

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

DATE AND PLACE: December 18, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Rev. Mark Blue, Patrick Boyle, Thomas R. Emmerling, Hon. Joseph H. Emminger, Michael P. Hughes, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda McDuffie, Glenn R. Nellis, Hon. Mark C. Poloncarz, and Kenneth A. Schoetz

EXCUSED: Dottie Gallagher, Hon. John J. Gilmour, Hon. Brian Nowak and Hon. Christopher P. Scanlon

OTHERS PRESENT: John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Gerald Manhard, Chief Lending Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Michelle Moore, Compliance Associate; Robbie McPherson, Director, Marketing & Communications; Lori Szewczyk, Director of Grants and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Robert Goshgarian on behalf of Spectrum News and Robert Kapilevich on behalf of Pfannenbergl.

There being a quorum present at 12:06 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

Ms. McDuffie noted Mr. Hughes tenure as Chair of the Niagara Frontier Transportation Authority is ending, and as such, this will be Mr. Hughes’ last meeting as a member of the ECIDA. Ms. McDuffie thanked Mr. Hughes for his dedication and service.

MINUTES

The minutes of the October 23, 2024, meeting of the members were presented. Mr. Blue moved, and Mr. Emminger seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

At this point in time, Ms. Johnson joined the meeting.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the November financial reports. The balance sheet shows that the IDA finished the month with total assets of \$36.4M and net assets of \$19.6M. Overall assets decreased slightly during the month due to a decrease in cash, and liabilities increased due to an increase in funds held on behalf of others. Operating revenue of \$60,000 was below the monthly budget by \$147,000, due to no administrative fees received during the month. There have been \$132,000 of admin fees received so far in December. Operating expenses of \$244,000 were \$12,000 below our monthly budget. The variance in salaries & benefits is mostly due to a few minor differences in benefit costs from budget. After net non-operating revenue of \$40,000, there was a net loss of \$168,414 for the month. The year-to-date income statement shows operating revenues of \$2.3M, including administrative fee revenue of \$1.5M. We are at 83% of our annual budget through November. Other revenue lines are in line with the YTD budget. Operating expenses of \$2.8M are \$110,000 below budget. The negative \$94,000 variance on the salaries & benefits line is mostly due to the budget including room for performance incentives. Professional services are about \$35,000 below budget, due to lower than expected legal and consulting costs. Public Hearings & Marketing is \$21,000 above budget due to additional marketing costs for RCP. Net special project grant expenses are \$20,000, and strategic initiatives year to date total \$377,000. After net non-operating revenue of \$435,000, there is currently a net loss of \$486,629 for the year. Ms. McDuffie directed that the report be received and filed.

2024 Tax Incentives Induced/Closing Schedule. Mr. Cappellino provided this report. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update: No update as there was no policy committee meeting held in December.

INDUCEMENT RESOLUTION

Pfannenbergl US Realty LLC, 13595 Broadway, Alden, New York. Ms. O'Keefe reviewed this proposed sales and use tax only project consisting of the renovation of a 143,000 square-foot manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth as well as upgrades to loading docks and the creation of quality warehousing space

General discussion ensued. The Project's cost benefit ratio was reviewed, and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

Ms. O'Keefe stated that in exchange for providing the sales and use tax benefit, 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:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$9,775,000 (which represents the product of 85% multiplied by \$11,500,000, being the total project cost as stated in the Company’s Application, as amended).
- (ii) Employment Commitment – that there are at least 123 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s Application, as amended (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 142 FTE employees [representing the sum of (x) 123 Baseline FTE and (y) 19 FTE employees, being the product of 85% multiplied by 23 (being the 23 new FTE employee positions proposed to be created by the Company as stated in its Application, as amended)]. 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. Emmerling moved and Mr. Emminger seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. 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 PFANNENBERG US REALTY LLC, 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) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iii) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION BENEFIT FOR

PURCHASES AND RENTALS RELATED TO THE ACQUISITION,
CONSTRUCTION AND EQUIPPING OF THE PROJECT; AND (iv)
AUTHORIZING THE NEGOTIATION AND EXECUTION OF AN AGENT
AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED
DOCUMENTS

MANAGEMENT TEAM REPORT:

Mr. Cappellino advised the Board that at the end of each year several PILOT benefit terms for various projects run their course, such that the PILOT then automatically terminates. At that point, the PILOT schedule ends and the project no longer receives any property tax abatement and the real property is returned to the tax rolls. This year there are 14 projects for which their PILOTs will terminate at the end of the year, representing approximately \$56M of assessed property value being returned to the tax rolls as fully taxable, representing about \$1.86M of tax revenue for local taxing jurisdictions.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:24 p.m.

Dated: December 18, 2024



Elizabeth A. O'Keefe, Secretary