



## **Erie County Gaming Revenue Authority**

Minutes of the Board of Directors' Meeting

September 19, 2019

### **CALL TO ORDER**

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on August 15, 2019 in the Jordan Room; 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. Bagnoni, Mr. Cleaver, Mr. DiPaolo, Ms. Hess, Mr. Paris, and Mr. Sample. Mr. Lee (arrives late), Mr. Leone, Mr. Wachter and Dr. Wood are also present.

### **APPROVAL OF THE AGENDA**

Mr. Sample makes a motion to approve the agenda as presented. Mr. Cleaver seconds the motion. There is no discussion of the agenda. Motion carries 6-0.

### **APPROVAL OF MINUTES** – August 2019

Mr. Sample makes a motion to approve the minutes as presented. Mr. Cleaver seconds the motion. There is no further discussion. Motion carries 6-0.

### **DIRECTOR'S COMMENTS**

There are no comments at this time.

### **COMMENTS BY THE CHAIR**

Mr. Paris has nothing to report on today.

## PUBLIC COMMENT

There is no public comment.

## PRESENTATIONS

### a. North East Revitalization Fund – Patrick Gehrlein and Charlene Kerr

Mr. Gehrlein: Thank you for taking time out of your schedule today to allow us to come in and speak with you. What we're discussing today is a sustainable plan for the heart of North East, which is our historic district. Over time, what we've realized as with anything, is that time and age takes its toll on a community. In North East we're fortunate because we have a historic downtown, we have a thriving manufacturing industrial business, agribusiness, we're a tourist destination. But we also realize that in order to attract and retain quality businesses in our community, the life blood of that stems from our downtown corridor. What we've done over the course of the last year is really evaluate that and really take a good hard look at what is succeeding and what is not succeeding within our downtown community. What we're realizing is that many of the older buildings in our community are disinvested; we are losing the integrity of the buildings, there is a lack of maintenance with the owners that are in there, the retail businesses that are within that community do not sustain themselves due to the situations that they are presented with whether that be the foot traffic coming into the community because of vacancies or whether that's because of utility costs on the properties.

So, what we're presenting is an idea, or a concept really, for the revitalization of our downtown. Today we would like to discuss this with the Board and get your views on what we're proposing for Downtown North East.

Ms. Kerr: I would like to talk a little bit about who we are. Downtown North East was started in September 2009 and we are a 501c3, we were certified in March 2010. We have a lot of professionals on board; most of us are retired and have a little bit more time when we're not picking grapes. We designed Downtown North East after the Main Street Program and the Pennsylvania Elm Street Program. We basically were doing a lot of the things we thought the Borough should have been doing and the Chamber should have been doing because we didn't have probably the best people in place at that time. Now we have wonderful Patrick, we have Holly at the Chamber, we've got new Boards, we've got new Council. So, Downtown North East has decided that we're going to concentrate on special projects. We don't have to worry about marketing because the Chamber is doing it; we don't have to worry about organization because the Borough is doing it. Now we can concentrate on special projects.

We are in good fiscal shape; we have a small budget. Mostly what we're doing is acquiring small grants and spending the money so we don't keep a lot of money in our budget. We have administered about 25 grants already since 2009 and in that was five of ECGRA's Mission Main Street grants. With those, we have helped 27 businesses and nonprofits with 36 different grants. That resulted in about \$1.6 million of investment in the community and that's not including things like the Skunk & Goat Tavern who probably spent another million on top of that. We're really proud of what we've been able to do.

Mr. Gehrlein: Absolutely. My name is Patrick Gehrlein and I'm the Manager from North East Borough. As Char had mentioned, we're working in partnership with people like Downtown North East, our local Chamber, and many other organizations in our area to form a type of coalition – a

group that can work together for the betterment of downtown. In doing so, we're looking at a small population; North East is relatively small. We have 4,200 residents in North East Borough and an additional 6,000 in the township so we're looking at about a 10,000-resident region. It is rather small, but we do attract a lot of visitors and individuals to the area.

We've updated a lot of things, one of which is our code enforcement. For too many years people got away with . . . well, what I would always say is the worst thing you could ever receive from code enforcement is a papercut from your second notice. Those days are over. These properties are in disrepair. We have to address those. Individuals need to take a vested interest in their community and we're making sure their feet are held firmly to the fire.

We're currently administering a \$250,000 Mission Main Street grant for our secondary main street that is located on Clinton Street. We have been working well with you folks and we are very gracious for your faith in what we're doing and putting forward into our communities. We're looking at addressing a lot of our community's safety and security issues, as well as the stock that is out there in our businesses. We have also administrated a \$50,000 Renaissance Block grant which I can successfully say that we have expended the entirety of that money; we actually leveraged the \$50,000 grant that you have given us and we have seen about \$115,000 worth of private investment in our community from homeowners within the area. Again, it's not just a centralized operation that we're working on; we're looking at the core and the surrounding community to enhance our downtown.

We're looking at working with our business owners, our large manufacturers. North East is home to Welch's, it's home to Ridge-U-Rak, it's home to Better Baked Foods, Bay Valley – these are large industries in our community, and we are very blessed to have them. They're also very community-minded but lack direction so we are working with each of those business owners for a way to enhance this community. These are our largest employers so how do we work well with them?

We're looking at new joint partnerships with North East Township. Again, we've been blessed to have the support of ECGRA in the exploration of a regional police department that would enhance policing for those 10,000 residents in the North East community by combining services between North East Borough police department and enhancing those services out to North East Township, as well as a possible consolidation of our water and sewer systems. Currently, that's a major concern. North East Township works with us, we have our own wastewater treatment plant, we have our own filtration plant, but we want to work in partnership with them to put that together. Most recently, our two volunteer fire companies are talking about consolidating as well. All of this synergy is working together and what we at the Borough are trying to do is to utilize what talents and tools we have to make those partnerships work. Over time, we feel that that can be successful.

For many years, the North East Area Chamber has been the Visitor's Center – the area where people get information about what's going on in the community. What we've seen is a real change over the last six years; the Chamber is becoming more dynamic. Not only are they going ahead and working on the many festivals and things that we have going in our community such as Wine Fest, Sugar Plum Weekend, Small Business Saturday, North East Uncorked, Light Up North East, and our pet parades, but we have also done extensive marketing throughout the region, attracting and retaining individual businesses and visitors to the North East region.

With that said, we're also looking at how do we work with our businesses downtown? What are their needs? Really, truly going out door-to-door and finding out what are their needs, what are the tools that are going to make them successful, and what are maybe some detriments to them coming into the area, occupying space in our downtown, and how do we get them to stay.

We have many other partners: the North East Historical Society, North East in Bloom which does all our beautification, North East Township which has been very gracious in all of this – they

are realizing that the core of North East is the downtown community. What we're surrounded by is all of North East Township. We work well together, and we share services. Where we go one, we go all so we want to make sure we're in a good, solid relationship with our Township and we're working well together. North East Arts Council provides a lot of our new initiatives, our community programming and things like that making it a dynamic and vibrant downtown community. We are also partnering with Preservation Erie and many of the residents and business owners who are stakeholders in the community.

Ms. Kerr: We were asked to give an example of what Downtown North East has done in relationship to the request that we are going to be making shortly. We had a pretty good experience. Back in 2011, we managed to get Mercyhurst to donate 17 West Main Street to us and that had been their police academy. It also used to be a bank and several things. Downtown North East went to the bank when they donated it and we borrowed \$252,000 for the renovation of the building; it wasn't in horrible shape, but all of the systems needed to be updated. Then we needed money for kitchen equipment, so we went to the Erie County Redevelopment Authority and they loaned us \$75,000. So, we raised another \$75,000 in grants and donations and product from Welch's and Welch gear and so then we renovated the building systems and the interior.

