



Erie County Gaming Revenue Authority
Minutes of the Board of Directors' Meeting
November 9, 2017

CALL TO ORDER

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on November 9, 2017 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. Paris, Mr. Peters (via phone), Mr. Sample, and Mr. Yaple. Mr. Breneman, Mr. Lee, Mr. Wachter, and Mr. Wood are also present.

APPROVAL OF THE AGENDA

Mr. Barney makes a motion to approve the agenda. Mr. Paris seconds the motion. Motion carries 6-0.

APPROVAL OF MINUTES – October 2017

Mr. Paris makes a motion to approve the minutes. Mr. Barney seconds the motion. Motion carries 6-0.

COMMENTS BY THE CHAIR

Mr. Sample: The Gaming Law has finally been resolved after 14 months. The good news is that Erie County was once again made whole. It's good that we have a solid direction and we can all go on with our business.

I would also like to thank James Domino for his service to the ECGRA Board; he decided to resign. Jim was an active member of the Regional Asset Committee and had a stellar attendance record. We appreciated his insights and participation in reviewing grants and Board discussions and he will be missed.

I would also like to welcome Councilman Leone today.

PUBLIC COMMENT

Mr. Leone: I just have a few questions and you could probably send this to me in writing if you would like. I had some difficulty trying to understand a few of the issues that I found as I went over some of the credit cards statements that I received. Since September of 2016 until June of 2017, you spent almost \$12,000 in legal fees on a credit card. I'd like to find out what that's all about. You have your solicitor here, these credit cards all list the Knox Law Firm.

Mr. Wachter: It's the manner of paying the invoice. Mr. Wood and the Board just merely pay our invoice with a credit card, rather than a check.

Mr. Leone: Your costs and your fees with a credit card?

Mr. Wachter: Any of our clients have the option of paying fees with a credit card versus a check.

Mr. Leone: I didn't realize that. You don't get a check, in other words? You don't get a stipend? You just get so much a month?

Mr. Wachter: It's whatever we bill; whatever the specific invoice is. We're not a flat fee per month or salary position or anything like that.

Mr. Leone: So, it's all paid by credit card?

Mr. Wachter: Some clients do that.

Mr. Sample: If you're worried about the viability of that, about 30% of my customers pay with a credit card.

Mr. Yapple: About 50% of my customers use a credit card – to buy an ice cream cone!

Mr. Leone: I didn't realize that. I thought you were getting a stipend of some kind or another from the Board, but you're paid strictly by credit card.

Mr. Wachter: No. I am paid by hour; we bill on an hourly basis based on the specific work that has been asked to be done, we submit the invoice and whether a client wants to pay by cash, credit card, or by check is up to the client.

Mr. Leone: Ok. That's what my question was about. I didn't realize that you were paying by credit card to your solicitor. I'm kind of surprised to find that out. I did want to find out what was going on there. That was one of the points.

The other one I have is that on one of the credit cards, it lists \$5,073 for the Sheraton for Special Projects. That was on the 31st of March. I would like to find out what that was about.

Mr. Wood: That was the reception that we held for the Pennsylvania House Gaming Oversight Committee.

Mr. Leone: We paid for their reception?

Mr. Yapple: Yes. We did.

Mr. Leone: That's all I wanted to know. Thank you.

Mr. Sample: Thank you, Councilman Leone. Is there any other public comment?

PRESENTATIONS

- a. Jeremy Bloeser from BEST (Bayfront Eastside Taskforce)

Mr. Bloeser: Good morning. I'm Jeremy Bloeser, the Executive Director of the Bayfront Eastside Taskforce. I came today to talk about a particular subject but I want to just remind those that might not be as aware of BEST's history and my personal history of working with BEST and working with ECGRA.

I have been at BEST for a little over six years now and we are a very small operation. We operate on the lower east side of Erie. In 25 city blocks, we try to make it the best neighborhood to live, work, and play. We do that by the removal of blight, by working with the neighborhood both in improving security, improving amenities in the neighborhood, bringing in nice things like community gardens and artwork and things of that nature.

Things that we have received from funding from ECGRA before in the past have been very helpful to our work – a tool bank. A few years back we applied for some funding from the Erie Community Foundation for a number of equipment items – things like lawnmowers, weed whackers and other tools that we can both use to clean up our neighborhood but also make available to the residents that live in our neighborhood to borrow from time to time when they might not have that. That was a grant through Erie Community Foundation that ECGRA actually chose and funded and we're very appreciative of that. We're still using most of that equipment today.

I also worked with CNI, Corry Neighborhood Initiative, and ECGRA helped fund some consulting work where myself and a staff member went down and helped work with CNI to see how we did things in Erie and to see what kind of processes we use to remediate blight might be replicated down in Corry.

The Hagen Transformational Fund, of which ECGRA was certainly a part of, we received through Gannon (who was the lead applicant and received \$500,000), of which that was equally split between BEST and Our West Bayfront. We are actively using those dollars today to do a number of things; to purchase blighted properties, remove those blighted properties, renovate those properties that can be saved and then create green space improvements.

We are very appreciative of all the funding we have received from ECGRA over our history and I look forward to new opportunities.

I helped work with Perry and staff on the development of the Mission Main Street Grant. I helped work with coming up with the guidelines and looking at how that might improve areas that directly surround neighborhoods.

But the real reason I came today is to talk about Councilman Foust's proposal of the Neighborhood and Infrastructure Revitalization Fund. I don't understand completely what it might entail and how it might be rolled out, I am interested in any role that ECGRA might play in that type of fund. ECGRA has funded other neighborhood organizations. All of the neighborhood organizations working in Erie meet monthly to talk about different things that we're facing and how we might look at other funding sources, how we've applied for joint funding sources. Numerous times BEST and Our West Bayfront have partnered together, for example. I'm interested if that fund was developed, what role ECGRA would play and how those funds could potentially make their way back to an organization such as BEST.

