



MEETING OF THE BOARD OF DIRECTORS  
La Rue Dix; 21 West 10<sup>th</sup> Street; Erie, PA 16501  
March 9, 2017

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES – February 2017
5. COMMENTS BY CHAIRMAN
6. PUBLIC COMMENT
7. PRESENTATION
8. COMMITTEE REPORTS
  - a. Treasurer's Report
  - b. Regional Assets Committee
  - c. Strategic Planning Committee
  - d. Update from County Council
  - e. Update from County Executive's Office
9. REPORT OF THE EXECUTIVE DIRECTOR
10. SOLICITOR'S REPORT
11. OLD BUSINESS
12. NEW BUSINESS
  - a. Resolution No. 2 – Resolution to enter into agreements with 42 Erie County Special Events Grants applicants
  - b. Resolution No. 3 – Resolution to enter into agreements with five Human Services agencies
13. ADJOURNMENT
14. 2017 SPECIAL EVENTS GRANTS RECEPTION @ Erie Playhouse, 13 West 10<sup>th</sup> Street; Erie 16510

Next Regularly Scheduled Board Meeting and Finance Meeting of ECGRA

Date: Thursday, April 13, 2017, Annual Meeting  
Time: 8:00 a.m. and 8:30 a.m.  
Location: 5240 Knowledge Parkway; Erie 16510



## **Erie County Gaming Revenue Authority**

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

**February 9, 2017**

#### **CALL TO ORDER**

The Board of Directors' Meeting of the Erie County Gaming Revenue Authority was held on February 9, 2017 at the Jefferson Educational Society; 3207 State Street; Erie, PA 16508. 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. Domino (arrives late), Mr. Paris, Mr. Peters, Mr. Sample, and Mr. Yaple. Mr. Breneman, Mr. Lee, Mr. Wachter, and Mr. Wood are also present.

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

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

#### **APPROVAL OF MINUTES – January 2017**

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

#### **COMMENTS BY THE CHAIR**

I would like to commend the board for our proactive stance in this gaming law legislation. Perry spent a couple of days this week in Harrisburg trying to get our message out. Sometimes I'm concerned that people don't realize the severity of the situation. We have had some bumps in the road from Erie City Council seeming to try to dilute our message, but hopefully we can keep moving forward. It was good that we received a 120-day extension. Monies will continue to flow until that point, and hopefully things can be resolved. Perry has some news on that, so we will find out a little more from Perry as things go on.

#### **PUBLIC COMMENT**

No public comment.

## PRESENTATIONS

No presentation.

## COMMITTEE REPORTS

- a. Treasurer's Report – Mr. Peters: We are coming close to the end of our year – our year starts in the second quarter of the calendar year. This is my monthly friendly reminder that when you look at where we're at, it's not like we're at 80% of our budget starting with January 2017. We are at 80% of our budget which started April 1, 2016. Everything looks fine as far as that goes.

Perry and I've been recently soliciting banks other than our current bank, as they've somehow seen this balance sheet document, which, of course, is public, and they're welcome to see it. They see there is a large balance sitting in ErieBank, and they've started to solicit. I know that in the past when bankers get a hold of me and get an answer that maybe they don't like, they start moving around the table to calling all the rest of you. Well first they would call Perry, and if they don't get an answer they like, they call me, and then they start calling all of you.

Just a reminder, and I don't care where we keep the money, but there is a key point to this which is that we have to have funds in a fully collateralized account. So, when smaller banks or credit unions call, that sometimes could end up being a challenge. All this to say that we have started to get some of these solicitations, and I've just said that Perry would be glad to meet with you, and we'll go from there.

Regarding the balance sheet, when we indicate what's committed and what's restricted, the uncommitted funds are funds that we are free to do with what we deem fit in accordance with the settlement agreement and in accordance with our internal process. The committed funds are those funds which we have already said to so and so, we will give you a million dollars. And then the restricted funds are those funds which have not past the necessary time required to convert to restricted uncommitted.

Mr. Sample: Just an aside to that. I did get a question this week from someone who wanted to know if the funds were going to continue to flow. I said that the monies we got in January – all the funds for 2016, the committed ones, can be spent now. The balance of that money has to sit for a year to become uncommitted. In their confusion with the gaming situation, they were concerned they weren't going to receive their funding. I guess that not everybody understood that the money they received this year is actually last year's funds.

Mr. Wood: That's a great point, Mr. Chairman. In fact this week, Erie County did transfer the final gaming funds for 2016 to ECGRA seamlessly. In fact, you'll see a dashboard in the executive director's report that quantifies that and shows you the exact amount. It is slightly – this is pertaining to the report – under what we have received in the past, about an \$80,000 decrease in overall funding.

Mr. Sample: I thought it would be a lot less.

Mr. Wood: I agree. We were really concerned that the revenue might take a major dip. So the fact that it decreased by such a slight amount, I think it's great news. It's more towards this idea that there's been a stabilization as far as the revenues go.

Mr. Sample: Pennsylvania has chosen not to put a casino in Lawrence County, and Buffalo is still afraid of the Indians.

Mr. Wood: We can talk about that in more detail, but that has not been completely put to bed. That license still does exist. When the gaming oversight committee comes here in late March/early April to hear testimony, we may want to have an answer as to whether or not we

believe saturation has occurred in our region. And certainly we have a story to tell, because that license is technically still available.

Mr. Barney makes a motion to approve the financial reports. Mr. Yapple seconds the motion. Motion carries 7-0.

- b. Regional Assets Committee – Mr. Wood: We are in the midst of our Special Events Grant funding cycle, which was due yesterday close of business. We're getting that grant book together and will make the applications available to the board via our Foundant site. We'll make a recommendation based upon past practice and policy as to where those applications fall. And, of course, if anybody has any questions about any of those applications in particular or in general, don't hesitate to contact me.

Mr. Paris: How many applications are there?

Mr. Maggio: Forty-two. Up from last year.

- c. Strategic Planning Committee – No report.

- d. Update from County Council – Mr. Breneman. I thank the chair and the board for the article in the paper. Like what you have said in the past, we as a region has have to speak as one, particular when it comes to Harrisburg, where our voice is muted as it is. I like the fact that ECGRA has maintained a proactive role in Harrisburg with our area legislators, and in informing and engaging the public on the importance of maintaining the security of gaming revenue, because of the tremendous impact that it has on our economy. I just want to thank the board for that.

Mr. Yapple: I thank Councilman Breneman too for his speech at the community college meeting. He said the same thing and was very persuasive, and the people who needed to hear it were there too. Thank you again for that.

- e. Update from County Executive's Office – Mr. Lee: I want to give an update on Summer JAM. As you know we put out the RFP at the end of 2016. We had two parties interested who attended the pre-proposal conference. One was GECAC, and the other one, Good Will. As far as submittal for an RFP, only one was submitted, and that was from GECAC. The committee, and the committee consists of Perry, George Espy from The Erie Community Foundation, Chuck Crainer, director for procurement at the County, and myself. We got together a week before last to discuss the proposal from GECAC.

We're very pleased with the proposal. We have been going year to year in regard to the RFP, and that's not the most efficient way. It was a good way to get started, but now we have a track record. We're going into our fourth year. What we decided to do in that RFP, we made it good for two years with the opportunity for two additional years. So this has a potential of being a four-year contract. Two years will be awarded at first, and then two additional year later if the performance is going well.

We can't get into the cost because we're still going through that process. We're going to have a meeting with GECAC on Monday to discuss some of the key things. But I can share this with you. The committee overall is very pleased. We're very pleased that the cost has been in line with last year. We went through a lot last year to make sure that the cost was where we needed it to be, which really paid off, because that set a precedent. So, we're very pleased with the cost proposal and the technical proposal. We think we're going to have a good partnership with GECAC as we move forward. The award has not been made. We're meeting with them on Monday to discuss some questions that we had – nothing major – just to go over some fine points.

It looks as if last year 173 students completed the program. The year before that was 142. The year before that was 123. It looks like we will be going up to 175-180, depending on the need, but it will not exceed 200, because it becomes unmanageable. One of the keys that we will be discussing with GECAC, just so you're aware, two things. One, we're still working to

get a better balance, and that's the best way to say it, when it comes to inside the City of Erie and outside the City of Erie. Last year was 65% in the City of Erie, 35% outside the City of Erie. The goal is to get to 50-50, and that's a work in progress. A lot of that is attributed to identifying and finding more businesses outside, and GECAC will be working on that. We made some headway last year. We plan to continue to make headway.

Last year there was a total of 42 employers that participated in the program. It was a breakdown of about 42% for-profit, and about 58% nonprofit, and we're trying to work toward 50-50, and we will be sharing that with GECAC. However, I can share this with you. Overall, we're extremely pleased with how the program has been received, but more importantly, the value of what the young men and women are receiving as they participate in the program. We look forward to moving forward to deciding by the end of this month who the successful administrator of the program will be, and then proceeding from there.

Another opportunity, and this will be my last point, and we will talk with GECAC about this, we have always talked about trying to identify additional funding – whether it's federal funding – and we continue to work with private entities. We involved Erie Insurance, who made a nice contribution. Gannon University made a nice contribution. We had National Fuel. They were on board last year. And we look to get more private participation. But one of the opportunities that still exists is from the federal level and looking at partnering with them. It may not occur this year, although I'm not going to say that it's not, because it's a lot of red tape as you know when it comes to federal government. One of key points when you award a contract based on a potential of four years, you build that continuity; you build that opportunity for the successful contractor to work with whatever entity for additional funding. That's the highlight. The County is thrilled about working on this program, and we expect great things in the future.

Mr. Wood: That you Mr. Lee. That was a perfect update. I would just add that one thing the board might want to start thinking about is that if we do a two-year award, we're going to need to budget for two years' of paying for the Summer Jobs program, assuming that we're going to continue supporting this program. So, it would be a multi-year question.