We opened the Marketplace in 2012 and we also had a wine shop that represented four different wineries and we had a restaurant. Then we had some issues, which you always do especially with restaurants, so we changed restaurants in 2014. The new restaurant was the Cork 1794, which most of you are probably familiar with, and in 2016 they wanted to do a major expansion and they asked us if we could move somewhere else. We moved next door to 15 West Main Street, and they expanded into the space that we were in with their lounge. That location at 17 West Main became the Skunk & Goat Tavern when they moved the Cork to the West Erie Plaza. A lot of their clients were from Erie and so they felt that that particular niche that they were trying to get was a better fit on the west side of Erie. If you haven't been to North East to see the Skunk & Goat Tavern, it's pretty impressive!

We moved in next door and helped save an art and framing shop that was going to go out of business, so we partnered with them so we could share people during open hours which kept them in business. Then we sold the Marketplace to a private company in 2018; it was never really our goal as a nonprofit to be in business forever. We did manage to sell it and it has changed hands twice and now it is the North Star Winery and Market and they're having their grand opening on Saturday. We went through a lot of transitions, it was a great experience, it was a hair-raising experience, and when the Cork bought it, the five couples who signed on the dotted line for those loans were very happy that we could get out of that kind of commitment.

Mr. Gehrlein: We're talking about where we are today. When you drive in downtown Erie or Wesleyville or Lawrence Park or even into North East, a lot of times we just go to our destination with rose-colored glasses on and we think it's going to be great. What we miss are the current conditions. We've asked many of the folks in our community to take off their rose-colored glasses and take a look at what we see. We're looking at vacant downtown commercial buildings, vacant storefronts, and that can be detrimental to individuals who are coming out a restaurant and saying, "What should we do now?" when there are vacancies and shops that are closed and can't sustain themselves. We have a deteriorating historic district. The buildings that were built in the early 1700's and 1800's are deteriorating; they're falling down and are in need of repair, they need that reinvestment of that deferred maintenance. A lot of the business owners and property owners in this area have owned these properties for 20-30 years and are not reinvesting. They pay their taxes, so that all the telltale signs of a vibrant, healthy community are there because taxes are being paid, the majority of businesses are occupied, but there is an underlying factor. We are not

attracting and retaining new businesses to the area. The ones that are leaving are not coming back.

We're realizing that many of those telltale signs are caused by the high cost of utilities, poor systems in the buildings, and the overall condition of the property and whether it's suitable for their business or not.

We're approaching each of these business owners and property owners, we've had discussions about what they think is a realistic price for their property. They're saying \$500,000 for smaller buildings and it's unrealistic. The property values have not increased; typically, you're looking at 3% increases in your property values whether it's your residents or commercial structures. These properties are staying stagnant and that is the case because of the overall condition. We're seeing businesses leaving. We're underutilizing our second floors. The investment has been in the commercial corridor and retail so as long as those tenants remain, they're not doing anything with their second floors or they lease them out on a month-to-month basis and not improve the conditions. We've seen bedbugs, we've seen ceilings collapsing, walls deteriorating, mold in many of these buildings. From the Borough's perspective, this is where code enforcement takes over and we start addressing these issues. We're losing that integrity, we're losing that heritage. How do we maintain that? How do we stop the bleeding that has begun?

Speaking of bleeding, we took another hit by losing Mercyhurst North East campus. That was impactful to our community. Not simply because of the tax base; that doesn't matter. It was a nonprofit; it's wonderful. What we realized is that a cap-and-gown community brings a lot more to an area – that's the faculty, staff, and the students that populate our downtown. We want them to remain in our downtown so it can be vibrant. So, we're working with Mercyhurst North East on that.

We realize that this has to be a very proactive approach. We know that the value of the buildings is a set figure and we realize that if someone is going in and investing in these properties, they're going to have just enough money to buy the property and not do the improvements. The coalition that we have created to Sustain North East would look to acquire those properties, provide the money to go ahead and do the renovations that are necessary – the system's maintenance and the overall build out of those properties – and then end fitting those to tenants looking to take on that space; have it built to suit.

We're realizing that we also have to do the enforcement of the codes and initiate discussions with surrounding business owners and keep that going. The idea is that not only are we doing this to acquire the properties and make sure that they are in the right hands, we're looking at the end user and we recognize that the end user isn't going to buy a property for \$200,000, put an additional \$200,000 into it, and receive their money back. It's not realistic. That's where the nonprofit sector and the government sector have to kick in.

We're looking at new owners and tenants. We're looking at selling the renovated buildings - a new partnership, that public and private partnership, where we're involving the new owners and how do we take those new owners and make them viable. Proceeds from those sales would go back into a revolving loan fund that would be administered by Downtown North East. We want this to be an ongoing strategy for the downtown. We're initially looking at seven buildings that we've identified that are in disrepair and that need to be acquired. This will increase the assessed values of those areas, this will increase the revenues from local government and schools, and preserve that downtown corridor.

Ms. Kerr: As Patrick mentioned, this would increase the access to the second floors. I have been a city planner for 40 years and one of the things I always hear because I do a lot of downtown planning and economic development, one of the things I always hear is access. How do you

better utilize your upper floors? So, what we're proposing, and we had Bostwick Design Group come in and do a little study for us, to put an elevator which is kind of in the center of the "L" there, with an elevated walkway that would come from the elevator to all of the second floors. North East was really lucky that decades ago they moved all their electric lines to the backs of the buildings which is wonderful because every downtown wished they didn't have electric lines on their main streets. But now, those electric lines are in our way again. The one figure that we don't have is what it's going to cost to move the three poles in the back of this parking lot, but Penelec seems to think that it's a very doable project.

And might I mention, both buildings on the end have banquet facilities and conference rooms – huge facilities on their upper floors – that aren't being utilized because you have to go up 25-30 steps to get there. If we could provide access via an elevator, we could really start looking at letting these building owners get a little bit more income for their investment because they will be able to utilize their second floors. The last slide just gives you a different view of what it would look like on the upper level of that walkway.

Mr. Gehrlein: This is what we're looking at – a public/private partnership to continue to spearhead these efforts. The Borough operates under our efforts, Downtown North East operates under their efforts, the Chamber operates separately, and all of the other nonprofits and groups within the community. We're looking at combining those efforts now. With the North East Community Foundation, with other foundations in the area, with the help of our partners, we're looking at a concerted downtown effort to repair and sustain our downtown. All of the financial resources need to be leveraged in order to do this so we're looking at making those big asks. We're looking at going in and addressing these issues on a large scale.

We are a proven concept. Downtown North East has done this, the Borough is committed to doing this, the community is committed to doing this and this is how we would move forward and Sustain North East.

Thank you for your time today. We really appreciate it. If there are ever any questions, just give us a call.

Mr. Sample: Recently, PHFA just announced mixed use of buildings – have you looked into that?

Mr. Gehrlein: Absolutely. Those discussions have already taken place and we have researched it. We're looking at that as being viable. Step One is site control of these properties.

Mr. Sample: Do you run the risk of losing any of the historic district challenges with the walkway? Do you need to get that approved?

Ms. Kerr: That's a good point. I would think that since we're not necessarily touching the buildings other than a walkway, unless they have to put a door in – take out a window and put in a door – that would all have to be done. That's why we're probably going to go with Bostwick because those folks have a lot of experience with historic preservation and Preservation Erie has been working on that with us too. We'll definitely take that into consideration and make sure that not only do we meet all the ADA requirements, but that we also meet historic preservation requirements.