As I looked at the land bank legislature and the land banks across Pennsylvania, I was reminded of a sad point actually. October 24, 2017 was recognized as the five-year anniversary of

the land bank legislation, so five years ago legislation was passed so that land banks could become a tool, an asset, in addressing the issues of blight. Seventeen land banks now exist across Pennsylvania, and while the City of Erie land bank does count as one of those seventeen that is in existence, there is no land bank that is any benefit to me and my organization today. That's really frustrating.

We've had numerous consultants come in to town, we've had a lot of public dialogue on what a land bank might be and what it might look like. There are sixteen other communities throughout Pennsylvania that are benefiting from the actual functioning existence of a land bank. I'm frustrated that we don't have that tool yet.

As an example, the Erie City land bank, which as I understand has formulated, has a Board, has some of the legislation put through to exist on the books but they haven't gotten agreements with the other municipalities and with the Erie School District that they need to have in place so that they can perform their one main function. And that one main function of a land bank, such as the Erie City land bank, would be to participate in the upcoming judicial sale, remove properties so those don't go to auction, and then repurpose those; whether they sell them to individuals that might be developers, whether they turn them over to organizations like BEST, like Our West Bayfront, like HANDS. Those are organizations who might do something to remediate blighted property and bring them back into existence.

Directly across the street from my office, for example, is one of these properties. The grass is like hay, the building is atrocious, it has two big stickers on it, and I had hope that if the Erie City land bank was going to be in existence they would remove that from the upcoming sale, I would purchase that (I just ballparked a figure at \$1,000). We will demolish that building. I've been inside that building, I've been through that building, it is really just too far gone to renovate at this point. BEST owns the building right next to it, it's a rental property, that we have renovated. But this building detracts. I recently had a turnover of tenants and it's hard to find people who want to live next to something that is obviously a harbor of all kinds of bad things.

I'd really like something to be done so that a land bank exists in Erie County that is participating. I don't want to wait another year. What's going to happen on November 16 is that I am going to the sale, I'm going to bid on that property, and I guarantee you others will be there bidding against me. I see people crawling through the grass, looking around that building at how they might renovate or how they might purchase that property. It's located on Parade Street, very close to Erie Insurance, about half a block from the Armory and all the millions of dollars that were sunk into that. So, it's something that we will protect our neighborhood by taking care of but it's going to be a lot more costly.

I'm going to use some of your funding for that; some of the Hagen Transformational Funds surely will go toward our purchase of that. I want to understand how the Neighborhood & Infrastructure Revitalization Plan would better work and how it might work if you do play a role in that. But how BEST and the land bank could best address the issues of blight, whether it's with removal of or prevention of blight. What we're seeing in our neighborhood and in the Our West Bayfront neighborhood is an increase in code enforcement; obviously you've seen that in the media. Almost every single property in our neighborhood has been evaluated for exterior conditions and we are getting flooded with residents looking for assistance. I have a number of individuals that call me two or three times a day hoping that we can help them. In all those cases, what we're currently doing is looking at multiple bids to alleviate their blighted problems, their deteriorated code issues.

We have a number of funding sources currently. We have a façade grant that we received from the State, we have funds built into our main budget, and we recently applied for a grant, the Keystone Communities Grant, that specifically addresses code violations. But we need more resources there so that we can help people. I had an individual yesterday who was really desperate, because winter is coming down and he knows that even if I get a good bid and we have some

funding, we're probably not going to get the work done before the snow flies. So, I told him that we were probably looking at a spring project just to be as realistic as possible and not set them up to be expecting something that just can't happen. The bid I got was \$6,000. That's a big amount of money to some people, but it's not much money to others. I asked him how much money he thought he could contribute toward a \$6,000 improvement to his own property that he lives in. He lives on Social Security Disability; he said the government says that he's not allowed to have more than \$2,000 in resources at any point in time otherwise he'll reduce and even lose some of his benefits, so even saving isn't really an option for him. He asked if \$300 would be enough and I told him that I didn't know if it would be enough; it's not up to me to decide at this point in time, but I needed to know what type of resources he had available at the time. These are decisions that people who have lived in these homes for years and years are being forced to make. And frankly, they're getting scared because they're getting letters from the City that list all the problems with the property and are being told they have 30 days to correct them.

We would love to work with all these individuals, we would love to improve the look of our neighborhood which again, I think you can see through the Buki Report is obviously highlighted as beneficial to the entire community. If ECGRA can play a role in that and ECGRA ends up becoming the land bank or however that might get sorted out through legislation and local politics over the next few weeks, BEST is very interested in a role that we might play and we would love to continue working with you and would love to play a part in that revitalization of the Bayfront. Thank you very much.

Mr. Wood: Mr. Chairman, if I might make a comment. Just to clarify with the speaker as well as anyone else from the public to understand that it is members of County Council that are proposing that ECGRA get involved in the land bank. It would be their proposal to decide what the land bank would do because it is the County's \$1M. Secondly, whenever ECGRA does create new guidelines for grants or loans, we normally hold stakeholder meetings with folks who are going to benefit from those funds, so you would be included on that list. It would either be in a focus group format or a one-on-one meeting.

Finally, I think your comments here today will be very helpful for us because one of the things we look for is where the gaps are in the system. That is clearly what you're identifying here. When there are gaps in the financing system, community development process, how can ECGRA step up and play a role through economic development in order to fill in those gaps with gaming dollars.

Thank you for your time.

Mr. Sample: Jeremy, I would like to say that working with BEST in the City of Corry was very beneficial. You brought a lot of knowledge and resources to the table and that was appreciated.

b) Kate Philips and Gary Lee – Up for the Job

Mr. Lee: Thank you, Mr. Chairman. I'm just going to take a few minutes to give a brief overview then I will turn it over to Kate Philips. Most of you have heard me talk about Up for the Jobs over the last couple of months; this is an initiative that was born out of UE506. They came down to meet with the County Executive and myself about a year ago and shared with us the importance of attempting to market the highly skilled workforce that we currently have. We thought it was really good; the County Executive reached out and brought in other groups. We brought in the Erie Chamber, we brought in the Governor's Office Action Team, we brought in the Department of Labor, we brought in the United Way, and we brought in the Workforce Investment Board to sit down and brain storm what this might look like.

