

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

DATE AND PLACE: December 14, 2009, at Erie County Industrial Development Agency, 275 Oak Street, Buffalo, New York 14203

PRESENT: Phillip C. Ackerman, Barry Brandon, Hon. Byron W. Brown, Hon. Chris Collins, James F. Doherty, Hon. Timothy M. Kennedy, Hon. Anthony F. Caruana, Philip Corwin, Ramona L. Gallagher, Michael Hoffert, Hon. Mary F. Holtz, Hon. Lynn Marinelli, Lawrence M. Meckler, Frank B. Mesiah, Hon. Satish B. Mohan, Hon. David A. Franczyk, Dr. Andrew J. Rudnick, and Richard Vogan

EXCUSED: Jonathan Dandes

OTHERS PRESENT: Al Culliton, Chief Operating Officer; John Cappellino, Executive Vice President; Karen Fiala, Assistant Treasurer; David Kerchoff, Assistant Treasurer; Andrew Schoeppich, Treasurer; Shawn M. Griffin, Secretary; and Robert G. Murray, Assistant Secretary

There being a quorum present at 9:21 a.m., the Regular Meeting of the Members of the Erie County Industrial Development Agency (ECIDA) was called to order by Mr. Ackerman.

MINUTES

The minutes of the meeting of November 9, 2009 were presented. Upon motion made by Dr. Rudnick, and seconded by Mr. Meckler, approval of the minutes of the Regular Meeting of the Members of the ECIDA was unanimously carried.

REPORTS

Financial Report. Mr. Schoeppich presented the financial report, noting that the month of November has been a positive one. Reviewing the November Income Statement, Mr. Schoeppich made note of a positive \$554,238 variance for administrative fees. On the whole, 2009 has been a good year, especially considering the economy. There being no further questions, Mr. Ackerman directed that the financial report be received and filed.

INFORMATION ITEMS

2009 IRB Schedule. Mr. Kerchoff discussed IRB closings to date, which included 28 project closings totaling \$565,443,676 in investments. There being no further questions, Mr. Ackerman directed that the report be received and filed.

ILDC/RDC Loan Approvals/Closing under \$350,000. Mr. Kerchoff discussed that there were three RDC loans approved (Huber, LLC, K-Technologies and iQue Consultants), two RDC loans closed (Industrial Support Services and Partner Packaging) and one ILDC loan approved (Mini Max Concrete) for the period November 9 to December 9, 2009. There being no further questions, Mr. Ackerman directed that the report be received and filed.

ACTION ITEMS

Approval of Administrative Services Between ECIDA and ILDC. Ms. Fiala presented the proposed Administrative Services Agreement between the ILDC and the ECIDA, and the companion resolution, which sets forth compensation to the ECIDA for work performed on behalf of the ILDC. There being no further questions, upon motion made by Mr. Corwin and seconded by Mr. Mesiah, the resolution was unanimously approved, a copy of which is attached to these minutes.

Approval of Amended Uniform Tax Exemption Policy. Mr. Cappellino discussed the Policy Committee's amended UTEP Policy, which was coordinated through the Leadership Council. Dr. Rudnick and Mr. Corwin were thanked for their work on this project. It was stressed that this amended UTEP brings the ECIDA from the 20th into the 21st Century for project approval considerations and economic development objectives, and puts the IDAs in Erie County in the lead for criteria based packages of incentives. Mr. Cappellino and Leadership Council Chairperson Dave Hartzell were acknowledged for their work. Phil Ackerman commented on the good work of the Policy Committee. There being no further questions, upon motion made by Dr. Rudnick, and seconded by Mr. Meckler, the amended UTEP was unanimously approved. A resolution authorizing the UTEP Policy amendments is attached to these minutes.