Mr. Sample: In Corry, we're set up with the ESDA on a low-interest loan. They approved us for "X" and we loan that out at very low interest and then we repay a minimum interest. But we have had that for about ten years and that's always our last one in the drawer; they're pretty liberal with us but the people at the IDC are the ones responsible for the administration of that.

A final question - egress. With the new building codes, because that is an issue that we have in Corry, a lot of the old fire escapes have been taken down and we've run into situations where BNIU just won't accept them.

Ms. Kerr: With the elevator project, they would have stairways at select locations as well. Bostwick's is pretty on top of all that, but it's a good point.

Mr. Sample: Sometimes you can get called because you have a previous certificate of occupancy, but they haven't been occupied over a certain number of years and you never want to put anybody into a dangerous situation.

Ms. Kerr: Another thing we want to do is when we do this that we have the building owner's agreement that they are going to invest in making their upper floors handicap accessible too. We would also like to look into veteran housing or senior housing or some other programs that might open up because of those opportunities.

Mr. Sample: Thank you.

Dr. Wood: Your partners you mentioned were the Borough, Downtown North East, and the North East Community Foundation. Is there anyone else you would like to . . .

Ms. Kerr: We're working with the Chamber; they are the ones that are making the list of people who want to buy buildings, businesses that want to come into town because they are obviously the first place that people go so, they have a good list there. We're working with the Hertz Memorial Foundation to see if we can get some funds there, we're talking to the Erie Community Foundation about their blight fund, so we've actually put a big ask into them. Not that we need all the money at once, but if we could have the commitment. That's why we want to create the revolving loan fund so that it comes back to us. We understand that we probably won't get 100% of what we invest in the renovation costs back from the new owners, that's the big problem is that the buildings take more money than they're actually worth, but we have to do it or they're going to go blighted.

Dr. Wood: How do you balance the need of a subsidy through a grant program along with the revolving loan fund when the partners expect a return on those funds?

Ms. Kerr: I think we're going to have to do an analysis and we're going to probably have to get some assessments. Since we have some examples like 17 West Main where the Skunk & Goat Tavern is now, we have a good renovated building that we can compare to other buildings. We've had a couple of buildings that recently sold that we can get values from so that we can compare and we're just going to have to look at what can the buyer afford. At this point, we're not in here to make big bucks; we're in here to save the downtown. We might lose a little money, but I think we all understand that is something that has to happen if we're going to get these buildings back in shape.

Mr. Sample: In Corry, we have one family that owns 75% of the downtown buildings. Is there a similar situation or are you pretty diversified?

Mr. Gehrlein: We're pretty diversified but there are some large property holders in the downtown. And again, those are the individuals who have disinvested the most. It's not financially feasible for

them – they like to take the rent, but they don't want to put it back into the building. We've had those discussions. But they are getting up in age, they're getting to the point where they want to move on to other places.

Mr. Sample: They just have to be realistic.

Mr. Gehrlein: They have to be realistic in getting the assessed values. Again, when we start going in with code enforcement and working hand-in-hand with them, they're starting to see that the shine is off the apple a bit and they realize there are a lot more problems in these properties and we're going to make them do the work. They may want to back away and say, "It's a \$500,000 property that is really a \$200,000 property."

Ms. Kerr: I think the straw that broke the camel's back was our largest building in the downtown, Patrick had a brewery that wanted to come in and put in a brew pub. The owner had so many restrictions in terms of, "you pay for this, you pay for this, and here's your rent" that they went and bought a place in Titusville and made it. We were so excited about this for a full year because we kept hearing that this was going to happen over and over and that's when we realized we needed to step in and take control because these guys, these property owners, are not going to do what's best for North East. WE have to do what's best for North East.

Mr. Paris: Thank you for your presentation. Thanks for coming in. We'll move on to our next presentation.

b. eCAT – Daria Devlin

Ms. Devlin: Good morning. Thanks for your time this morning. I'm Daria Devlin and I've been here before to talk to you about the Erie School District but I'm here today to talk about something different. I'm going to talk about eCAT and I apologize if you have heard this before because maybe some of you have. I have three objectives today. The first is to tell you about this organization and what we do, the second is to talk a little bit about our Wayne School Project, and the third is to talk to you about an exciting way we're hoping to finance this project and we hope that ECGRA can help us.

The first thing, really briefly, if you haven't heard, we've gotten some really wonderful coverage in the media. The Erie Center for Arts & Technology is the replication of Manchester Bidwell. I'm hoping that some of you have heard of that before. This is a Pittsburgh-based organization founded by a man named Bill Strickland; if you haven't heard him speak, I would highly recommend it. You can Google him because he is very inspiring. He has been fighting poverty in Pittsburgh for over 50 years and we are inspired by his model which is based on this philosophy: 1) environment shapes behavior; 2) people are assets; and 3) creativity fuels enterprise.

The model in Erie will be to provide youth arts programming that is really in the digital arts. So, we're teaching high school aged kids how to use digital media, how to express themselves creatively through digital media, all of that done in an after-school setting and done at no cost to them. I see Ms. Hess is here and I just want to say, although we are located in the City of Erie, this is open to Erie County residents; we are not limiting it to Erie city students and there is no cost to any student. As long as they can get themselves to us, we're happy to have them.

The other part of our programming is adult workforce development. We will be doing a medical assistant program and a secondary program in medical coding, claims, and insurance claims for the City and County of Erie. Each of those programs can serve up to 25 adult students at no cost for the student. If you are familiar with the cost of adult training programs in Erie, those



costs are up to \$20,000 for a student to get a certification saying Medical Assistant. Ours is no cost. After a nine-month training program, we are putting out adults with a certification, we're helping them get placed with the job training to be ready for these positions. The outcomes from other similar replication sites show that 80% of these adults are placed after they complete the job training programs and critically, within two years, 50% are no longer on public assistance. So, huge outcomes that we're seeing in the successful replication in other areas. That's what we're here to do.

I also want to call your attention to the fact, I know many of you are familiar with the Tech After Hours Program that ECGRA funded, we are having conversations with the Superintendent of the Erie School District about taking that program over from the Erie City School District. It's really not their mission to serve adult students, so we're looking at a partnership that might allow us to use our model with their equipment to also add some of that tech training that they're doing up there after hours. I just wanted to put that on your radar as well.

To do all this wonderful work, we need a place. As soon as I was hired in January, my Board tasked me to go out and find that location. We need that physical space. We actually also have to be certified by the Department of Education and they require that they certify our space. We very quickly came upon Wayne School. It's located at 650 East Avenue; it's one of the buildings that the Erie City School District closed in 2017 – it's been closed for two years. We fell in love with it even though you need a lot of imagination. I was really interested listening to the North East presentation, we know all about disinvestment and what can happen to buildings when there is no money to take care of them. Wayne is over 100 years old; it was closed for two years; it needs a lot of love.

Wayne is an 80,000 square foot building. We were very, very lucky that the School District worked with us to sell it to us for \$250,000, which we understand was definitely a good price, but given the amount of work that it needs, we all felt that it was fair compensation for them.