Mr. Wachter: In the award resolution and grant contract that would go with respect to this, I would like to have the opportunity to include what I would call a non-appropriation clause that is going to state that we are committing to the grant funds only to the extent that they are made available to us, because we don't know what the legislative fix is going to be.

Mr. Sample: And are we going to earmark funds that we already have or plan on the next year's funding?

Mr. Wood: When we've done multi-year contracts, we have earmarked funds that we already have, and then we put them in a committed fund. That's what we've done before.

Mr. Wachter: If you do that you don't need to do a non-appropriation clause. If we are thinking about committing future dollars, that non-appropriation clause should be considered.

Mr. Sample: Especially if they are large dollars.

Mr. Barney: I was concerned about that same thing. This year I know we're taken care of. But next year, who knows? If we commit two years to them and we only have the one year before they try and yank everything, then that's a problem.

Mr. Yapple: Let's say the question also comes up, you're going to put yourself out two years, and rightfully so, and I stand behind it, but we can only back it for one year, technically. Would you be out on the edge too?

Mr. Lee: Tim, you brought up a very good point, and I will discuss this with our solicitor. I don't see a problem with putting that clause in there. Let's face it, we don't know what's going to transpire on May 26 and thereafter, so I don't see a problem. And we can articulate that with GECAC, and I believe they will understand as well.

Mr. Peters: Anybody doing business knows that there is always a funding-out clause. If there's no funding, we're not going to do it. But I agree with Gary's approach that trying to get a committee together every year is a waste of time. I'm definitely in support of it, and looking at a funding-out clause in your contract with GECAC solves all of the problems.

Mr. Sample: Doing a two-year contract frees up time for GECAC to be working more on the program instead of putting an RFP together. I think it's a wise decision.

Mr. Wood: As Mr. Lee mentioned, we're going to be having a meeting with them in a few weeks to talk about process improvement and make some observations about the program. That dialogue does continue.

### REPORT OF THE EXECUTIVE DIRECTOR

Mr. Wood: First up is gaming revenue. The fourth quarter gaming revenue funds for 2016 have arrived. Confirmation was sent to the ECGRA office on February 6. I placed a revenue dashboard in your packet for review. Overall, funds have decreased by approximately \$80,000 bringing the annual total to about \$5.4 million. So that is what we will have to work with in 2017.

Mr. Peters: Less \$1.36 million which comes off the top.

Mr. Wood: Absolutely. Twenty-five percent comes right off the top, of course, to settle with municipalities.

Gaming Legislation: The commonwealth supreme court has granted the PA Senate an extension to resolve local share gaming. The new deadline is May 26th. In the interim, I've been in contact with Senator Dan Laughlin on ECGRA's policy positions pertaining to fixing the gaming legislation. The letter I sent to the Senator is in your packet. I also have a meeting scheduled tomorrow with Pat Harkins who is the newly appointed chairman, the minority chairman, of the house gaming oversight committee. Representatives Fabrizio and Bizzarro will be in attendance at that meeting. I did email you a copy of the letter that we sent to Senator Laughlin. I think that's a nice summary of where our policy positions are at this point. It's a nice two-point summary.

City Council has decided to weigh into the fray of gaming legislation by sending a letter to the Erie delegation stating their unanimous support for gaming funds to be redirected from the county to the city and the school district. In an effort to better educate City Council on how gaming funds already benefit the region, the City of Erie, in particular, Chairman Sample has sent a letter to City Council, the Erie Times News, and the Erie Reader detailing much of the \$22 million that's already been invested in the city limits. In it, he requested that city council consider joining with ECGRA and the county in fighting for gaming funds for the region instead of fighting over gaming funds.

On a side note, the school district has indicated that they will not be a party to gaming revenue discussions, that they appreciate the funds they've received from us already, and that they are focused on the \$31 million they've requested from the state to keep high schools open as opposed to fighting over a half a million dollars.

Harrisburg Trip: I just returned yesterday from a two-day trip to Harrisburg to the capitol. I was able to get face time with Senator Scarnati, Representative Reed, Senators Laughlin and Scavello as well as several others that had an interest in fixing this issue. Scavello is the new chair of the economic development committee in the senate, which oversees gaming. His constituency also includes the Mount Airy Casino, which, of course, is the one that filed the lawsuit that started this whole situation. I had a couple of meetings with him.

I also met with members of the house gaming oversight committee. Each committee has an executive director that oversees research, hearings, and oversight. The committee director knew all about ECGRA. He knew about Erie County's gaming situation. He also knew about City Council's recent trip into the fray on the discussion. I was able to fill in some of the blanks on how we were created, how we operate, and the impact we're having for Erie County. They conceded that the ECGRA model is unlike any other model in the state. In the coming weeks, I'll be working directly with the committee's director to assist him on planning a public hearing on gaming to be held in Erie

County in late March or early April. So we'll be working with him on making sure communication is out and all the appropriate folks can attend that hearing when it comes to Erie.

Economic Impact Study: I'm sorry we don't have a printed copy for you. I will make sure everybody gets a printed copy in the mail ASAP. I handed out all my copies in Harrisburg. I also apologize that they saw it before you. It was a timing issue.

A draft copy of the economic impact study can be found on your SharePoint. These findings accompanied me to the Harrisburg this week and was distributed to all officials and staffers I met with. The report gives a nice overview of what ECGRA is from an organizational perspective, the overall funds invested, and the number of organizations invested in. Then it quickly moves to a summary of economic results that show the effect on the Commonwealth of Pennsylvania and more narrowly the impact on Erie County's economy. It was designed for those folks in Harrisburg that are making decisions about our future to see that this affects the entire state, our investments do, but then also for the narrower audience of our constituents here in Erie County – how does it affect you directly?

Overall, ECGRA has invested \$43.8 million in gaming funds. That's through the decision-making process of this board. That investment has yielded \$87.2 in economic impact throughout the state of Pennsylvania. So our \$43.8 has yielded \$87.2 in economic development, which translates to roughly 573 jobs over the last eight years, and \$2.9 million in state and local taxes. That's one of the things I absolutely insisted on – how much tax revenue this has created as well. I think decision makers at both the state and local level need to know as the funds are reinvested, their local governments are benefiting as well.

More narrowly focused on Erie County, ECGRA's investments have yielded \$69.7 million in economic impact, 458 jobs, and \$1.2 million in state and local taxes.

The impact is quantified through three categories:

- A) Direct Impact - that's operations costs, spending, construction, payroll
- B) Indirect Impact - that's the effect on the supply chain, spinoff, and other business created because of the direct impact
- C) Induced Impact - this is the increase of purchasing power that results because of the direct and indirect impacts.

So all three combined are what creates the impact, the jobs, and the tax revenue.

There are some interesting stats that came out of the study:

- For every \$1 ECGRA puts into small business development, it yields \$6 of additional investment. That 6:1 ration is high for an economic development program. In real numbers, ECGRA has made grants and mission-related investments of about \$4.2 million. So think about all of the stuff we've done with Bridgeway, the Enterprise Development Corporation, inner-city small business development – about \$4.2 million - which has yielded another \$24.2 million in additional investments. So think of it this way. Our \$4 million resulted in other people investing \$24 million.
- Quality of Place initiatives have had a \$31.8 million economic impact yielding over \$1 million in tax revenue. Because of the tourism components to this category, we found it performed quite well in creating a multiplier effect. That was one of the surprises from the study.
- Other highlights: \$7.6 million invested in youth and education, \$23.1 million in municipalities, and \$1.9 million in neighborhoods and communities.
- Erie County, which has invested its full gaming share of \$52 million since 2007 has had an economic impact of \$106 million for commonwealth. Summit Township has had a \$15.6 million impact.

We're slightly better as far as our investment ratio. I expected us to be less on our ratio. However, cumulatively this makes for a great story for legislators in Harrisburg.

I think it's important to note that this study was done solely with an economic lens. Legal aspects, sociological, cultural, and geographical aspects were not considered in crunching the numbers. This study was not done with an eye toward equity or social justice. These of course are the limitations of the study. However, its strengths are undeniable. Using a nationally recognized multiplier standard was the most objective way to quantify the impact in the terms of economic development.



And the impact is impressive. This is not to say that those other aspects are not important, but in trying to be as objective as possible, we focused just on the numbers.

Mr. Lee: I think this was a great use of money. I really do. It's very important that we provide data, factual data, so that we can dispel some of the rumors and some of the disconnect that's out there. This has provided an excellent avenue to doing just that. I commend you for taking the initiative to get this done.

Mr. Wood: We're also the only gaming revenue operation in the state of Pennsylvania that's done this on a cumulative basis. A couple of them have done one-off projects here and there, but we're the only ones that have quantified literally the entire public spend.

Mr. Barney: I like the quality. The quality jumps out at you.

Mr. Wood: Good. And just a quick side note. You're looking at draft number 32. This went through extensive scrubbing and actually took up way more time than I thought it would.

Mr. Peters: I think the info graphics make it good. It's going to be extremely hard to get anyone to read it, so the info graphics are important.

Mr. Wood: Yes. That's the idea. The info graphs are supposed to give you a snapshot. What a bureaucrat like me thinks is a good info graph is totally different from what the average decision maker is looking at. So we floated it with several people to see if this made sense to them. And we've made several changes because of that input.

Mr. Wachter: Did the group that you hired to perform the economic impact analysis do the graphic layout of it?

Mr. Wood: They did all the graphic layout.

Shaping Tomorrow: Contracts have now been signed with Empower Erie to conduct a feasibility study for the community college. On February 2, members of the ECGRA board and staff attended a presentation at Erie Insurance on the need and process for establishing an Erie County community college. Dr. Roy Church, past president of Lorain County Community College was the presenter. The feasibility plan is endorsed by four members of county council and the county executive. I use the term "endorse" loosely. At that time, they reiterated their support publicly. Our liaison was one of those councilmen.

