

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

- DATE AND PLACE:** May 4, 2023 at the Erie County Industrial Development Agency, 95 Perry Street, 4<sup>th</sup> Floor Conference Room, Buffalo, New York 14203
- PRESENT:** A.J. Baynes; Zachary Evans; Richard Lipsitz, Jr.; Dr. Susan McCartney; Brenda W. McDuffie; Hon. Glenn R. Nellis; Laura Smith, David J. State<sup>1</sup>; Lavon Stephens, Hon. John Tobia and Paul Vukelic
- EXCUSED:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue and Hon. Bryon W. Brown
- OTHERS PRESENT:** John Cappellino, President and Chief Executive Officer; Beth O’Keefe, Vice President of Operations; Grant Lesswing, Director of Business Development; Andrew Federick, Property and Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocienec, Operations Assistant; and Pietra G. Zaffram, General Counsel/Harris Beach PLLC
- GUESTS:** Josh Veronica on behalf of Buffalo Niagara Partnership; Alex Carducci on behalf of the City of Buffalo; and Byron DeLuke on behalf of TM Montante Development

There being a quorum present at 9:15 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

Mr. Lipsitz welcomed new committee members A.J. Baynes from the Amherst Chamber of Commerce and Dr. Susan McCartney from Buffalo State.

**MINUTES**

The minutes of the April 13, 2023 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie to approve of the minutes, and seconded by Ms. Smith, the aforementioned Policy Committee meeting minutes were unanimously approved.

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<sup>1</sup> Mr. State participated via video conference, and counted for quorum purposes, pursuant to Section 103-A of the New York State Public Officer’s Law and the Agency’s Videoconferencing Participation Policy.

**PROJECT MATRIX**

Mr. Cappellino reviewed the Agency’s Project Matrix and advised the Committee there were originally two projects to bring before the Committee but one has been removed from consideration. Iskalo 101 Oak LLC will be presented at a later date. Mr. Lipsitz directed that the report be received and filed.

**PROJECT PRESENTATION**

TM Montante LLC, 50 Gates Circle, Buffalo, New York 14209. Ms. O’Keefe presented this proposed sales tax and mortgage recording tax benefits project involving the adaptive reuse of a mostly vacant 11,200 sq. ft. building into a mixed use development. The new use of the building will result in 2,230 sq. ft. dedicated to therapist offices and the remaining 8,970 sq. ft. of space used for 12 residential apartment units.

Ms. O’Keefe confirmed that TM Montante LLC is seeking approximately \$108,500 in assistance including sales tax exemption and mortgage recording tax exemption. Total payroll is projected at \$200,000 for the direct and indirect jobs created including 14 construction jobs. The resulting cost benefit is 1:29 so for every \$1 of incentives the community benefit is \$29 in payroll & tax revenue. Erie County: for every \$1 of incentives the community benefit is \$54 in benefits to the community.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax exemption 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 = \$3,465,838 85% = \$2,945,962
Employment	Coincides with recapture period	Maintain Base = 4 FTE
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to policy
Unpaid Tax	Coincides with recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Mr. DeLuke, representing the company, gave a brief description of the project. Dr. McCartney queried as to whether there will be more MWBE utilization. In response, Mr. DeLuke advised this project is part of a series of projects at Gates Circle. The company has developed good relationships with neighborhood groups for outreach and relationships with MWBE firms. The company will start with its existing relationships but always looking to expand with county and state lists.

Ms. McDuffie queried if the company is aware there is an issue with workforce housing in this community, especially for single parents, noting the company is only designating one apartment for 80% AMI. She asked whether the company consider adding more lower AMI apartments or consider two-bedroom apartments.

Mr. DeLuke advised that it is a very small building, and the company can only provide a 4-unit layout. They did consider one of the units for a two-bedroom, but the bedrooms would be too small. He advised that one-bedrooms worked better. The company will look for additional two- and three-bedroom options as they continue to build out other nearby facilities including those at Lafayette and at Lancaster Square. With regard to affordability, Mr. DeLuke advised that the company looked at affordability metrics, and spoke with County representatives, who advised 4/12 units fall into average AMI and 1 unit will be dedicated @ 80% AMI. The company is hoping to move forward with another project across the street that is entirely affordable so there will be a good mix.

Mr. Evans observed that the units are rather small, noting the apartment designated at 80% AMI is only 490 sq. ft. Mr. Lipsitz advised that this is an important aspect of economic development in our county that we the Agency is paying attention to.

Ms. Smith queried regarding the SHIPO designation and asked whether the company believes local labor will be able to handle the work required. Mr. DeLuke advised that the project is a straightforward adaptive reuse project and should have no issues meeting local labor requirements. The company is hoping to get into construction this summer.

Ms. McDuffie noted that because it is a smaller project, it is a good opportunity for MWBE and minority participation.

Ms. Smith moved and Mr. Vukelic seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

At this point in time, Ms. Smith left the meeting.

Ms. McDuffie stated it may be time to go back to the Committee's ongoing discussion about workforce housing and affordability.

## MWBE UPDATE

Mr. Lipsitz advised that this policy is completed and is going to be implemented. Mr. Lipsitz suggested the Committee should replace this agenda item with a new topic regarding affordable housing.

Mr. Evans stated he supports this idea for the next Policy Committee project.

Mr. Cappellino advised that affordable housing is not a formal component of the existing Adaptive Reuse Policy, but nonetheless the Agency has been historically successful working with applicants to address affordability.

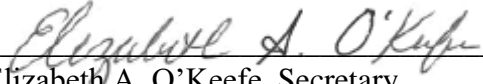
Mr. Vukelic advised that any information from best practices would be helpful to guide discussion.

Mr. Tobia queried whether the Agency has information on occupancy of apartments at higher rates.

Mr. Lipsitz directed staff to prepare an outline for discussion at the July Policy Committee meeting.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:46 a.m.

Dated: May 4, 2023

  
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Elizabeth A. O'Keefe, Secretary