The most interesting thing about Wayne, in addition to its amazing location in one of Erie's most distressed neighborhoods, it's on a bus line, it's at that critical intersection of 6<sup>th</sup> and East Avenue where you have a lot of traffic, but one of the most interesting things is that it already has an anchor tenant. Primary Health Network (PHN) is the largest federally qualified health center; that means they get a higher level of reimbursement for Medicaid patients. They have been in that building operating Wayne Primary Care since 2015. In that tiny space, it's 4,000 square feet in the ground floor of the building, they serve 2,500 needy Medicaid patients in Erie. They think they could double that and serve 5,000 patients if they had more space. But when the School District closed the building, they became landlocked and they sat in this empty building trying to serve their patients. They have approached us and said, "We want a whole floor of this building. If you'll renovate it for us, 17,000 square feet, we will double the amount of patients we can see and we will be an anchor tenant for you."

With the plans for their build-out, the total cost to renovate that building is \$9 million. I'll be very honest with you when we originally talked to some folks they said, "You're crazy. Go build a new building. Don't spend \$9 million on that building." The problem though is that building will still sit. If we didn't purchase it and we don't renovate it, it will fall into blight. If any of you have driven by Roosevelt on the west side of the city, you know what can happen very quickly to those buildings. Part of the price tag for Wayne is about \$1 million of asbestos remediation that we'll have to do. You'll have to do that whether you knock the building down; anyone would have to do that to that building. It's a high price tag, but we think it's worth it for the benefits it will provide.

I want to point out that a big disappointment to us was learning that Wayne is not in an Opportunity Zone. We've all heard a lot about them; it's a good way to bring investment into the neighborhoods. The boundary for the Opportunity Zones is north of East 6<sup>th</sup> Street; Wayne is on the south of East 6<sup>th</sup> so, we literally miss the boundary just because we're across the street. We

still feel committed to the project and we're in that 16503 zip code which is definitely one of the neediest in Erie.

This is our plan for Wayne; this is the back of the school if you're coming off the parking lot. This is our plan. We're using an architect out of Pittsburgh, Avon Graf, they have done these initial drawings for us. You'll see that we're not doing much to the façade of the building. The main thing is we're adding a really nice entrance way here that will really pop from the parking lot and it will also be the entrance for PHN for their patients. We're also putting in a second elevator for that building. We know that accessibility is important. There is an elevator in the building already, but our plans will add a second for their patients.

This is just an overview of the renovations. Wayne is four floors, we call them ground, 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup>. You can call them 1,2,3,4. Starting from the top down, the third floor is 17,000 square feet. That's where those expanded medical offices would go. We have a lease with PHN for \$400,000/year for that space. That will provide a huge income stream for us to be able to move forward. The second floor is open at this point; 17,000 square feet for mission-related tenants. That could be an educational facility, it could be an artist looking for studio space, it could be an interesting maker space for some local artisans, and it could be governmental offices. We're not sure but there is 17,000 square feet there that we think could really be put to good use.

We will be on the first floor. 16,000 square feet for our youth arts and adult training programs that I mentioned. And then the ground floor, PHN is putting an 800 square foot pharmacy and then we're going to leave the gym as is. There is so much need for inner-city kids to have gym space. When I worked at the School District, we got asked all the time, so we want to leave that gym and allow the youth in the neighborhood to use it. Then we plan on turning the old cafeteria into a gallery and a meeting space for the community.

The last part of this presentation is to explain to you how we plan to finance this project. I mentioned to you that it is not in an Opportunity Zone, but we were very quickly put onto a New Market Tax Credit opportunity. I think some of you have heard of this before; I know ECGRA has done a really great job of educating the Erie community about this opportunity. It's a federal tax credit program that is issued by the U.S. Treasury Department. We are working with right now an organization called Commonwealth Cornerstone Group (CCG); they are a subsidiary of PHFA. I heard someone mention that earlier. CCG was created to bring these federal tax credit programs to Pennsylvania because not a lot of them have been done in Pennsylvania before.

This is fairly unconfirmed but I'm pretty sure that we, in Erie, have never seen a New Market Tax Credit deal. The reason we have not seen one is they are incredibly complex, so I am going to do my best today to try and give you that overview, but we are hoping to be the first in Erie.

Having reached out to CCG, who is by the way located in Harrisburg, about our project, they told us they were extremely interested in our project because they really want to bring these federal dollars to Erie because they have not done so before. They have approved our project for an \$8 million tax credit allocation. That translates into roughly \$2.5 million in capital.

PNC will be the buyer of the tax credit from CCG. PNC has its own tax credit allocation and they are willing to throw in another \$1 million into our allocation so we could end up with about \$3 million in capital for our project just from these tax credits. The way that works is it is written as a Note. For seven years, we will pay very low interest on that Note to PNC, after that seven years once PNC has realized the full level of their tax credit, they will forgive our Note and we will walk away with that \$3 million in our project with nothing more to pay.

The downside is that in order to get that \$3 million in capital, we have to bring the rest in a leverage loan, the rest of our capital stack, to the deal. So, we can't be raising this over a certain period of time. We have to come to the closing for the New Market deal with the other \$6 million in hand. That is proving to be very difficult.

CCG, in addition to the tax credit allocation, they have also offered us some debt. They've said, "We're so interested in your project that we'll also lend you \$1 million toward your \$6 million. So, now we have a \$5 million gap. Hamot Health Foundation was kind enough to give us a \$1 million donation that we announced a couple of weeks ago at our open house. They have done that because our Medical Assistant programs are going to be providing them with really high-quality employees and also because they are committed to that neighborhood. Hamot has already invested quite a bit at East Middle School right across the street and at Wayne Park so they really want to see this succeed. They also see a good partner in PHN and they want to see PHN succeed.

Right now we are asking Northwest and Erie Bank to go in together on a consortium loan to provide us with \$3 million in financing and this is really the key for us now. The issue for Northwest and Erie Bank – they love the project, they want to loan us the \$3 million – but we are an unproven entity and we really don't have much in the way of security to give them other than a lease with PHN and a promise to do really good work. So, we are looking for a guarantor to guarantee the loan to Northwest and Erie Bank. If we can secure that, I'm fairly confident that we can close the rest of our gap. We have some grants, which by the way we will be applying for an Anchor Building grant from all of you and I'm hoping that will be successful. We have a few other donors who are willing to throw in some private dollars. That \$3 million right now from the banks or from another financing partner is really key for us.

As I noted, after seven years the New Market Note will be forgiven and whatever debt we have left, if it's the \$3 million or a little bit more, we will refinance into a traditional mortgage using the equity in the building at that time. I already mentioned the \$400,000 lease income with PHN and that it is a 10-year lease that they committed to, that provides us with significant income, and we hope those other tenants will come in on the second floor. Just the revenue from the building provides us with an entrepreneurial way to support our own programming which is what we really want to be able to do in the long run.

Here is how ECGRA can help and here is why I asked Perry if I could present to you today. There are three ways and I want to kind of give you a menu and ask that you consider how this might work with your organization. The first is to participate in that debt financing. I'm not really aware if ECGRA has participated in direct debt financing but we need \$3-4 million in a loan either from banks or from another partner. So, that's one way to possibly participate.

We're also asking, as I had mentioned, if there is a mission-related investment or a grant. I wanted to make you aware that we approached the Erie Community Foundation to serve as a lender to us and they decided it was too complex for them and it wasn't something they were interested in at that time. That's why we're looking for kind of a creative partner who can be the first to do this.

The last way that this is possible if nothing else works, we are asking whether there would be any possibility for you to serve as a guarantor at our bank financing. So, if you yourselves feel like you can't loan us the money or help us in any other way, could you put up some of your funds to act as a guarantor to allow the banks to participate with us?

