

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

MEETING: October 3, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Rev. Mark E. Blue, Richard Cummings, Colleen DiPirro, Hon. William J. Krebs, Hon. Glenn R. Nellis, Laura Smith, David J. State, Lavon Stephens and Maria Whyte

ABSENT: Hon. April Baskin, Hon. Byron W. Brown, Hon. Johanna Coleman, Richard Lipsitz, Jr., Brenda W. McDuffie and John J. Mudie

OTHERS PRESENT: John Cappellino, Executive Vice President, Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Dawn Boudreau, Compliance Officer; Beth O’Keefe, Business Development Officer; Karen M. Fiala, Assistant Treasurer/Secretary

GUESTS: Robert G. Murray, General Counsel; Russell Corigliano, Randy Bernick and Greg Setter on behalf of Rosina Foods; Laurie Eden on behalf of Moog Inc.

There being a quorum present at 9:11 a.m., the Meeting of the Policy Committee was called to order by Mr. Cappellino who presided over the meeting in the absence of the presence of its Chair, Mr. Lipsitz.

MINUTES

The minutes of the August 1, 2019 Policy Committee meeting were presented. Upon motion made by Ms. DiPirro, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s project matrix. Mr. Cappellino directed that the report be received and filed.

PROJECT PRESENTATIONS

Rosina Food Products, Inc., 3100 Clinton Street, West Seneca, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the proposed project known as “the Protein Operation Expansion” which entails the construction of a 105,000 sq. ft. protein plant including a new high-

speed, state of the art production line for the manufacture of a variety of frozen meatballs, sliced sausages and toppings. The new facility will be adjacent to Rosina’s other West Seneca plant that produces pastas and entrees.

At this point in time, Ms. Whyte joined the meeting.

Mr. Cappellino stated that in exchange for providing the sales and use tax, mortgage recording tax and real property 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 = \$58,000,000 85% = \$49,300,000
Employment	Coincides with 10-year PILOT	Maintain Base: 100 Create 85% of Projected Projected = 40 85% = 34 Recapture Employment = 134
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to policy
Recapture Period	Coincides with 10-year PILOT	Recapture of state and local sales tax, mortgage recording tax and real property taxes.

Mr. Cappellino introduced Mr. Corigliano, Mr. Bernick and Mr. Setter who each spoke about the project and provided background for the Committee.

Ms. Whyte spoke in favor of the project.

General discussion ensued.

Mr. State spoke in favor of the project.

Ms. Whyte moved and Ms. DiPirro seconded to approve of the project as proposed and forward to the ECIDA Board for approval. Mr. Cappellino called for the vote and the project was then unanimously approved.

Moog, Inc., 400 Jamison Road, Elma, New York. Mr. Cappellino presented this proposed increase in the amount of sales tax benefits in connection with the expansion of the company's Aircraft Division operations, said expansion having already been approved by the Agency for a sales and use tax exemption benefit in March, 2017. Mr. Cappellino noted that while the overall project scope related to the already approved expansion of Moog's existing East Aurora campus has not changed, Mr. Cappellino did note that Moog is anticipating an increase in total project costs of approximately \$11,700,000. The reason for the increase includes both cost overruns as well as unforeseen circumstances surrounding remediation efforts at the site which led to additional spending.

At the time of Moog's original application, the company indicated 251 employees would be retained as these employees were associated with the Aircraft Division operations. Upon further internal review, the company revised the number to 288 and committed to an additional 42 jobs which was the subject of the first amendment to the original resolution. This second amendment reflects the commitment to an additional 27 jobs associated with this expansion project. Upon project completion, the company expects 357 employees will be associated with the project and additional employment opportunities are anticipated over the next 5 years as well.

Mr. Cappellino stated that in exchange for providing the sales and use tax and real property 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 = \$44,300,000 85% = \$37,655,000
Former Employment	Coincides with 10-year PILOT	Maintain Base: 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment = 287
Amended Employment	Coincides with 10-year PILOT	Maintain Base: 288 Create 85% of Projected Projected = 69 85% = 58 Recapture Employment = 346
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to policy

Unpaid Tax	Coincides with 10-Year PILOT	Adherence to policy
Recapture Period	Coincides with 10-Year PILOT	Recapture of state and local sales tax and real property taxes.

Mr. Cappellino introduced Moog representative, Ms. Eden, who spoke on behalf of the company and provided additional background of the project.

General discussion ensued.

Mr. Nellis moved and Ms. Smith seconded to approve of the project as proposed and forward to the ECIDA Board of Directors for approval. Mr. Cappellino called for the vote and the project was then unanimously approved.

Mr. Blue queried if the Agency can monitor MWBE commitments and goals. Mr. Cappellino responded that he has discussed MWBE monitoring with the Chair of the Policy Committee and he will follow up.

There being no further business to discuss, Mr. Cappellino adjourned the meeting at 10:08 a.m.

Dated: October 3, 2019



 Karen M. Fiala, Secretary