The community schools contract was signed. The new superintendent of the city schools reaffirmed his support of the project promising to continue in his predecessor's steps.

The Innovation District steering committee has had several meetings thus far yielding mixed results. It's clear that some members are having trouble wrapping their head around the concept of an innovation district. There's been a strong push to hire an executive director, which fuels my suspicions that it's an attempt to alleviate the project managers, which we initially thought had the capacity to take on such a large undertaking.

Mr. Peters: Can I ask a question on that? The manager being Mercyhurst?

Mr. Wood: Correct.

Mr. Peters: Okay. So there might be a capacity problem at Mercyhurst, so they want to hire a person to do what we thought they would do?

Mr. Wood: So this is not an evaluation. They are just my comments.

Mr. Peters: I understand.

Mr. Wood: My concern is that they are hiring an executive director before they have a strategic plan in place. Typically, that is putting the cart before the horse. The board creates a strategic vision for the organization or the project, then hires staff based upon the need. The staff will need to have certain characteristics and skills based upon the strategic plan.

Mr. Peters: We'll have to closely monitor that.

Mr. Wood: Yes. The project inability to collaborate with the other universities was not a deal breaker, but it signaled an insulated institutional perspective, which is a red flag in undertaking collaborative projects. The literature refers to this as the "permeability" factor. I'll be monitoring that closely. In addition, the Innovation District has expressed a desire to hire the Brookings Institution to coach them on implementation. That's a positive. However, so far they haven't been able to work out that relationship with the Jefferson Educational Society and solidify the agreement. Another red flag.

I'm not sure why. Once again, it's not an evaluation. Those are just my comments about where we are as far as the status of the project.

Mr. Peters: And the West Bayfront?

Mr. Wood: That is the fourth project and we're not quite there yet.

Great Inc.: Last month we saw a presentation from Great Inc., a nonprofit created to purchase, recast, and operate the Family First Sports Park. The presentation was given by members of the Great board of directors and supporters of the project. The ECGRA board participated in active dialogue with the Great board spurring many questions and comments. The ECGRA staff has done two things in the wake of that meeting.

First, we obtained a copy of the RACP grant submitted to the state, which awarded the project \$3 million in funding. We analyzed that application, the packet provided during the presentation, and the comments given during the presentation, creating a SWOT analysis. So we want to understand what are the strengths and weaknesses, the opportunities and threats of this particular project are.

Second, we drew upon that analysis to create a 10-point questionnaire, which was sent to Mr. Catalde on February 1. The questionnaire is due back February 15. A copy is in the executive director's report. If you have any feedback or questions about that, please let me know. I think getting some of these answers in writing is probably the most objective way to handle this moving forward.

Mr. Peters: How did the management company do on getting back to you on how many of their parks are subsidized, and all that kind of thing?

Mr. Wood: We did a preliminary phone call with Rink Management to let them know who we are, why we're doing research on this project, and to gain some initial insight as to how they work with the Great Inc. board. But I think further research needs to take place. I think they might have been caught a little off guard with our phone call, so we're going to get back to them.

Mr. Peters: We're they able to forward to you their feasibility study that they did on this project?

Mr. Wachter: It's in the letter.

Mr. Wood: We're asking that the Great board of directors provide us with that feasibility study.

Mr. Barney: They mentioned they could have had Rink Management here, so they displayed a willingness for them to explain things to us, and I was wondering if they had gotten back to you on that.

Mr. Wood: We will keep that process going.

Mr. Peters: I haven't had a chance to read this letter, and I apologize for my lack of preparedness. It's fascinating to me that they were able to get RCAP funding without having done any sort of feasibility study. That's amazing. Three million bucks. To me, it's a lot of money.

Mr. Wood: I think it's insight into how the RCAP process works.

Mr. Peters: It's basically the new WAM, no?

Mr. Wachter: It was around while WAMs were around. It's an enhanced WAM.

Mr. Sample: It's specifically noted that Erie County gaming funds cannot be used as a match for RCAP. If they are coming to us for money, they can't use that as a match, so they've still got to go to a bank and get their money.

Mr. Wood: That's a great point. There was some implied pressure that they needed an answer by March, because that's when they need to have 50% of their match solidified. We obviously can't be the match. That's more time for us to review the project and do our proper due diligence.

Mr. Peters: Thanks for your diligence on that.

Mr. Wood: And finally, the special events grant was due yesterday. We received a record number of requests for funding this year. Staff is currently reviewing the legal documentation for each applicant as well as their application content and past record with ECGRA. You are able to view each application online.

## SOLICITOR'S REPORT

Mr. Wachter: I found it interesting in the executive director's report that the Progress Fund had submitted a copy of their biannual reports to the Gaming Authority. If you remember back in November 2015, we approved an MRI to the Progress Fund in the amount of \$1 million. If you remember, the Progress Fund is the CDFI that was going to focus on retail, tourism, and economic development in more of the rural areas of the county. They've never taken the money. We've closed. I have a note signed by them for \$1 million, and they've never taken the money.

Mr. Sample: I know people who've tried to contact them and not had a lot of success.

Mr. Wachter: I'm extremely interested and think that as an Authority and as a committee, we should really look at this, because they are proceeding in a much difference manner than we are, and I guess they just don't want the cash. They're claiming that they've already made \$900,000 work of loans in Erie County using their own funds, but they're anticipating that they're going to be Gaming Authority funds. So they want to apply Gaming Authority funds to loans that they made using their own money. I'm not quite sure how this is working.

Mr. Wood: Let's think of it this way. They are approaching having made \$1 million of investments in Erie County. That's fantastic; a phenomenal number. That's money from the outside; a wonderful success story. Typically, how it's worked is that the group draws down the full amount from us, and they begin paying us a quarterly agreement-rate payment. In the case of Progress Fund, they decided that maybe it would be better if we viewed the ECGRA funds more as a line of credit, and we said, no, this is not how we do business. We need you to draw down. So they said we're going to hold off on drawing down on our funds with you.

Mr. Peters: Were they thinking that they were going to spend their match and then draw down the funds?

Mr. Wachter: This is to Tim's point. It's not clear what they think, because they're not timely in clarifying their position or returning phone calls. And that includes their lawyer.

Mr. Peters: Is Dave Kahley still there?

Mr. Wood: He is.

Mr. Wachter: So I suggest that we need to think of an approach - we need to send them a letter. I believe that we have emails with them, or maybe just you and I discussed it - they should not be able to apply loans to their obligations. In their agreement they have an obligation to give out a certain number of loans within Erie County with our funds. We did not think it was appropriate for them to apply loans that were in the works before they even closed on the cash. They were going to do those anyway. These funds were to spur additional investments within the county. We need to come to a policy position here as to what it is that we're going to do with these folks.

Mr. Wood: And I think we should remain open to some level of flexibility here.

Mr. Wachter: Clearly.

Mr. Wood: This letter just came in January 26.

Mr. Peters: I remember sitting in the Eagle Hotel when Dave Kahley came and presented, and I don't remember which of asked specifically, can you handle the requisite paperwork of taking funds from us in Erie County and having a requirement to invest those in Erie County, because that's always been a concern of ours when we do this kind of thing. And, certainly, Ben Franklin has been able to do it. And they said, yes, of course we can handle it, because we receive funding from all kinds of different sources, and there are restrictions on each of those different sources. I just wonder if they weren't prepared?

Mr. Wachter: My impression of them is that they have a large enough organization and back office to be able to do this. Based on our conversations with them, it became clear to me, anyway, and, Perry, let me know if you agree or not, but this million bucks is just a paltry amount of money to them. They made it clear that they're a really big deal and this million dollars is not a lot of cash.

Mr. Peters: Maybe we should give them the opportunity to opt out and employ the million to someone it is a bigger deal to. I am certainly in favor of you sending an aggressive letter saying that we have to get on the same page or else this isn't going to work. However, you need to word that.

Mr. Wachter: I would suggest that letter be sent from staff, though, and not be in a threatening tone from the lawyer.

Mr. Sample: Quite possibly if they had the million they don't want to pay interest on it, so they're going to spend down theirs and give that to collateralize loans. But that's not the agreement.

Mr. Wood: I guess the real question is if we agreed upon this in November 2015, would anything they've spent between then and now count as match, because we technically approved the funds?

Mr. Sample: Anything prior to that, I would say no.

Mr. Wachter: We approved the loan, but we didn't close until August or September. It took almost a year to close on the loan.

Mr. Peters: I'm not sure if it's a policy thing, or if it's an agreement thing. If the agreement says you draw down the day we close, and they didn't...

Mr. Wachter: The agreement didn't say that. It was inferred in the note that interest was going to start accumulating.

Mr. Domino: So who's paying the interest?

Mr. Wachter: We didn't give them the money.

Mr. Peters: I suppose we could send them their bill for interest.

Mr. Yaple: They are still using it in a sense as collateral to our way of thinking. Maybe send them a bill.

Mr. Peters: I don't care if they draw it down if they are living up to the terms of making investments, creating match, and paying us our interest on money that's sitting in our account.

Mr. Sample: The only thing that bothers me is I know the people that have tried to contact them about loans, and they haven't even gotten back to them about the process involved to even qualify the project.

Mr. Wood: That's new information. I didn't know that. We'll take that into consideration.

Mr. Wachter: Maybe it warrants further conversation at a committee level where we can get more into the weeds, view the documents, and be prepared to have that conversation. I was shocked to see their biannual performance report.

Mr. Wood: I was shocked to see it too without having taken any of our money.

Mr. Lee: It seems like they want to be able to use the money the way they want to and not, necessarily, within our guidelines or policies on how we release the money. I think a conversation definitely should be had. From my perspective, from what I'm hearing now, there are some red flags popping up, and I think one of the things the board should consider is do we want to do business or invest with an organization like this? It's been over a year now, or going on two years. If it's not such a big deal to them, because they're so massive, then we could invest it with an entity that would really value what we're attempting to do.

