

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

- DATE AND PLACE:** June 27, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Diane Benczkowski, Hon. Patrick B. Burke, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Tyra Johnson, Brenda W. McDuffie, Hon. Glenn R. Nellis, Hon. Mark C. Poloncarz, Sister Denise Roche, and Kenneth A. Schoetz
- EXCUSED:** Rev. Mark E. Blue, Hon. Byron W. Brown, James F. Doherty, Hon. Brian J. Kulpa, Richard Lipsitz, Jr., John J. Mudie, Louis Panzica, Hon. Darius G. Pridgen and Charles F. Specht
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Assistant Treasurer; Michael Alexander, Loan Manager and Robert G. Murray, Secretary
- GUESTS:** Maria Whyte, Deputy County Executive and Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 9:21 a.m., Ms. McDuffie called the meeting to order.

MINUTES

The minutes of the May 23, 2018 meeting of the members were presented. Mr. Nellis moved, and Sister Denise seconded, to approve of the meeting minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic reviewed the May 2018 financial report noting that the balance sheet shows that the Agency finished the month with total assets of \$31.1 million and net assets of \$20.8 million. The monthly income statement shows an operating net loss of \$114,000. Ms. Profic noted that operating revenue was under budget by \$133,000, due mainly to receipt of administrative fees. Total operating expenses were in excess of budget by \$7,000, mainly due to professional service costs for the month. After factoring in strategic investments and depreciation, there was a net loss of \$161,000 for the month. The year to date income statement shows revenues of \$603,000,

being \$526,000 below budget for the year. Year to date operating expenses of \$1.2 million are on track with the budget for the year. After special project grants, strategic initiatives and depreciation, there is currently a net loss of \$891,000 for the year. There being no further questions or comments, Ms. McDuffie directed that the report be received and filed.

Policy Committee Update. Mr. Cappellino provided members with an update from the most recently completed Policy Committee meeting, noting that the Policy Committee has unanimously approved the ROAR Logistics, LLC project that is before the Board members today. Ms. McDuffie directed that the report be received and filed.

2018 Tax Incentive Induced/Closing Schedule/Estimated Real Property Tax Impact. Ms. Fiala presented this report. Ms. Gallagher-Cohen noted that the Agency is pacing below administrative fees and at or above expenses and queried Ms. Fiala as to how the Agency is anticipating that the remainder of the year may turn out. Ms. Profic responded that the Agency is anticipating approximately \$550,000 in additional fees and that it will be close or below revenue side budgeted amounts. However, this is based on projects in the pipeline as of June, 2018 and as such, it is unknown as to projects that may come before the Board over the next six months. Ms. McDuffie directed that the report be received and filed.

INDUCEMENT RESOLUTIONS

ROAR Logistics, LLC, 535 Exchange Street, Buffalo, New York. Ms. Fiala reviewed this proposed sales tax and real property tax abatement benefits project involving the construction and equipping of a new 12,400 sq. ft. facility for use as back office operations.

As a condition precedent of receiving financial assistance and as a material term and condition established by the Agency in connection with its approval of the project, Ms. Fiala noted that the Company must, subject to potential termination and/or modification and/or recapture of financial assistance, submit on at least an annual basis or as otherwise indicated below, through the conclusion 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 \$2,218,500.00 (which represents the product of 85% multiplied by \$2,610,000.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 43 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that the Company has maintained and created FTE employment at the Facility equal to 55 FTE employees [representing the sum of the Baseline FTE plus 12, where 12 is the product of 85% multiplied by 14 (being the total number of new FTE employee positions as 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.

Mr. Poloncarz moved and Ms. Gallagher-Cohen seconded to approve of the project as proposed. 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 ROAR LOGISTICS, INC., 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, AND (B) 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 REPORT

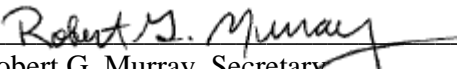
Mr. Weathers then asked Board members to enter into an attorney-client privilege discussion to seek legal advice. Mr. Poloncarz moved and Sister Denise seconded to enter into an attorney-

client privilege session. Ms. McDuffie called for the vote and the Agency entered into attorney-client privilege at 9:40 a.m. with only counsel present.

At this point in time, Mr. Burke left the meeting.

At 10:08 a.m., the attorney-client privilege session was adjourned and at 10:09 a.m. the meeting was adjourned.

Dated: June 27, 2018


Robert G. Murray, Secretary