

**MINUTES OF THE MEETING
OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(ECIDA or AGENCY)**

- DATE AND PLACE:** May 27, 2020, held via telephone conference. Governor Cuomo's Executive Order 202.1, as amended, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidany.com.
- PRESENT:** Hon. Diane Benczkowski, Hon. Bryon W. Brown, Hon. Joseph Emminger, Dottie Gallagher, Hon. Howard Johnson, Richard Lipsitz, Jr., Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche, Kenneth A. Schoetz, Charles F. Specht and Art Wingerter
- EXCUSED:** Denise Abbott, Rev. Mark E. Blue, James Doherty, Tyra Johnson, and Hon. Brian J. Kulpa
- OTHERS PRESENT:** John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Atiqa Abidi, Assistant Treasurer; Karen M. Fiala, Assistant Treasurer/Secretary; Gerald Manhard, Chief Lending Officer; Dawn Boudreau, Assistant Treasurer; Lori Szewczyk, Director of Grants; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Assistant and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Matt Kahn on behalf of Big Ditch Brewery and David Chiazza on behalf of Iskalo Development Corp.

There being a quorum present at 12:07 p.m., the meeting of the Members of the ECIDA was called to order by its Chair, Ms. McDuffie.

MINUTES

The minutes of the April 22, 2020 meeting of the members were presented. Mr. Nellis moved and Mr. Emminger seconded, to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were then unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the April 2020 financial report, noting that the balance sheet shows that the Agency finished the month with total assets of \$27.8 million, which includes \$7.3 million of unrestricted cash available for Agency operations. Net assets at the end of April were \$21.3 million. The monthly income statement shows operating income of \$64,000. Operating revenue exceeded the monthly budget by \$34,000 due to administrative fee receipts of nearly \$201,000. Operating expenses were under budget by \$102,000. Regarding the strategic investments and initiatives, \$837,000 was granted to the ILDC for the purchase of the Angola Ag Park. This was from the UDAG Fund and approved by the Board for use in December 2018. After factoring in this overflow and depreciation, there was a net loss of \$784,000 for the month. The year-to-date income statement shows revenues of \$717,000, being \$214,000 below budget for the year, and expenses of \$958,000, being \$51,000 below budget. After special project grants, the operational side/top half of the income statement shows a net loss of \$1.3 million for the year. Ms. McDuffie directed that the report be received and filed.

2020 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Lipsitz presented this report and noted the Policy Committee approved the Iskalo project. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTION

Iskalo 6700 Transit Road, LLC, 6700 and 6704 Transit Road, Cheektowaga, New York

Ms. Fiala reviewed the proposed project involving the construction of a new 105,315+/- SF facility of which 58,690 SF (57%) would consist of brewery production and company offices. The balance of the facility (43%) would consist of an expansive tap room, event space and related support area within which retail operations would occur. Agency financial assistance in the form of a sales and use tax exemption, a mortgage recording tax exemption, and a real property tax abatement benefit, is being sought only for the brewery production component of the overall project.

Ms. Fiala noted the David Chiazza was present at the meeting on behalf of the Company.

As a condition precedent of receiving financial assistance, and as a material term or condition established by the Agency in connection with its approval of the Project, Mr. Cappellino noted that the Company must, subject to potential modification, termination and/or recapture of financial assistance for failure to meet and maintain the commitments and thresholds

as described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$27,455,047.00 (which represents the product of 85% multiplied by \$32,300,055.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained and created full-time equivalent (“FTE”) employment at the Facility equal to 142 FTE employees [representing the sum of: (i) 76 FTEs, being the product of 85% multiplied by 90, (representing the 90 new FTE employee positions proposed to be created by the Company as stated in the Company’s application for Financial Assistance), and (ii) 66 FTEs, being the product of 85% multiplied by 78 (where 78 represents the FTE equivalent of 156 proposed PTE employee positions proposed to be created by the Company as stated in the Company’s application for Financial Assistance)]. In an effort to confirm and verify the Company’s employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment – that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

General discussion ensued. Ms. Benczkowski spoke in favor of the project. Mr. Pridgen stated his support for the project. Mr. Wingerter moved and Ms. Benczkowski seconded to approve the Project as proposed.

Mr. Brown and Mr. Johnson jointed the meeting.

Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ISKALO 6700 TRANSIT LLC AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF

(INDIVIDUALLY, AND/OR COLLECTIVELY, 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 BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

MANAGEMENT TEAM REPORTS

Mr. Cappellino gave an update on the Agency's ongoing operations and status of the development of a safety plan for re-opening upon approval of the Phase 2 reopening stage. Ms. McDuffie directed that the report be received and filed.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:32 p.m.

Dated: May 27, 2020



Karen M. Fiala, Secretary