



Erie County Gaming Revenue Authority

Minutes of the Board of Directors' Meeting

October 17, 2019

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on October 17, 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. Barney, Mr. Cleaver, Mr. DiPaolo, Ms. Hess, Mr. Paris, and Mr. Sample. Mr. Lee, 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 7-0.

APPROVAL OF MINUTES – September 2019

Mr. Cleaver makes a motion to approve the minutes as presented. Ms. Hess seconds the motion. There is no further discussion on the minutes. Motion carries 7-0.

DIRECTOR'S COMMENTS

Mr. Sample: Just as an aside, I had an Impact Corry meeting yesterday with Blue Zones and everybody else, and ECGRA's name came up several times and everybody in Corry is very appreciative, the Blue Zone people find them instrumental in the progress that they have made. It's nice that they notice; Chuck is certainly a cheerleader for this place. It's just nice to know that they recognize where these funds are coming from.

And Gary, there was also discussion of the Summer Jobs because with Blue Zones there, we're going to be a little more aggressive in getting set up because I know the County Executive wants 50/50 and we have fallen short of that. I think we're going to be a little better prepared for that.

Ashley Lawson is going to make a contact so that we can be proactive as opposed to reactive next year.

Mr. Lee: Great. Thank you.

COMMENTS BY THE CHAIR

Mr. Paris has nothing to report on today.

PUBLIC COMMENT

There is no public comment.

PRESENTATIONS

There are no presentations.

COMMITTEE REPORTS

- a. Treasurer's Report: Mr. Barney: Good morning everyone. Has everyone had the opportunity to review the Treasurer's Report? I would just like to highlight a few things; income is basic because we just have interest. There is nothing out of the ordinary under expenses. As we move farther down and look at Other Income Expense, that \$175,655 is four entities that include North East Borough at \$82,000 for police consolidation, Girard Borough at \$17,000 for recycling, West County Paramedics at \$70,000 for the wheelchair van, and West County EMA at \$6,654 for safety lighting. You'll see those shown in other reports, and I'll point out where that expense is shown. Then you have \$5,000 for Union City Renaissance Block; that is their third and final payment.

Next, we go to the Balance Sheet. You can see, as was reported in the MaherDuessel report from earlier, the Uncollectables are at \$1.3 million, which we know that if we pass these resolutions later, that figure will increase. I'd like to highlight that nothing has been not collected to date. The Statement of Cash Flow is standard. Are there any questions?

Budget vs. Actual – I just want to highlight a few things. You will see quarterly MaherDuessel and their accounting fees. Office Administration - \$237.57 is for Books, Subscriptions, and Dues; \$201 of that is for books and the \$36 is the Times News. Professional Development shows \$216 and that was for a conference for Perry and Tom that they had attended here in Erie.

Meeting Expenses - \$330 of that was for the Press Conference in Edinboro and the rest was for the Strategic Planning meeting. Outreach - \$379 was for the function down at the Bayfront Convention Center for the County Council candidate briefing which was before the GECAC Annual Dinner. Advertising costs shows the cost of us advertising the Strategic Planning meeting in the newspaper. There is nothing else that is out of the ordinary there.

Next is the Schedule of Grant Reserve and you can see at the top it shows the basic Committed Funds and Uncommitted Funds. It also shows the first and second quarter disbursements. When we go to grants you don't see anything for the month of September

until we get to the Multi-Municipal Collaboration – you can see where I spoke on the Borough of North East, Girard Township, West County Paramedic Association, and the West County EMA. You will also see under the Neighborhoods & Communities Renaissance Block that is where you will see the \$5,000 that went to Union City. A reminder that is their final payment. Moving to the last page you'll see the Union City payment again and see that the amount remaining is \$0.