This is just a summary of the capital stack, as I mentioned, \$9 million total. You can see in the first column the confirmed pieces: we have the New Market Tax Credit at \$2.6, we have a potential for an additional \$500,000, we've got the loan and the grant that I had mentioned, and then over here we have the really key \$3 million in financing, and then these couple of other pieces that we are pretty confident we can put together.

What I'm excited about is really to be the first to be able to do this deal in Erie could be an example for others. I've heard a great project from North East today; I know how many projects in Erie we have. If we could figure out a way to do this, by the way they have been doing it in Pittsburgh, Philly, and Harrisburg for like 15 years, if we could find a way to bring these federal

dollars to Erie, that would be a huge benefit for other projects like ours. So, that's what we're excited about and certainly about bringing this model to Erie. We know it is proven; we know it can have a great impact.

I have gone over everything I have. I know it's kind of a complicated structure. Do you have questions for me?

Mr. Lee: Good morning, Daria. Thank you for coming in for this presentation. First question – what is the timeline that you have projected to have this financing in place?

Ms. Devlin: Thank you for asking. The allocation has to be spent by the end of the calendar year. The concern for us right now is we have an approval for the tax allocation but if, by about November, CCG feels like we can't pull this off, they will pull the allocation from us because they have to spend it out by the end of the calendar year. So, best case, we'd like to have all of our financing pieces in place by about the end of October or the middle of November. We've been told that to close the deal it takes about six weeks, so if we have everything in place by mid-November, we can close by the end of December and then we'd have all the financing we need.

It is important to note that if we don't, they will pull the allocation. Maybe we can apply next year, but it certainly isn't a good look for us to have gone all this way and not have been able to pull something together. Assuming all that happens, we have already started construction. Mr. Wachter and I have talked about how the asbestos remediation is already beginning, uploaders are coming out within the next month. We really hope to have this building up and running by October 2020.

Mr. Lee: Thank you. One other question. On the second floor with 17,200 square feet, commercial space available for rent – are there any type of businesses or organizations that you are going to be targeting?

Ms. Devlin: You might be aware that Hamot Health Foundation, UPMC, Erie Community Foundation, and Erie Insurance did recently complete a 2019 Community Health Census. They hired some folks from the neighborhood to go out door to door, I think they went to about 600 households and interviewed residents and they collected data that says what those residents need, what their biggest concerns are, and we're going to use the data from that census since it was done right in that neighborhood to help us identify possible tenants.

One of the big things that came out was fresh food; we know that fresh food is an issue in that neighborhood so we will begin to identify possible tenants to meet those needs so we can answer the wants of the residents. In addition, we've been approached by several organizations like the Second Harvest Food Bank to talk about perhaps some space, the Martin Luther King Center wants to do something on the east side. So, we think there's a lot of potential, but we're going to start with that data.

Mr. Lee: Great. Thank you, Daria.

Mr. Paris: Will you be paying taxes on the building?

Ms. Devlin: We are paying taxes on the building. I am a die-hard Erie School District girl and I would have a hard time adding another nonprofit to those rolls. When we worked with the Erie School Board, we put it out there that we will be putting it back on the rolls.

Mr. Wachter: Can I just comment on something? Are you working with Ryanne Shuey from PNC?

Ms. Devlin: Ryanne was the one at PNC in the tax department. We initially contacted her; she originally came from CCG; she was who connected me with CCG. I am not working with her right now; I'm working with someone named ? out of their Cleveland office. They are all in that same tax office.

Mr. Wachter: Ryanne Shuey and I went to law school together and she interned at PHFA when the New Market Tax Credit Program became a possibility. She immediately latched onto it and became the expert in it, started and ran CCG immediately after law school, and she created the New Market Tax Credits Program for Pennsylvania and then went over to PNC to run their division which is great. Ryanne and I have had many conversations about why Erie hasn't seen a New Market Tax Credit allocation and a large part is Erie has not been able to prove that it has the resources to build the capital stack to support this program. We've got a lot of big projects, but not a lot of available sources of community funding and leverage funding that is available to make these projects happen. Once we're able to prove that you can do a deal in Erie, that's going to open up the possibility for other significant financing deals to go into Erie.

That has been my experience with the New Market Tax Credit and the conversations I've had with her about why they have never worked with us.

Ms. Devlin: I want to thank Tim, certainly, for connecting me to Ryanne and she connected me with CCG. That was really how we came upon all this information. Their excitement about getting one done in Erie has been phenomenal. Certainly, we're not there yet, but we agree that there could be others after ours.

Are there any other questions for me? Thank you so much for your time and for listening and learning about this complicated program. I hope we have the opportunity to work towards a good outcome.

Mr. Paris: Thanks, Daria. Next up is the Jefferson.

c. JES: Design of an Iconic Connection between the Waterfront and Downtown Erie – Michael Fuhrman and Ferki Ferati

Mr. Fuhrman: Thank you for this opportunity. My name is Michael Fuhrman. John Vanco and I had put together a grant that had companies and Kent State University come to Erie and work with local constituencies to talk about how we might be able to create an iconic connection between the downtown and the waterfront. The Bayfront Highway has its origins back in the late 1950's and it became a reality sometime in the 80's and it connected Pittsburgh on Interstate 79 and ran along the Erie southern shore of our bay and now connects to Interstate 90.

In many ways, this has been a boon for the waterfront in Erie County because it opened up an area that was traditionally industry for over 150 - 200 years to recreation. There is still a lot of industry, but it has opened the door for great investment. Although it also cut something in half, and that was the downtown from the bayfront. We all know that the Bayfront Highway has done good things, but it also has separated the downtown from the bayfront.

A couple years ago, the Erie Comprehensive Plan, known as Erie Refocused, identified that as a major impediment to the development of your downtown, your two flanking neighborhoods, and indeed, the region. How do you create a connection between downtown to get to the waterfront

so you can have people walk comfortably, safely over the highway, under the highway, to enjoy the amenities that are happening along the bayfront?

Any major metropolitan region or city has a dynamic, versatile, 24/7 walkable neighborhood and walkable downtown area. It's the critical mass that draws other people, other retailers, etc. Right now, we still don't have that. The Bayfront Connector does separate that so we need to figure out how we might be able to address those issues.

PennDOT, as you all know, has come up with a plan to make it a little more accessible but this plan is really more east-west, not north-south. There was a grant opportunity that came out of Kent State University that brought their graduate degree program students to Erie for 3-4 days to talk about how we might be able to draw new perspective on working with PennDOT and the existing infrastructure to create some sort of iconic connection that has been identified and repeated over and over through Erie Refocused.

This is what this small presentation is going to be. If you look at the screen, this program is called the Cleveland Urban Design Collaborative and has been in existence for 15-16 years. Erie is the recent recipient of that grant. They have been in Toledo, Detroit, Akron, Youngstown, and Conneaut. This is their home place in Cleveland; Kent State University actually has a satellite professional company in Cleveland that does professional work through northwest Ohio into New York and into Buffalo.

It's an important opportunity for graduates to actually get some professional experience working with a professional urban designing company, so that's sort of a marriage between those two things. Kent State University, which is known as the CUDC, works every year with a city, a neighborhood, or a community that has identified some sort of infrastructure challenge that they just can't quite wrap their minds around. This group comes to that community for about three to four days and works with local constituencies, key stakeholders to discuss how they might be able to render an attractive and more feasible way of reducing the issues.

The key was finding, locally, an organization that would be a lead organization and the Jefferson was able to step up. One of the prerequisites of that is that if any of these initiatives were to move forward, you would have to have an organization that had some sort of respect within the community so that some, or maybe all, of the ideas can move forward. The Jefferson stepped up to the plate to do that. They are on the hook also to cover room and board for that expense. There is going to be 25-30 faculty, students, and administrators here in Erie.

