

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

DATE AND PLACE: June 26, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Rev. Mark Blue, Patrick Boyle, Hon. Byron W. Brown, Hon. Howard Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda McDuffie, Hon. Glenn R. Nellis, Hon. Brian Nowak, Hon. Mark C. Poloncarz, Hon. Christopher Scanlon and Kenneth A. Schoetz

EXCUSED: Denise Abbott, James Doherty, Hon. Joseph Emminger, Dottie Gallagher, Michael P. Hughes, Tyra Johnson, and Paul Vukelic

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O’Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Atiqa Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Robbie Ann McPherson, Director of Marketing & Communications; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County; Daniel Castle on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Adam Walters on behalf of ULI; and Mo Sumbundu on behalf of Empire State Development

There being a quorum present at 12:08 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

Ms. McDuffie welcomed Mr. Boyle to the Agency as the new President of the Erie County Association of School Boards and as so related to that position, as the newest member of the Agency.

MINUTES

The minutes of the May 29, 2024, meeting of the members were presented. Mr. Poloncarz moved, and Mr. Brown seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the May financial reports. The balance sheet shows that the IDA ended the month with total assets of \$35.3M (includes unrestricted cash of \$6.8M available for Agency operations) and net assets of \$19.8M (UDAG cash of \$6.6M is in restricted cash and another \$4.0M is due from ILDC). The ILDC borrowed (\$387K) from UDAG fund in May, leading to a decrease in restricted cash and an increase in Due from Affiliates. The monthly income statement shows a net loss of \$156,000 in May. Operating revenue of \$59,000 was below the monthly budget by \$149,000, due mainly to the lack of administrative fees received during the month. Operating expenses were \$254,000 and were \$1,800 below budget, with variance in salaries and benefits, professional services, and public hearings and marketing. Professional services and public hearing and marketing both had negative variances in May. After net non-operating revenue of \$39,000, there was a net loss of \$155, 862 for the month. The year-to-date income statement shows operating revenues of \$880,000, including administrative fee revenue of \$583,000. We remain at 32% of our annual budget through five months of the year. Operating expenses of \$1.3M are \$90,000 below budget. The negative \$73,000 variance on the salaries & benefits line is due to the budget including room for performance incentives. General office expenses are \$14,000 higher than budget due to funding provided for the BNP DEI survey update. Professional services are about \$18,000 below budget, due to lower than expected legal and consulting costs. Net special project grant expenses are \$17,000, and strategic initiatives year to date total \$151,000. After net non-operating revenue of \$179,000, there is currently a net loss of \$387,717 for the year. Ms. McDuffie directed that the report be received and filed.

Mr. Poloncarz queried about 2024 deal flow. Mr. Capellino responded that the Agency is anticipating receipt of outstanding Project revenues later this year and noted a few projects are in the planning stages.

Credit Card Authorization. Ms. Profic outlined a request for authorization to apply for an M&T Bank business credit card. She stated the card aligned with the Agency's current banking relationship with M&T and the Agency's credit card policy requires Board authorization to apply for a card. There will be one physical card issued with a \$10,000 limit requested. The card will remain locked on site for purchases where a vendor requires a credit card payment or when paying with a check is not practical. Purchases are still subject to the Agency's Procurement Policy.

Mr. Nellis moved and Rev. Blue seconded to approve the credit card authorization as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") AUTHORIZING THE ACQUISITION BY THE AGENCY OF A CREDIT CARD CONSISTENT WITH THE AGENCY'S CREDIT CARD POLICY

2024 Tax Incentives Induced/Closing Schedule. Mr. Cappellino provided this report. Ms. McDuffie directed that the report be received and filed.

Approving of Engaging Engineering Firm for PFRAP Contract: Mr. Cappellino reviewed the contemplated railway maintenance project and its related RFP process and confirmed the staff's recommendation of Erdman Anthony.

Mr. Poloncarz moved and Rev. Blue seconded to engage Erdman Anthony for the PFRAP contract as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") AUTHORIZING THE NEGOTIATION AND EXECUTION OF A CERTAIN AGREEMENT WITH ERDMAN ANTHONY ("EA") IN AN AMOUNT NOT TO EXCEED \$224,515 FOR ENGINEERING SERVICES IN RELATION TO THE AGENCY'S REMOVAL AND REHABILITATION OF RAILWAY FACILITIES LOCATED AT THE DEPEW LANCASTER AND WESTERN RAILROAD ("RAILROAD FACILITIES")

Global NY Program Funding Support. Mr. Cappellino reviewed the funding request. Mr. Sumbundu spoke on behalf of Empire State Development and in support of the funding request.

Mr. Poloncarz moved and Rev. Blue seconded to approve the funding of the Global NY Program as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") AUTHORIZING (i) THE EXPENDITURE OF FUNDS TO SUPPORT THE GLOBAL NY PROGRAM IN AN AMOUNT NOT TO EXCEED \$25,000, AND (ii) THE NEGOTIATION AND EXECUTION OF A FUNDING AGREEMENT WITH INVEST BUFFALO NIAGARA ("IBN") WITH RESPECT TO SAME

Policy Committee Update: Mr. Lipsitz provided an update on the most recent Policy Committee meeting including the Policy Committee approval of Addendum #1 to Adaptive Reuse Policy presented to the Board for approval. Ms. McDuffie directed that the report be received and filed.