The Check Detail Report shows the checks that were made out to those four entities in the amounts of \$82,000, \$17,000, \$70,000, and \$6,655. I did want to point out at the bottom the date 9/18/2019 – Harborcreek Little League 2018 Community Assets; why are we still dealing with 2018 when it's this late into 2019? We inquired to them as to why nothing had been done on that check and upon inquiry that they stated they hadn't received it. We had to go back and track our records and track down, put a hold on it, and reissue them the check for that amount. Mr. Wood informed me that they probably just misplaced it, but we needed to take action on it and that was in the amount of \$10,250.

The next page is just the VISA statements – as you can see there is nothing on it except for the \$356.86 pertaining to the phone and showing the payment of it. The next page shows a list of other expenses. You may notice that we are operating on one account now; all three of them are combined in one account. The way it's written down, first it shows Perry, then Tammi, and then Tom; Tom had no activities on this statement here. You'll see the breakdown of office supplies, books that I mentioned, the Professional Development session, the meeting, and everything else is standard.

Are there any questions pertaining to any expenditures that you may see or other questions that you may have at this time? If not, that concludes my report. Thank you.

There is no further discussion of the Treasurers Report. Mr. Sample makes a motion to accept the Treasurer's Report as presented. Mr. Bagnoni seconds the motion. Motion carries 7-0.

- 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: The Strategic Planning Committee met on Thursday, October 10th from 11:30-1:00 here at Knowledge Park. Three main agenda items were on that agenda. The first was to review a Pilot Project grant called "Creating an Iconic Connection between the Bayfront and Downtown Erie"; the applicant was the Jefferson Educational Society. The project involves a design charrette to work with the City of Erie and PennDOT on creating this iconic connection which is called for in the Erie Refocused plan between the central business district and the bayfront – primarily at State Street but also at other locations along the Bayfront Parkway. The Committee recommended to the full Board that we move forward at today's meeting with a \$5,000 grant to the Jefferson which will be matched with another \$5,000 from Erie Insurance and the Erie Community Foundation.

Mr. Sample: Perry, if I could just ask, who was all in attendance (at the Strategic Planning Committee meeting)?

Dr. Wood: Everyone was there but you and Mr. DiPaolo and Mr. Lee.

The second agenda item was for Erie Center for Arts and Technology known as eCAT; the name of their project is Wayne School Reimagined. eCAT is an affiliate of the Manchester Bidwell Corporation which is a non-profit in Pittsburgh. We were informed that there are now

eleven CAT's across the state of Pennsylvania and there are even more internationally and across the country. Erie joins this family, this great network of workforce training initiatives. We are being asked specifically to come in on the financing for the redevelopment of the Wayne School building which will house the Center for Arts and Technology but will also house the Physician's Health Network which is an anchor tenant for the building and will create a form of sustainability to allow them to operate. There will be a couple other floors available for some type of imaginative exercise in economic development. But for now, the Committee saw a presentation from Daria Develin, got their questions answered, and the Committee came back with a recommendation to the full Board to make a \$500,000 mission-related investment – a loan that we would add to our portfolio. I think it's worth noting that the staff scrubbed the finances and worked heavily with Daria and that this is the region's first New Market Tax Credit project, which I think could be a major tool for economic development for the region. Somebody had to be first and I think this a great project to go first. You're going to see some more details in the resolution as far as the terms go, but like a standard MRI, we'll be asking the Board to empower the director and Solicitor to negotiate the final terms based on what I read in the final resolution.

The next item was the North East Revitalization Fund – they're calling it Sustain North East. The applicant is Downtown North East; they are the 501c3. They came in and presented to us about the fund they want to create along with other groups including the North East Community Foundation, the Borough, Downtown North East, and the Erie Community Foundation. The idea there is to proactively redevelop buildings on the primarily on the main street but also in other commercial corridors. I think it's timely that they're looking at this concept considering what's been going on with Mercyhurst North East. As you've probably seen in the news, within the next three years they are drawing down all activity at that campus; they will be relocating it or disbanding some of that activity or relocating it to their main campus. This is kind of a timely effort for us to work with them on what is a potential moment of crisis for that community in losing a major employer.

