

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

- MEETING:** October 4, 2018, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** Hon. April Baskin, Mr. Richard Cummings, Hon. William J. Krebs, Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis and Laura Smith
- ABSENT:** Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Johanna Coleman, Colleen DiPirro, David J. State and Maria Whyte
- OTHERS PRESENT:** John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Robert Corrao, on behalf of 1485 Niagara, LLC

There being a quorum present at 9:11 a.m., Mr. Lipsitz called the meeting of the Policy Committee to order.

MINUTES

The minutes of the September 6, 2018 Policy Committee meeting were presented. Upon motion made by Mr. Nellis, and seconded by Ms. McDuffie, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

1485 Niagara, LLC, 1485 Niagara Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax and mortgage recording tax abatement benefits project involving the company's adaptive reuse of the former Aldrich & Ray Manufacturing Company facility into a mixed use commercial and residential apartment space.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the 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 = \$5,600,000 85% = \$4,760,000
Employment	Same as recapture period	Maintain Base = 53 Create 85% of projected Projected = 1 PT Recapture Employment = 53
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to policy
Unpaid Tax	Same as recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales tax and mortgage recording tax

Ms. McDuffie asked if Agency staff could review the draft recapture material terms to reflect the new retention policy. Mr. Cappellino confirmed that staff would make that revision.

Ms. McDuffie asked if the company, as described in the project log, would be making one of the residential units available as an affordable unit offered at 90% of AMI. At this point in time, Mr. Cappellino introduced Mr. Robert Corrao to the Committee. Mr. Corrao responded on behalf of the Company and stated that the Company would commit to providing one unit at 90% of AMI.

Ms. Smith expressed support for the project noting this is a building located in a highly distressed area and that bringing in high end residential units will provide a new beneficial mix of mixed income residents to the area.

Ms. Smith then moved and Mr. Mudie seconded to approve of the project as proposed.

Ms. McDuffie spoke in favor of the project and thanked the company for providing an affordable housing unit and contributing to the mixed income character of the neighborhood.

Mr. Cummings queried as to the meaning of “N/A” with respect to the MBE/WBE utilization evaluative criteria. Mr. Cappellino explained that “N/A” means not applicable because the Agency has no required MBE/WBE utilization requirements. However, if the company was accessing federal and/or state funds that required MBE/WBE utilization, then Mr. Cappellino explained that the MBE/WBE commitment would be so noted within the evaluative criteria table. Mr. Cummings expressed concerns that “N/A” is perhaps not the best statement or abbreviation to use as it would leave one to believe that MBE/WBE utilization is not applicable to the project when MBE/WBE consideration should be applicable to a project such as this that is

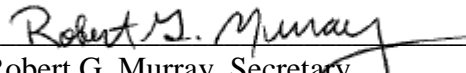
receiving taxpayer assistance. Mr. Cummings then asked the Company what its philosophy is with respect to retaining MBE/WBE contractors. Mr. Corrao responded that the Company maintains a list of MBE/WBE contractors and in the past, has utilized up to 10% MBE/WBE vendor participation.

Mr. Cummings then stated that, by way of example, the City requires MBE/WBE utilization at a 25% goal for City projects. Mr. Lipsitz confirmed that the Company will be utilizing the City for 485-a real property tax benefit, however, the 485-a real property tax benefit does not require MBE/WBE utilization. Mr. Cummings acknowledged he is aware of that but stated that unless there is an MBE/WBE guideline, nothing will change. Mr. Cummings expressed concern that the Policy Committee needs to consider this issue now, as a policy, rather than at the time an application is submitted and placed before the Committee. Ms. McDuffie asked that MBE/WBE utilization be added to the Policy Committee list of potential material terms and conditions to be considered as applicable to providing financial assistance.

Mr. Lipsitz then called for the vote and the project was then unanimously approved for recommendation to members of the Agency.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:35 a.m.

Dated: October 4, 2018



Robert G. Murray, Secretary