



E·C·G·R·A
ERIE COUNTY GAMING REVENUE AUTHORITY

**EXECUTIVE
DIRECTOR'S
REPORT**

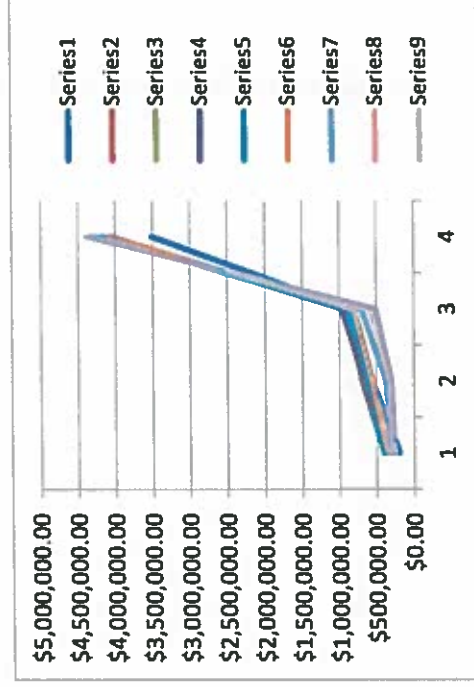
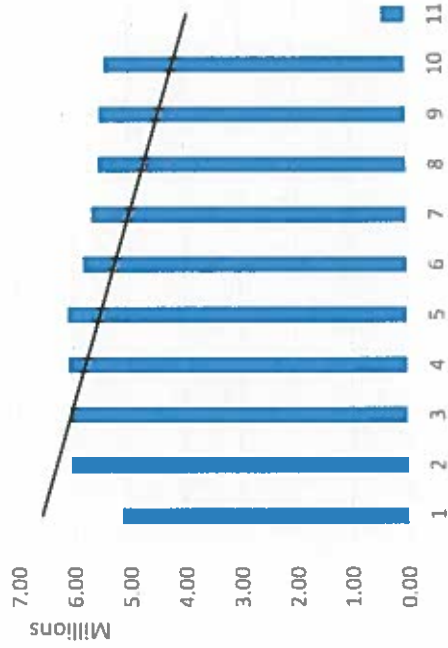
FOR

AUGUST 2017

**Revenue Dashboard
by Quarter
2007 - 2017 YTD**



Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2007	201,418.07	562,082.72	867,508.44	3,507,952.54	5,138,961.77
2008	366,211.37	672,936.98	941,125.00	4,063,561.53	6,043,834.88
2009	407,507.87	701,525.21	898,525.69	4,060,932.24	6,068,491.01
2010	385,476.85	665,559.96	962,909.94	4,073,449.24	6,087,395.99
2011	393,440.61	636,302.96	903,421.25	4,166,222.13	6,099,386.95
2012	356,241.99	554,752.50	794,443.73	4,114,583.35	5,820,021.57
2013	318,869.71	374,557.04	701,478.54	4,261,932.00	5,656,837.29
2014	281,934.65	315,628.24	584,126.03	4,350,692.65	5,532,381.57
2015	264,934.67	308,566.19	541,749.43	4,390,710.21	5,505,960.50
2016	271,003.84	300,719.61	507,757.83	4,332,642.04	5,412,123.32
2017	254,570.93	172,041.71			426,612.64
2007 - 2017 YTD	3,501,610.56	5,264,673.12	7,703,045.88	41,322,677.93	57,792,007.49





July 27, 2017

James Sparber
Finance Director
Erie County Courthouse
140 W 6th Street, Room 111
Erie, PA 16501-1011

Dear Mr. Sparber:

In accordance with the Pennsylvania Race Horse Development and Gaming Act of 2004, as amended, (the Act) the Department is required to distribute quarterly the Local Share Assessment collected to the municipalities in which a licensed gaming entity is located. The distribution is based on the amount of money collected.