I will add to that that we have been keeping Ridge Policy Group up to date on this and we just did a conference call with them yesterday to talk with them about steps we can take to work with North East on. Part of that was to submit two RACP projects to the State budget; both of those summaries have been submitted and they are in the process of being added to the bill with the assistance of Senator Laughlin.

The Committee did hear a presentation from Pat Gehrlein, the Borough Manager, and Char Kerr, the head of Downtown North East and Holly Ferruggia, the head of the Chamber, and the Committee recommended a \$400,000 mission-related investment in the form of a loan to be part of this fund. We did discuss the idea that since this is a project-by-project driven fund that we would hold on to the funds. In both cases, we want to make sure that full fund raising takes place toward the financial goals before we release the funds. In the case of the North East Revitalization Fund, we would draw down based upon a construction schedule on a project-by-project basis depending upon what percentage we are in the portfolio. We did tell Downtown North East we don't want to be any more than 25% of the portfolio in order to protect our investment and share less of the risk and they agreed. The idea would be \$1.6 million as their fundraising goal.

Mr. Sample: I apologize for not being there, but the one question that I had broached with them when they came in initially was, did they present anything dealing with the code requirements for the second and third floors and how they were going to deal with that? I think one of the first things is we want to make sure they have approved plans before we start throwing money at this because we have four projects in Corry right now that are held up

because people started them without approved plans by BIU and then two of them aren't going to get finished.

Mr. Paris: She didn't mention anything specifically about the codes, but I know she mentioned something about working with an agency that they typically work with that handles all the contracting. I'm pretty sure all of that will be taken care of.

Dr. Wood: I would answer that question two ways: 1) they have an imaginative project to create access to those upper floors through the back alleyway and they showed us drawings of that. The revolving loan fund would not be involved in that project; that is something they are going to go for grant funds for.

Mr. Sample: In the balcony or in the restoration of the second and third floors?

Dr. Wood: Restoration of the second and third floors to access the multiple ballrooms and upper floor apartments. But a more specific answer to your question is that the Borough of North East has their own zoning and code enforcement officers, so they are going to proactively work with these property owners on those issues you just asked about.

Mr. Sample: I just don't want to see a bunch of money get spent on stuff and then hear, "Well, now we can't utilize it." This is not related, but what did we ever find out about the money that we were going to give to the Borough of North East for the police department and then the building that was owned by Mercyhurst and what kind of lease they were going to get or how that was going to move forward? I understand they're divesting themselves of everything in North East other than that building. I just want to make sure that we're not going to throw a bunch of money into a building and then in two years they say, "Oh, and by the way, we're leaving."

Mr. Maggio: We haven't released the money yet until they have a lease. I talked to Pat and he said it would be a significant lease of at least 10 years or longer. Pat said they have a commitment to stay there and use the building. I'll follow up but the bottom line is we won't release the money until we see the lease.

Mr. Sample: I know when we did the review that was a question that was brought forward and they said, "We don't know." Thank you.

Dr. Wood: Those are the three recommendations of the Committee. Are there any other questions?

Mr. DiPaolo: I just have one in regards to both the North East and the school, I imagine we don't release the funds until they've met their fundraising. Do we give them a time period to do that or how long do you usually wait before they do that? Or isn't there any set time?

Dr. Wood: It is somewhat open-ended and somewhat arbitrary. Let's talk about the New Market Tax Credit project first – if they don't line up their financing by mid-November, the project will not happen in this calendar year and that is because the New Market Tax Credit allocation comes from the PHFA on behalf of the State of Pennsylvania and they will basically take them off of the list. We will have to revisit it next calendar year. We haven't been in that scenario before, but I would definitely bring it back to the Board to discuss.

The North East Revitalization Fund – the major funders are meeting by the end of this year, culminating with the Erie Community Foundation meeting in December, so we should know something by early January as far as that goes.

Mr. DiPaolo: I was just curious to see how that would work. Thank you.

Dr. Wood: Anything else?

