



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

October 21, 2021

Meetings for the Board of Directors of ECGRA can begin meeting in a physical location per Governor Wolf's proclamation of June 11, 2021. However, each member and ex-officio has the option to attend in person or virtually. Members of the public can now speak at the physical location of 5240 Knowledge Parkway.

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on October 21, 2021 at 5240 Knowledge Parkway, Erie, PA 16510. Legal Notice of the meeting was given through an advertisement appearing in the Erie Times-News. The meeting was called to order by the Chair.

ROLL CALL

Mr. Barney, Mr. DiPaolo, Ms. Hess, Ms. Loll, and Mr. Sample are present via Zoom. Mr. Cleaver is present via phone. Mr. Paris is present in person. Mr. Wachter and Mr. Lee are present via Zoom, and Dr. Wood is present in person.

APPROVAL OF THE AGENDA

Mr. Sample makes a motion to approve the agenda as presented. Mr. DiPaolo seconds the motion. There is no discussion of the agenda. Motion carries 7-0.

APPROVAL OF MINUTES – September 2021

Mr. Sample makes a motion to accept the minutes. Mr. DiPaolo seconds the motion. There is no discussion on the minutes. Motion carries 7-0.

DIRECTOR'S COMMENTS

Mr. DiPaolo: I just have a quick question, and maybe Perry can answer this. I saw in the paper over the weekend a place up for sale on the 400 block of West 8th St. I had called Tammi and had asked

her; I know that maybe a year ago we had given money to Anna Frantz for West Bayfront. I thought it was for sidewalks but Tammi said it wasn't for sidewalks, but it was basically for sprucing the place up. The question that I have, this place was listed at almost \$400,000. Is there anything when we give an award - in a situation like this where we are giving money to clean up the place - that they have to stay there for a certain amount of time or can they just turn around and sell it, using our money?

Mr. Barney: That's a good question.

Dr. Wood: That's what is known in the redevelopment world as a claw-back clause that you would put into a contract so that if you give a grant to a building project, if a certain amount of time goes by, then basically a temporary lien is put on the property and if a certain amount of time goes by and the property sells before that time expires, then they pay the grant back. But we are not making grants to private property owners; we are making a grant to a 501c3 known as Our West Bayfront, or Anna Frantz as you said, who is the Executive Director. She is then putting forth a façade improvement plan which is about \$5,000 per property owner or whatever the program looks like. Those individual groups have it as an option to have a claw-back strategy. Tom, does Our West Bayfront have a claw-back strategy in their façade improvement program?

Mr. Maggio: They actually record liens; I don't know what the duration of the lien is so if they did sell the property, they would have to pay back a prorated share of the grant that they received for the property. But I believe they are capped at \$5,000 per property.

Dr. Wood: Does that answer your question, Dom?

Mr. DiPaolo: Yes, it does. Is there any way we can check just to make sure? This place is 410 West 8th St. and it's up for \$380,000. I realize if that's all we gave them was \$5,000, it's just the idea of the thing. Maybe that \$5,000 is what they did to clean up the front of the place to show it. I don't know. I just think it seems strange. I didn't know there was a clause in these things like that. I just wanted to bring it up, that's all.

Dr. Wood: I think it's a good point and I think it would be important to note that it wouldn't be our responsibility to claw the \$5,000 back; it would be Our West Bayfront's responsibility. Since we're looking into it, let's find out and get you the response.

Mr. DiPaolo: Very good. Thank you. I appreciate it.

Mr. Sample: I have a question of that. Is this her personal property or is this a property owned by Our West Bayfront?

Mr. DiPaolo: I don't know who owns the property; it's 410 West 8th St. I don't know if it's her or somebody in her group. I don't know.

Mr. Wachter: I can tell you in about three minutes here.

Mr. Maggio: It hasn't transferred, but Our West Bayfront would be the entity that buys the properties, not ECGRA.

Mr. Sample: I have another question of you, Perry. We had talked of it a little bit earlier; the well, I don't remember the acronym for it, but the monies that the government gave to the County and the City.

Dr. Wood: That is the ARP Funds.

Mr. Sample: We went in a year ago and initiated a lot of these programs and there was some conversation that the County and the City might utilize us because there is already – there is no sense in re-inventing the wheel, you know, and there is no sense in going out and hiring employees and stuff. Have we had any conversations or did these people merely get a bunch of money and then start hiring people?

