

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS  
OF THE  
BUFFALO AND ERIE COUNTY  
INDUSTRIAL LAND DEVELOPMENT CORPORATION  
(ILDC)**

**DATE AND PLACE:** February 21, 2018, at the Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203

**PRESENT:** Hon. Patrick Burke, Richard Lipsitz, Jr., John J. Mudie, Hon. Mark C. Poloncarz and Maria Whyte

**EXCUSED:** Hon. Byron W. Brown and Hon. Peter J. Savage, III

**OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President, Karen M. Fiala, Assistant Treasurer; Mollie Profic, Treasurer; and Robert G. Murray, Secretary

**GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Kenneth Swanekamp, Director of Business Assistance and Christopher Pawenski, Coordinator, Industrial Assistance Program, of the Erie County Environment & Planning Department;

There being a quorum present at 8:34 a.m., the meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the "Corporation") was called to order by Mr. Lipsitz.

**MINUTES**

Upon motion made by Mr. Mudie, and seconded by Mr. Burke, the October 31, 2017 minutes of the Board of Directors of the Corporation meeting were unanimously approved.

**REPORTS / ACTION ITEMS / INFORMATION ITEMS**

Financial Report. Ms. Profic presented the January 2018 Financial Report. Ms. Profic noted that the balance sheet includes the December 2017 figures such that the Corporation ended 2017 with net assets of \$6.7 million after net income of almost \$6.5 million for the year. The reason for these large increases was the grant received from the Erie County Industrial Development Agency in the amount of \$6.5 million for the Bethlehem Steel property purchase. The full draft financial statements will be reviewed by the Finance and Audit Committee at its March 12<sup>th</sup> meeting and presented to this Board at its March 21<sup>st</sup> meeting. For the month of January, the ILDC ended with total assets of \$7.1 million and net assets of \$6.7 million. The income statement shows income of \$45 and expenses of \$3,700, for a loss of \$3,600. There being no further discussion, Mr. Lipsitz directed that the report be received and filed.

Assistant Treasurer Banking Resolution. Ms. Profic introduced Atiqah Abidi to the members of the Board of Directors and asked for the Board to approve her appointment as Assistant Treasurer

of the Corporation. Mr. Burke moved and Ms. Whyte seconded to resolve to appoint Ms. Abidi as the corporation's Assistant Treasurer. Mr. Lipsitz called for the vote and the resolution was unanimously approved.

Bethlehem Steel Update. Ms. Whyte updated members on the ILDC's acquisition of the Bethlehem Steel property located in Lackawanna, New York noting that the ILDC has received 2017 Certificates of Completion Certificates ("COCs") from the New York State Department of Environmental Conservation with respect to all Phase II, Phase III and Phase IV parcels as planned. Mr. Cappellino reminded the members of the importance of receiving 2017 COCs due to the significant amount of Brownfield Cleanup Program Tax Credits associated with 2017 COCs. Mr. Cappellino also stated that the 2017 COC status has already led to interest in the site for potential future investment.

Mr. Cappellino then updated members on the various ongoing investments and planning efforts for the Bethlehem Steel site including the various rail line relocation projects, Dona Street engineering and construction efforts, waterline relocation and construction efforts, bike path design and construction efforts, and master planning efforts consistent with creating a generic environmental impact statement. Mr. Pawenski commented that the bike path project is out to bid, and that Dona Street construction project will be bid in June of this year. Mr. Lipsitz thanked Ms. Whyte and Mr. Cappellino for their reports and directed that the reports be received and filed.

Approval of Resolution Authorizing Bethlehem Steel Conveyance of Bike Path Parcel to Erie County. Mr. Cappellino reminded members that the Corporation has previously agreed to convey certain real property associated with the Bethlehem Steel site to Erie County for construction of a bike path. Mr. Cappellino reviewed the memo that was presented to the Corporation describing a proposed conveyance of an approximately 0.77 acre parcel of real property, to be conveyed by the Corporation to the County permitting the County to construct its Shoreline Trail Bike Path project. Mr. Cappellino discussed the memorandum and the circumstances surrounding the proposed conveyance. Ms. Whyte moved and Mr. Burke seconded to approve of the conveyance of the real property as discussed. Mr. Lipsitz called for the vote and the following resolution was unanimously approved:

RESOLUTION AUTHORIZING THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION:  
(i) TO CONVEY FEE TITLE TO THE SHORELINE TRAIL PARCEL ALONG PARCEL I-11 AS DESCRIBED HEREIN TO THE COUNTY OF ERIE; (ii) TO CONFIRM THAT THERE IS NO REASONABLE ALTERNATIVE TO A BELOW FAIR MARKET VALUE TRANSFER OF THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE; AND (iii) TO AUTHORIZE THE CORPORATION TO TAKE ALL RELATED ACTIONS THERETO

Approval of Resolution Authorizing Bethlehem Steel Rail Relocation Agreement. Mr. Cappellino next introduced a resolution authorizing the Corporation to enter into various contracts with the County of Erie, the Erie County Industrial Development Agency, the South Buffalo Railroad, Welded Tube, and Tecumseh Redevelopment for the purpose of work related to Dona Street construction and railroad and waterline relocation on the former Bethlehem Steel site. General discussion ensued. Ms. Whyte moved and Mr. Burke seconded to approve of the resolution to enter into contracts associated with the rail and waterline relocation project and Dona Street construction. Mr. Lipsitz called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AUTHORIZING THE ILDC TO ENTER INTO CONTRACTS WITH THE COUNTY OF ERIE, ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, SOUTH BUFFALO RAILROAD, AND TECUMSEH REDEVELOPMENT, INC. FOR THE PURPOSE OF WORK RELATED TO DONA STREET CONSTRUCTION AND RAILROAD RELOCATION ON THE FORMER BETHLEHEM STEEL SITE

At this point in time, Mr. Poloncarz joined the meeting.

Potential Buffalo Billion II Incentive Proposal. Ms. Whyte next informed members about potential efforts to secure additional funding from Governor Cuomo's Buffalo Billion II Incentive Proposal in the amount of approximately \$10 million to allow the Corporation to acquire additional pieces of real property within the Bethlehem Steel site and commented that securing such funds will require that the Corporation enter into an incentive proposal agreement with the New York State Empire State Development Corporation at some point in the future.

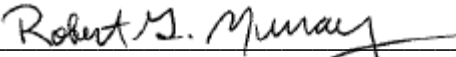
Ms. Whyte then commented that the Corporation has already been contacted by several potential new businesses to acquire significant portions of the Bethlehem Steel site and construct new facilities due to the lucrative Brownfield Cleanup Program Tax Credits that are associated with the site. However, Ms. Whyte cautioned that analyzing the various proposals require that the Corporation consider that the highest and best use for the property be identified and towards that effort, the Corporation's staff and Erie County Department of Environment and Planning staff are working along with Invest Buffalo Niagara and the New York State Empire State Development Corporation to develop and confirm a highest and best use statement which will be shared with the board once completed.

Mr. Cappellino reminded members that the Erie County Industrial Development Agency (the "Agency") had granted monies to the Corporation to purchase the real property and the New York State Empire State Development Corporation has now approved reimbursing approximately \$2.8 million to the Corporation to be returned to the Agency as contemplated and as required by the Agency.

Mr. Weathers informed members that the Corporation has issued a request for expression of interest for the Net Zero project to identify if there is private sector interest in partnering with the Corporation and the Agency for purposes of constructing the Net Zero facility.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 8:54 a.m.

Dated: February 21, 2018

  
Robert G. Murray, Secretary