As we speak, over the last month, we've given the Cleveland Urban Institute all the plans that we can that relate specifically to this north-south connection – this iconic connection. We have given the Port Authority plan, Emerge 2040, and Erie Refocused plan; they are studying this as we discuss this now. When they come to Erie and start to work on this, they already know what the issues are.

I should point out here, and this is really quite interesting, when we wanted to move this thing forward, we had to have a green light from local government officials. So, we went to the Erie County Executive and she was supportive of that idea but she said we needed to have Erie Insurance's green light because they have already moved forward with bringing some architects to Erie to address what they felt was not a PennDOT glamorous but rather a utilitarian kind of connection. But it really didn't address the issues that were articulated in Erie Refocused. We met with Erie Insurance who said they liked the idea and wanted to move it forward, but they told us we needed to go to PennDOT since they are really the lead service organization with this project. So, we met with PennDOT and they also gave us a green light and finally, the Mayor's office did too. So, we have approval from all key institutions that made this thing happen.

This is a rough itinerary for the 25-30 students, faculty, and administrators that will be coming in for three to four days. They will be meeting with BEST, Our West Bayfront, the Port Authority – some of the key organizations that have an investment along that waterfront area. This is open to

the public; it's not through invitation. The idea is to glean as much information from the public as possible. They will then go back to Cleveland, work on what they gathered while here, and then they will come back to Erie and make a final presentation to the community.

So, what is a Charette? A charette is really an accelerated planning engagement through the community. The students and faculty, again, they will have that kind of knowledge of what is at stake here, they will work with constituents, they are sort of the vehicle in which the community gives them ideas, they illustrate it and represent it back to the community.

This was taken directly from the comprehensive plan – these are the do's and don'ts. It was articulated that one of the things we really needed to do was to create that walkability environment which builds an infrastructure that allows people to walk and to ride bicycles and to communicate easily through the downtown to the waterfront. What Erie Refocused doesn't encourage Erie to do is to primarily focus this investment on automobiles. That's really where this plays a bigger role in how can these students come up with the idea of creating something that is designed to allow for a comfortable walk between the downtown and the waterfront.

Here are some of the key parts: the downtown feels apart from the bayfront, we need to create an iconic connection, we have to define what that is, and we design it in a way that builds a space that becomes an economic development driver at the same time. One of the things that Buki had talked about in his plan was, you already have these interesting connections at State and Holland and Sassafras so pedestrian overpasses are an interesting thing you might want to pursue and indeed, that is what PennDOT is doing. Three of the ideas here are in the PennDOT plan but I don't believe all of them are funded. Even though the pedestrian overpasses are important, it hasn't been completely identified that you will have the support to build them and to maintain them over the long run.

One of the three things that Erie Refocused talks about is looking at other communities. This is Chattanooga, TN Ross Landing. Back in the 80's, the Reagan administration called Chattanooga one of the worst polluted communities in the country. They went through a similar planning grant process. They took their downtown and moved it to the riverfront where they have invested hundreds and hundreds of millions of dollars and it was actually transformational. In the back, you see a freshwater aquarium, which is the largest and the first one in the United States and when it opened, it drew in a million people. That was the spark that redeveloped Chattanooga and it really hasn't looked back since.

Another area was in Seattle; this is very similar to Erie. If you look through, this is the highway which could be viewed as the Bayfront Parkway, there's a rail line here, the city is up on this left region and the bay would be out here. They created kind of a zig-zag pedestrian grassy knoll if you will. This was a big-ticket item, but the idea is kind of applicable to what we're trying to do here in Erie. How do we create something that allows family members and people to walk comfortably and enjoy one of the most remarkable bayfronts on the Great Lakes?

This is Philly – you're all familiar with that. Some 15-20 years ago this was kind of a seedy place. They've turned it into one of the most dynamic economic generators in Philadelphia in many years.

This is the PennDOT plan. I know it's a bit difficult to see but at the center of the screen of course is State Street. It is very utilitarian because it was designed by engineers and it was designed to take care of congestion and anticipate congestion. It's not interested in necessarily developing economic connections between the downtown and the bayfront because that's not what they're here to do. So, the charettes kind of plays that overlap. How do we create something on this idea? You can see the two roundabouts on Sassafras and Holland and then going over State Street so there wouldn't be any kind of impediment as people move east and west. This is going to be close to \$30 million. This is one of the options PennDOT has talked about.

The charettes is about research, which is what they're doing now, reflecting and creating through the community, and then reviewing that and bringing those ideas back to the community for their decision. This is a picture of one of the years they went to Detroit. Here's some classic charette-type activities that you'll see here in Erie for those three days. Again, they work with faculty and professionals within the urban design field. These are illustrations done by the students and faculty. This is what was done in Akron. They will be quite versed in some of the challenges we present to them. And here's a pedestrian bridge they had done a couple of years ago.

The question is, will we be able to realize that iconic connection that is both a statement to the public, it addresses the problem of the separation of your bayfront and connecting your downtown to the waterfront so you can create that critical mass of people.

I'm here really to ask for support for covering room and board. The grant gives us the entire department to come here to Erie with about 30 students. They will be here for about three days, so we have to feed them and house them. We'll have sessions throughout the community, but the hub will be at the Jefferson and it will be open to the public. We will market that. We have Our West Bayfront and BEST, those two neighborhoods are critical in the development of our downtown – they are the primary constituents we will be working with.

Are there any questions?

Dr. Wood: Do you have the City of Erie and PennDOT both on board of embracing this concept?

Mr. Fuhrman: Yes, and it kind of took us by surprise. When we talked to Erie Insurance and they said we had to go to PennDOT, we thought this wasn't going to go anywhere. But PennDOT was very open to the idea. This is the kind of thing that we are not experts on; we are engineers, we can draw lines, we can deal with congestion and safety, but in terms of pedestrians and pathways, that wasn't really their strong suit. They were actually very supportive. Brian McNulty who gave us the green light of working with this group put some sheen on the idea of the east-west and north-south connection and they were very much in support of it.

Mr. Cleaver: Is there a date for this to happen?

Mr. Fuhrman: October 17, 18, and 19; Thursday, Friday, and Saturday. Some of them have already come to Erie. They have met with some of the key stakeholders already and they will be here for three days. Then they go back and work on a schematic and come up with a booklet that draws all the things that the community said this is what we would like to see happen, they make a public presentation back to the public showing, "This is what you are interested in, this is what your former plans have said and this is what PennDOT agrees with, etc." At that point, the community might say, "We like this idea. Let's move it forward."

The big thing is, we talk about an iconic connection, but we have no idea what that means. We need to see it. It's kind of hard to describe through words, but when you see it, it's like a painting that you know is beautiful. It's the same kind of concept. Their idea is to put color and ideas to the problem of separation of the bayfront. If that makes sense.

Mr. Lee: Michael, you said the students were going to be here for three to four days getting the information, going back to Kent State Cleveland, getting the information and preparing a report. When are they due back to for the public presentation?

Mr. Fuhrman: That depends on us. There are a lot of activities on the calendar in the fall, but we will work with Erie Insurance and local governments to find the best date to do that. Then we



contact Kent State in Cleveland and they will make that presentation once we let them know when is the right time and the venue. It's not something that we say, "You have two weeks" and then it's done. It is open.

Mr. Lee: Okay. But you are looking at the public presentation being done this year?