An ACH for the second quarter of 2017 payment in the amount of \$344,083.43 should be deposited in your bank account within 3 - 5 business days. Any reductions to the Gross Terminal Revenue (GTR) for promotional items is the result of the Gaming Bulletin 2015-01 and the Pennsylvania Supreme Court's April 28, 2014 decision in Greenwood Gaming and Entertainment Incorporated v. Commonwealth of Pennsylvania, Department of Revenue (90 A.3d 699 (Pa. 2014)).

If you have any questions, please contact me at 717-772-4372.

Sincerely,

Shawn Barnes, Director
Bureau of Fiscal Management

County	067-021010-042100	172,041.72
ECGRA	067-021050-042100	172,041.71
		<hr/>
		344,083.43
		<hr/> <hr/>

2nd Qtr 2016 601,439.23
down 257,355.80

August 1, 2017

To: Doug Smith
From: Perry Wood
Re: Mission-related Investments

Doug, you asked the following questions related to what ECGRA calls mission-related investments, or MRI's:

- What was loaned, and to whom?
- What has been paid back?
- How much are our partners making from these loan programs?
- What is the return on the investments made with these firms?

The questions are best answered within the context of how the funding decisions were made by ECGRA, as well as how the funding to our partners has been structured.

Introduction

I think it's important to distinguish between a traditional investment in the stock market and an ECGRA mission-related investment (MRI). Traditional investments purchase equity or stock in a company. These types of investments are not based on location, regional economic development, social, or environmental impact. They are simply finance decisions. Economic Development authorities, such as ECGRA, may not make equity purchases. Accordingly, ECGRA investments must be viewed differently. An ECGRA MRI is based on the effect the entity will have on economic development, social impact, cultural vitality, and/or environmental impact within Erie County. In other words, MRIs have a mission to them, not simply a financial gain/loss.

To that end, ECGRA adopted an MRI policy statement in 2015. One main purpose of the policy statement was to establish a methodology to determine which type of entities would be appropriate to partner with when making an MRI. The agency's that qualify for MRI funding are required to have ties with the US Treasury, the US Small Business Administration, strategic partner, or a state economic development agency. This threshold requirement is important as the entities all must adhere to certain regulatory oversight that ECGRA does not have the internal capacity to develop. Accordingly, ECGRA determined that the federal and state oversight of our potential partners was sufficient to determine that the agencies were qualified to make MRI's on behalf of ECGRA.

Board of Directors

David S. Sample
Chair

Michael J. Paris
Vice-chair

Charles J. Peters
Treasurer

David H. Yaple
Secretary

David M. Bagnoni

Dale E. Barney

James T. Domino

Jay A. Breneman
Ex-officio

Gary N. Lee
Ex-officio

Perry N. Wood
Executive Director

Here's some history that led up to the creation of MRIs:

June 10, 2010 The Strategic Plan

The PA Race Horse Development & Gaming Act creates restricted, uncommitted funds for investing in economic development projects that have the potential to create jobs and revitalize our community. The Authority was incorporated as an Economic Development Financing Authority, and must adhere to the restrictions of the Economic Development Financing Law of Pennsylvania when administering the restricted, uncommitted funds. The strategic plan acts as a compass in creating funding programs that are intended to bridge the financing gaps in the economic development system.

ECGRA's first strategic plan was designed to make the Authority a top financing agency in the economic development space. It was first adopted by the Board in June 10, 2010 and subsequently presented to County Council. Since then, there have been minor revisions to update funding details and clarify policy directions, but its economic development financing vision remains the same. The Plan calls for closing the gaps that exist in the financing structure to help startup businesses, small businesses, inner-city businesses, manufacturers, and technology-based companies to grow their products and services thereby creating jobs in Erie County. In addition, it calls for technical assistance alongside funding to support revolving loan funds, equity funds, cash deposits, and micro-financing programs.