Mr. Barney: One thing also, if they get this funding, both are going to revisit us pertaining to another grant.

Dr. Wood: Anchor Building.

Mr. Barney: Both of them are going to have a grant before. We need to know that if we're going with this, that's going to be coming too.

Dr. Wood: I think part of the discussion at the Committee level, if we're going to make this loan investment, we're probably going to make grant investments as well to support our investment. Starting with the eCAT, they have applied for Anchor Building. The next Committee meeting that we have as a Board will be to review the Anchor Building applications and Tom and I have reviewed. They have asked for \$100,000 for this building.

The second is North East, but they will apply next year assuming they accomplish their fundraising goals in creating this fund and assuming they get site control of an actual building because they have not yet purchased any real estate, which they can't do until they have raised the funds. I think the idea that Mr. Barney is expressing is they are counting on coming back to us for an Anchor Building grant for their first big purchase.

Mr. Cleaver: When did you say they would be back?

Dr. Wood: Next year, but that is just an assumption.

Mr. Sample: We never know what grants we're going to get but I would be cautious to be held hostage to an Anchor Building grant because we funded the other one, we can't afford to not fund them. We have never tried to preferential in that arena.

Dr. Wood: That's a good point. I suppose if it's a bad application, we'll deal with it at that time.

Mr. Sample: It's almost like if we give them this one, are we locked in to continue to fund them in order for the project to succeed?

Mr. Paris: Alright. Let's move on.

- c. Update from County Council: Mr. Leone is not present so there is nothing to report.
- d. Update from County Executive's Office: Mr. Lee: Thank you, Mr. Chairman. I'll spend a couple minutes bringing everyone up to date in reference to the Erie County Community College. Many of you have probably heard that the State Board of Education Special Review Committee will be reviewing the report from the Department of Education dealing with its findings and recommendations on October 29th. This is really important because when the

Administration submitted the application on behalf of the County on June 30, 2017, at that time we were told that it was going to take anywhere between 12 – 18 months because they had not reviewed a community college application in over 25 years. To date, it has taken close to two and a half years and the main reason for that is the politics of it all.

Many of you have probably read in the paper and seen in the media different things pertaining to this community college. One of such is the Administration at one point was talking with the Northern Pennsylvania Regional College; we were. We were asked on behalf of Harrisburg, in particular the Governor's Office, to sit down and talk to see if we could partner with them. That did not transpire due to several different reasons, but the main reason was the curriculum, the Board representation, and perhaps the location of where the college might be as far as a workforce development center. That's what we were proposing at that time.

I need to put an asterisk here. The Administration never deviated and never took the application or was going to remove the application unless, and this is very important, unless everyone was on board that it was the right thing to do with the Northern Pennsylvania Regional College. We always supported the application, we have always followed up with Harrisburg to find out what type of information was needed, so we never deviated from that. We were just asked to explore if there was an opportunity to work with NPRC. We did that; it did not work out. Now we pivot back to giving 100% of our efforts to the application down in Harrisburg.

The meeting is going to happen on the 29th; the Special Review Committee after they have their findings and recommendations from the Department of Education, they are going to give a recommendation to the full Board and the full Board will meet on November 13th and 14th. It is our understanding that they will share their thoughts on the 13th and on the 14th of November they will vote. We're hoping that it will be a positive vote.

One particular item that we don't know and we're trying to find out currently what the status is, there were two items that the Board needed in order to proceed with a vote. One was the report that they're going to get on the 29th and the second is a Memorandum from the Governor's office stating how many community colleges the Governor plans to fund in the ensuing year. Currently there are 14 community colleges in the State of Pennsylvania. If the Governor said he wanted to do 15, we know that Erie would be in. We don't know where that particular Memorandum stands, and that's a very important part of this review process.

The Department of the State Board of Education has shared with us that it is not required to have that Memorandum, but they would like it. Even though it's not required based on the Public School Code, it's very important because it tells if the Governor supports it from a financial standpoint.