Mr. Fuhrman: Oh yes. This is a part of their academic program so I suspect, well their semester ends in early December, so I suspect it will happen sometime in November. I would think.

Mr. Lee: Thank you.

Mr. Sample: What is your ask?

Mr. Fuhrman: Ten thousand dollars. It's about \$6,000 to house and about \$3,600 to feed them and there might be some other support like equipment or something. This is not any administrative expense. This is basically our way of taking care of an expense that they would incur. We get their expertise – not just the students, but the faculty and administrators that work with them in the architectural program.

Mr. Lee: Michael, where are you planning on housing these students?

Mr. Fuhrman: I don't know yet. It depends on how much money we have. It could be a local motel or ideally, we would like to have them on the bayfront, but that can be a bit pricey. We would love to have them down at the Sheraton or the Cobblestone because then they could actually feel the experience. But it depends on what the actual rate is, how many students and faculty will be here, can they double up, those kinds of things.

Mr. Wachter: This is October that they're coming, so if there is going to be a grant or something from the Gaming Authority, you would need something today.

Mr. Fuhrman: I was hoping something like a pilot program has been floated or is an idea.

Dr. Wood: I think that's ambitious. I think, if we could accept a Pilot Project application from them, we're going to end up reviewing it in the next two weeks or so along with the New Market Tax Credit project and the North East project. We would get a thumbs up/thumbs down from the Board and we would look at approving it October 17<sup>th</sup> and that's the day that they come.

I know it's an aggressive timeline, but it seems like a project worth pursuing.

Mr. Paris: Thank you very much for coming in. Thank you all for coming in and presenting. I do want to say that Tim Wachter, our Solicitor, needs to leave at 10:00am so if you see him leaving, you'll know why.

## COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Paris: Dale is not here today so he had asked Perry to give his report for him.

Dr. Wood: I'm going to start with the Profit & Loss statement. You'll see that in the month of October we received the second quarter payment of gaming revenue of about \$1.3 million; that brings us up to about \$1.6 total year-to-date. You'll also see in Income the interest that came in on the savings account. You will not see any interest coming in on any of the Notes that are currently out there because those come in quarterly and we've already received those funds.

If you want to follow me down to the Other Income and Expense section, you'll see that because we received gaming revenue, we stroked checks to the settlement municipalities totaling \$328,538, which is 25% of those funds, bringing the year end total to over \$421,000 for settlements. The Summer Jobs payment number \$128,993 consists of two fiscal years. We made the last payment of 2018 and the first payment of 2019, the lion's share going to the first payment of 2019.

Scrolling down to Renaissance Block, that \$68,000 consists of two Renaissance Block grants that are in process which are the Sisters of St. Joseph and the other one to the Our West Bayfront neighborhood. We'll go into more detail on that on the Grant Reserve report as well as the Anchor Building, \$32,606 to PACA. You'll see that number is lower because we received a refund from the City of Corry which has decided that the expense associated with rehabilitating the adaptive reuse project for its City Hall is not worth it at this time. They ran into some asbestos and wiring issues, so they returned the funds to us. That will make sense, once again, when we look at the Schedule of Grant Reserve.

The next report is the Balance Sheet. You'll see the funds we have in savings, you'll see what's currently committed to projects, you'll see what is in the Restricted category and that is of course because it hasn't been in our possession for over a year yet, and then the total available in savings. Notes Receivable are listed and there is nothing new in the Notes Receivable as well as the Reserve. You'll see Prepaid Insurance and the balance as it is being drawn down.

The Statement of Cash Flow shows a positive cash flow of course because we received gaming revenue in the month of August. Next is Budget vs. Actual. You'll see no Accounting Fees to speak of and our standard Government Relations cost to Ridge Policy Group. Professional Services is a large item for the month of August; over \$9,000 - \$7,500 of that is the Economic Impact Study which we are currently working on the rollout for that. There is also \$2,400 for ParkerPhilips and the media services they provide. Legal services was a little bit light in the month of August at \$962 and Payroll Service is standard.

Mr. Lee: Perry, can I go back to the Professional Services and the Economic Impact Plan – is that an update to the one that they had done before or is this something new?

Dr. Wood: It is an Economic Impact Study Update and it's cumulative – it involved both Summit Township and Erie County, as well as ECGRA's stats.

Mr. Lee: Thank you.

Dr. Wood: If you go down to the section Office Administration, you'll see the first line item of Books, Subscriptions, Dues – that's \$36 to the Erie Times News, \$186 to the Corry Journal, which is a yearly subscription unlike the Times where you pay monthly. Postage, Office Supplies – you'll be able to look at Tammi's Visa for a list of those supplies, Copier Lease is standard, Professional Development – you'll see \$99 for a class we sent Tammi to that was along the lines of a leadership management course, and Meeting Expenses at \$12.

Under Other Types of Expenses, you'll see \$2,500 which was our sponsorship of the GECAC Annual Dinner. Advertisement shows the amount for Erie Times News and the ad we took out with Erie Reader for our Quality of Place. Phone/IT/Fax went up because we made the first payment to Board Effect. When are we going to get trained on that software?

Ms. Michali: I am in the process of doing the administrative training right now. We are on track to do it at our October Board meeting.

Dr. Wood: Great. Just a quick refresher – we're moving away from SharePoint as our main communication for our electronic documents and we're moving toward Board Effect. Tammi is going to take some time at the beginning of the October Board meeting to train us on Board Effect.

The rest are zeroed out in that column and Payroll Expenses are standard. Flipping over to the Schedule of Grant Reserve, you'll see under Restricted that the second quarter gaming revenue came in, the amount. You won't see anything under Special Events because there were no disbursements there, but if you flip to the next page, you'll see the municipal payments to Summit, Green, McKean, Millcreek, Waterford, and Erie County year-to-date totaling \$421,000.

The next page refers to the detail that I mentioned earlier on the P & L – these are the two Renaissance Block draw downs that took place for Our West Bayfront and Sisters of St. Joseph, both payment #2. Even though it's payment #2, you'll notice that the amount is consistent with year-to-date and that is because the first payment was during the last fiscal year. The Anchor Building payment to PACA of \$37,000 and the City of Corry refund of \$5,200, which is why on the P & L statement the number is \$32,000 as opposed to \$37,000.

No Mission Main Street drawdowns but there is a Summer Jobs draw down of \$128,000, bringing year-to-date to \$132,000 for that program. That concludes the Grant section, but you can flip over to the Committed Funds section and you'll see how current draw downs affected Amount Remaining opposed to Original Commitments of both Renaissance Block and Anchor Building, as well as Summer Jobs, which is how we get our Committed number of \$3.6 million.

Moving over to Check Detail, you'll see the checks that were stroked> VISA's that we'll go into detail in a second, Flagship Media Visitor's Guide was a \$4,000 ad detailing Special Events that ECGRA has invested in throughout Erie County. This was a one-time a year visitor's guide. The Economic Impact Study at \$7,500 is listed next; after that you'll see the Anchor Building Grant, the Corry Journal and the Times, you'll see our Phone/IT/Fax, you'll see our standard payroll and retirement costs as well as copier costs, the Sisters of St. Joseph check for the second payment of the Renaissance Block, you'll see the settlement checks, you will see the GECAC Annual Dinner sponsorship check, you'll see the Our West Bayfront second payment, our Professional Services payment to our public communication firm, and finally Diligent Corporation – that's Board Effect, the software. Are there any questions on the Check Register?

The VISA statements – is that the final AT&T payment?

Ms. Michali: No, because we're a month behind. You can see that that is the June payment, so we still have July and August.