December 13, 2010 The Settlement

In December of 2010, ECGRA entered a structured legal settlement with five municipalities that are contiguous to the Casino including, Greene Township, McKean Township, Millcreek Township, Summit Township, Waterford Township, and Erie County. Clauses in the settlement require ECGRA, on a quarterly basis, to expend restricted, committed funds equal to 25% of revenues with contiguous municipalities. On a quarterly basis, ECGRA mails checks to the six municipalities within days of gaming revenue arriving in the Authority's coffers. These interactions are governed by clauses 2, 4, 5, 6, & 12 of the settlement. While ECGRA does remind each settlement municipality of the municipal grant fund use restrictions contained in the PA Race Horse Development & Gaming Act, the settlement does not give ECGRA the power to enforce or oversee the use of such funds.

The settlement also calls for the distribution of funds to a category in the strategic plan known as "Lead Assets" or as it's referred to in the original document "dedicated regional assets." ECGRA was required to expend 30% of funding on Lead Assets through 2014. These interactions are governed by clauses 7 & 8 of the settlement.

ECGRA has diligently complied with the clauses of the settlement agreement. On a quarterly basis, settlement statements are issued to the Board to show compliance.

April 11, 2011 The Regional Asset Committee (RAC)

The first RAC meeting was held on April 11, 2011 to begin the process of administering funds that would come to be known as regional asset funding. Its initial purpose was to advise on the creation of a grant writing and funding process for the Lead Assets, Community Assets, Special Events, and Human Service entities. Later, mission main street funding was added to this committee along with the summer jobs pilot program. The Regional Asset Committee currently serves in an oversight role over these matters and is consulted regarding updates to policy.

January 12, 2012 The Endowment

Prior to the settlement, ECGRA was not making regular grants to the Lead Assets. As discussed above, ECGRA was required to make certain funds available to Lead Assets. ECGRA recognized that one express desire by all settlement municipalities was that ECGRA begin to fund the Lead Assets so that the settlement municipalities would not have to budget for such expenditures. ECGRA decided that it was important to determine how to create a perpetual funding stream to help relieve the burden of municipal governments while also supporting our Lead Assets.

After extensive research into endowment options, the Board chose to establish the Erie County Lead Asset Endowment Fund at the Erie Community Foundation. In January 2012, the Board approved a jumpstart grant of over \$5,000,000 in the endowment and continued to fund it until April of 2016 when ECGRA entered an MOU with Lead Assets as to the process of future draw downs. From that point on, the Lead Assets were entirely reliant on the endowment funding. These funds have been granted to the Erie Community Foundation and are no longer considered to be ECGRA funds.

Impact Summaries

To fulfill the early commitments of the PA Race Horse D&G Act and the settlement agreement, ECGRA spent significant amounts of funding on municipal governments and the lead assets. The following is a summary of those expenditures from 2009-2015:

	2009	2011	2012	2013	2014	2015
Municipal*	\$4,165,962	\$5,121,082	\$1,467,915	\$1,377,372	\$1,360,905	\$1,231,048
Lead Assets & Endowment		\$1,293,622	\$6,602,038	\$1,212,207	\$2,343,864	\$1,659,714
Economic Development Financing for Small Business		\$1,400,000	\$1,350,000	\$1,087,500	\$0	\$400,000**

*Figures do not include municipal collaboration funding; settlement only.

** Figures represent the first two small business development programs called "Ignite Erie".

Municipal Totals: **\$14,724,284**
Lead Asset Totals: **\$13,111,445**
Eco Dev Fin Totals: **\$ 4,237,500**

Then, the board decided the next large scale spend should be in the form of MRIs in economic development financing.

Economic Development Financing as a Strategy

Since its inception, ECGRA has struggled to identify economic development financing partners in Erie County. Many lack the capacity for large scale financing. Some are limited in the audience they reach and the sectors they focus on. To finance job creation in the inner-city and rural county, to finance retail, manufacturing, and technology-based companies, it was necessary to bring multiple financing partners into Erie County. Each such financing partner is also required to match any investment made by ECGRA, and to use that match within Erie County. This strategy serves the dual purpose of gap financing and bringing dollars into the community for business growth. Also, we hope that these agencies introduce knowledge to the region motivating traditional agencies to learn new financing methods and further participate in helping local employers.

