

**MINUTES OF THE
BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE: May 24, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo, New York 14203

PRESENT: Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Tyra Johnson, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, John J. Mudie, Hon. Glenn R. Nellis, Louis Panzica, Hon. Mark C. Poloncarz, Sister Denise Roche, Paul V. Vukelic and Hon. Barry A. Weinstein

EXCUSED: Hon. Byron W. Brown, Hon. Darius G. Pridgen, James F. Doherty, and David L. Lowrey,

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer; Gerald Manhard, Chief Lending Officer; and Robert G. Murray, Secretary

GUESTS: Maria Whyte, Deputy County Executive; Christopher Pawenski, Coordinator, Industrial Assistance Program, Erie County Environment & Planning; Andrew Federick, Erie County Senior Economic Development Specialist; Rebecca Gandour, Director of Development, City of Buffalo Office of Strategic Planning

There being a quorum present at 9:45 a.m., Ms. McDuffie called the meeting to order.

MINUTES

The minutes of the March 22, 2017 Meeting of the Board of Directors of the RDC were presented. Mr. Poloncarz moved, and Mr. Weinstein seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

REPORTS/ACTION ITEMS/INFORMATION ITEMS:

EDA Waiver Request. Ms. Profic reviewed the facts behind the Buffalo Economic Renaissance Corporation (BERC) revolving loan fund which was funded by the Agency's contribution of Federal Economic Development Agency ("EDA") funds made to BERC between 1979 and 1983 to create BERC's "204 Land Reclamation Revolving Loan Fund" (the "Fund"). Ms. Profic noted that BERC is going through the process of dissolution, and because the Erie County Industrial Development Agency (the "Agency") is the original grantee of the EDA funds,

it is ultimately responsible for the Fund. Ms. Profic commented that EDA rules do not allow the Fund to be absorbed into the RDC's loan fund or otherwise reprogrammed and as such, the EDA amounts must be partially terminated or re-established. The funds can only be re-established for the original purpose which is to rehabilitate underutilized industrial facilities in blighted areas of the City of Buffalo, because no loans have been funded for at least the past 15 years by BEREC, it is questionable as to the usefulness of the Fund in today's economic development climate. As of April 2017, the Fund consists of approximately \$2,300,000 in cash and one active loan with a principal balance of \$116,483.00. The Fund has not complied with EDA reporting requirements for at least the last 10 years. After discussions with all parties and review with the Finance and Audit Committee and Executive Committee the Agency has determined that it is in its best interests to execute a partial termination of the Fund and to refinance the existing BEREC loan into the RDC's loan portfolio. BEREC has provided a letter requesting this action on its behalf and this will result in monies being returned to the EDA. The Agency is also requiring that BEREC enter into an agreement to absolve the Agency from future liability related to the original subgrant agreement. As such, Ms. Profic stated that the action today is approval of a resolution authorizing the RDC to request the necessary waiver from the EDA to allow the RDC to refinance the existing BEREC loan to be assigned to the RDC due to the fact that the BEREC FUND lending purposes are inconsistent with the existing RDC Loan Administration Plan and authorized uses of loan funds.

Mr. Poloncarz moved and Mr. Nellis seconded to approve of the resolution. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

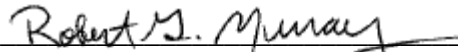
RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION (THE "RDC") AUTHORIZING SUBMISSION OF A WAIVER REQUEST FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION RELATED TO PERMISSIBLE USE OF THE RDC LOAN FUND

Approval of Loan Administration Plan (LAP). Mr. Weathers and Mr. Manhard reviewed the proposed changes to the 2017 Loan Administration Plan, noting this is the same item that was reviewed and approved at the just completed Agency board of directors meeting held earlier this morning. Ms. Gallagher-Cohen moved and Mr. Blue seconded to approve of the resolution. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION (THE "RDC") APPROVING AN UPDATED LOAN ADMINISTRATION PLAN AS REQUIRED BY 13 C.F.R. SECTION 307.9 PRIOR TO SUBMISSION TO THE ECONOMIC DEVELOPMENT ADMINISTRATION (THE "EDA") FOR APPROVAL

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:48 a.m.

Dated: May 24, 2017


Robert G. Murray, Secretary