and adoption of a negative declaration in accordance with the State Environmental Quality Review Act.

Mr. Cappellino also commented that as a condition of the funding agreement, approximately \$1.5 million would be returned to the ECIDA UDAG from the ILDC upon the ILDC's receipt of grant funding from New York State Empire State Development for property acquisition. In addition, the ILDC will return 50% of any future land sale proceeds to the ECIDA UDAG Fund up to an amount of \$250,000.

General discussion ensued. Ms. Whyte noted that Erie County Executive Poloncarz continues to drive the successful acquisition of real property at the Bethlehem Steel site, commented that the 150 acre acquisition closed in 2017, and now, within one year, the ILDC is initiating closing on the next 90 acre purchase. Ms. Whyte commented that this acquisition is consistent with the vision described to the ILDC Board members at prior meetings.

Mr. Savage asked for the amount of the UDAG Fund balance. Mr. Weathers responded that the fund balance will have approximately \$6 million dollars after this purchase and acquisition is completed.

Mr. Lipsitz moved and Ms. Whyte seconded to approve of the purchase of real property as described herein. Mr. Poloncarz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") AUTHORIZING THE ILDC TO: (i) ENTER INTO A FUNDING AGREEMENT FOR ECONOMIC DEVELOPMENT PURPOSES WITH THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO RECEIVE \$1,750,000.00 IN THE FORM OF A PARTIALLY REFUNDABLE GRANT FROM THE AGENCY'S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND; (ii) MAKE A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iii) AUTHORIZE THE NEGOTIATION AND EXECUTION AND DELIVERY OF AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH TECUMSEH REDEVELOPMENT INC. ("TECUMSEH") WITH RESPECT TO

A CERTAIN PROJECT (AS MORE FULLY DEFINED BELOW); AND (iv) AUTHORIZE THE EXECUTION AND DELIVERY OF BROWNFIELD SITE CLEANUP AGREEMENT(S) WITH RESPECT TO THE PROJECT (AS MORE FULLY DESCRIBED BELOW)

Angola Agri-Business Park Acquisition. Mr. Poloncarz introduced this item noting that since 2012, his administration has identified the need to help local agricultural producers to develop new market opportunities. In 2014, Erie County commissioned a feasibility study to identify a site suitable for the development of an agri-business park. In addition, the Poloncarz administration identified the purchase and development of an agri-business focused industrial park at the former Angola airport as a priority in the County's Initiatives for a Smart Economy 2.0.

Mr. Cappellino then noted that the ILDC has been working with property owners of the Angola airport site and the owner of an adjacent parcel to allow the ILDC to acquire approximately 240 acres of land for the development of an agri-business park. The ILDC has executed letters of interest with the two property owners and is seeking approval and funding for the acquisition of the property.

Mr. Cappellino noted that the total purchase price of the properties would be \$980,000 for the 240 acres of property. As part of the proposed acquisition, Erie County has agreed to provide \$155,000 of funding required for the purchase deposit.

As such, staff is seeking ILDC Board approval for the ILDC to enter into a partially refundable grant with the ECIDA whereby the ECIDA would provide up to \$1,200,000 of UDAG funds for the acquisition, carrying and miscellaneous costs associated with the acquisition of 240 acres of real property as described herein. Mr. Cappellino noted that as a condition of the funding agreement, the ILDC will return 50% of any future land sale proceeds to the ECIDA UDAG fund up to \$1,200,000. The ILDC is currently seeking additional grant funding sources for the acquisition of the property and if successful, Mr. Cappellino noted the ILDC would return to the ECIDA UDAG fund any such future proceeds received.

Ms. Whyte moved and Mr. Mudie seconded to approve of the proposed acquisition.

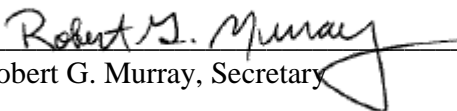
Mr. Poloncarz thanked Erie County and ILDC staff for their efforts and spoke in favor of the proposed acquisition to support investment and employment opportunities in southern Erie County. Mr. Poloncarz then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") AUTHORIZING THE ILDC TO: (i) ENTER INTO A FUNDING AGREEMENT FOR ECONOMIC DEVELOPMENT PURPOSES WITH THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") TO RECEIVE \$1,200,000 IN THE FORM OF A PARTIALLY REFUNDABLE GRANT FROM THE AGENCY'S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND; (ii) MAKE A DETERMINATION PURSUANT TO THE

STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iii) AUTHORIZE THE NEGOTIATION AND EXECUTION AND DELIVERY OF AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH RICHARD W. TOCHA FOR REAL PROPERTY LOCATED AT 1526 EDEN EVANS CENTER ROAD, EVANS, NY (THE "TOCHA PARCEL"); AND (iv) AUTHORIZE THE NEGOTIATION AND EXECUTION AND DELIVERY OF AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH E&R HORIZONS, LLC FOR REAL PROPERTY LOCATED AT 0 EDEN EVANS CENTER ROAD, EVANS, NY (THE "HORIZONS PARCEL")

There being no further business to discuss, the meeting was adjourned at 9:07 a.m.

Dated: November 28, 2018


Robert G. Murray, Secretary