



## **Erie County Gaming Revenue Authority**

### **Minutes of the Board of Directors' Meeting**

**August 18, 2022**

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 August 18, 2022 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 and Mr. Cleaver are present in person, Mr. DiPaolo, Ms. Hess, Ms. Loll, and Mr. Winschel are present via Zoom. Chairman Brian Shank, Mr. Douglas Smith, and County Executive Brenton Davis (his connection is sporadic) are present via zoom. Mr. Wachter and Dr. Wood are present in person.

#### **APPROVAL OF THE AGENDA**

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

#### **APPROVAL OF MINUTES – July 2022**

Mr. Cleaver makes a motion to accept the minutes as presented. Mr. DiPaolo seconds the motion. There is no discussion on the minutes. Motion carries 6-0.

#### **DIRECTOR'S COMMENTS**

There are no comments by any Board member at this time.

### COMMENTS BY THE CHAIR

Mr. Barney: I would just like to take the opportunity and thank all the Board members for their due diligence in attending the grant meeting last week. It is much appreciated.

### PUBLIC COMMENT

There is no public present for comments.

### PRESENTATIONS

There are no presentations at this time.

### COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Cleaver: Thank you, Mr. Chairman. I reviewed the Treasurer's Report, and all seems well with me. Are there any questions? I will certainly answer them, but all is in order to me; there were payments, and Visa payments, and everything else looks fine to me.

Mr. DiPaolo makes a motion to accept the Treasurer's Report as presented. Ms. Loll seconds the motion. There are no questions or discussion of the Treasurer's Report. Motion carries 6-0.

- b. Strategic Planning Committee:

Dr. Wood: The committee met on August 10<sup>th</sup> at 10:00am here at Knowledge Park. We started off with a presentation from two entities that are collaborating to create the Diverse Erie Loan Fund; it was Gary Lee of Diverse Erie, also known as the DEI Commission, and Tina Mengine, the Executive Director of the Erie County Redevelopment Authority.

They presented on the concept of a new loan fund – the Diverse Erie Loan Fund. Information was distributed to the Board in the form of a one-page summary of the goals of the revolving loan fund as well as the agreement between the Erie County Redevelopment Authority and Diverse Erie. The Board took the majority of the time in the meeting to ask questions of the fund, many of which were answered. We asked about the Investment Playbook, we asked about the focus of the fund, we asked about minimums and maximums and terms, Ms. Loll had some great questions there about the terms of the loans; we got all those questions answered.

We also asked about other contributing partners and we did find out that there are commitments from GEDIC, Erie Community Foundation, the RDA itself is putting money in, and there is an ask for the City of Erie to put in some funds. We did have a conversation that pursued, and I think the majority of the Strategic Planning Committee responded favorably to the idea of making a \$250,000 grant to the Diverse Erie Loan Fund with stipulations, which will be part of the negotiation process.

You will see in your packet today Resolution Number 12, which authorizes the executive director to enter into those negotiations and effectively represent the terms that were discussed by the Strategic Planning Committee.

The second agenda item was Multi-Municipal Collaboration. There were several grant requests that came in, the staff brought three of them to the Strategic Planning meeting for review, all three were acted upon favorably by the Committee as well after consensus was reached, and you will see that as Resolution Number 10 on your agenda.

Resolution Number 11 was the result of the review of the Mission Main Street grants; there were six of those that the staff brought and discussed with the Board and those are in the form of Resolution Number 11. You can see those in the attachment with the amounts.

Grand total – this is well over \$1 million in grants that we will be doing today. It's a big deal. It's a combination of ones that work. I just want to say that I appreciate the diligence and attendance of the Board members at the Strategic Planning meeting. Are there any questions for me about the grants awarded? I do want to recognize Chairman Shank, who also attended as well. I appreciated your attendance at that committee meeting.

There are no questions or discussion of the events of the Strategic Planning Committee meeting.

c. Update from County Council

Chairman Shank: Thank you for the opportunity and thank you for the wonderful emails and reminders about dates and times – I really appreciate that. We had a County Council meeting yesterday and we approved a new member of your Board, Robert S. Oberlander. It was a 7-0 vote, sponsored by Councilman Bayle out of Edinboro. I do have his resume here if any of you have any questions. He comes to us very highly recommended; he is currently on the school board of Fort LeBoeuf School District, Waterford Food Pantry, he's a member of the Kiwanis Club and Manufacturer's and Business Association. We take these appointments very seriously; we look over them very closely. Of course, the County Executive had signed off on Mr. Oberlander and hopefully he will be a great asset to help with what you men and women have done to help. Thank you.

Mr. Barney: Thank you, Councilman Shank. Are there any questions for the Chairman?

Dr. Wood: Thank you, Chairman Shank. Traditionally, we have received a letter in the past from the County Council office of the appointment to enter it into record. I have already met with Bob, and I can't wait to welcome him on board and go through the orientation.