Out of that, we came up with a RFP and one of the key points in that Request for Proposal was how do we tell Erie's story a little better and how do we share with the world what Erie has to offer. In particular, from the highly skilled workforce that we currently have here. Now, this is not only for GE workers but it's really open for all skilled workers in the County.

We did the RFP, we had three consulting firms come in, we evaluated, and the Ten 53 Newton, LLC which Kate represents was the corporation who won. There was some process and some back-and-forth as far as to how the RFP was executed, you may recall, but we got that straightened out. County Council approved the \$36,000 for six months and those six months would set up the basic infrastructure of setting up the campaign and launching the campaign.

From meeting with the consultant, it was decided that there was another phase, another part, that needed to be considered and that this phase should be carried out at the same time. Well, we don't have the money to carry it out at the same time. We're going to carry the first phase out, the \$36,000 phase, but we asked Kate to come in and share with ECGRA to have ECGRA consider perhaps investing in this project for the next phase, which can really kind of work concurrently with the first phase. I will let Kate tell a little more about that.

This is an initiative that we're extremely excited about, an initiative that the timing is perfect that we go out and that we have a strategy to market Erie more effectively and to share why companies should consider coming to Erie County and investing in Erie County and utilizing our highly skilled workforce. I'm going to turn it over to Kate at this point.

Ms. Philips: Good morning everyone. Thank you and I'm happy to be here. Ten 53 Newton is my firm that I've had for the past eight and a half years as a private consultant. I mainly do branding, marketing, and public affairs on that side and then about a year and a half ago I created Parker Philips as a partnership. That partnership includes my business partner, Nicole, whom you have had exposure to, because Nicole and I, in partnership with Perry and his team, wrote the Economic Impact Study that we were extremely proud of. We thought that study really helped to propel the conversation, not only in Erie but as we heard from our colleagues around the state, the conversation around the state of how gaming money really does impact local communities. The one thing that I would say, and congratulations to Perry and your work, the one thing that I learned after doing that study and having contacts across the state is that Erie really is an example and Erie has really figured out a way to invest the gaming money in a way that's creating outcomes. I was really proud to be a part of that project and I think that it really made a big difference.

I'm really glad to meet a lot of you in person; I met a lot of you on the phone when we were doing that study.

I'm here to talk to you a little bit about the research phase of Up for the Job. Once the RFP was awarded, we had met several times with this coalition that's been built by the County Executive by bringing the Chamber, United Way, the Foundation, ECGRA, and these other folks to the table to talk about what we need. We're learning that one of the things that we need to do and one of the ways we learn is through mentorship. That has been started for myself between former Governor Mark Schweiker who was the head of the Chamber in Philadelphia that started Select Greater Philadelphia.

As a note, I have been friends with Gov. Schweiker for years and one day he called me and I told him about his initiative, and that it really how it expanded. He said that Erie is absolutely in the best position to do this now, that the time is right, and that we cannot compete or be considered for anything without this type of a front door. When you Google Erie, PA there's no front door, you don't know where you're heading, you don't know how to get there.

The Select Greater Philadelphia process has been enlightening to us and we've been able to discuss what our needs are here to make sure this effort is effective. First of all, this the Greater Philadelphia Region; they're marketing their region. We're more isolated through our geographical

location in Pennsylvania and so Erie County would probably be the heart of this; we probably would not expand in other states but perhaps into the southern counties. I think that is part of the coalition's work to figure out, does it make sense for us to market as a region? Does it make sense for us to market alone as Erie County. This work will help to expose those answers.

What we have to look at though is what we're good at. We know that advanced manufacturing is one of them. Does the Innovation District play into this? Do we decide to market ourselves as a cyber technology hub? Do we decide to work with Dell to move that forward? What are our key industries? What are we really good at? You can't be everything to everyone. One of things that Gov. Schweiker said was that was the most difficult part for Philadelphia. Think about the Philadelphia region; they have eighteen separate counties in their regional marketing and they had to decide on what their key industries were. They settled on seven. Think about that – that entire region, that enormous region, has a depth of wealth and expertise in banking, in pharmaceuticals, in bio-technology – they had to narrow that down and decide on seven areas.

So, one of the things that we're doing in this proposal and what we've looked at as this initiative has grown is, what is our competitive advantage? What appeals to people about Erie County? We have to assess that. Currently, there is no one-stop shop for that in Erie. You can't go on and say, "What's great about Erie?" In fact, Jake at the Chamber says the Realtors are always asking him for that. They really want an assessment on what is great about Erie because that would help them to sell homes in Erie. We need to assess that. We need to define what our key industries are; what are we good at?

It's like anything else; I could tell you that I'm really great at water skiing but just because I live near the lake doesn't make that so. It would only take us one trip out to see that assertion is not true. We are good at things in Erie County. We do have a generational workforce, and remember that this was born out of that idea from those workers who are being recruited out of Erie. They are getting calls from other companies asking, "We want a list of your members because we want them to move to North Carolina." Rather than say, "Here's a list of our members" they went to County Executive Dahlkemper and said, "We've got something that people want. How do we market it?"

So, we have to define what those key industries are, figure out how to establish the best of our best, and then move forward with what I think is a promise that's being made across Erie County over the last several years. It was highlighted in this most recent campaign. Every single candidate for office, without fail, Republican or Democrat, was enthusiastic about, confident about their ability to bring jobs to Erie County. We have to fulfill on that promise and I think that we are sort of on this precipice. We're on an upward swing here in Erie County. Defining who we are and then going out into the site selection process and trying to attract jobs back to Erie is really what this is all about.

The purpose of this research is clear. There are three pieces of this research that we have been moving forward with. One is the goal do identify what is our competitive advantage; what are our strengths as we compare ourselves to other markets? We would identify those peer markets, we would talk to companies who left Erie, we would talk to companies who chose to stay in Erie, and then we would try to define the locating decisions. Why do people come here? Why do people leave? Those competitive advantages would be defined in an affirmative way then.