Mr. Wachter: And I'll just add this. There is some legal significance to them submitting this biannual report that if we have an objection and don't object, then they're rewriting the terms of the agreement and we're just accepting them. We need to have a conversation about what our response is going to be and our objection to this.

Mr. Peters: I would suggest a phone call go to Dave Kahley, and we say, Dave, look. You've got our board riled up here, and I need to know where your head's at. Let's get this solved, or we're not going to do business. If Dave Kahley isn't returning your calls, and the lawyer's not returning your calls, that's unacceptable. We shouldn't put up with that. Look what we do with the Enterprise Development Fund. They duck us, are rude to us, whatever, and we push. A letter might set on someone's desk. I'd call and say, look, I need a return call. I had a board meeting today...

Mr. Wachter: I do need something in writing, though. We could have an email to him saying, Dave, we received your biannual performance report. We question why you submitted that as you've never drawn down on the funds. I'll be calling you, and my board has directed me to have a conversation to make sure we have a meeting of the minds. At least that way we get an objection on the record, and then we can follow up with a phone call.

Mr. Peters: If you want it to be a formal letter, that's fine too.

Mr. Wachter: I don't need it to be a formal letter, but I need something in writing registering objection that I can point to in the future in the event of a problem.

Mr. Yapple: You're right. They're setting new ground rules, and we can't let that go by. You've got to do it.

Mr. Barney: To say nothing is acceptance.

Mr. Peters: And I think it's so important that we always be consistent. When the Enterprise Development Fund doesn't live up to what we expect, we make them well aware of it. We audit them. So, we need an even keel to our approach.

I know this is Tim's report, but is there any news on the audit of the Enterprise Development Fund?

Mr. Wood: No. There's no news on the audit.

Mr. Peters: Are they cooperating?

Mr. Wood: There's no news on the audit.

Mr. Peters: Well I know where we won't be putting that million dollars if the Progress Fund gives it back.

Mr. Wachter: They don't have to give it back. We haven't given it to them. I have nothing further.

### OLD BUSINESS

Mr. Barney: We were going to look into and identify an agency that was going to audit our finances but they needed a special government certification. Have we moved forward on that?

Mr. Wood: We've identified a firm, but we have not scheduled a meeting with them yet. That actually brings up a great point, Mr. Barney, which is that March is the final month of our fiscal year, and so that is the appropriate time for a couple of things: 1. For us to bring back the name of our auditor that's been selection, and 2. To bring you back a copy of the budget for the next fiscal year for discussion purposes, because April would be the meeting in which we have discussion about the budget and then pass it. I'm not anticipating any kind of major shifts in that budget. It will probably be a status quo budget, but, of course, if you have questions, we should discuss them at that time.

Mr. Barney: The company that you were speaking about, you said there are none local.

Mr. Peters: No, there is one local – McGill, Power, Bell & Associates. We'd originally talked to Schaffner, but they don't have that certification.

Mr. Barney: I thought we were going to end up going to Pittsburgh, but I prefer local.

Mr. Wood: We had discussed it, but it's not necessary.

### NEW BUSINESS

No new business.

### ADJOURNMENT

Mr. Yapple moves to adjourn.

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**THE SCHOOL DISTRICT ENDOWMENT CHALLENGE PRESS CONFERENCE**  
Commenced following the conclusion of the board meeting.

**Erie County Gaming Revenue Authority**  
**Profit & Loss**  
February 2017

	<u>February</u>	<u>YTD</u>	<u>Budget YTD</u>	<u>2016-17 Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
44800 · Gaming Revenue	4,332,642.04	5,412,123.33		
46400 · Other Types of Income				
46410 · Interest Income - Savings	3,775.90	39,180.83		
46420 · Interest Income - EDF #1		15,238.66		
46421 · Interest Income - EDF #2		24,381.86		
46422 · Interest Income - BWC		29,583.34		
46423 · Interest Income - CIBA		186.50		
46429 · Endowment Income - Lead Assets		772,069.00		
<b>Total Income</b>	<u>4,336,417.94</u>	<u>6,292,763.52</u>		
<b>Expense</b>				
62100 · Contracted Services	4,071.70	69,238.70	79,841.67	87,100.00
62800 · Facilities & Equipment	1,386.89	22,483.11	29,700.00	32,400.00
65000 · Office Administration	1,283.63	35,363.02	39,233.33	42,800.00
65100 · Other Types of Expenses	7,250.17	146,508.60	242,000.00	264,000.00
66000 · Payroll Expenses	15,337.53	189,161.81	192,500.00	210,000.00
<b>Total Expense</b>	<u>29,329.92</u>	<u>462,755.24</u>	<u>583,275.00</u>	<u>636,300.00</u>
<b>Net Ordinary Income</b>	4,307,088.02	5,830,008.28		
<b>Other Income/Expense</b>				
70000 · Grants / Settlements				
70020 · Lead Assets Endowment		1,000,000.00		
70030 · Community Assets		151,640.00		
70040 · Lead Assets		1,293,626.00		
70050 · Municipal Settlements	1,083,160.53	1,353,030.88		
70060 · Human Services	8,000.00	149,761.00		
70070 · Special Events		167,108.00		
70090 · Multi-Municipal Collaboration		166,100.00		
70100 · Mission Main Street		45,000.00		
70120 · Summer Jobs Program		138,526.14		
70130 · Small Business Financing		500,000.00		
70150 · Shaping Tomorrow	150,700.00	219,450.00		
70160 · The Challenge		115,143.39		
<b>Total 70000 · Grants / Settlements</b>	<u>1,241,860.53</u>	<u>5,299,385.41</u>		
<b>Net Other Income</b>	(1,241,860.53)	(5,299,385.41)		
<b>Net Income</b>	<u><u>3,065,227.49</u></u>	<u><u>530,622.87</u></u>		





**Erie County Gaming Revenue Authority**  
**Balance Sheet**  
As of February 28, 2017

	<b>February</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
10000 · ErieBank - Checking	26,626.21
10100 · ErieBank - Savings	
10100 · Uncommitted Funds	8,481,131.73
10101 · Committed Funds	5,113,883.00
10102 · Restricted Funds	0.00
<b>Total 10100 · ErieBank - Savings</b>	<b>13,595,014.73</b>
<b>Total Checking/Savings</b>	<b>13,621,640.94</b>
<b>Other Current Assets</b>	
12000 · Notes Receivable	
12001 · Note Receivable - EDF #1	500,000.00
12002 · Note Receivable - EDF #2	800,000.00
12003 · Note Receivable - CIBA	18,846.25
12004 · Note Receivable - BWC	1,000,000.00
<b>Total 12000 · Notes Receivable</b>	<b>2,318,846.25</b>
13000 · Lead Assets Endowment II	2,927,064.18
14500 · Prepaid Insurance	8,808.25
<b>Total Other Current Assets</b>	<b>5,254,718.68</b>
<b>Total Current Assets</b>	<b>18,876,359.62</b>
<b>TOTAL ASSETS</b>	<b>18,876,359.62</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Equity</b>	
30000 · Opening Balance Equity	2,927,064.18
32000 · Unrestricted Net Assets	15,418,672.57
Net Income	530,622.87
<b>Total Equity</b>	<b>18,876,359.62</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>18,876,359.62</b>



**Erie County Gaming Revenue Authority**  
**Statement of Cash Flows**  
February 2017

	<u>February</u>
<b>OPERATING ACTIVITIES</b>	
<b>Net Income</b>	3,065,227.49
<b>Adjustments to reconcile Net Income</b> <b>to net cash provided by operations:</b>	
<b>14500 · Prepaid Insurance</b>	800.75
<b>Net cash provided by Operating Activities</b>	<u>3,066,028.24</u>
<b>Net cash increase for period</b>	3,066,028.24
<b>Cash at beginning of period</b>	10,555,612.70
<b>Cash at end of period</b>	<u><u>13,621,640.94</u></u>