Dr. Wood: That is a mixed answer. ARP Funds went to school districts, they went to the County, and they went to the City. We have had no conversations with the school districts about the funds; I'm pretty sure they have processes in place to spend those. The County, the conversations have been very productive; that would be the agreement that was passed and supported by the Administration and then passed by County Council, to create a Transformative Grant Program. That is in process right now. We don't have that agreement solidified; we talked about this last month, too. We're still in the holding pattern with the compliance process, which is with the County. My understanding, and Gary can verify this, that we are in next year's budget as well for the Transformative Funds.

Then there's the City. We have been doing quite a lot to help the City. If you recall, we brought in Bruce Katz, from New Localism; that's a partnership between ECGRA, Erie Insurance, Erie Community Foundation, and the Jefferson to bring in Bruce Katz to put together an investment playbook. It's focused on the City's central business district and the two surrounding neighborhoods, but it also has County-wide initiatives as part of it as well. For example, a plastics initiative between Gannon, Behrend, and various plastics industries, as well as a rural broadband component to it. So, that is in process. But the City has not approached us about administering funds. That is a little frustrating because in some cases, they are reinventing programs that we already have in place.

An example is Renaissance Block; we're investing up to \$250,000 per neighborhood with Renaissance Block with multi-year programs and the City Planning Department has created their own Renaissance Block program, they're hiring people, and quite frankly it's frustrating. That's why this was brought up with you. We have a process in place to monitor and to work with those nonprofits and they seem to be reinventing the wheel. So, I did approach the City's Chief of Staff about that and said, "You basically created your own Renaissance Block program, you gave it your own name, its own branding, and now you're hiring people for positions that are not sustainable, in order to do what ECGRA is already doing."

We will see where that conversation goes. It's frustrating because on one level, it's government trying to perpetuate itself as opposed to doing the right thing.

Mr. Sample: We obviously don't want to end up competing with them, so would we at some point consider not funding Renaissance Block in the City until their program went away?

Dr. Wood: Before I answer that, let's put it in context here. The City received \$70 million of ARP Funds, which they will be administering over the next three to four years. The County received around \$50 million (I'm rounding the numbers, here). Both of them have gone about it with a very different approach. I really like the County's approach which is, "We're going to take a look at things holistically, we are going to go with agencies that are implementing the projects best." It was a negotiation between the Administration and County Council to come up with a plan, and that's why

ECGRA is a part of it because both of those entities found value in what ECGRA was doing and decided to set aside a certain bucket of money for ECGRA to administer. It makes total sense.

The City is doing things differently. They are going on a project-by-project basis; it's not a criticism, but rather a different process. But in their process they are creating new bureaucracy, new positions within City Hall, which quite frankly are unsustainable after the grant funds run out. So, as they come in on a project-by-project basis, there is no place for ECGRA to be at the table and that has been my frustration with the City despite the fact that we have been tremendous champions of revitalizing in the City. So, it's frustrating. As your Director, I will continue to dialogue with them but I'm glad you brought it up, Dave, because the Board should know about it.

Mr. Wachter: Perry, if I could add to that – and I just grabbed my old binder on the original gaming philosophies – and the original proposed framework for distribution of uncommitted funds from 2010; I can't seem to put my finger on the section, but I believe that there was language in the theory at that point to fund funding gaps, and not to provide duplicate services. So that, as an economic development strategy, that is something that I think that the Board should consider. If your program would be a duplicate service, would the money be better spent elsewhere? I think that would be supported by your initial economic development theory.

Dr. Wood: Point well made.

Mr. Barney: Something to consider.

Mr. Wachter: Mr. Barney, if I could answer the question that Mr. DiPaolo had earlier. The property in question is owned by Palermo Realty.

Mr. DiPaolo: Do we know whether or not if they got any of the money that we . . .

Mr. Wachter: I do not know that.

Mr. DiPaolo: Can somebody check with Anna to find out? Just for the heck of it.

Dr. Wood: Yes. Tom will call her. We wouldn't find out who the individual property owners are until the final close-out report, which would be at the end of three years, but we can call and ask.

Mr. DiPaolo: Very good. Thank you.

COMMENTS BY THE CHAIR

Mr. Barney has no comments at this time.

PUBLIC COMMENT

There is a political science student from Behrend who is in attendance, but she has no comments, as she is observing the meeting for her class.

Dr. Wood: I am on the Behrend Advisory Council for political science and they have been invited to attend our meetings to see government in action.