One of the things I have learned in my short period of being contracted with the County and bringing Gov. Schweiker in for, what I thought was, a very stimulating talk; Perry and Jay were there. The coalition building around this is important but I have to say that I really believe that all the economic development professionals in Erie County right now seem like they are all on the same song sheet. It's time for us to establish what our key industries are and target those three or four sectors that we can identify as our growth sectors. These projects would be working simultaneously. We are defining our brand, we're going to be creating a uniform look across all our economic development agencies; that's the most important part of this initiative actually. Creating that front door on the website. That work is being done through the County. This part needs to happen

simultaneously. As we populate that website, as we populate whatever Choose Erie County is, obviously we wouldn't be doing Select Greater Erie County, but whatever that is. In Lehigh Valley, they had the Lehigh Economic Development Corps, the Allegheny Conference in Pittsburgh, they're all under one umbrella; the County Redevelopment Authority, all the funding agencies, all the economic development agencies, the Chamber, etc. When someone wants to come to Erie County, you come to Erie County and it's very clearly defined. Here's what we're good at, here's what we can offer you, here's who you need to talk to, and here's why we're the best place to call home.

We don't have that space in the intra-webs today and we all know, that in a Google society, really no decisions get made before you fire up that Google search and try to figure out which direction you want to go in to. People Google everything. We need to be at the forefront of that search and identify clearly and define ourselves to people looking into Erie.

Right now, Erie is being defined by the national media to some extent, and ourselves to some extent, through passive lack of information. So, when people come to look at Erie County, in some ways it's a very difficult place to see. I moved to Erie County four years ago in December in three and a half feet of snow and when I did, after being gone eighteen years, that I would go and get a real estate book and become like a new citizen; figure out how had Erie changed despite growing up here. It was a difficult thing to do and Erie had changed dramatically but it wasn't truly defined. So, through this research and through these key industries we want to be able to define Erie County and what we're good at.

The last piece of this is something that every place that succeeds in economic development has this piece; we don't have it yet in Erie County. We would be doing an inventory – a one-stop shop of all of our assets. This is what I'm talking about – workforce data, affordability, why are we great, colleges and universities, transportation; this is the thing that Jake was talking about when he said realtors come to him and want to get that piece. We would not only create that piece, which would be a stand-alone piece, but we would create it in a database that would updated regularly. That might be owned by the Chamber, the County, or whomever, but that database would continue to be updated.

What happens is a lot of times when you do research like this is it gets stale; it kind of goes away when people stop caring about it. This database is something that would be refreshed and it would be refreshed onto that website and we would be able to access that information. The coalition that is being built, this Up for the Job group that the County Executive has pulled together, would have influence over what those assets are and what that inventory is.

Those are the three pieces we're looking at. I think the most important thing in learning more about this is that it needs to be done simultaneously to this effort. We don't want to create this website, we don't want to create this entire branding experience and begin to market Erie County when we don't truly define what we're marketing. I think it's important and I hope you will consider it. Again, I think that ECGRA is doing great things so I'm really excited to see you at the table for this because it really is about economic development and I know that you all understand that.

Are there any questions?

Mr. Yaple: I'll bring this up because this is definitely needed. What could you do with what happened this morning, the knee-jerk reaction that we're the worst, THE WORST, in the nation for African-American citizens? How could we fight this?

Mr. Barney: How could we encourage another company to come here?

Mr. Yaple: Already, Dale is hearing from relatives who have left ...

Mr. Barney: And they're saying things like, "Now you see why I left."

Mr. Yapple: Obviously, we see it one way in this town but we are viewed as something else. Maybe not just you, but we have to be able to be reactionary and right now we have one great big black eye and this is very much needed six years ago, or longer. We have to do something now, but how do we change what we've been painted? That's the tough part.

Ms. Philips: I saw that article this morning. I think there are two pieces to that challenge. One is the perception, which is as we all know perception is reality, but also what is the reality? Those statistics were damning and I think that that's real. So, what are the opportunities for African-Americans in Erie County? How is Erie County building up citizens across the board? I see a very cohesive and progressive approach to new Americans, which Erie is embracing. Perhaps we take a look at how we embrace new Americans and find a way to bring our African-American friends and citizens to the table in the same way.

Mr. Yapple: We were painted with a very broad brush.

Ms. Philips: It was a broad brush, but those statistics were very damning. I would say this, having lived out of Erie for eighteen years and almost six of those years in Philadelphia which is a very diverse city, but it's not purposely diverse. It's a diverse city and there's not as much recognition of that diversity. It's very much part of every-day life. The District Attorney is black, the Mayor is black so there is a different approach to it. In Erie County, I do think in parts of Erie there are levels of racism that are uncomfortable but I don't see the City in particular as completely segmented, but it is. The new Americans are saying that it is as well, but we are embracing.

Mr. Yapple: There are segments. You've got the German section, the Italian section, the Polish section which is good and maybe we're not as mixed but it's kind of damning when we get painted with that broad brush.

Ms. Philips: Historically, Erie is a high percentage white, Christian, Roman-Catholic, etc. So traditionally, there is a higher percentage. But those numbers that were in that story were relative to capita. The fact is that those numbers are what they are. Should we be looking at that as a community? I believe so. I think that there needs to be a recognition. The one thing in Erie that, in general, Erie is a pretty isolated place. It is actually very easy to do research in Erie; we found this when we did the research for the Community College. People want to talk. People in Erie are used to it because Erie is a huge test market. You might recall, we got new Burger King fries and then the rest of the world got it two years later after Erie said, "we're in it." Cinemark, that was tested in Erie. It's because we're isolated. That can be a good thing or it can also be a bad thing and I think in terms of recognizing and not saying, "Hey, that's not our problem. We're not like that. We don't want people to think we're like that", maybe we should read that article and take a good look at it to see if we actually are like that.

Mr. Yapple: It's time for us to question ourselves. This points out a major need; we need to do this.

Ms. Philips: I think by extension that this article should be discussed at every dinner table in Erie County. It shouldn't be filed away. I think that the most important thing in how it relates to this effort now is that this is about defining Erie. The USA Today article this morning is defining Erie as a bad place for African-Americans to call home. Right now, the national media is defining Erie as a place that is not progressive, as a place that is on the downward slope, the "rust belt" sort of dying town. Anyone who lives in Erie will tell you that the energy that is happening in Erie County, the things that are coming together, the Innovation District, the kind of collaboration that, I have to tell you I haven't

seen in a long time and it's pretty encouraging, anyone will tell you that that's not reality. So, we have to define our own reality. We have to define who we are.