**Erie County Gaming Revenue Authority**  
**Budget vs. Actual**  
**February 2017**

Expense	February	YTD	Budget	Over/(Under) Budget	% of Budget
<b>62100 · Contracted Services</b>					
62110 · Accounting Fees	0.00	5,400.00	6,000.00	(600.00)	90.00%
62130 · Professional Services	3,952.80	36,304.20	45,000.00	(8,695.80)	80.68%
62140 · Legal Services	0.00	24,612.10	30,000.00	(5,387.90)	82.04%
62145 · Website Design	0.00	1,920.00	5,000.00	(3,080.00)	38.40%
62150 · Payroll Services	118.90	1,002.40	1,100.00	(97.60)	91.13%
<b>Total 62100 · Contracted Services</b>	<b>4,071.70</b>	<b>69,238.70</b>	<b>87,100.00</b>	<b>(17,861.30)</b>	<b>79.49%</b>
<b>62800 · Facilities &amp; Equipment</b>					
62840 · Office Equipment & Furniture	0.00	5,408.42	10,000.00	(4,591.58)	54.08%
62850 · Janitorial Services	0.00	1,818.90	2,400.00	(581.10)	75.79%
62880 · CAM	0.00	0.00	2,000.00	(2,000.00)	0.00%
62890 · Rent	1,386.89	15,255.79	18,000.00	(2,744.21)	84.75%
<b>Total 62800 · Facilities &amp; Equipment</b>	<b>1,386.89</b>	<b>22,483.11</b>	<b>32,400.00</b>	<b>(9,916.89)</b>	<b>69.39%</b>
<b>65000 · Office Administration</b>					
65010 · Books, Subscriptions, Dues	503.83	4,392.15	7,000.00	(2,607.85)	62.75%
65020 · Postage	65.99	575.89	500.00	75.89	115.18%
65030 · Printing	0.00	109.72	2,500.00	(2,390.28)	4.39%
65040 · Office Supplies	103.75	4,918.71	3,500.00	1,418.71	140.53%
65050 · Cell Phone	46.32	1,541.27	2,200.00	(658.73)	70.06%
65060 · Copier Lease	182.00	1,820.00	2,300.00	(480.00)	79.13%
65070 · Copier Printing Costs	150.00	4,140.79	3,000.00	1,140.79	138.03%
65080 · Bank Fees	0.00	0.00	50.00	(50.00)	0.00%
65085 · Training & Education	0.00	11,381.00	16,000.00	(4,619.00)	71.13%
65090 · Meeting Expenses	231.74	6,250.89	5,500.00	750.89	113.65%
65095 · Miscellaneous Expense	0.00	232.60	250.00	(17.40)	93.04%
<b>Total 65000 · Office Administration</b>	<b>1,283.63</b>	<b>35,363.02</b>	<b>42,800.00</b>	<b>(7,436.98)</b>	<b>82.62%</b>
<b>65100 · Other Types of Expenses</b>					
65105 · Communications	0.00	14,844.46	15,000.00	(155.54)	98.96%
65110 · Advertising	68.50	5,252.49	15,000.00	(9,747.51)	35.02%
65115 · Data Processing	1,181.67	15,763.22	17,000.00	(1,236.78)	92.72%
65120 · Insurance	800.75	8,700.75	10,000.00	(1,299.25)	87.01%
65150 · Travel	199.25	6,646.08	7,000.00	(353.92)	94.94%
65160 · Special Projects	5,000.00	95,301.60	200,000.00	(104,698.40)	47.65%
<b>Total 65100 · Other Types of Expenses</b>	<b>7,250.17</b>	<b>146,508.60</b>	<b>264,000.00</b>	<b>(117,491.40)</b>	<b>55.50%</b>
<b>66000 · Payroll Expenses</b>					
66005 · Salaries & Wages	13,389.71	170,110.64	188,100.00	(17,989.36)	90.44%
66010 · FITW Tax	1,007.40	12,996.61	14,500.00	(1,503.39)	89.63%
66015 · FUTA Tax	38.00	118.00	200.00	(82.00)	59.00%
66020 · PASUI Tax	340.46	1,260.20	2,200.00	(939.80)	57.28%
66500 · Retirement	561.96	4,676.36	5,000.00	(323.64)	93.53%
<b>Total 66000 · Payroll Expenses</b>	<b>15,337.53</b>	<b>189,161.81</b>	<b>210,000.00</b>	<b>(20,838.19)</b>	<b>90.08%</b>
<b>Total Expense</b>	<b>29,329.92</b>	<b>462,755.24</b>	<b>636,300.00</b>	<b>(173,544.76)</b>	<b>72.73%</b>



**Erie County Gaming Revenue Authority**  
**Schedule of Grant Reserve**  
As of February 28, 2017

	<u>February</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
<b>Uncommitted Funds</b>	8,481,131.73		
<b>Committed Funds</b>	5,113,883.00		
<b>2016 Restricted Funds:</b>			
First Quarter Gaming Revenue (less 25%)		0.00	
Second Quarter Gaming Revenue (less 25%)		0.00	
Third Quarter Gaming Revenue (less 25%)		0.00	
Fourth Quarter Gaming Revenue (less 25%)		<u>0.00</u>	<b>0.00</b>
<b>Disbursements:</b>			
First Quarter Disbursements		2,096,730.98	
Second Quarter Disbursements		468,189.91	
Third Quarter Disbursements		1,468,957.80	
Fourth Quarter Disbursements	1,241,860.53	<u>1,265,506.72</u>	<b>5,299,385.41</b>

**Disbursements Detail**

**Quality of Place**

**Community Assets**

Albion Area Fair	8,160.00	
Asbury Woods Partnership, Inc.	8,352.00	
Common Ground Youth Center, Inc.	9,120.00	
Downtown Edinboro Art & Music Festival	8,736.00	
Edinboro Highland Games	8,928.00	
Erie PAL	9,173.00	
Gannon University	8,352.00	
Humane Society of NWPA	2,432.00	
Lake Erie Fanfare, Inc.	8,640.00	
Lawrence Park Historical Society	7,280.00	
LeBoeuf Little League	8,928.00	
Living in Fulfilled Excellence	5,248.00	
McDowell Band Aides	4,560.00	
McLane Little League	3,511.00	
North East Little League	5,100.00	
Presque Isle Partnership	8,448.00	
Robbins Blass Neighborhood Network	3,160.00	
Urban Erie Community Development Corporation	8,648.00	
Veterans Miracle Center Erie	8,448.00	
Waterford Community Fair Association	8,352.00	
Young Artists Debut Orchestra	<u>8,064.00</u>	<b>151,640.00</b>

**Human Services**

Bethany Outreach Center	14,000.00
Children's Miracle Network	10,937.00
Emma's Footprints	5,000.00
Erie School District	15,000.00
Gaudenzia Erie, Inc.	19,000.00

**Erie County Gaming Revenue Authority**  
**Schedule of Grant Reserve**  
**As of February 28, 2017**  
**(continued)**

	<u>February</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Hamot Health Foundation		15,000.00	
Healthcare Ventures Alliance	8,000.00	8,000.00	
John F. Kennedy Center		8,977.00	
Lake Erie College of Osteopathic Medicine		10,000.00	
Medical Associates of Erie		5,000.00	
Sarah Reed Senior Living		7,313.00	
Sisters of St. Joseph Neighborhood Network		8,719.00	
Mercy Hilltop Center		2,315.00	
Booker T. Washington Center		9,000.00	
Parade Street Community Center		2,500.00	
Youth Leadership Institute of Erie		9,000.00	
		<u>9,000.00</u>	<b>149,761.00</b>
<b>Lead Assets</b>			
Erie Art Museum		170,758.00	
Erie Arts & Culture		121,243.00	
Erie County Historical Society		69,035.00	
Erie Philharmonic		152,651.00	
Erie Playhouse		150,226.00	
Erie Zoological Society		376,387.00	
expERIEnce Children's Museum		47,480.00	
Flagship Niagara League		112,444.00	
Mercyhurst Institute for Arts & Culture		93,402.00	
		<u>93,402.00</u>	<b>1,293,626.00</b>
<b>Lead Assets Endowment</b>		<u>1,000,000.00</u>	<b>1,000,000.00</b>
<b>Special Events</b>			
Albion Area Fair, Inc.		13,500.00	
Asbury Woods Partnership, Inc.		2,340.00	
Borough of Wesleyville		448.00	
CAFE		15,750.00	
Dr. Gertrude A. Barber Foundation		12,137.00	
Downtown Edinboro Art & Music Festival		1,845.00	
Edinboro Highland Games		2,520.00	
Edinboro University Foundation		2,250.00	
Erie Contemporary Ballet Theatre		5,153.00	
Erie Downtown Partnership		1,647.00	
Erie Homes for Children and Adults, Inc		1,800.00	
Erie Regional Chamber & Growth Partner.		2,475.00	
Erie-Western PA Port Authority		4,443.00	
Gaudenzia Erie		2,802.00	
Goodell Gardens & Homestead		524.00	
Harborcreek Township		1,828.00	
Holy Trinity Roman Catholic Church		5,760.00	
Impact Cory		1,249.00	
Jefferson Educational Society of Erie		13,844.00	
Lake Erie Arboretum at Frontier		1,644.00	
Lake Erie Ballet		5,549.00	
Lake Erie Fanfare, Inc.		4,073.00	



**Erie County Gaming Revenue Authority**  
**Schedule of Grant Reserve**  
**As of February 28, 2017**  
**(continued)**

	<u>February</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
Lawrence Park Township		675.00	
McKean Community Development Group		450.00	
Mercy Center for Women		2,345.00	
The Nonprofit Partnership		2,557.00	
Presque Isle Partnership		5,069.00	
Roar on the Shore		20,467.00	
SafeNet		5,400.00	
Saint Patrick's Church		3,672.00	
Sisters of St. Joseph Neighborhood Network		2,520.00	
Waterford Community Fair Association		4,675.00	
Wattsburg Agricultural Society		13,881.00	
Young Artists Debut Orchestra		1,816.00	<b>167,108.00</b>
<b><u>Municipalities</u></b>			
<b>Multi-Municipal Collaboration</b>			
Erie Area Council of Governments		37,500.00	
Girard Township		7,500.00	
Jefferson Educational Society		100,000.00	
West Erie County Emergency Management Agency		21,100.00	<b>166,100.00</b>
<b><u>Municipal Settlements</u></b>			
Erie County	119,147.66	148,833.40	
Greene Township	119,147.66	148,833.40	
McKean Township	119,147.66	148,833.40	
Millcreek Township	119,147.66	148,833.40	
Summit Township	487,422.23	608,863.88	
Waterford Township	119,147.66	148,833.40	<b>1,353,030.88</b>
<b><u>Neighborhoods &amp; Communities</u></b>			
<b>Impact Corry</b>			
<b>Mission Main Street</b>			
Downtown North East, Inc.		15,000.00	
Erie Downtown Partnership		15,000.00	
Impact Corry		15,000.00	<b>45,000.00</b>
<b><u>Small Business Financing</u></b>			
<b>Industry+University</b>			
<b>Inner-city Small Business</b>			
<b>Small Business Financing</b>			
Ben Franklin Technology Partners CNP - Erie Innovation Fund		500,000.00	<b>500,000.00</b>
<b><u>Youth &amp; Education</u></b>			
<b>The School District Challenge</b>			
Millcreek Education Foundation		22,978.05	
General McLane Foundation		10,960.00	
Corry Area School District Foundation		10,000.00	
The Partnership for Erie's Public Schools		60,000.00	
Union City Area School District Foundation		3,945.34	
Northwestern Community Educational Foundation		7,260.00	<b>115,143.39</b>