Chairman Shank: Yes, the paperwork will catch up, but I wanted to be the bearer of good news, not always bad news.

d. Update from County Executive's Office

Mr. Smith: Good morning to everybody. I appreciate all of you and the time you spend doing the work of the Authority. From the Administration, I say thanks to Dr. Wood for including our Economic Development person, Jeffrey Cooper, in the rural listening tour going around different parts of the County and talking to the municipalities. That has been a very valuable

tool as we are trying to ascertain what projects are out there that we can partner with the Authority on in some cases. Also, Dr. Wood and I and your attorney have been working on amending our agreements for last year's funding to allow for municipalities to receive direct grants and that should be completed shortly. That too will help us partner with you to help municipalities with projects of note in their area.

Overall, we're just grateful to work with you and partner with you. That's all I have today. Thank you.

Mr. Barney: Thank you, Mr. Smith. Are there any questions of Mr. Smith at this time?

### REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: Thank you, Mr. Barney. You'll see in the Executive Director's Report that the majority of the staff time this month was spent on preparations for the Strategic Planning Committee meeting in which we reviewed nine grants and the revolving loan fund concept that I mentioned. You'll also see the Listening Sessions that Chairman Shank referred to. We held several of these sessions. We did a joint one with Edinboro and McKean Boroughs and McKean Township and we actually did that one outdoors at McKean Community Park and we got a lot of good input and feedback there. We also did one in Millcreek with the Supervisors and some community leaders there, and then we wrapped up our listening sessions in Fairview yesterday.

I can tell you that these listening sessions have been fantastic. We haven't done these since pre-pandemic. As Mr. Shank had mentioned, we do include a member of the Administration and we invite the County Council person for each district to attend those meetings as well, which several of them have, including Mr. Shank who came to the North East listening session. The information that we are getting from these organizations is fantastic – all the key projects that they are working on and the direction that they are headed as a municipality. We also reviewed past investments with them and one of the things I always ask is, "Who is not on this list, who are the nonprofits and what are the projects that are missing?" so this gives us good feedback.

As we move along, you can see our communications report there from Parker Philips and then the next document I want to touch on briefly. We were asked some questions about the Summer Jobs Program from this past year, and these are the answers to those questions. I'll just briefly go through it. There were 136 participants this summer, a split of 40% for the City and 60% for the County, and they kind of identified their explanation there. They had some problems with the city kids having problems filling out the applications. So, we will be asking them what they are going to be doing to rectify that. They also provided a list of employers that participated in the program. We were asked these questions at the last Board meeting, so I just wanted to make sure that everyone was aware of the answers.

As we scroll down the report, you will see the news clippings – this one is from the Corry Journal talking about Renaissance Block, next up the Erie Reader did a piece on the Investment Playbook, and then some recognition of ECGRA in the House of Mercy newsletter. I'll pause there and see if you have any questions.

Mr. Barney: Dr. Wood, what is the projected number of kids for the Summer Jobs Program? You stated that there were problems with kids in the City filling out the applications. If that hadn't occurred, what would have been our capability as far as the number of kids?

Dr. Wood: The program is scalable; to what extent it's scalable, I've never asked that question. I do believe it's scalable to the point of our funds that primarily go to paying the students wages. We

should have capacity between the three funders to fund up to 175 kids, but yet only 136 went through the program.

If there are no other questions, I thank you very much.

### SOLICITOR'S REPORT

Mr. Wachter: Thank you very much. I wanted to talk about a letter I sent to the Board and to Dr. Wood after the conversation that was had at the Strategic Planning Committee where we had discussed what the terms were for the funding of the ARPA money. The very short summary of this is the federal rules provide for use and a presumed eligible applicant for the funding. There are lists of classifications of folks and of uses that are presumed to be eligible. If you don't meet that particular presumption, there is also a process you could use through which to make an independent eligibility determination. That is essentially that the applicant has to identify what economic harm or impact was caused upon them by coronavirus and then secondly how the project that they are proposing to be funded reasonably responds to the harm or negative economic impact that was caused as a result of coronavirus and the response has to be reasonably proportionate to the harm caused. So, if your harm was, "I lost \$50 in my business, but I need \$50,000 worth of funding to recover it," that's not a proportionate response.

There is also additional information in there regarding capital projects; I know we had discussed funding capital projects in the past. Should those be funded, then there is a written justification process that needs to be undertaken as well so that we can comply with the government reporting requirements. Those reports would have to go directly up to the Department of Treasury. As we don't have a direct line for reporting to the Department of Treasury, Mr. Smith, that is something that we would have to supply to the County so that you would be able to use that in your reporting to the Treasury.

If there are any questions on that, please do let me know. Also, Tom had reached out to me late last week with a copy of the revised guidelines, contracts for some upcoming grants that implement the ARP funding, and I will be performing a final review of those so we can get those on the street as soon as possible.