In addition to meeting with agencies, mostly from Western PA, here are the steps ECGRA has taken:

- October 24, 2013: Board hears a presentation on ECGRA's role in entrepreneurship
- August 28, 2014: Board hears a presentation on Impact Investing
- September 25, 2014: Board adopts Impact Investing Policy
- December 11, 2014: Board adopts Ignite Erie Guidelines creating 3 funding streams:
 - Inner-city Small Business Development
 - Industry+University Business Acceleration
 - Mission-Related Investments (MRIs) for Small Business Financing
- January 8, 2015: MRIs Prequalification packets were submitted. ECGRA received 5 applications. Progress Fund packet came from request of the board after the June 2015 presentation.

Here's a flow chart for the process:

Prequalification Packets → Staff Review → Committee Review → Committee Recommendation

What is Prequalification?

The pre-qualification process will determine if an applicant has the requisite resources and experience to be considered for a mission-related investment under the Authority's Impact Investment Strategy for Small Business Financing. If the applicant does not meet the requirements set forth, they may apply for pre-qualification in the alternative justifying the reasons.

Prequalification requirements along with financial disclosures, organizational information, questions about litigation, and references are included in the list of required materials in the packet.

Initial Staff Analysis

After the agencies were prequalified, the staff at ECGRA reviewed the funding requests and presented the following analysis and recommendations to the board of directors.

	<i>Category</i>	<i>Ready to Fund</i>	<i>Contingent Leverage</i>	<i>Continuation Funding</i>	<i>Milestone Funding</i>	<i>Compliance Analysis</i>	<i>Under Consideration</i>
<i>Bridgeway Capital</i>	CDFI – Aeris Rated	YES	4-1			Yes	\$1mm
<i>PennVenture Partners</i>	SBIC, SBA approved	YES	1-1			n/a	\$2mm
<i>Ben Franklin Technology Partners</i>	State Program	YES		1-1		Yes	500k
<i>The Progress Fund</i>	CDFI – Aeris Rated	YES	1-1			n/a	\$1mm
<i>Enterprise Development Fund</i>	CDFI	YES		1-1		Yes	\$500
<i>Community Capital Development Corporation</i>	Affiliating with a CDFI	No			1-1	n/a	\$500

Serving a Financing Gap

When considering the multifaceted economy that exists in Erie County, it was easy to determine that there is no one entity which serves as a one size fits all funding partner. Accordingly, the MRI process focuses on bring in funding partners which serve different market sectors. For example:

- **Bridgeway Capital and Community Capital Development Corporation focus on business development in under developed census tracts. In other words, there are higher than average amounts of poverty in these neighborhoods. Hence, the approach is to provide jobs to the areas that need it the most.**
- **PennVenture Partners is a venture capital firm that invests in the Pennsylvania “T” because the areas outside of Philly and Pittsburgh are underserved for VC investments.**

- Ben Franklin Technology Partners, a national revered model for technology-based economic development, created the Erie Innovation Fund to match ECGRA dollars and invest in tech startups.
- The Progress Fund focuses on rural retail and tourism based markets along recreational trails and main streets.
- The Enterprise Development Fund focuses on small to mid-sized businesses, manufacturing, and real estate deals.

Funding Results from 2015 MRIs Process

Following committee review, the ECGRA Board approved the funding as follows: *

	<u>MRI Amount</u>	<u>Date of Agreement</u>
Bridgeway Capital	1,000,000	January 12, 2016
Ben Franklin Tech Partners	500,000	August 24, 2016
The Progress Fund	1,000,000	April 10, 2017
Enterprise Dev Fund	500,000	TBD**
Penn Venture Partners (PVP)	1,000,000	TBD**

*The prequalification packets and agreements are large and cumbersome. I did not include them as part of this request.

**TBD – after the award, the entities must demonstrate match and be in good financial standing. PVP has not yet achieved its match requirement. The Enterprise Development Fund was placed on hold because shortly after the approval by the Board, the management company, Develop Erie, collapsed and is currently in bankruptcy.