**Erie County Gaming Revenue Authority**  
**Schedule of Grant Reserve**  
**As of February 28, 2017**  
**(continued)**

	<u>February</u>	<u>YTD</u>	<u>Totals/Subtotals</u>
<b>Shaping Tomorrow</b>			
All About Character, Inc.		37,500.00	
Empower Erie	15,000.00	15,000.00	
Erie Public Schools	75,000.00	75,000.00	
Gannon University - Go College	35,700.00	66,950.00	
Mercyhurst University - Innovation District	25,000.00	<u>25,000.00</u>	<b>219,450.00</b>
<b>Summer Jobs</b>			
GECAC		150,000.00	
Refund of unspent funds		(11,473.86)	<b>138,526.14</b>
<b>Total Funds Disbursements</b>	<u>1,241,860.53</u>	<u>5,299,385.41</u>	<u><b>5,299,385.41</b></u>
<b>Committed Funds:</b>			
Enterprise Development Fund		500,000.00	
Shaping Tomorrow			
Empower Erie	(15,000.00)	385,000.00	
Erie's Public Schools - Tech After Hours//Community Schools	(75,000.00)	208,333.00	
Gannon University - Go College//East-West Bayfront Plan	(35,700.00)	45,550.00	
Primary Health Network		100,000.00	
Mercyhurst University - Innovation District	(25,000.00)	375,000.00	
Penn State, The Behrend College		500,000.00	
PennVenture Partners		2,000,000.00	
Progress Fund, The (voided check)		<u>1,000,000.00</u>	
<b>Total Committed Funds</b>	<u>(150,700.00)</u>	<u><b>5,113,883.00</b></u>	

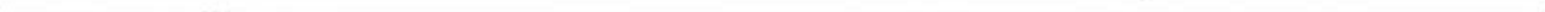
**Erie County Gaming Revenue Authority**  
**Check Detail Report**  
**February 2017**

<u>Date</u>	<u>#</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
02/07/2017	2023	Diane Kuvshnikov	January Travel & Cell Phone Reimbursements	-63.00
02/07/2017	2024	Empower Erie, LLC	2016 Shaping Tomorrow Grant	-15,000.00
02/07/2017	2025	Erie County	2016 4th Quarter Settlement	-119,147.66
02/07/2017	2034	Erie Public Schools	2016 Shaping Tomorrow Grant	-75,000.00
02/07/2017	2035	Gannon University	2016 Shaping Tomorrow Grant	-35,700.00
02/07/2017	2036	GreatAmerica Financial Services	January Copier Fees	-332.00
02/07/2017	2037	Greene Township	2016 4th Quarter Settlement	-119,147.66
02/07/2017	2038	Healthcare Ventures Alliance	2017 Human Services Grant	-8,000.00
02/07/2017	2039	McKean Township	2016 4th Quarter Settlement	-119,147.66
02/07/2017	2040	Mercyhurst University	2016 Shaping Tomorrow Grant	-25,000.00
02/07/2017	2041	Millcreek Township	2016 4th Quarter Settlement	-119,147.66
02/07/2017	2042	Summit Township	2016 4th Quarter Settlement	-487,422.23
02/07/2017	2043	Velocity Network, Inc.	March Internet & IT / February Phones	-809.76
02/07/2017	2044	Waterford Township	2016 4th Quarter Settlement	-119,147.66
02/07/2017	EFT	Fidelity Investments	2/18/17-3/3/17 Payroll Retirement	-408.47
02/08/2017	2045	Amanda Burlingham	January Billing	-3,952.80
02/10/2017	EFT	ECCA, Inc.	1/21/17-2/3/17 Payroll	-6,748.68
02/14/2017	EFT	Fidelity Investments	1/21/17-2/3/17 Payroll Retirement	-408.47
02/22/2017	2046	City of Erie Parking	Parking	-10.00
02/22/2017	2047	Penn State University	March Rent	-1,386.89
02/22/2017	2048	Ridge Policy Group	February Government Relations	-5,000.00
02/22/2017	2049	Times Publishing Company	Legal Notice	-68.50
02/23/2017	EFT	Fidelity Investments	2/4/17-2/17/17 Payroll Retirement	-408.47
02/24/2017	EFT	ECCA, Inc.	2/4/17-2/17/17 Payroll	-7,482.34
02/28/2017	EFT	VISA	2/3/17 Statement - Diane	-1,025.83
02/28/2017	EFT	VISA	2/3/17 Statement - Perry	-435.04
<b>TOTALS</b>				<b>-1,270,400.78</b>



**Erie County Gaming Revenue Authority  
Draft Budget  
2017-18**

<b>Expense</b>	<b>2016-17 Budget</b>	<b>2017-18 Draft Budget</b>
<b>62100 · Contracted Services</b>		
62110 · Accounting Fees	6,000.00	6,000.00
62130 · Professional Services	45,000.00	45,000.00
62140 · Legal Services	30,000.00	30,000.00
62145 · Website Design	5,000.00	3,000.00
62150 · Payroll Services	1,100.00	1,100.00
<b>Total 62100 · Contracted Services</b>	<b>87,100.00</b>	<b>85,100.00</b>
<b>62800 · Facilities &amp; Equipment</b>		
62840 · Office Equipment & Furniture	10,000.00	7,000.00
62850 · Janitorial Services	2,400.00	2,400.00
62880 · CAM	2,000.00	1,750.00
62890 · Rent	18,000.00	18,000.00
<b>Total 62800 · Facilities &amp; Equipment</b>	<b>32,400.00</b>	<b>29,150.00</b>
<b>65000 · Office Administration</b>		
65010 · Books, Subscriptions, Dues	7,000.00	7,000.00
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65040 · Office Supplies	3,500.00	5,000.00
65050 · Cell Phone	2,200.00	2,200.00
65060 · Copier Lease	2,300.00	2,300.00
65070 · Copier Printing Costs	3,000.00	4,500.00
65080 · Bank Fees	50.00	50.00
65085 · Training & Education	16,000.00	16,000.00
65090 · Meeting Expenses	5,500.00	6,000.00
65095 · Miscellaneous Expense	250.00	250.00
<b>Total 65000 · Office Administration</b>	<b>42,800.00</b>	<b>46,400.00</b>
<b>65100 · Other Types of Expenses</b>		
65105 · Communications	15,000.00	17,000.00
65110 · Advertising	15,000.00	15,000.00
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66005 · Salaries & Wages	188,100.00	188,100.00
66010 · FITW Tax	14,500.00	14,500.00
66015 · FUTA Tax	200.00	200.00
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66500 · Retirement	5,000.00	5,650.00
<b>Total 66000 · Payroll Expenses</b>	<b>210,000.00</b>	<b>210,650.00</b>
<b>Total Expense</b>	<b>636,300.00</b>	<b>636,300.00</b>





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

**EXECUTIVE  
DIRECTOR'S  
REPORT**

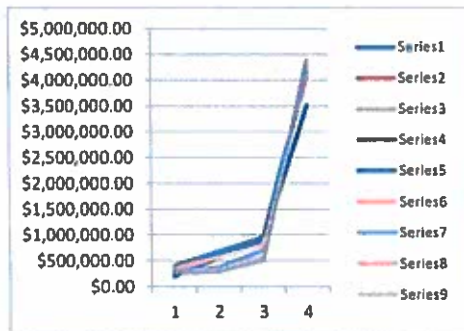
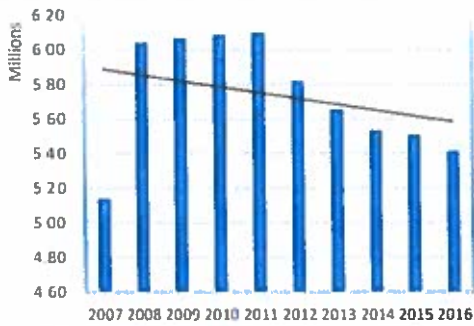
**FOR**

**MARCH 2017**

**Revenue Dashboard  
by Quarter  
2007 - 2016 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	898,525.89	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	4,332,642.05	5,412,123.33
	<b>3,247,039.63</b>	<b>5,092,631.41</b>	<b>7,703,045.88</b>	<b>41,322,677.94</b>	<b>57,365,394.86</b>







## MEETING OF THE STRATEGIC PLANNING COMMITTEE

5240 Knowledge Parkway, Erie, PA 16510

March 6, 2017

11:30 a.m. – 1:00 p.m.

### AGENDA

1. 2017-18 Budget
2. Officers
3. Summer Jobs
4. MRIs
5. Family First (GREATT)
6. Human Services Grants
7. Adjournment

Attendance: Mr. Sample, Mr. Yapple, Mr. Bagnoni, Mr. Barney, Mr. Paris,  
Councilman Breneman

#### Notes:

- The committee reviewed the 2017-2018 operations budget and asked questions. It will be discussed at the March board meeting.
- The committee discussed nominating a slate of officers for the April Board meeting.
- Summer Jobs – In April, the board will entertain a resolution to expend 150,000 a year for two years on the Erie County Summer

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Jobs and More Program. Dan Mather's observations about kids not participating because it knocks their parents off welfare was discussed as a problem with state law. The Summer Jobs RFP was awarded to GECAC for a two-year period.

- MRIs – the committee will entertain opening up MRIs in the near future, probably when gaming legislation is resolved.
- GREATT Project – The committee reviewed the cash position of ECGRA, discussed the unresolved gaming legislation, how GREATT would apply to ECGRA if possible, and the merits of the project.
- Human Services – the committee reviewed the human services grant recommendations and agreed to present them in a formal resolution at the March board meeting.
- Special Events – the committee reviewed the special events grant recommendations and agreed to present them in a formal resolution at the March board meeting.