The only other thing that I would like to say is that I did make a disclosure at the Strategic Planning Committee that I do represent the Diverse Erie Commission and so typically when you award a grant, you are authorizing both the solicitor and the executive director to engage in the negotiations with the grantee to come up with a grant agreement. The reason we do that is because we want to make sure that each one of the grant agreements are stylized and individualized for that particular program; there is no real one-size-fits-all agreement that we have ever come into. In this case, I am not going to be involved in those negotiations because of the obvious conflict; I will let that occur at the staff level. Of course, I will be here to draft the contract to implement the results of those negotiations.

Ms. Loll: When you're looking into the laws that they have through the pandemic that we just went through, what information do you utilize to determine what they have lost?

Mr. Wachter: That's a really good question. There is no hard and fast rule as to what the economic impact is or is not. Under the federal rules surrounding the ARP funds, they do have long lists of presumptions as I discussed and summarized in that particular letter. Beyond that, Ms. Loll, I've got to tell you, it's a "does this pass the smell test"; is this is realistic harm that was caused, can we realistically sit here and say that this appears to have had an economic impact that was heightened or

made worse as a result of the coronavirus, or whatever the case may be? So, there is no hard and fast rule. They wanted to make sure there was sufficient flexibility in the rules to allow projects to apply for funding.

Ms. Loll: Thank you.

Dr. Wood: If I can add to the answer that Tim just gave, when we analyze the effects of the economic impacts of coronavirus and justify it for the purposes of this overall, we have several things at our disposal one of which is the ability to (speaker cuts out) are based on the economic distress marker. Another one is the national research that has been done, like the fact that main streets were disproportionately affected by the pandemic, and then we have the research on parks, fields, and trails and the extent to which they became really important for outdoor activity, recreation and wellness as a result of being indoors. So, there are secondary research and then there is primary research that we have done. The primary would be more of the mapping, where we take investments and map it out so we can get a visual. The secondary would be how the national groups, the think tanks, and others have looked at the pandemic.

### OLD BUSINESS

There is no old business to discuss at this time.

### NEW BUSINESS

- a. Resolution Number 10, 2022 – Resolution to enter into agreements with three (3) entities that comprise the recipients of the 2022 Multi-Municipal Collaboration Grant

Dr. Wood reads the resolution.

Mr. Cleaver moves to accept the resolution. Ms. Hess seconds the motion. There is no further discussion of the resolution. Motion carries 6-0.

- b. Resolution Number 11, 2022 – Resolution to enter into agreements with six (6) applicants to the Mission Main Street Grant Program

Dr. Wood reads the resolution.

Mr. Winschel moves to accept the resolution. Ms. Hess seconds the motion. There is no further discussion of the resolution. Motion carries 6-0.

- c. Resolution Number 12, 2022 – Resolution to authorize the executive director to enter into negotiations and execute an agreement with the Erie County Redevelopment Authority and the Diversity, Equity and Inclusion Commission for a \$250,000 grant/loan for the purpose of creating the Diverse Erie Revolving Loan Fund of Erie County

Dr. Wood reads the resolution.

Ms. Loll: I have a question. This is half of the amount of money that they originally requested, correct?

Dr. Wood: That is correct.

Ms. Hess: Perry, when you enter into these negotiations, how are you going to determine the difference between a grant or a loan, like you are either going to give a grant or a loan? Is that what you will be working out in the details coming up?

Dr. Wood: We are going to give them a grant. The negotiations will mostly be about how that grant is structured, the terms of that grant, how that grant is drawn down, what types of businesses the grant funds go to. We agreed as a committee that we are not going to participate in the vetting process, that we are not going to sit on a loan committee, but rather this was a higher risk opportunity for small business so we would simply grant them the funds. So, the negotiation will really be about ensuring that the funds go to the businesses that are the target of the loan fund, and then that the drawdown process will be based on the actual loans given by RDA, as opposed to us simply granting the full amount of \$250,000 and waiting for them to expend it. It will be more of a cash flow situation for them.

Ms. Hess: Perfect. Thank you.

Mr. DiPaolo: Dr. Wood, I have a question. What is the County giving to this organization in regards to this? Or is it only us that is giving them the money?

Dr. Wood: Which organization are you referring to?

Mr. DiPaolo: What we're voting on.

Dr. Wood: The fund is administered by the Enterprise Development Fund, which is an affiliate of the Erie County Redevelopment Authority. So, they are the group with the expertise to administer it. The concept of the Diverse Erie Revolving Loan Fund was created by Diverse Erie, which is also known as the Diversity, Equity and Inclusion Commission. That is where the concept comes from. They put \$250,000 of their ARPA dollars into the fund and then they went out and solicited other groups like Erie Community Foundation, Greater Erie Economic Development Corporation, and of course ECGRA.

Mr. DiPaolo: That answers my question. Thank you.

Dr. Wood: Yes sir.

Ms. Hess moves to accept the resolution. Mr. Winschel seconds the motion. There is no further discussion of the resolution. Motion carries 6-0.

## ADJOURNMENT

Mr. Cleaver moves to adjourn. Mr. DiPaolo seconds the motion.