2017 MRIs

In 2017, the board revised its impact investment statement to include a new asset class: community facilities. It subsequently accepted applications. Here are the results:

	<i>Category</i>	<i>Ready to Fund</i>	<i>Contingent Leverage</i>	<i>Continuation Funding</i>	<i>Milestone Funding</i>	<i>Compliance Analysis</i>	<i>Under Consideration</i>
<i>1855 Capital</i>	FCC Regulated	YES	1-1			n/a	\$500
<i>Blue Highway Capital</i>	RBIC/SBA	No	1-1			n/a	1,000,000
<i>Great Sports</i>	Community facility	No	2-1			n/a	500,000

Funding Results from 2017 MRIs

	<u>MRI Amount</u>	<u>Date of Agreement</u>
1855 Capital	500,000	TBD

What was loaned and to whom?

Cumulative of MRIs 2010-2017

	<u>MRI Award by Year</u>			<u>MRI Award</u>	<u>MRI Draw Down</u>
	2010-2013	2014-2016	2017		
1855 Capital			Loan: 500,000	500,000	0
Bridgeway Capital		Loan: 1,000,000		1,000,000	1,000,000
Ben Franklin Tech Partners*	Grant: 750,000	Contingent Loan: 500,000		1,250,000	1,250,000
Corry Industrial Benefit Assoc		Loan: 50,000		50,000	50,000
The Progress Fund		Loan: 1,000,000		1,000,000	1,000,000
Enterprise Dev Fund	Grant: 1,075,000 Loan: 1,300,000	Loan: 500,000		2,875,000	2,375,000
Penn Venture Partners		Contingent Loan: 1,000,000		1,000,000	0
			TOTALS	7,675,000	5,675,000

*Ben Franklin's payback provisions are based on warrants. These are options to purchase more equity or sell when there is an exist event. Ben Franklin would pay ECGRA back its principal in the case of a large exit event.

What was paid back?

MRI Recipient	Interest Paid
Bridgeway Capital	44,666.67
Corry Industrial Benefit Assoc	186.50
Enterprise Dev Fund	156,834.16
Total	201,687.33

*All MRIs are currently in compliance with their agreements.

How much are our partners making from these loan programs?

If you're asking how much they charge for administration, I do not know that answer. Each funding agreement is specific to the funding partner, and does not weigh in on the operational decisions that their respective boards, regulatory agencies, and staff policies place on administrative functions. ECGRA agreements have been focused on outcomes and compliance.

What is the return on the investments made with these firms?

In 2016, the ECGRA commissioned an economic impact study to determine ROI for all investments. From 2009-2016, the ECGRA invested about \$44mm of gaming funds. Here are some of the results:

- ECGRA's overall economic impact: 87.2 million
- ECGRA's funds catalyzed the creation of 573 jobs
- ECGRA's funds generated 2.9mm in local tax revenue
- For MRIs that supported small business, there was a 6:1 ROI
- In other words, the 4.1mm that was invested in small business attracted 24.2mm in additional financing

Erie Times-News

ECGRA tightens budget to appease lawmakers

Board slices '17-18 expense by 28 percent due to criticism

By Nico Salvatore
nico.salvatori@timesnews.com

Facing criticism from Erie County's state House

delegation over operating costs, the Erie County Gaming Revenue Authority has revised its budget for the 2017-18 fiscal year by eliminating more than 28 percent of budgeted expenses. The Gaming Revenue

Authority, which distributes millions of dollars of local share casino money annually, had initially budgeted expenses of \$634,300 for 2017-18. But the board of directors cut \$179,160 from the budget at the authority's regularly

scheduled monthly meeting Thursday.

"We went through and looked at every line item that we've been criticized on and made reductions," said Perry Wood, executive

See ECGRA, A3

The Corry Journal, Thursday, July 13, 2017

Impact Corry to pursue ECGRA grant for historical designation

BY KIM LUX
kim@thecorryjournal.com

After securing a \$12,000 grant from the Pennsylvania Historical & Museum Commission, Impact Corry will be applying for an additional \$12,000 from the Erie County Gaming Revenue Authority to fund an intensive level survey to determine the historical significance of downtown Corry.