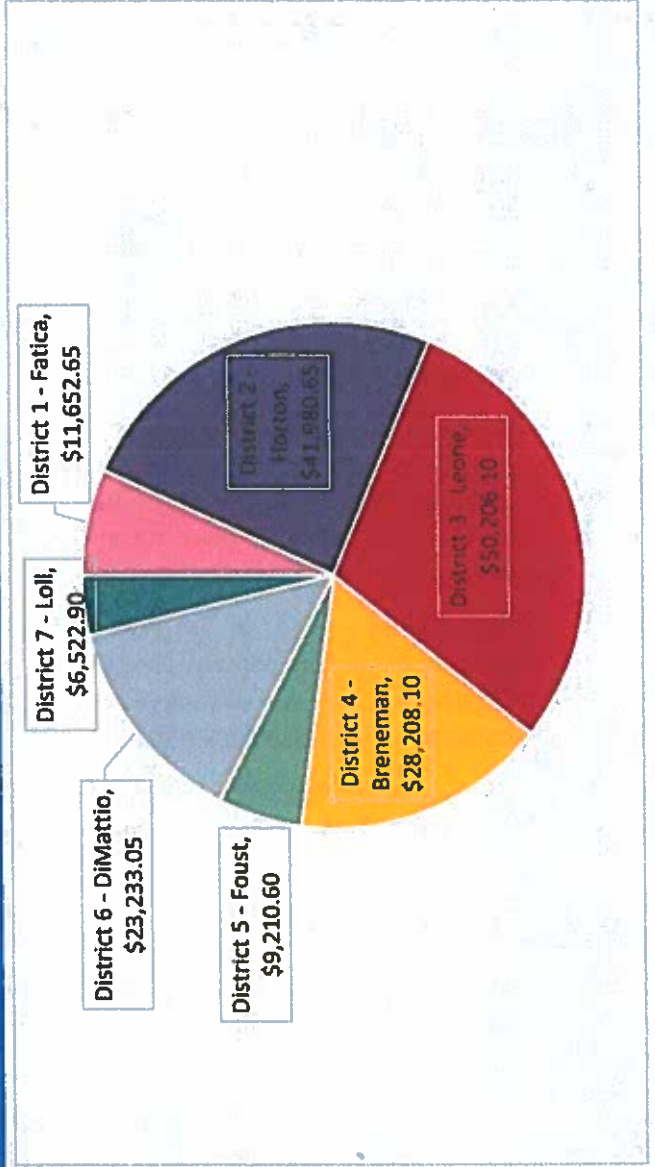
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Draft Budget  
2017-18**

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<b>Total Expense</b>	<b>636,300.00</b>	<b>636,300.00</b>

# 2017 Special Events Grants Applicants

Organization	Events	District	Grant Award
Albion Area Fair	Albion Area Fair	District #7	\$5,959.35
Asbury Woods Partnership, Inc	Maple Festival, Wine and Dine in the Woods, Ridge Run, Honey Harvest, Scary Creature Feature, School House Craft Festival and Winter Wonderland	District #1	\$2,696.20
Borough of Union City	French Creek Festival	District #6	\$536.35
Borough of Wesleyville	Wesleyville Community Day	District #5	\$487.90
CAFE	Celebrate Erie 2017	District #3	\$14,875.00
Crime Victim Center of Erie County, Inc.	Moonlight on the Bay	District #3	\$1,804.55
Downtown North East, Inc.	North East Area Chamber of Commerce Events	District #5	\$3,697.50
Dr. Gertrude A Barber Foundations	Barber Events 2017: 10th Annual Art Show and Sale; 5th Annual Barber Beast on the Bay; 53rd Annual Christmas Ball	District #2	\$13,110.40
Edinboro Arts & Music Fest	The Downtown Edinboro Arts and Music Festival	District #6	\$2,125.00
Edinboro Highland Games	Edinboro Highland Games	District #6	\$2,489.65
EHCA Foundation/Erie Homes for Children and Adults	2017 Special Events of EHCA	District #4	\$2,346.00
Erie Art & Music Festival	Piloting of an Erie Art & Music Festival	District #2	\$4,037.50
Erie Asian Pacific American Association	Asian Festival 2017	District #2	\$765.00
Erie Contemporary Ballet Theatre	Fairy Tale Series	District #7	\$563.55
Erie Downtown Partnership	Block Parties and Downtown d'Lights	District #2	\$1,375.30
Erie Drum Corps Association	American Salute DCA Drum and Bugle Corps Show	District #1	\$871.25
Erie Lions Club Save an Eye Game	78th Annual Save an Eye Game	District #1	\$992.80
Erie Regional Chamber and Growth Partnership	Beer on the Bay, Homecoming/Business Showcase, YEP's Kickball for Kids	District #2	\$4,165.00
Film Society of Northwestern Pennsylvania	FILM at the Erie Art Museum   One Night in Hollywood (Annual Oscar Party)   Erie's Voices / Educational Summer Program   The Greater Erie Film Office Film Maker Networking Group & Seminars   Screenplay & Film Competition	District #3	\$1,397.40
Goodell Gardens & Homestead	Goodell Gardens & Homestead 2017 Signature Community Events Series	District #6	\$908.65
Harborcreek Township	Harborcreek Township Community Concerts, HC Light Up Night and Park It events.	District #5	\$1,909.10
Holy Trinity Roman Catholic Church	24th Annual Zabawa Polish Festival	District #3	\$5,363.50
Jefferson Educational Society	JES Educational Programming	District #4	\$18,494.30
Lake Erie Arboretum at Frontier (LEAF)	LEAF 2017 Events	District #2	\$1,916.75
Lake Erie Ballet	"Matters of the Heart", LEB Spring Performance, and LEB's "The Nutcracker".	District #2	\$4,247.45
Lake Erie Fanfare, Inc.	34th Annual Drum Corps Competition; 21st Annual German Heritage Festival	District #4	\$5,057.50
M Luther King Center	Reflections (2) P It's a Small World	District #2	\$620.50

Mercy Center for Women	Women Making History, Alumnae Dinner, Butterfly Effect, Purse & Peal Luncheon, Miles for Mercy 5k and Wreath Sale	District #4	\$2,310.30
North East Community Fair Association	North East Community Fair	District #5	\$566.10
Presque Isle Partnership	Presque Isle Partnership 2017 Events	District #1	\$7,092.40
Roar on the Shore Inc	Roar on the Shore 11th Annual Bike Week	District #3	\$20,839.45
SafeNet	Scrabble, Beyond Words, Garden Party, Boo Run, 100 women, Big Backyard Parties for Children, Interpersonal Violence Conference	District #2	\$3,202.80
Saint Patrick's Church	Erie Irish Festival	District #2	\$4,307.80
Sisters of St. Joseph Neighborhood Network	Italian Festival	District #3	\$3,791.00
The Nonprofit Partnership	Nonprofit Day 2017	District #2	\$2,454.80
Union City Pride, Inc.	The French Creek Festival	District #6	\$1,065.05
Waterford Community Fair Association	Waterford Community Fair 2017	District #6	\$4,817.80
Wattsburg Agricultural Society Inc	Erie County Fair at Wattsburg 2017	District #6	\$11,290.55
WQLN Public Media	Sounds Around Town Summer Concert Series and TV & Radio Broadcasts	District #5	\$2,550.00
YMCA of Greater Erie	Lake Erie Cycle Fest	District #2	\$923.10
Young Artists Debut Orchestra	Quintessentially Quintet; Regency Recital; Strings Bring Summer; Spring Strings at Springhill; Erie SeaWolves Independence Day Celebration; Summer Music Academy Finale Concert!; Hallelujah Holidays!; Christmas Recital at LECOM Senior Living Center	District #3	\$2,135.20
Youth Leadership Institute of Erie	Global Youth Service Day 2017	District #2	\$854.25
<b>TOTAL REQUESTED</b>			<b>\$171,014.05</b>



# Erie County Gaming Revenue Authority Impact Investing Policy

## 1 STATEMENT OF FIDUCIARY RESPONSIBILITY

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We recognize that our fiduciary responsibility begins with the proper investment of gaming funds for the maximum benefit of the people living in Erie County, Pennsylvania. We also recognize that the definitions, powers, and abilities to do so are pursuant to the Economic Development Financing Law, the establishment of the State Gaming Fund, the ECGRA Bylaws, and the Incorporation of the Authority under the Commonwealth of Pennsylvania and Erie County.

We believe that efforts to address job creation, regional competitiveness, high poverty neighborhoods, and the needs of those who live in high poverty neighborhoods should be incorporated into the investment decision-making process.

We recognize that the intent of gaming funds was to act as a catalyst for transformational economic and community development. We believe that independent funding sources like gaming funds provide the agility and flexibility to address the growing needs of communities in economic stagnation. We also believe that the funds received in Erie County are not alone sufficient to address social, environmental, and economic development problems facing the community.

Therefore, we seek to leverage gaming funds by partnering with organizations capable of attracting additional financing. We seek to make mission-related investments (MRIs) in entities capable of creating an economic, social, environmental and financial return for our community consistent with the Authority's Board adopted Strategic Plan.

We adopt this policy in the spirit of the Impact Investing Movement started by funding organizations like ours that realize the inherent limitations of grant-making.

## 2 MISSION-RELATED INVESTMENT PHILOSOPHY

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ECGRA's vision is to elevate Erie County by making investments within Erie County that spur the economy and strengthen the community. To ensure this vision is considered in our investments, ECGRA will:

- Consider the investment's relation to the Community Revitalization Act, the Small Business Administration, and key institutions and organizations associated with the impact investing movement
- Identify partners, institutions and program managers that share a common mission of economic and community development
- Pursue a range of investments and asset classes ranging from below market rate to market rate, based upon the desired outcomes and contemporary financial realities

### 3 SPENDING & INVESTMENT GOALS

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The spending and investment goals of ECGRA are:

- To generate enough income necessary to maintain the Authority's operations and fund its grant making over the long-term through loans, notes, warrants, revolving loan funds, CDFIs and other hybrid financing vehicles that support mission-related investing
- To provide capital to organizations that further the mission of economic and community development in Erie County, Pennsylvania
- To set spending levels in accordance with the Strategic Plan, the trends in gaming revenue, and financial returns on mission-related investments

The Board of Directors has determined that the Authority should be viewed as a perpetual institution. Therefore, investments that have the potential to generate substantial impact and long-term returns will be important to pursue.