Mr. Yaple: This was a reporter that probably didn't even drive through; he or she just Googled us from their computer. And yeah, we look bad. To your point, there is more going on now than there has been in 100 years. We know that but nobody else does because we don't have anything to promote ourselves. That's our fault and shame on us.

Ms. Philips: I think that this will go a long way. When Gov. Schweiker was here, he basically said that you're defined by the front door of your home, and when you go through that front door whether or not you choose to do that, you don't know what's on the other side. I think what's happening in Erie County is that we don't have that front door and so people are never really getting through it.

The saddest thing in economic development is to think of how many companies Googled Erie and then just walked away. They maybe thought, "This might be a good location. There's a water source, a great affordable place to live" but then they got on Google and thought, "Maybe not" and walked away. Our wonderful economic development professionals in Erie County never even got a chance to talk to them.

There is a larger piece to this too and that's the funneling question. When an inquiry comes in like, "I want to relocate to Erie County", who is talking to that person? Not only who is talking to that person but who is following up? How do you define a win or a loss? Right now, we don't know what we're losing so we don't know if we're winning.

Mr. Wood: I think the metaphor is the front door, which Gov. Schweiker introduced in his speech. I went to the Governor Schweiker event down at the Blasco that the County Executive held to talk about this concept. His metaphor for the front door, I think, is very applicable to what we're talking about doing here.

If I can put it in context for the Board, there are three basic strategies in economic development for small business development; one is entrepreneurship. We have clearly been at the forefront of that with what we're doing with Ignite Erie, with the Beehives, with the seed investments with Ben Franklin and the Progress Fund. The second is expansion of existing businesses that currently have a footprint. We have clearly funded a significant amount of that as well; Bridgeway Capital being the best example with their Erie Growth Fund, as well as the Enterprise Development Fund. A lot of those funds are expansion funds for businesses that are already here.

The third category though is business recruiting. Business recruitment is not actively done right now in Erie County. The infrastructure for it just doesn't exist. That goes along with what Kate is talking about building a foundation for that infrastructure. When this initiative first came up, it sounded like it was simply a marketing concept for the 4,700 laid-off GE workers and the other 150 that were laid off this morning. That's a very narrow interpretation of what this would do. After the Mark Schweiker presentation to see what Philadelphia was doing, it is obviously a much broader vision that has taken place here; one that I thought we needed to understand as a Board.

There are significant differences though. Philadelphia spends big bucks on these efforts; a lot of research, a lot of improvement, a lot of the receptions like at the Sheraton with leaders in order to make sure that they know what the community has to offer with public officials, with tax entities, with corporate leaders – and a lot of it is led by corporate leaders. They are a contender for the Amazon headquarters; that's the extent that their infrastructure is built out. We need to crawl before we sprint.

I think this is a very interesting way to test drive it. If my notes are correct, Erie County spent \$36,000 toward the program so far. I'm assuming, Gary, that the next step would be for the mission to quantify Phase 2 and then to ask ECGRA for funding whenever the pilot project concept is back up.

Mr. Lee: In meeting with the group once we got the consultants on board it was decided that, if possible, to do the research at the same time as we were doing Phase 1 which is the branding, the video, setting up the infrastructure to launch this particular initiative. The County at this point is just committed to Phase 1 and the RFP and that's what we're going to be doing. We wanted ECGRA to consider the research part which would work hand-in-hand with Phase 1, which again is the infrastructure of getting this initiative launched.

Mr. Wachter: When this was first brought up two or three months ago, it was shortly after that period of time that the Gaming Authority came under direct scrutiny by various parties who never actually talked with the Gaming Authority directly and criticized the manner in which the money for Pilot Projects was being provided. As a result of that, the Gaming Authority eliminated the Pilot Project funding concept out of the operating budget. It was said at that point if any of this funding was to occur that because of the requirements of the Settlement Agreement and quite frankly, good governance, this body needs to have structure and guidelines in which money is handed out to avoid the discretionary funding of projects that got the Gaming Authority sued all those years ago. That hasn't happened yet. I just want to remind the Board that if this is going to be a concept that is worthy of funding in your determination, you need to work toward trying to resolve the fact that you don't have a funding mechanism available.

Mr. Paris: Can we have the option of putting it back in the budget?

Mr. Wachter: It is the Board's discretion as to whether you pulled it out of the budget, it's the Board's discretion as to whether you put it back into the budget. That's a policy decision on your part.

Mr. Paris: I've had a lot of discussion on this topic with individuals who are not opposed to us putting this back in the budget as long as we specify in a more detailed way what that line item is for.

Mr. Sample: We can't specify if we don't know what project is coming up.

Mr. Paris: I'm not saying specify what the projects are but specify. . .

Mr. Sample: They would have been better served asking the question before criticizing us.

Mr. Paris: Exactly, but they didn't do that and we knee-jerk reacted to it and . . .

Mr. Sample: No, we didn't. We were specifically told to clean that up.

Mr. Paris: Well, I never wanted to remove that from the budget. I thought it was a mistake. I think it should be put back in.

Mr. Sample: Not to use the word malleability but not having that kind of project makes being able to react to very needed things in Erie County very difficult. But we were scrutinized that it was a discretionary thing that we would just go out and not do the due diligence and quantify the project.

Mr. Paris: Any way we could put it back in? In the meantime, we can look at some point later on down the road taking it back out and having that bucket with the new pilot project.

Mr. Sample: Short of waiting until the budget of next year, that's what we have to do but we have to figure out a way to work with the powers that be; to be able to have that and be able to have a funding source. That's what was part of the uniqueness.

Mr. Peters: I remember at the last meeting that I attended in person we talked about how we would have the Strategic Planning Committee to hold a meeting to get started on making some of these changes. My recollection is that no one was opposed (on the Board) to the concept of a Pilot Program but instead of it coming out of our operating budget, creating - in essence - a bucket in our funding framework. To do that we would have to amend our Strategic Plan and figure out the best way to. I know at the initial meeting we heard from some guests like Mark Tanenbaum and we talked about a way that in next year's budget we could build into the Strategic Plan a new bucket or really a new pilot plan so that people . . .