"The Keystone Historic Preservation grant we received is contingent on a local match," explained Steve Bishop, Impact Corry president. "We're applying for one of ECGRA's Community Asset grants to finish funding the survey." Bishop added that this will be the first time Impact Corry applies for a Community Asset grant through ECGRA.

"We've never before received funding through this line of grants," he said. "Usually, we apply for the Mission Main Street grants that ECGRA awards."

Bishop said he has talked with representatives from ECGRA and he feels confident that Impact Corry will receive the match for the survey.

"I've been corresponding

with ECGRA and they mentioned that Lawrence Park Township applied for a grant for a similar project in the past," he said. "After hearing how ECGRA aided Lawrence Park, I'm hopeful they will see the economic benefit of this project in Corry."

There are 95 acres in the proposed survey, which includes 345 buildings. Of those, 185 are residential, 92 are commercial sites, 18 are industrial buildings and 50 buildings designated as "other."

ECGRA will be awarding the Community Asset grants on Thursday, Sept. 14, which aligns with Impact Corry's timeline for the survey.

"With our PHMC grant, we have about five or six months to secure the match," Bishop said. "If we are awarded the ECGRA grant in September, then we can get the ball rolling on the survey. Ideally, we are looking at having it started next spring, or early next summer at the latest."

Bishop added the opportunities for downtown Corry are bountiful if the survey determines the area historic enough to pursue designation.

See ECGRA, P.2

ECGRA

Continued from A1

director of the Gaming Revenue Authority.

That means the authority will no longer cover tuition costs for a practitioner's doctorate that Wood is pursuing, or print an annual report outlining the Impact the Gaming Revenue Authority has had on the region.

The authority was also able to get a reduced rate from a lobbying firm it hired in 2016 to better leverage state dollars and work to ensure that local casino money, made possible by Presque Isle Downs & Casino in Summit Township, continues to flow to communities that host casinos.

Wood said the lobbying firm, Ridge Policy Group, volunteered a reduced monthly rate of \$4,000, down from \$5,000.

In addition, the authority eliminated a special category designed to fund pilot projects for organizations whose requests do not fit one of the authority's existing grant programs.

"It was clear folks didn't understand our intent with the special projects category, so we eliminated it," Wood said.

Statewide gambling expansion legislation that passed the state House in early June prompted the cost-cutting measures.

House Bill 271 included language that would defund the authority and give Erie County government sole authorization over the distribution of local casino money. Since 2008, the county

and authority have split an annual allocation of roughly \$11 million.

Wood has said he does not believe county officials — Erie County Council and the county executive — would invest casino money in economic development as aggressively as the Gaming Revenue Authority has. The authority distributes casino funds to nonprofits, small businesses and some Erie County municipalities.

HB 271, a sweeping piece of legislation tied to ongoing state budget negotiations, awaited action by a state Senate committee on Tuesday.

The state senators who represent Erie County, Dan Laughlin, of Millcreek Township, R-49th Dist., and Michele Brooks, of Mercer County, R-50th Dist., want to amend the bill so that it preserves the Gaming Revenue Authority's role in distributing local share funds.

"The primary goal of local gaming dollars is that they are being applied in the most efficient, effective, transparent and accountable way possible," Brooks said in a prepared statement.

She said members of the Gaming Revenue Authority had assured her they would look at ways to cut costs.

"I look forward to continuing to work with everyone in Erie County to make sound and responsible investments in our region and continue to move our region forward," Brooks added.

Nico Salvatore can be reached at 870-1714 or by email. Follow him on Twitter at twitter.com/ETNsalvatori.

ECGRA

(Continued from front page)

"Our excitement for this project grows more and more with each step," Bishop said. "We're very thankful that ECGRA has grants available to help us fund our pursuit."

ECGRA is currently in jeopardy after the Pennsylvania House of Representatives voted to give authorization of local shares of gaming revenue to county government in June.

Currently, Erie County's share of gaming revenue is about \$11 million. This is split between ECGRA and Erie County government.

