

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

- MEETING:** February 7, 2019, at Erie County Industrial Development Agency, 95 Perry Street, 5th Floor Conference Room, Buffalo, New York
- PRESENT:** Hon. Johanna Coleman, Mr. Richard Cummings, Hon. William J. Krebs, Brenda W. McDuffie, Hon. Glenn R. Nellis, Laura Smith, David J. State and Maria Whyte
- ABSENT:** Hon. April Baskin, Rev. Mark E. Blue, Hon. Byron W. Brown, Colleen DiPirro, Richard Lipsitz, Jr., and John J. Mudie
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Karen M. Fiala, Assistant Treasurer; and Robert G. Murray, Secretary
- GUESTS:** Rebecca Gandour, City of Buffalo Office of Strategic Planning; Andrew Federick, Erie County Senior Economic Development Specialist; Ryan Silva, New York State Economic Development Council; Danielle Shainbrown, on behalf of McGuire Development; Dennis Penman, on behalf of Related Affordable

There being a quorum present at 9:12 a.m., the meeting was called to order by Ms. McDuffie, who presided over the meeting in the absence of the presence of Mr. Lipsitz, Chair of the Policy Committee.

MINUTES

The minutes of the January 3, 2019 Policy Committee meeting were presented. Upon motion made by Ms. Whyte, and seconded by Mr. Cummings, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

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

PROJECT PRESENTATIONS

Community Action Organization of WNY/McGuire Development, 600 Northampton Street, Buffalo, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the company's

construction of a new 38,500 sq. ft. facility on an existing parking lot to house a head start academy for 3-5 year old children together with additional facilities for early head start for children up to 2 years old, as well as a community health clinic to be operated by Community Health Center of Greater Buffalo.

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 = \$9,416,936 85% = \$8,004,395
Employment	Coincides with 7-year PILOT	Maintain Base: FTE 37 Create 85% of projected Projected = 2 FT 85% = 39 FTE Recapture Employment = 39
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to policy
Recapture Period	Coincides with 7-year PILOT	Recapture of state and local sales tax, mortgage recording tax and real property taxes.

Mr. Cappellino introduced Policy Committee members to Ms. Shainbrown, who spoke on behalf of the company.

Ms. Whyte queried as to why federal funding does not allow for ownership, thus encouraging the lease relationship. Ms. Shainbrown responded that federal funding requirements discourage use of federal funds to make mortgage payments as opposed to making lease payments.

Ms. McDuffie spoke in favor of the project.

Mr. Cummings spoke in favor of the project and expressed approval of the company's approach of involving community members in the planning process. Mr. Cummings asked if the company will utilize MWBE vendors. Ms. Shainbrown responded that the company is actively engaged in identifying local MWBE vendors.

Ms. Smith then moved and Mr. Nellis seconded to approve of the project as proposed. Ms. McDuffie called for the vote and the project was then unanimously approved for recommendation to members of the Agency.

Related Affordable, LLC/Marina Vista Apartment, 32 Hertel Avenue (aka 10 and 12 Hertel), Buffalo, New York. Mr. Cappellino presented this proposed sales tax and mortgage recording tax exemption benefits project also involving the Agency’s issuance of its multi-family housing tax exempt revenue bonds in an amount not to exceed \$13,300,000. The project will involve the comprehensive rehabilitation of and physical upgrades to the facility.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording 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 = \$23,599,613 85% = \$20,059,671
Employment	Coincides with Recapture Period	Maintain Base: FT 5 No new jobs projected
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 tax and mortgage recording tax

Mr. Cappellino introduced Mr. Penman who spoke on behalf of the company.

Ms. Whyte expressed support for the project as proposed.

Ms. McDuffie expressed support for the project.

Mr. Krebs moved and Mr. Cummings seconded to approve of the project as proposed. Ms. McDuffie called for the vote and the project was then unanimously approved for recommendation to members of the Agency.

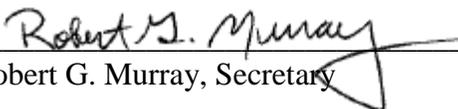
INFORMATION ITEMS

Affinity Sutton Place. Mr. Cappellino, as an information item only, informed Committee members that, in relation to an ECIDA financed 2003 tax-exempt affordable housing project known as the Affinity Sutton Place L.P. Project, the company has asked for the Agency to consent to the sale of the facility and ultimately terminate the existing bond documents as the bonds will ultimately be paid off with sale proceeds. Mr. Cappellino stated that there is no action required to be taken by the Policy Committee.

Clover Communities Fries, LLC. Mr. Cappellino informed Committee members that there is an additional item at this point in time, for information only, involving a requirement that the Agency consent to a sale of equity interest in a project first induced by the Agency in 2009 involving financial assistance and a PILOT Agreement with the Clover Communities Fries, LLC senior housing project located at 300 Fries Road, Tonawanda, New York. Mr. Cappellino stated that due to last week's storm events, the company and Agency were not able to compile materials for the Policy Committee's consideration; however, closing time constraints require the Agency to take action by the end of this month. Mr. Cappellino noted that the existing transaction documents require the Agency to consent to a sale in equity interest of more than 50%. The company has indicated to the Agency that a conveyance is contemplated that will involve a change of equity ownership of approximately 80-90%. As a condition of providing its consent, the Agency staff will recommend that, in consideration of providing its consent, the company commit to certain material terms and conditions that were not initially required to be adhered to as such requirements did not exist at the time the company was original approved for financial assistance. Mr. Cappellino anticipates Agency staff will recommend that the company adhere to retaining existing full-time employment at 2 FTE positions, and adhere to the Agency's pay equity and unpaid tax policies. Mr. Cappellino also noted that there are three years left in the existing PILOT benefit time period.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 10:06 a.m.

Dated: February 7, 2019


Robert G. Murray, Secretary