The people who criticized us over that Pilot Program simply did not see what we had done so far and probably why they didn't understand it was because they didn't look at the framework. My recollection was we were going to move to have this money in a bucket for this funding into our grant budget, rather than something that was coming from our operating budget. We've already amended our operating budget once this year under pressure; I would not recommend that again but that we should stick to our guns and move on the Strategic Plan. We need to get this reinstated the proper way.

It kind of stinks for these current projects but at the same time, how do we every time someone doesn't like what we do, change our budget or policy? I just don't think that's good from a policy position.

Mr. Paris: But we're six months away from that.

Mr. Wood: Let's hold a Strategic Planning Meeting where we can talk about it and try to come to some kind of consensus about it.

Mr. Peters: We need to get together and make sure that everybody gets their say and figure out how it's going to work. We need to make sure that Tim is satisfied with it from a legal perspective.

Mr. Wood: Let's get back to asking Kate any questions about this project and we can get back to dealing with this later.

Mr. Wachter: One of the things I have realized is that Pennsylvania is at a detriment in the economic development corridor as compared to other states, given our extremely limited ability as a Commonwealth to generate cash as an incentive for companies to move to Pennsylvania. We have lost many deals, including Interstate Chemical. We are very limited in our tools so I appreciate the marketing of Erie County in the manner in which we do that.

The one thing, relating to the City although I think we have options in the County that are similar, we should include education not just at the university level but at the high school and the Vo-tech level as part of the economic development packages that we can offer. In the City of Erie School District, they are developing magnet programs; if there was a company that wanted to come into Erie and they needed people who had specialized training in running flux-capacitors or whatever, I bet the school district would develop a magnet program or a certificate program or something for students where they would get their education in the first two years and then co-ops the last two years so they could be trained on those machines and they could come out and work at those jobs.

If you align that with the funding from the Workforce Investment Board, you'll find that the Workforce Investment Board will fund those co-ops and fund those employment opportunities so that

there is zero risk on the company's standpoint from an economic perspective, but we have a direct pipeline for qualified workforce. Similar programs can be developed at the Vo-tech level for the County, they could be developed at the Corry Higher Ed, they could be developed at the Vo-tech in Corry. That's a piece that needs to be integrated directly into the economic development picture and as you're recreating this, I think that's a phenomenal aspect that should be included.

Also, with respect to the websites, I don't know when it was pulled down but thank goodness it was, but the DevelopErie website that we had as recently as two weeks ago the last time I saw it said, "Come to Erie. We're great. Here's a link to the State programs. Here's a link to the Federal programs. Have a nice day." It's nice that that's just off the web.

Ms. Philips: Those are excellent points. That type of economic development has been happening around the country; training people, bringing that education system into the partnership. I would be remiss if I don't plug the need for a community college at this point. Moving ahead of that concept, I would say that the end of DevelopErie actually created a vortex that we have never really recovered from. Part of what's happening now in the economic development system in Erie County structurally is, to Tim's point, the funding is – we are in deficit. We don't have the type of funding that other states are putting on the table. If you look at Boeing in Washington state and how literally from top to bottom, from the local township supervisor up to the US Senator and the Governor, they were all at the table with Boeing. They offered them a package that if Boeing would have left Washington state, it would have literally buckled their economy.

In some ways, that's what's happening in Erie County with our largest employer General Electric leaving but as Tim points out, and rightfully so, we really don't have a lot of tools in place to incentivize them to stay; in this case I don't think that would have made a difference in the outcome. What we're trying to do is have that one-stop-shop; just hearing that the DevelopErie site was still up makes my stomach sick because it should be gone.

We have never recovered from that. This is an opportunity to not only recover from that loss in our economic development system but to do it right. This initiative was born out of crisis and need and many, many great initiatives are as we are well aware in the American political system, but if we do this in a deliberate and thoughtful way, if we create this infrastructure really well . . . (I would love for you to join this coalition. Janet Anderson is in the group but you would be a great addition as well, Tim.) I think that if we do this in a thoughtful way, if everyone coalesces around what are our key industries and created an asset inventory that really does sell Erie County, are we going to have multi-billion-dollar incentive packages to offer? No, we are not. But I can tell you right now that we are not going to attract one company or retain one company with the system we have in place right now, whether we have a dollar or a dime or more.

We can't change that. I would really like for Tim Wachter to run for office to help change that and become our next Governor but honestly, we need that money in our state system. Tim gets it because he was in an administration that had access to that money. We understand what it is. Tim and I are in a fraternity of people who have worked in Harrisburg in that kind of office and we understand how that money moves. The fact is, we are in a major deficit in Pennsylvania; it's a real shame. The economic development system in the United States is basically cannibalism. Especially when I was in Philadelphia; you would see New Jersey, who did a public affairs campaign for Penn Medicine because Horizon was basically just pulling people across the river. They are divided by a river but they would incentivize people to go across. We don't have that challenge. We are isolated enough that we are a place people want to come to and people want to stay in. We also have some assets here that I think are attractive. Now, we have to create this inventory, we have to create this infrastructure, and open the front door; we're open for business.

Up for the Job is a tagline; it's not going to be what this entity is called. In some ways, it really does describe Erie. What I find about people in Erie is that they are up for the job; they are up for

anything. “We’ll try that. We’ll do that.” People are risk-takers and the entrepreneurial spirit is alive and well here in Erie. As Perry said, we are funding that, we are fueling that. We need to try to attract people and we need to attract growth.

I hope I can encourage you guys to consider it. I understand that you have to put a mechanism in place. The one thing that I would say in terms of process is that this project will be very well served if we do this research simultaneous to the marketing and branding initiative. There are many elements to that marketing piece. For example, we’re doing the county planning office right now is creating a GIS system that shows all available land that could be developed in Erie County. Does it have water? Sewer? What types of amenities are on that land? We don’t have that. If you go to Lehigh Economic Development Corp, you can literally walk yourself around see that there are 30 acres of land with water and sewer that may meet your needs. This is a complex marketing challenge; this piece of it is a necessary element and it’s up to us to make sure we are all on the same page, we fill the vortex that the demise of DevelopErie created, and we let people know we’re up for the job.