PRESENTATIONS

There are no presentations scheduled.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Cleaver: Thank you, Mr. Chairman. I reviewed the financial report with Dr. Wood; everything seems fine and in order. If there are any questions, I will try and answer them. If not, I know Dr. Wood will end the report.

Mr. DiPaolo makes a motion to accept the Treasurer's Report as submitted. Mr. Sample seconds the motion. There are no questions or discussion of the Treasurer's Report. Motion carries 7-0.

- b. Strategic Planning Committee: Mr. Paris: We had a zoom meeting last week where we talked about the Arts, Culture, and Heritage. The discussion resulted in a resolution that we will hopefully be voting on today in the amount of \$181,000. That's all I have to report.
- c. Update from County Council: Mr. Anderson is not present to give an update.
- d. Update from County Executive's Office: Mr. Lee: Good morning, everyone. Thank you, Mr. Chairman. As we were discussing the American Rescue Plan Act of 2021, for the County of Erie, as it was stated, we were allocated \$52,391,502.00. I'm not going to spend a lot of time on this, but we decided early on that we had to move pretty quickly, but wisely. We brought together some key stakeholders, ECGRA was a part of it along with other key stakeholders in the region and we decided to promote various programs. One of the programs here, as far as it affects ECGRA, is the Transformative Grant Program, which we have allocated \$4 million for this particular year and then another \$4 million next year, which is in my understanding in the budget for 2022.

Note, that can change with the new County Executive and new Council that will be coming in. We are hoping that it will not, but I think that we have to put that caveat in there that it could potentially change.

In saying that, our finance team and our community planning and development team are finalizing the requirements and guidelines for the agreements that we will be sending out to our key administrators. We hope to have this complete within the next two weeks, but it has been a very arduous process, as you can imagine.

We are required to submit State and Local fiscal recovery funds from the Treasury. The Department of Treasury is still attempting to figure this out in a way too. It's kind of like building the plane as we fly but I can assure you that I am very pleased with what the County has done, moreover putting in the safeguards to make sure that this money is allocated properly. It has to be allocated before December 31, 2024 and everything must be spent by December 31, 2026. It appears like that is a lot of time, but it really isn't. Again, we have to dot the I's and cross the t's.

Moreover, hopefully this money will be utilized to leverage additional funds so that we can have sustainable programs and initiatives as we move into the future. Does anyone have any questions? That concludes my report, Mr. Chairman.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: Good morning, everyone. You'll see in your Executive Director's Report that it contains an activity report from Parker Philip and all the activities that have been going on from a communications standpoint, you'll see several letters that came into us from nonprofits that are very appreciative of the funds that we put out there, and then you'll see several news clippings of things that were in various periodicals in the region highlighting ECGRA projects, and then you'll see the bulk of our activity this last month, from a grant making standpoint, is Resolution 14, 2021 and that is the subsection of Community Assets known as Arts, Culture, and Heritage. That also includes entertainment- and recreation-based nonprofits. There were 21 applications that came in; the Board affirms that 19 of them meet the funding criteria. There are a few that recieved full funding but most of them are prorated with the total coming in at \$181,000 as Mike said.

We will see Community Center applications come in at the end of the month and we will be bringing those to you for consideration in a grant review real soon. Does anyone have any questions for me? Thank you.

SOLICITOR'S REPORT

Mr. Wachter: Perry and I have been reviewing a couple of things just to make sure that they are operating appropriately. We will have a better report next month. All is well in the legal world.

OLD BUSINESS

Dr. Wood: I have one item to bring up. If any of you are interested in attending any of the Global Summit events, please get that information to Tammi as soon as possible. Also, on Monday, November 1st, we are a sponsor for a reception at the Jefferson. If you are interested in attending, and I highly encourage all of you to participate, please let Tammi know by end of business tomorrow so we can reserve a ticket for you.

Mr. Lee: I'm sorry, Perry. I missed that. Could you repeat it, please?

Dr. Wood: The RSVP for the event on November 1st needs to be made by end of business tomorrow so Tammi can get the tickets reserved.

Mr. Lee: Thank you.

NEW BUSINESS

- a. Resolution Number 14, 2021 – Resolution to enter into agreements with nineteen (19) Erie County community organizations and municipalities engaged in Arts, Culture, and Heritage

Dr. Wood reads the resolution.

Mr. Sample makes a motion to accept the resolution. Mr. Cleaver seconds the motion. There is no further discussion of the resolution. Motion carries 7-0.

ADJOURNMENT

Ms. Hess moves to adjourn. Mr. Sample seconds the motion.