Dr. Wood: And what month does the AT&T payment get moved to your VISA?

Ms. Michali: This is a combined statement, so that is in effect now.

Dr. Wood: On Tammi's VISA, you'll see the Office Supplies that were purchased, the Professional Development course, the subscription to the Erie Times News. The Office Supplies are things like garbage bags, coffee, pens, creamer, and post-it notes, and you'll see the payment received. Are there any questions about the VISA statements?

Mr. Cleaver: I think it should be noted that I had discussed this with Perry, every Visa or MasterCard has some type of reward or return or something. I noticed that ECGRA, whatever points they get whether it's for travel or whatever, they take the money to lessen the debt. That is just for a matter of information. Some companies will give it to their employees. I don't think that should happen here because we're a public entity, but in talking to Perry, the money that comes in from points gives us credit toward the bottom line and that's the best way to do it. It's fine with me but I did some checking because it caught my eye. I just wanted to mention that.

Mr. Paris: Thanks, Whitey.

Mr. Sample makes a motion to accept the Treasurer's Report. Mr. Cleaver seconds the motion. There is no further discussion of the Treasurers Report. Motion carries 6-0.

- b. Strategic Planning Committee: Mr. Paris: We did have a meeting last week and Perry is going to have some updates on what was discussed there.

Dr. Wood: I will be super quick. We did talk about the Goodell Gardens announcement which some of you attended which was for the investments we have made in the Borough of Edinboro. We briefly talked about the Sustain North East concept as well as the Erie Center for Arts & Technology so that was really the first time we broached it with the Board and kind of let everyone know that we were going to ask them to come in for a presentation. Tammi talked a little bit about Board Effect software, and then the bulk of our time was spent on the Community Asset review which is the category of Arts, Culture, and Heritage.

Mr. Paris: Thank you.

- c. Update from County Council: Mr. Leone: I know at the last meeting there was a discussion about the Community College. Council decided that we have the option of a Community College without Northwest Pennsylvania Regional College. The purpose of us leaving NPRC was because of the guidelines that Council set and asked for were not acceptable to NPRC. Council felt that one of the biggest problems was the curriculum of the college and we believe this was in the interest of Erie County and not of NPRC. That's one of the issues that they had that they wouldn't accept. So, Council finally decided to renew our original concept of a stand-alone community college and asked the Board of Education to either vote it up or down.

There's still much more involved as far as the community college and I realize that they now have 14 other community colleges and they are anywhere from \$16-17 million per college. Obviously, they are all opposed to having another community college because they would have a deficit of over \$1 million for each one of them if we add another community college in there. I understand that but as far as the cost to the State, there is no cost to the State to adopt another community college. So, Council again decided that we're going to go along with a stand-alone community college.

I can remember a few years back, a little over two years ago, when I met with Kathy Dahlkemper and Jay Breneman and myself and members of NPRC and they too agreed that there was room for not only NPRC but a stand-alone community college. I'm of the belief that the community college is a piece of the puzzle in economic development and without it, I don't know if economic development can be worthwhile here in Erie County so obviously, I am in favor of having a community college within Erie County. I don't like the idea of having the cost that's going to be involved, but I believe that even the individuals who have done the study for the college itself is concerned, including one of our ex-finance people who was Joe Maloney, indicated that the college could be self-sustaining within a specific period of time and prior to that specific period of time, there wouldn't be any tax dollars involved. Obviously, that is something that has to be seen in the very near future. I have nothing else to report.

Mr. Paris: Thank you, Fiore.

- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. I will just add on a little bit in reference to the community college from the Administration's standpoint. Two years ago, on June 30<sup>th</sup>, the Administration submitted the application down to the State Board of Education. Since then, we have been in constant contact with them. They have asked for additional addendum information twice and we supplied that in a very timely manner working with Empower Erie. Empower Erie has done an outstanding job; they have done the Feasibility Study and they actually prepared the college application.

The Administration was requested by Harrisburg to explore perhaps a partnership with Northern Pennsylvania Regional College and we did that. We met with them several times to see if we could come to some type of agreement; we had a draft Memorandum of Agreement which was just the framework and the first step. The feedback from County Council at the time was they felt that that was not detailed enough so County Council developed their own Memorandum of Agreement and also a passport which the Administration was also a part of.

We met with the NPRC, there was one meeting down in Warren. It was after that meeting that the Board of NPRC made the decision that it wasn't going to be a good fit based on the new Memorandum of Agreement. At that point, talks ended.

I think it's very important to note that the Administration has never taken our emphasis off of the application down in Harrisburg. Part of the Memorandum of Agreement was that everyone was on the same page, meaning the Administration, County Council, the community at large. If we were in agreement with NPRC, we would have withdrawn the application at that time. But there was no discussion to withdraw that application when everyone was in agreement. The application remains down in Harrisburg. We have always been proactive. We're hoping that we will get a vote in November. There is a tremendous amount of politics that has affected this.

We know that Erie County deserves a stand-alone community college and we know that we need our own curriculum; there is no wavering on that. We're hoping the resolution does have a reading before County Council to set up a committee which consists of two members of the Administration, two members of County Council, Empower Erie, and Joe Maloney – we're hoping that committee will be able to work diligently in moving the application forward. We appreciate Chairman Leone's letter that he had written and submitted to the Governor and all the State delegation for Erie County urging them to use their influence to have the State Board vote on our application. It has been over two years and we were told that it was going to be anywhere from 12-18 months initially and obviously, we're way passed that.

Stay tuned and we hope that this will go well and favorably. Thank you, Mr. Chairman.

Mr. Paris: Thank you, Gary.

### REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: I will be very brief. This was a busy month; we had a Strategic Planning review and of course went over Community Asset grants. We did get an activity report from Ridge Policy, which you'll see in the packet. We held a press conference for the Edinboro Revitalization investments on September 11<sup>th</sup>. You'll also see some of the other media we got in the packet as well as a letter or two of thanks in there from community members. We also held a candidate briefing prior to the GECAC dinner for all perspective County Council candidates. That concludes my report.

### SOLICITOR'S REPORT

Mr. Wachter left the meeting, so there is nothing to report.

### OLD BUSINESS

There is no old business to follow up on.

### NEW BUSINESS

- a. Resolution Number 14, 2019 – Resolution to enter into agreements with fifteen (15) Erie County community organizations and municipalities engaged in Arts, Culture, and Heritage.

Mr. Sample: I have a memorandum of Conflict of Interest. On this date, the Board of Directors of the Erie County Gaming Revenue Authority was presented with Resolution Number 14, 2019, which pertains to the granting of funds to fifteen (15) Erie County community organizations and municipalities engaged in Arts, Culture and Heritage. One such entity is Impact Corry.

I serve as a board member for Impact Corry. As such, I have abstained from any deliberation or involvement in the process to determine whether to recommend an award to Impact Corry, and I abstain from the deliberation, and vote, regarding the approval of the Resolution. Further, I announced my conflict during the meeting and request that this memo be made part of the minutes of the September 19, 2019 meeting of the ECGRA Board of Directors.

Dr. Wood reads the resolution.

Mr. Cleaver: I would like to make a motion to accept the resolution into record. I also would like to make a comment that the request was \$150,000 and we did save \$3,600 from the original request – so we did do our homework. When we sat down, we cut it down by \$3,600. I thought that should at least be mentioned.

Mr. Bagnoni seconds the motion.

There is no further discussion. Motion carries 5-0-1, with Mr. Sample abstaining.

### ADJOURNMENT

Mr. Sample moves to adjourn.