

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

DATE AND PLACE: August 23, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Hon. John Mills, John Mudie, Hon. Mark C. Poloncarz and Maria Whyte

EXCUSED: Hon. Byron W. Brown

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

GUESTS: Andrew Federick, Erie County Senior Economic Development Specialist

There being a quorum present at 8:45 a.m., the meeting of the Board of Directors of the ILDC was called to order by Mr. Poloncarz.

MINUTES

Upon motion made by Mr. Lipsitz and seconded by Ms. Whyte, the June 28, 2017 minutes of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) meeting were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the July 2017 financial report and noted that the ILDC finished the month with total assets of \$2.75 million and net assets of \$2.7 million. Ms. Profic noted the phased purchase of the Bethlehem Steel property has begun and that land is being added to the ILDC’s fixed assets which accounts for the jump in total assets from June to July. Ms. Profic also noted that accounts payable have also increased to reflect legal costs incurred related to the purchase of the Bethlehem Steel property through the end of July. Monthly income shows revenues of \$145,000 and expenses of \$177,000, plus grant income from the ECIDA in the amount of \$1.7 million, resulting in net income of \$1.7 million for the month of July. Other income represents \$144,684 in administrative fees received from the closing of the Charter School for Applied Technologies bond project. That fee income was then passed through to the ECIDA and included in the management fee line. Ms. Profic noted that

professional services consists mainly of legal costs related to the Bethlehem Steel land purchase. The year to date income statement reflects operating revenues of \$147,000 and expenses of \$248,000, combined with grant income of \$2.6 million for net income of \$2.5 million through July, 2017. Mr. Poloncarz directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic updated members on the August 17, 2017 joint meeting of the ECIDA, RDC and ILDC Finance & Audit Committee wherein the Committee reviewed and discussed the process regarding the recent Banking Request For Proposals, noting that the Committee has recommended that the ILDC approve M&T Bank as the ILDC's primary bank. Ms. Profic also commented that she reviewed the Bethlehem Steel site transaction, and the status of the Agency's financial report with respect to the annual budget for 2017. Mr. Poloncarz directed that the report be received and filed.

Banking Request for Proposal. Ms. Profic reviewed the Professional Services Request for Proposal process by which the Agency, the RDC and the ILDC have conducted a joint request for proposals for banking services. Ms. Profic noted that the 10 largest banks in Erie County, as ranked by Buffalo Business First were contacted to inquire whether they have a government banking area. RFPs were then sent to 8 banks in total, 7 from the top 10 largest banks and one bank was sent the RFP based on past verbal expression of interest. Ads were also placed in the Buffalo News and the Challenger Community News. Notice of the RFP was also placed on the ILDC's website. Five responses to the RFP were received from Community Bank, N.A., Citizens Bank, Evans Bank N.A., KeyBank N.A. and M&T Bank.

Ms. Profic then noted that an internal staff committee scored the proposals based on specific criteria as provided to board members. A short list of three banks was developed and the staff committee requested additional questions from those three short-listed banks. After receiving answers to those questions, the top 2 banks were then interviewed. As a result, the internal staff committee unanimously recommends M&T Bank due to the following: (1) M&T offered competitive interest rates and the highest earnings credit rate; (2) M&T has a dedicated government banking team headquartered in Buffalo; (3) the principal relationship manager for ECIDA has over 11 years of government banking experience; (4) clients include other IDAs, state agencies, counties, and public authorities; (5) M&T Bank offered a no service charge proposal if they were selected as the prime deposit bank; (6) M&T has received and "outstanding" CRA rating since 1989; and (7) M&T offers a dedicated project management team to assist us with our banking transition. The committee also felt M&T's web-based banking, transaction services, and positive pay features were superior.

Ms. Profic also noted that on August 17, 2017, the Joint Finance & Audit Committee reviewed the RFP results as described above and recommended that the ILDC Board approve the selection of M&T Bank as the prime bank.

Mr. Mills moved and Ms. Whyte seconded to approve of M&T Bank. Mr. Poloncarz called for the vote and M&T Bank was selected as the ILDC's prime bank to provide banking, cash management, and investment services to the ILDC.

Shoreline Bicycle Trail – Property Easement/Nominal Sale. Mr. Cappellino described this action item noting that the ILDC is partnering with Erie County in the development of the

Shoreline Trail along the former Bethlehem Steel site in Lackawanna, New York. Mr. Cappellino commented that Erie County will be utilizing approximately \$1 million of funding through the New York State Department of Transportation and County General Obligation Bonding to acquire and construct the trail. The trail will consist of a passive recreational and bicycle trail which will connect to the existing Outer Harbor Shoreline Trail at the Buffalo and Lackawanna border, continuing approximately 6,500 linear feet to the proposed Donna Street extension in the City of Lackawanna. Mr. Cappellino also noted that this proposed 50 feet wide trail right of way would run parallel to Route 5 along the eastern border of the Bethlehem Steel property recently purchased by the ILDC. In order to obligate the funding, the New York State Department of Transportation requires that Erie County has either obtained a permanent easement or ownership of the Shoreline Trail, as described above, by September 1, 2017.

Mr. Cappellino then explained that the action being requested today would be to approve and authorize the ILDC to: (1) convey a permanent easement for nominal consideration for the Shoreline Trail Right of Way to Erie County; (2) adopt a negative declaration in accordance with SEQRA; (3) authorize the sale for nominal consideration of the Shoreline Trail Right of Way to the County of Erie; and (4) provide that construction of the trail comply with all environmental and site development requirements agreed to by ILDC through the Tecumseh Redevelopment land purchase agreement.

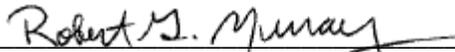
At this point in time, Mr. Lorigo joined the meeting.

Ms. Whyte thanked Mr. Cappellino for his presentation and noted that this is a two-step process, wherein the ILDC will provide the County with an easement first, and then fee title second. Mr. Lipsitz moved and Mr. Mudie seconded to approve of the easement and nominal sale of the Bethlehem Steel Shoreline Trail property. Mr. Poloncarz then called for vote, and the following resolution was unanimously approved:

RESOLUTION AUTHORIZING THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION: (i) TO CONVEY A PERMANENT EASEMENT THROUGH, OVER AND ACROSS THE SHORELINE TRAIL PARCEL AS MORE PARTICULARLY DESCRIBED HEREIN, TO THE COUNTY OF ERIE; (ii) TO CONVEY FEE TITLE TO THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE; (iii) TO CONFIRM THAT THERE IS NO REASONABLE ALTERNATIVE TO A BELOW FAIR MARKET VALUE TRANSFER OF THE PERMANENT EASEMENT AS RELATED TO THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE AND FEE TITLE TO THE REAL PROPERTY CONSTITUTING THE SHORELINE TRAIL PARCEL TO THE COUNTY OF ERIE; AND (iv) TO AUTHORIZE THE CORPORATION TO TAKE ALL RELATED ACTIONS THERETO

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 8:55 a.m.

Dated: August 23, 2017


Robert G. Murray, Secretary