Approval of Addendum #1 to Adaptive Reuse Policy. Mr. Cappellino reviewed the language for Addendum #1 to the Adaptive Reuse Policy, and reminded members that in 2008, the ECIDA passed the current Adaptive Reuse Policy to encourage reinvestment in abandoned and blighted structures. Since then, approximately 85 projects have been approved by the Agency representing approximately 4.6 million sq. ft. of redevelopment, and \$975 million in new private investment. The projects created 1985 new residential units, and 1.5 million sq. ft. of renovated commercial space.

Over the past year the Policy Committee has discussed measures to better address housing concerns and ways by which it could amend the Adaptive Reuse Policy that would provide for an affordability component for Adaptive Reuse projects that contained rental housing as part of the reuse. The Policy Committee maintains that the policy goal of the Adaptive Reuse program

continues to be the reuse of existing and blighted structures, but in this context, the committee desires to incorporate language into the policy to encourage Adaptive Reuse projects with housing components to have an affordability component.

Mr. Cappellino then reviewed the draft Amendment #1 to the Adaptive Reuse Policy and noted that the draft Amendment #1 has been thoroughly vetted by the committee and multiple suggestions have been included in the final proposal, including suggestions submitted by the Buffalo Niagara Partnership, a copy of which is provided with the board package. The resulting policy amendment was unanimously recommended for consideration and adoption by the Board at the June, 2024 Policy Committee meeting.

Mr. Cappellino then reviewed the highlights and definitions/terms of the proposed amendment. He confirmed that the main criterion for the policy requires that Adaptive Reuse projects that have a housing component must incorporate a certain percentage of affordable housing units into the mix of the overall residential unit offering. Said units are deemed workforce/affordable by utilizing the 80% of the Area Median Income and the NYS Affordable Housing Corporations Annual benchmark data, requiring that workforce affordability be defined as spending 30% or less of annual income on housing costs. Mr. Cappellino continued on to discuss the tiered requirements based on the number of residential units in the project, where for projects with 10 or less units requiring at least one apartment would need to be a workforce affordable unit, projects with 11-50 units would require 10%, projects with 51–100 units would require 15% and projects over 100 units would require 20% workforce affordable units. Additionally, the policy stipulates that if possible, a mix of residential apartments be considered, to meet housing needs for households of varying sizes.

The policy would also require income verification for the occupancy of the workforce affordable units, requiring certification that the workforce affordable units is being leased to individual(s) meeting the 80% income eligibility threshold.

Mr. Cappellino personally thanked all the members of the Policy Committee, staff and other experts that have helped in the formulation of this policy.

Mr. Poloncarz complimented the Policy Committee on its thoroughness and deliberative process. He spoke in favor of the draft Addendum.

Mr. Poloncarz moved and Mr. Brown seconded to approve Addendum #1 to the Adaptive Reuse Policy.

Ms. McDuffie spoke in favor of the addendum. Mr. Lipsitz also noted this policy will not solve our region's affordable housing problems in and of itself, but this Addendum codifies our intentions to implement an affordable housing policy.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") APPROVING AND ADOPTING AN ADDENDUM TO THE AGENCY'S ADAPTIVE REUSE POLICY

Urban Land Institute ("ULI") Advisory Panel Special Projects Request. Rev. Blue recused himself due the role that the NAACP Buffalo Branch in the underlying proposed ULI project. Mr. Cappellino then reviewed the proposed project and related funding request.

Adam Walters spoke on behalf of ULI and provided additional background relative to the funding request.

Mayor Brown spoke in opposition to the proposed funding requesting, stating his belief that the funding and study proposal is unnecessary due to the City's expenditure, as well as other partners, of millions of dollars, within the study area including at Wiley Stadium, the new Health and Wellness facility, the new Buffalo Urban League facility and many other City of Buffalo proposed housing initiatives. Mayor Brown continues to work with the NAACP but stated that claims with respect to the City having no Jefferson Avenue plans are untrue.

Mr. Johnson then moved, and Mayor Brown seconded, to table the ULI funding request proposal. Ms. McDuffie called for a vote and the motion was unanimously approved with Rev. Blue abstaining.

At this point in time, Mayor Brown left the meeting.

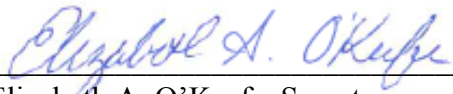
MANAGEMENT TEAM REPORT

Ms. Profic noted that agreements with the Agency's general, loan, and tax-exempt bond counsel expire at the end of November 2024, and as such, the Agency, consistent with its professional services procurement policy, will be issuing RFPs for same. Ms. Profic stated that a staff committee has been assembled and tasked with reviewing the responses and conducting interviews. More information will be forthcoming as the Agency moves through the RFP and selection process.

New York State's Affordable Housing Incentive Program. Mr. Murray presented a PowerPoint presentation describing New York State's new affordable housing programs and related real property tax exemption programs.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:54 p.m.

Dated: June 26, 2024



Elizabeth A. O'Keefe, Secretary