Stay tuned. We're excited that they're starting to move on this. At the end of the day we're hoping that Erie County will receive a favorable vote on the community college. Are there any questions?

Mr. Cleaver: How large is the Committee that's voting?

Mr. Lee: It's about 14-15 individuals.

Mr. Cleaver: Are they located throughout the State?

Mr. Lee: Located throughout the State and they were appointed by previous Governors; not all have been appointed by Governor Wolf. One particular tie that we have, many of you remember Dr. Barker former Superintendent of the Erie School District, he's on that Board. We've had individuals reaching out to him, talking with him, addressing any type of questions

he might have. The feedback is that he is looking at it favorably, but you never know until it's actually done. Our take on this from the Administration's standpoint is that we really don't know which way this is going to go. It's like flipping a coin to be honest with you, because there is still a lot of politics involved in this. Again, stay tuned.

Lastly, very briefly, Dr. Wood and I will be going to GECAC this afternoon for the wrap-up session of the Summer Jobs Program 2019. It was a very successful program; GECAC did a very, very good job in my opinion. We had about 160 students complete the program; this brings us to date to over 750 students and an investment of nearly \$1.5 million and that includes County of Erie government, ECGRA, Erie Community Foundation, and Erie Insurance invests some as well. This program is a game-changer; it has been transformative for the young men and women throughout the County and we look to just build upon that. Thank you, Mr. Chairman.

Mr. DiPaolo: I have one question. The Community Foundation supposedly gave another \$300,000 to the Erie group. And that going to be used for advertising?

Mr. Lee: Empower Erie is a part of the Erie County Community College Committee and that consists of the County Executive, myself, James Sparber who is our Director of Finance, Joe Maloney, Ron DiNicola, and Council members Andre Horton and Carl Anderson. You're right, Dom, that the Erie Community Foundation has released \$300,000 of the money to Empower Erie for PR work. Also, they're looking to hire a lobbyist and they're also looking to hire some staff for Empower Erie to help execute the key things with the lobbyist as well as with the media.

The Committee is still awaiting the details of what that looks like. That announcement was done on Tuesday and it came out on Wednesday that the State Board of Education would be reviewing the application. We kind of want to see how this plays into that because everything is moving really quickly, and if that's the case, what will that \$300,000 be used for? We're still working with them to find out the details to it, but that's a very good question.

Mr. DiPaolo: The only question that I would have, Perry, is going back to our situation with Empower Erie, the \$300,000 that we gave them, does that mean that they have \$600,000 or they didn't use it?

Mr. Lee: It was a partnership, and Perry I'm sure you have more details, but it was a partnership with ECGRA and the Erie Community Foundation. A total of \$4 million was available and the majority of that was Mr. Hagen's money as far as specifically for this community college. Empower Erie, to date, has used about \$300,000 total because \$3.7 million is what is left. This additional \$300,000 would be drawn down from that \$3.7. That is my understanding. Perry, do you have any additional?

Dr. Wood: Does that answer your question?

Mr. DiPaolo: The \$300,000 that we gave them, have they used that?

Mr. Lee: It's part of the big pool of \$4 million.

Dr. Wood: Mr. DiPaolo, if you look in our Schedule of Grant Reserve, you'll see that we originally awarded \$400,000 to the project, which is 10%, the Community Foundation awarded 10%, The Hagen Transformational Philanthropy Fund awarded 80% of the \$4 million.

Empower Erie drew down \$30,000 from us, so we still have \$370,000 that we've set aside for the project. Now, that \$300,000 that was announced yesterday, they did not ask us to draw down on our funds, so ours is still intact for the project.

Mr. DiPaolo: If in fact, unfortunately on November 14th, we don't get the community college, we then take that money and put it into another fund?

Dr. Wood: Yes.

Mr. DiPaolo: Very good. Thank you.

Mr. Paris: Thank you, Gary.