ECGRA currently receives between \$5 and \$6 million from Presque Isle Downs & Casino each year.

If the new legislation passes, Erie County Council would be responsible for distributing the entire portion of the county's gaming revenue.

"ECGRA has been great to work with over the years," Bishop said. "They are a progressive group, and they've always reached out to us in Corry and helped where they could. I hope they are able to continue aiding Erie County."

VIEWPOINT

OUR VIEW

Erie police reach out to children

The issue: Police host summer camp
Our view: Outreach is smart, humane

Anationwide anti-snitch culture, rooted in a legacy of racial injustice, infects Erie and hampers police investigations of some of city's most serious crimes.

A retreat to a bunker mentality would be an understandable response from police.

Erie Police Chief Donald Dacus, instead, rightly takes the long view. He is investing time and resources to heal broken relationships and build a more unified Erie by engaging the city's youngest citizens in fellowship and play.

A year ago, the Erie County Gaming Revenue Authority awarded the Bureau of Police funding to revive the Erie Police Athletic League, a recreational sports program in which police, Erie County sheriff's deputies and elementary school students meet after school to play.

The program was so popular at Pfeiffer-Burleigh Elementary School that its leaders did not want to let the good feelings and progress lapse over the summer months.

With the help of Gannon University, a true community partner in so many grassroots efforts to make Erie a better place for all, the Police Athletic League will be hosting a five-day summer camp in August for Pfeiffer-Burleigh kids who took part in the league during the school year.

Cpl. Tom Lenox, one of Erie's few black police officers, has led the department's recent minority recruitment efforts and participates in the athletic league.

He told Erie Times-News reporter Tim Hahn that the week will be packed with activities, including pool time at Gannon, important for some kids who might never have been swimming before. They will also get to hang out with retired FBI agent Gerald Clark, an assistant professor of criminal justice at Gannon, and learn about forensics.

The time together, Lenox said, helps children understand that cops "have a heart." "A lot of us don't come from ideal circumstances ourselves," he said. "It is a little chip at trying to break down some of those walls."

The camp in August follows a pilot Junior Police Academy program for teens held in the spring in partnership with the Erie Housing Authority. The outreach to children is also a piece with new Erie police efforts to connect with residents via Twitter and Facebook.

Erie police face steep challenges, especially bare-bones staffing at a time when the city is hit with gun violence, gang activity and a galloping opioid epidemic.

Dacus has shown progressive leadership, goodwill and foresight by also deploying staff in the battle for hearts and minds. Erie, especially in its most vulnerable, crime-ridden and impoverished neighborhoods, can't advance in the absence of functional relationships between residents and those sworn to protect and serve them.

The community should take the open hand extended by Dacus, Lenox and others. Well done.

VIEWPOINT

OUR VIEW

Harrisburg must finish passing budget

The issue: Revenue plan is month overdue
Our view: Don't rely on one-time tricks

The state of affairs in Harrisburg these days might not be as messy and unproductive as the current situation in Washington. But that's not saying much.

And as in Washington, the worst of the political divisions preventing forward motion are within one party. The inability to agree on how to raise \$2.2 billion to balance Pennsylvania's books is rooted primarily in disagreements between Republicans in the Senate and House.

The Legislature is a full month past its constitutional deadline to pass a 2017-18 budget — a whole budget, not just the spending side of things. Lawmakers in late June approved a \$32 billion spending plan but no revenue package to balance it. Gov. Tom Wolf let the spending plan take effect without his signature.

The Senate took a step forward on Thursday, passing a \$2.2 billion revenue package that includes about \$530 million in new taxes. That revenue is meant to cover a \$1.5 billion deficit from the 2016-17 budget and a projected \$700 million gap in this year's budget.

The Senate budget followed weeks of talks with Wolf's administration but passed without consultation with the House, where it now goes for consideration. The timetable for House review and action is uncertain, and so far there doesn't seem to be an appropriate sense of urgency to get it done.

In the wake of the Senate action, the House GOP leadership sent a memo to its members stating that the House was "certainly not going to rubber stamp" the Senate's version. After House leaders review the Senate plan, presumably negotiations will resume.