Mr. Wachter: When I went to Mississippi two weeks ago for the purpose of looking at some economic development models, I left shocked and dismayed. Mississippi is a state with three million people and they put together \$100M economic development packages, not of tax credits or incentives, but of cash for one project. We don’t even have a mechanism in Pennsylvania in which to do that.

We can’t rely on the State to solve all of our problems because the State physically, legally, and structurally can’t do it with the economy that we have. We need to solve it by ourselves, relying on the services that we offer and the fact that we are willing to go out and look at this and market for the future and market for our jobs is absolutely spectacular.

Ms. Philips: The Mississippi example, the Golden Triangle example, is something that I’ve been looking at for a year now and the Joe Max Higgins experience is an experience in itself. I would say that one of the things that I think is important is – and this doesn’t have anything to do with your funding decision today or the research – but what Tim just described is one of the things that we in Erie County need to think about. In terms of leadership, once this infrastructure is built, there needs to be strong leadership and somebody needs to own economic development in Erie County. We have a vacancy at the Chamber of Commerce right now and it might be a huge opportunity for us to bring in someone who can go out and sell Erie County into that space. Whomever that is, let’s hand them the tools that they need to get that job done.

Mr. Wood: Thank you, Kate.

COMMITTEE REPORTS

- a. Treasurer’s Report – Mr. Peters: I apologize that I can’t be there but I am traveling today. Kate, I did appreciate your presentation. It was very thorough and filled with good stuff.

I did have a chance to review the documents but unfortunately, I am in my car so I can’t go over them individually with you, but I didn’t see anything out of order. We are generally in line with our revised budget. Like usual, if after you read them you have any questions, myself or Perry would be happy to discuss them with you. Mr. Leone did bring up some questions about the credit card statements. I don’t believe we include those documents

in our financials but they are available to anyone that requests them. As a matter of compliance, Mr. Sample or myself do review that prior to payment.

With that, I can try to answer any questions about the documents while driving.

Mr. Sample: Are there any questions of the Treasurer's Report?

Mr. Barney makes a motion to approve the financials. Mr. Yapple seconds the motion. Motion carries 6 – 0.

- b. Regional Assets Committee: Mr. Wood: I can give a quick update on that. Tom and I have been working to communicate with potential Mission Main Street applicants, which those applications are due December 1st. We made a lot of progress; we met with members of Corry City Council, Impact Corry, as well as Union City Pride. I met with the new manager of the Borough of Edinboro who is interested in submitting something along these lines for Edinboro. We've done a lot to improve outreach with Mission Main Street. Moving into January, we'll be looking at Special Events funding.
- c. Strategic Planning Committee: Mr. Paris: Perry and I trying to pick out a time when we can get together to talk about the land bank Pilot Project and a few other things, so we will be in touch.
- d. Update from County Council: Mr. Breneman: It is great to be here and it is wonderful that we finally got a conclusion to the nearly two-year saga of the gaming law. I want to commend ECGRA for taking the lead and doing the heavy lifting on ensuring that Erie County remains whole with that funding. I know that any time the County can do something – we invite legislators to come in and we generally play host to them, including a ride on the Victorian Princess, or a tent at Eight Great Tuesdays. We understand that not only do you have to bring people around to have discussion, but sometimes you have to facilitate those kinds of discussions that can only take place in types of informal environments.

I also want to say that I appreciate my time here in the last four years. I have seen Board Members come and go. Every single Board Member that has been appointed by Council and the County Executive has come through and have been very engaged in every bit of the process and I have seen the eyes and views of those Board Members come to recognize the value that ECGRA has in the community, the value that their voice has in the organization and that the organization is adaptive to its appointed members.

I also want to commend ECGRA, and I know you just had a brief discussion of sorts, about your responsiveness to community concerns; I do think that has shown your transparency and your ability to grow and adapt to meeting those needs not only when you're presented with a problem or a question, but whenever you're presented with an idea on how to address those problems and questions. I've seen you be very adaptive and responsive to that. I think you should continue to do that and also make sure that it is measured and not done in a way that has detriment to your organization's ability to move with steady progress.

Community investments – I've seen you work with the County Executive's office, members of County Council, municipal leaders, etc. and I would encourage you to keep doing that.

Now that we have this gaming law behind us, I appreciate the Board's interest in looking at ways to continue to have a major impact on our community. It's going to be a very active next two months, but I think next year can also be very active with the retention of the Dahlkemper administration, with some members of Council, and even with some new

members of Council. I would encourage you to continue your engagement with our elected officials as you move forward. That concludes my report.

Mr. Sample: Jay, I would like to thank you. It has been extremely beneficial in having you as our liaison and working with us. I cannot express how much appreciation there is because you have been very easy to work with and very forthcoming, as with Mr. Lee. You have never been an obstacle; you've always been a help to the Board in keeping us on the straight and narrow.

- e. Update from County Executive's Office: Mr. Lee: Thank you Mr. Chairman. There are just two things I want to address. First of all, the Dahlkemper administration is excited to be back for another four years. Whether you win by one vote or 1,000 votes, a win is a win. We're excited to move forward with the great things that we have to do within the County.

Secondly, thank you for hearing the presentation here today for the Up for the Job initiative. This is an extremely important initiative by our administration and it's going to be our number one movement, at least in the next six months. Again, we appreciate the willingness and openness to consider working on this initiative from a funding standpoint. Thank you, Mr. Chairman.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood: Gaming Legislation passed the PA Senate and House on Thursday, October 26, 2017. The new bill was subsequently signed into law by the Governor. The legislation expands gaming to internet gaming, mini-casinos, and VGTs. It maintains the concepts of restricted and unrestricted local share gaming. However, some changes were made that effect ECGRA. They are as follows:

- \$1mm will come out of ECGRA funding and go to the County of Erie for the purposes of a Land Bank.
- Each expenditure of local share assessment shall be disclosed on the ECGRA website.
- Local share funds shall not be used for tuition or educational expenses
- Disclosure language that funds originated from gaming is now required
- And, finally, ECGRA is subject to audit by the Auditor General

Lead Assets

The Lead Assets have sent a letter requesting a presentation from the Erie Community Foundation on the Endowment. This is in line with the MOU we have with the Lead Assets. You may recall that last November was the first time we held such a meeting. Out of the meeting came the recommended amount for disbursement from the Endowment. Later, the Lead Assets followed up with us on their recommendation for distribution. I look forward to the process going that smooth again this year.