REPORT OF THE EXECUTIVE DIRECTOR

Dr. Wood: I will be brief so we can get on to the resolutions. You'll see in the Executive Director's Report the Ridge Policy Group activity report; they did help the City of Erie get a grant from the Appalachian Regional Commission for \$500,000 for the Smart City Project, which was a big win this past month. That brings the total that Ridge Policy Group has assisted with to just over \$4.2 million in grants. That was a big win and there is a little description of how that came about in that report.

We had a big announcement for our Community Asset funds down at the Watson-Curtze Mansion. Sen. Laughlin spoke, Councilman Anderson spoke, and that was a nice public information event. We also had an announcement in Waterford to talk about the rural Mission Main Street funds. Councilman Rastatter was there, Mr. Lee spoke, and Council Borough President Tim LaFlamme headed up the speaking there. It was a nice event as well. We are going to have, next Thursday if anyone is interested in attending the Mayor's press conference next Thursday, we'll be doing the three city Mission Main Street grants that we will be announcing there. The County Executive will be speaking at that along with the Mayor.

Mr. Barney: Where is that at?

Dr. Wood: The Mayor's press conferences are Thursday at 10:00am in the Mayor's Office on the 5th Floor.

Next, you'll see that we conducted a listening session, a focus group with all the Renaissance Block recipients. This is a new program that we are monitoring closely and see how things are going. We brought in Mary Maxwell, who is the Program Manager of the Jamestown Renaissance Block Program to have a discussion with all the recipients. It was a very productive discussion dealing with missteps, recommendations, how are things going, therapy group all combined into one and we had really good attendance for that and we got some good feedback on how the grant is functioning and changes that we might make in the future. That will be relevant next year when we bring the Renaissance Block back to you for another round of funding.

The Strategic Planning Committee meeting which I went over in detail was held. Then there are some press clippings from how ECGRA was recognized in various newspapers throughout the region to round out the report. Any questions for me? Thank you very much.

Mr. Paris: Thanks, Perry.

SOLICITOR'S REPORT

Mr. Wachter has nothing to report.

OLD BUSINESS

There is no old business to follow up on.

NEW BUSINESS

- a. Resolution Number 15, 2019 – Resolution to enter into agreement with the Jefferson Educational Society to fund a Pilot Project for Community Engagement in the Planning and Design of an Iconic Connection between Downtown Erie and the Waterfront.

Dr. Wood reads the resolution.

Mr. DiPaolo: I know when Mr. Fuhrman was here, he didn't know how many people were actually going to participate in this. Do we know for sure?

Mr. Wood: You mean from a public engagement standpoint?

Mr. DiPaolo: No, the kids coming from Kent.

Dr. Wood: I don't know if we ever got that question answered.

Mr. Cleaver: There was an article in today's paper that they were in town and I'm trying to remember if there was a number or not. But there was an article in today's paper that they are here, and they are proceeding, and they put some dates down for when they're going to make their presentation.

Dr. Wood: The application says 30-35 students.

Mr. DiPaolo: I was just curious. Thank you.

Ms. Hess makes a motion to accept the resolution into record. Mr. Bagnoni seconds the motion. There is no further discussion. Motion carries 7-0.

- b. Resolution Number 16, 2019 – Resolution to authorize the executive director and solicitor to enter into negotiations and execute an agreement with Erie Center for Arts and Technology (eCAT) for a \$500,000 mission-related investment loan for the purpose of rehabilitating the Wayne School building in support of workforce development, educational, and healthcare programming anchoring a distressed neighborhood.

Dr. Wood reads the resolution.

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

- c. Resolution Number 17, 2019 – Resolution to authorize the executive director and solicitor to enter into negotiations and execute an agreement with Downtown North east for a \$400,000 mission-related investment loan for the purpose of proactively revitalizing buildings in the main street and commercial corridors deemed necessary to stabilize and improve the Borough of North East.

Dr. Wood reads the resolution.

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

ADJOURNMENT

Mr. Bagnoni moves to adjourn.