INDUCEMENT RESOLUTION

1040 Delaware, LLC – Lease/Leaseback – 1040 Delaware Avenue, Buffalo, NY 14222

Ms. Fiala presented this Adaptive Reuse Project for the renovation of the former Niagara Lutheran Home into a mixed-use facility with 49 one to two bedroom apartments and commercial space. The company has requested exemptions from sales tax and mortgage recording tax. A 485-a real property tax exemption will be obtained through the City. There being no further questions, upon motion made by Mr. Brown, seconded by Mr. Franczyk, and after Ms. Marinelli stated her affirmation of the project, but raised general objections to this type of housing facility receiving incentives from the ECIDA, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 1040 DELAWARE, LLC (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 FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

A true and complete copy of said resolution is attached hereto and made a part hereof.

FJF Development – Utica Street Condominium, LLC – Lease/Leaseback – 301, 305 and 311 West Utica, Buffalo, NY 14222

Ms. Fiala presented this Adaptive Reuse Project of a site including demolition of a boarding house for a mixed-use facility of one or two buildings with approximately 16 apartments, and retail and commercial space. A 485-a real property tax exemption will be obtained through the City. Mr. Brown stated his support for this project in that it will strengthen commercial activity in the Elmwood strip, adding that the Elmwood Village in Buffalo was recently rated as one of the top 10 best urban neighborhoods in the Country. Mr. Collins spoke of the benefits of these Adaptive Reuse Projects, and Ms. Holtz added her thoughts regarding the long-term benefits of putting people into these communities. Ms. Fiala discussed the spin-off of commercial activity that accompanies these projects, and Mr. Corwin elaborated on the need for IDA financial help for these types of projects, affirming that these projects will bring jobs to the area. There being no further questions, upon motion made by Mr. Brown, seconded by Mr. Caruana, the following resolution was unanimously carried:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF FJF DEVELOPMENT-UTICA STREET CONDOMINIUM, LLC (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 FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND

EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A
PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

A true and complete copy of said resolution is attached hereto and made a part hereof.

SPECIAL RESOLUTION

Leisure Living, Inc. (Gerspach Properties, LLC) – Lease/Leaseback – 574 Main Street, City of Tonawanda, NY 14150

Ms. Fiala presented this reaffirming resolution for the inducement of this \$4,500,000 project to build additional space for this growing distribution business. There being no further questions, upon motion made by Dr. Rudnick, seconded by Mr. Meckler, the following resolution was unanimously carried:

REAFFIRMED AND RESTATED RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE ACQUISITION, RENOVATION AND CONSTRUCTION OF A FACILITY BY GERSPACH PROPERTIES, LLC (THE “COMPANY”) AUTHORIZING (i) THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT, AND (C) A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (ii) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AND A PAYMENT-IN-LIEU-OF-TAX AGREEMENT AND RELATED DOCUMENTS

A true and complete copy of said resolution is attached hereto and made a part hereof.

MANAGEMENT TEAM REPORTS

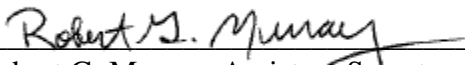
Bond/Loan Report. Mr. Culliton presented a schedule of backlogged and closed bond/lease projects and a backlog of loans, noting that the pipeline consists of \$1,305,000 in loans. The chart of backlog bond/lease projects shows a distinct drop in applications/activity. There being no further questions or comments, Mr. Ackerman requested the report be received and filed.

Report on Bi-National Tourism Alliance. Mr. Culliton stated that when defining development strategies now and over the next several years, tourism is and will remain an important economic development opportunity. Currently the ECIDA is leasing space to the Bi-National Tourism Advocacy Group, with the goal of synergistically merging tourism opportunities with the ECIDA’s job creation and investment spurning tools.

Mr. Ackerman spoke on behalf of the ECIDA to thank Dr. Mohan for his two years of service and presented a gift from the ECIDA to Dr. Mohan.

There being no further business, upon motion made by Dr. Rudnick, seconded by Mr. Meckler, and unanimously carried, the meeting was adjourned.

Dated: December 14, 2009



Robert G. Murray, Assistant Secretary