

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

- MEETING:** October 12, 2017, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** Rev. Mark E. Blue, Hon. Johanna Coleman, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, David J. State, Paul V. Vukelic and Maria Whyte
- ABSENT:** Hon. Byron W. Brown, Colleen DiPirro, John J. Mudie, Hon. Glenn R. Nellis, Laura Smith, and Hon. Geoffrey M. Szymanski
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Mr. Nick Sinatra, on behalf of 157 Great Arrow, LLC

In the absence of the presence of a quorum, Mr. Lipsitz initiated the meeting of the Policy Committee.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's project matrix.

UPDATES/DISCUSSION

Moog Update. Mr. Cappellino updated members that Moog proactively reached out the Agency noting that, at the time the company submitted its application for financial assistance, the current number of jobs at the proposed project location consisted of 251 FTE positions. However, the company has subsequently noticed that its "jobs at application" total of 251 was not accurate, and as such, the correct total number of jobs at application should have been 288 FTE positions. Mr. Cappellino explained to the Committee members that the Board would need to amend the company's inducement resolution to account for the change in jobs at application which will have an effect on the material terms and conditions required by the Agency as a condition of receipt of financial assistance.

Policy Committee Meeting Schedule. Mr. Lipsitz reviewed the 2018 Policy Committee Meeting Schedule. There being no discussion, Mr. Lipsitz directed that the schedule be received and filed.

Adaptive Reuse Working Group. Ms. Whyte provided members with an update on the Adaptive Reuse Working Group meeting held earlier this week, noting that the working group identified suburban shopping malls as becoming obsolete, with increased vacancy becoming more and more likely, such that the working group believes that it would be worthwhile for suburban shopping malls to be given some additional consideration as the Adaptive Reuse Working Group continues its review and analysis of the Agency's adaptive reuse policy. The working group also reviewed the criteria for eligibility for a project to be approved as an adaptive reuse project including that the project be at least 20 years old and a requirement that the project be either vacant or under-utilized for at least three years. Mr. Cappellino noted that Mike Bartlett and Dave Mingoia provided the working group with a presentation on adaptive

reuse efforts in the Town of Hamburg and Amherst, respectively. Mr. Lipsitz then directed that the report be received and filed.

At this point in time, Mr. State joined the meeting. There now being a quorum present, at 9:13 a.m., Mr. Lipsitz called the meeting to order.

MINUTES

The minutes of the September 7, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Lorigo, and seconded by Mr. Blue, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT PRESENTATIONS

157 Great Arrow, LLC, 157 Great Arrow Avenue, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the renovation and adaptive reuse of a portion of the Pierce Arrow complex. When complete, the rehabilitated portion of the Great Arrow complex will house 72 one and two bedroom apartments and approximately 3,000 square feet of space will be established to an amenity-based future, but unknown, tenant. In addition, parking for approximately 100 cars will be made available onsite. 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 potential modification, recapture and/or termination of financial assistance as follows:

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project Amount = \$15,285,000 85% : \$12,992,250
Employment	Same as Recapture Period	Create 85% of projected:
Local Labor	Construction period	Adherence to policy including quarterly reporting
Unpaid Taxes	Same as Recapture Period	Adherence to policy
Pay Equity	Same as Recapture Period	Adherence to policy
Recapture Period	2 Years After Project Completion	Mortgage Recording Tax State and Local Sales Taxes

Mr. Cappellino then introduced Mr. Sinatra, on behalf of the company, who provided a brief update on the project to the Committee members.

Ms. Whyte then queried as to the target population for the apartment units. Mr. Sinatra replied that the target is primarily empty nesters, age 50 years and older.

Ms. Whyte then asked Mr. Sinatra about opportunities to provide affordable housing. Mr. Sinatra responded that his company is starting to look at affordable housing but noted that the Department of Housing and Community Renewal low/mod income housing project review process is very time consuming and can take years to obtain such state funding.

Ms. McDuffie asked if there is a reason the company does not do a mixture of rental and condos in the same development. Mr. Sinatra responded that the company is utilizing historic tax credits which require the company to own the improved unit for at least seven years, which would make condo development impossible because such condo units are sold immediately upon completion. In addition, Mr. Sinatra also stated that construction costs versus sales price does not have enough of a spread to make for sale condo units worthwhile.

Ms. Whyte asked when the project would be initiated. Mr. Sinatra responded that the company is looking to start towards the end of the winter and plans on a spring, 2019 opening date.

Mr. Blue queried as to whether utilities are included within the rent. Mr. Sinatra responded that only water is included within the rent, as gas and electric will be separately metered for each unit. Mr. Blue then asked if parking was included within the rent. Mr. Sinatra responded in the affirmative.

Ms. McDuffie moved, and Mr. Lorigo seconded to approve of the project as proposed. Mr. Lipsitz called for the vote, and the project was then unanimously approved.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:30 a.m.

Dated: October 12, 2017


Robert G. Murray, Secretary