Erie City Schools Projects Update

In your Executive Director's Report Packets, there is a summary from the Erie Public Schools. I met with them recently to discuss three grants we've made to EPS.

The first is Tech After Hours. If you recall, the inaugural class was a success. It was sustainable, people got jobs, and everyone completed the program. It's clear that after Mat Pundt left the School District, the program floundered for a year. However, they now have a new manager, a new approach to marketing the program, and they are tying a hybrid cyber school concept with TAHs to increase enrollment. I'll continue to communicate with them on their progress.

Second, the Community Schools concept launched last year and the 3 targeted schools have action plans - McKinley, Edison, and Pfeiffer-Burleigh. Those are the district's 3 elementary schools. East and Strong Vincent, the middle schools, are up next. A strong relationship has developed between the Community Schools concepts and the community centers. This was the focus of the ECGRA funding. EPS is looking at tying their credit recovery program to the community centers in order to increase participation. The next step is to hire evening managers to the schools are available for additional after school activities.

Third, is the School District Foundation Challenge. Those funds provided ServErie with 30k in materials to refurbish Erie High School, STEM carts, Makerspace equipment, and other mini-grants for teacher led projects.

Erie Insurance Civics Day

I gave a presentation at the Erie Insurance Civics Day on the Erie economy from a civic perspective. Several ECGRA projects were highlighted along with the collaboration necessary to market them happen. About 50 people attended the half day event. The audience was mainly Erie Insurance executives. The agenda is in the packet.

Beehives

The Ignite Erie Beehive concept received a lot of attention from media sources in recent weeks. The four universities unveiled their efforts to have prototype labs at each university and described how they would complement and collaborate with each other. Congressman Glen Thompson made a visit to the first beehive and participated in a panel discussion on universities in economic development. He was impressed with the project and vowed to promote it in DC. Also, the Behrend Council of Fellows heard about the Beehives involvement with the Invent Penn State Initiative launched by main campus two years ago.

Auditors

There is a 4 Year Agreement with MaherDuessel to conduct our annual audit on your agenda today. We've discussed making a multi-year decision on auditors at the last several board meetings. Their proposal is available for your perusal.

Jim Domino has resigned from the ECGRA board. In a letter, he stated: "I have enjoyed my time with the board and wish you, the board and staff members ongoing success."

Neighborhood & Infrastructure Revitalization Fund

Some members of Erie County Council led by Councilperson Foust have proposed creating the Neighborhood & Infrastructure Revitalization Fund or NIRF as a landing zone for the Erie County Land Bank Funds. The County Council proposal designates the ECGRA board and staff as the oversight and administration of the gaming funds. Our solicitor has issued a memo with more details on the proposed governance and administration of the NIRF.

ECGRA Compliance

I want to finish my report by giving the board an update on compliance. Recently, some people have been confused as to the extent of the ECGRA compliance process, so we've needed to educate them on the process. I want to enter that into the record today.

When ECGRA publishes a set of grant guidelines, we host a workshop open to the public. On average 20-30 people attend.

Then we allow a minimum of 30 days to accept grant applications.

Those applications go into an electronic grant binder that is made available to the grant review committee. A printed copy is available upon request.

The committee meets, discusses the grants, & scores them.

The highest scoring grants are recommended for funding at the next board meeting. Those that are granted funding sign an agreement with ECGRA for a 12-month period. Within 30 days of the 12-month expiration, the grantee must do two things:

- First, fill out a close out report stating what they accomplished.
- Second, turn in financial documentation stating how ECGRA funds were spent.

If a grantee does not fill out this paperwork, they become ineligible for future funding.

If there are extenuating circumstances, which sometimes happens with volunteer groups, we work out leniency.

In summary, ECGRA's process is fair, stern, and in line with other grant makers.

I'll take any questions you may have.

SOLICITOR'S REPORT

Mr. Wachter: I just wanted to comment on one thing with respect to the Neighborhood Investment & Revitalization Fund from the Gaming Authority's perspective. As Mr. Wood indicated, this is just a proposal that is being made by County Council. I don't want people to think that the Erie County Gaming Revenue Authority Board would be the Board that would be creating all this. The proposal is that these members would serve on the land bank Board. It's not the Erie County Gaming Revenue Authority that would be creating the land bank, that would be putting the processes in place, that would be facilitating that. The proposal is that the members of this Board would serve on the land bank Board and that the staff, offices, and facilities of the Erie County Gaming Revenue Authority would be used to administer the programs that would be implemented by that Board. As I understand how the proposal is now, the extent of the Erie County Gaming Revenue Authority's administrative or legal involvement with that would be considering some level of a management agreement with that land bank group to lease out space that we've rented that we're in and to allow for the sharing of the staff.

So, it is not the Erie County Gaming Revenue Authority that would be facilitating that, there would just be a commonality of Board under that proposal and a commonality of staff and the way that you achieve that commonality of staff is through some level of management agreement between the two entities. As we're moving down this, this legal entity really doesn't have much to do directly with that particular Board.

OLD BUSINESS

No old business.

NEW BUSINESS

- a) Resolution No.13: Resolution to enter into a four-year contract for annual auditing services with MaherDuessel, CPA.

Mr. Barney makes a motion to approve. Mr. Yapple seconds the motion. Motion carries 5-0.

- b) Are there any questions of the Neighborhood & Infrastructure Revitalization Fund?

ADJOURNMENT

Mr. Barney moves to adjourn. Mr. Paris seconds the motion.