The primary division between the Republican caucuses is taxes. The Senate has proved willing to raise some taxes to close the gap while House leadership has been resistant, preferring borrowing, expanded gambling, and fund transfers and other accounting adjustments.

Included in the Senate version, by the way, is a severance tax on natural gas drilling that has long been sought by Democrats. That strikes us as a likely point for compromise, given that Pennsylvania is the only gas-drilling state without such a tax.

It's obvious that no party to these negotiations will get everything they want. And while we understand the reluctance of House Republicans to raise any taxes, Pennsylvania can't afford to limp through another year with a budget papered over with wishful thinking, accounting tricks and more and more cans kicked down the road.

Pennsylvania's habit of doing business like that already has it on the watch list of credit rating agencies, and another cobbled-together budget could lead to downgrading the state's credit rating. That would amount to "a backdoor tax," state Treasurer Joe Torsella said, by increasing the cost of borrowing.

July 12, 2017

Perry Wood
Erie County Gaming Revenue Auth
5340 Fryling Rd, Suite 201
Erie, PA 16510



Dear Mr. Wood:

Thank you so very much for your sponsorship for the fourth annual Victory Ride of EHCA (Erie Homes for Children and Adults, Inc.). The support of our community for this event has truly been overwhelming. Cash, in-kind donations, registrations for the ride and guests at the party continue to grow, thanks to generous people like you!



Our residents were able to ride again last year thanks to some very dedicated sidecar owners, as well as members of the Christian Motorcyclists Association that added their trikes to the Resident Ride. The Chrome Angels led and followed our riders on several trips to help ensure their safety. A huge group of volunteers worked throughout the year in planning, and stayed the entire day to make sure the event went off without a hitch. Your contribution will make Victory Ride 2017 an even bigger success, helping us in our mission to assist people with disabilities to live rich and fulfilling lives.

Belle Valley Fire Department was a perfect venue, and we have scheduled Victory Ride 2017 there on Saturday, August 26. The motorcycle ride will begin and end there, and the after-party will be held indoors. With plenty of space for music, raffles, games, and awesome event merchandise, you will definitely want to be there – even if you don't ride! Our clients and everyone who cares about them are extremely grateful for your generosity. You can learn more about EHCA and the Victory Ride at ehca.org/upcoming-events, or by contacting Karyn Langdon at 814/315-1803 or langdon@ehca.org. I look forward to meeting you on August 26 at the Victory Ride!



My sincerest thanks,


Jonathan Rilling
EHCA Director of Development

*Thank you Perry &
EGORA!*

EHCA is a 501(c)(3) non-profit human service organization and all gifts are tax deductible to the full extent allowed under IRS regulations. No goods or services were provided as a result of this donation.



ROAR[®] ON THE SHORE
BIKE RALLY • ERIE, PA

July 27, 2017

Perry Wood
ECGRA
5340 Fryling Road
Suite 201
Erie, PA 16501

Hi Perry:

It's hard to believe we just concluded the Roar on the Shore[®] 11th Annual Bike Week!

In 2009, the first Roar on the Shore[®] started out in a small park with 10,000 people. In 2017, it brought in 175,000 visitors from across the country and pumped \$25 million into the local economy. We continue to be the fastest-growing charitable and free motorcycle rally in the United States.

None of this would be possible without the generous grant from ECGRA. We are proud to partner with you and truly appreciate your commitment to the Erie community.

By all accounts, 2017 was another record-breaking year. It certainly would not have been possible without your support! We won't have final numbers until all of the bills are paid and the auditors are done, but you will be one of the first to know what we will be presenting to this year's charity, the Mercy Center for Women.

We hope to have the opportunity to work with you again next year!

Sincerely,



Ellie Cullen
Sponsorship Coordinator
Roar on the Shore[®]
2171 West 38th Street, Erie, PA 16508
Phone: 814/833-3200 or 800/815-2660
Fax: 814/833-4844
Email: sponsorships@roarontheshore.com
Website: www.roarontheshore.com