### 4 MRI GUIDELINES

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MRI Guidelines are based on a 20-year horizon. Interim performance will be monitored as appropriate. Income may be used to finance grants and operating expenses. Assets may be spent down during periods in which neither appreciation nor income is sufficient to fund grant-making budgets.

The Authority's assets will be managed by the Board of Directors based upon review and recommendations of the Finance Committee who may rely upon advise from professional consultants. Assets are allocated in accordance with guidelines set forth by the Finance Committee and approved by the Board. MRIs will be monitored on a regular basis.

### 5 ASSET ALLOCATION

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When possible, assets will be diversified both by asset class and within each asset class. Asset allocation will fall within the following ranges:

CASH	5 -20%
FIXED INCOME	20-30%
ALTERNATIVE INVESTMENTS	50-70%

On a quarterly basis, the Finance Committee shall review the over- and under-weighting of the asset allocation and make recommendations to the Board of Directors.

The following chart explains the type of MRI that would qualify in each asset class listed above:

Asset Class	Description
Cash	Linked Deposits with local banks, credit unions & CDFIs to accomplish small business financing goals
Fixed Income	Senior and subordinate debt in revolving loans funds, CDFIs, SBA-backed loans, affordable housing projects, social impact bonds targeted to Erie County
Alternative Investments	Growth, venture and working capital for industry and business

## 6 SCREENING

ECGRA views its investments as an integrated component of its overall mission. Investments are based on sound, professional financial analysis and filtered through screens consistent with and in support of the Authority's legal boundaries, values, and mission. Exclusionary screens guide the Authority on investments to avoid, and inclusionary screens are viewed positively.

The Authority shall utilize a committee selection process to vet entities to invest in under each asset class. The Authority shall use financial analysis, social, environmental, and geographic screens.

The Authority shall utilize the appropriate data needed to apply the screens. Consultants, reports, and information provided by government agencies and advocacy groups, and articles found in general, business, and trade media are acceptable.

In order to avail itself of a full spectrum of MRI diversification, the Authority may invest in asset classes where screening is limited or unavailable, including private equity and venture capital. To the extent possible, the Authority will seek to identify and consider professional advisors in these asset classes who include screening in their investment process and/or ensure that such investments are benign in relation to the Authority's mission.

The Authority will review the relationship between financial returns and the impact of screening at least once every three years.

The Authority may develop specific exclusionary and inclusionary screens for each of its program areas.

## 7 MONITORING

The Finance Committee will monitor the performance of the Authority's MRIs on a quarterly basis, with a meeting scheduled at regular intervals. The Authority shall develop specific monitoring processes for each asset class in accordance with the strategic plan prior to making an MRI.



## 8 PERFORMANCE STANDARDS

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An impact investment policy that seeks to measure the performance of an MRI needs to take into account measures beyond financial return. For example, the Impact Reporting and Investment Standards (IRIS) is a set of metrics that can be used to measure and describe an organization's social, environmental impact in addition to financial performance. IRIS is a pioneering standard for the impact investment field that was developed and is continually updated by the Global Impact Investment Network (GIIN).

*The Impact Reporting and Investment Standards is a major project of the GIIN's infrastructure development initiative. One of the limitations to the growth of the impact investing industry is the lack of transparency and credibility in how funds define, track, and report on the social and environmental performance of their capital. This leads to higher transaction costs and a limited ability to understand the impact of investments.*

*To address these challenges, the GIIN is expanding upon work initiated by The Rockefeller Foundation, Acumen Fund, and B Lab to develop and promote a common framework for reporting the performance of impact investments. The group, in collaboration with other impact investors and industry experts, has developed a standard set of performance measures for describing social and environmental performance that facilitates comparisons of impact data across investments. The project is supported by the United States Agency for International Development (USAID) and Rockefeller Foundation, and builds on prior work in the social impact assessment field. Deloitte and PricewaterhouseCoopers are providing technical support for the IRIS initiative.*

*A common social and environmental vocabulary also enables the aggregation of data from different providers and data collection systems. Organizations that adopt the IRIS definitions for their impact reporting can contribute data to the GIIN, which will produce industry-wide benchmarks and support related analysis by intermediaries, principal investors, academics, and enterprises themselves.<sup>1</sup>*

## 9 REVIEW & TERMINATION

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Prior to making an MRI, the Authority shall determine a system of review and termination when appropriate based on each situation. This determination shall be made by the Board and incorporated into the contracting/agreement process.

## 10 CONCLUSION

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In the wake of copious research, the strategic planning committee of ECGRA determined in July 2014 that the Authority should be a participant in the impact investing movement. The committee

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<sup>1</sup> This passage can be found at <http://www.thegiin.org/cgi-bin/iowa/reporting/index.html>

Last accessed 9/25/14.

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**recommends that the Board of Directors adopt this policy statement to reflect a mutually agreed upon approach to mission-related investments. Approved – September 25, 2014**

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○

○

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The logo for Erie County Gaming Revenue Authority (ECGRA) features the letters 'E', 'C', 'G', 'R', and 'A' in a bold, white, sans-serif font, separated by small white dots. The logo is set against a dark blue background with a pattern of light blue leaf outlines.

A grantmaking organization, the mission of the Erie County Gaming Revenue Authority is to empower the nonprofit sector toward economic and community development.

February 1, 2017

Mr. Bob Catalde  
President  
GREAT, Inc.  
5341 Colt Lane  
Erie, PA 16506

Dear Bob:

Thank you for the time you and your team put into the GREAT presentation to the ECGRA board of directors. The dialogue was an important first step toward ECGRA understanding the community and economic impact of the project. Please know that the ECGRA board, a group of volunteers, appreciates the time and dedication you've devoted to the effort.

As we begin to review the information provided and dialogue engaged in thus far, additional questions are likely to arise for a project as complex as this. In order to accommodate busy schedules, we've composed a survey of aggregated questions summarizing points of interest to ECGRA.

In order to keep things moving along, please provide answers to the attached questions by Wednesday, February 15<sup>th</sup> COB. At that time, the staff will review, process, and respond with any pertinent follow-up clarifications.

Regards,

A handwritten signature in blue ink that reads "Perry N. Wood". The signature is written in a cursive, flowing style.

Perry N. Wood  
Executive Director

*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

Erie County Gaming Revenue Authority  
5340 Fryling Road, Suite 201  
Erie, PA 16510

P: 814.897.2690  
F: 814.897.2691  
ECGRA.org

  ECGRA - Erie County Gaming Revenue Authority  
 @ECGRA814

Mr. Bob Catalde  
February 1, 2017  
Page 2

As we review the information you provided to us at our last ECGRA board meeting, we have a number of requests for additional information which will help us better understand the project.

1. At the meeting, you said that Rink Management Services (RMS) had conducted a study. When we contacted RMS, they responded that no such study was conducted. Can you provide us with any feasibility study or needs assessment completed by your organization, RMS, or other source which serves as the basis for the revenue projections, the community demand, and the operational expenses?
2. We understand that GREAT is going to conduct a capital campaign in 2017. An important first step in this process is to conduct a feasibility study. Can you provide us with that study?
3. For a capital campaign to gain approval through the Community Fund Drives Committee, a cash gift of 10% or what's known as a "lead gift" is required. A lead gift cannot be from a government or philanthropic source. Have you secured the lead gift? Is this a part of the naming rights strategy?
4. During the meeting, the gentleman from PNC discussed an appraisal of the property. The land appraisal is a key step in utilizing the value of land as match for the RACP grant. Has the appraisal been ordered or completed? Can you provide us with the appraisal?
5. The construction costs you provided were aggregated. Please provide us with more detail broken down by facilities (ice rinks and sports dome) such as mechanical systems, electrical, plumbing, general construction (ice rink infrastructure, locker rooms, restrooms, spectator seating, ADA improvements), engineering, architectural, inspection fees, etc. Do you have a set of plans and construction documents for our review?
6. Can you provide information about the status of construction financing and permanent financing?
7. Do you have any commitments in writing or contracts to utilize the facility? We believe that these contracts would be valuable in doing two things: A) in establishing community need and desired usage, and, B) in helping you secure private sector financing to make up for the gaps you currently face.
8. Has GREAT ever explored a partnership with JMC/Erie Zoo? Were you aware that the zoo explored plans to turn JMC into a double pad ice arena in recent years?

Mr. Bob Catalde  
February 1, 2017  
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9. Has GREAT explored an operations relationship with the Convention Center Authority? The CCA is the region's largest operator of such facilities with extensive experience and a stable funding stream.
  
10. When GREAT assumes ownership of the ice rink building and dome, will the property be tax exempt? Have you had dialogue with the township, county, and school district on this? Would your intention be to pay taxes or enter into a PILOT?



Erie County Gaming Revenue Authority  
5340 Fryling Road Suite 201  
Erie, PA 16510

February 10, 2017

Dear ECGRA Board Members:

On behalf of Greater Regional Erie Athletic Team Training (GREATT), Inc., please allow me to express our sincere appreciation for the consideration you are giving our project. This transformational undertaking has many moving parts and we are very happy to provide you with any information you need to assist in the grant process. To that end, this letter will serve as our response to your questions and requests for information that were recently submitted to us. The provided answers are numbered consistent with the list of questions.

1. We understand that having a strong basis to determine the need of a project of this magnitude is critical. Although no analysis was formalized into a written report, to suggest that no needs assessment was performed would be overwhelmingly inaccurate. The analysis was extensive. As we indicated at our presentation, this project has been in its planning phases for over 2 years. During that time, Rink Management Services and the GREATT Board have had literally hundreds of meetings and communications with user groups and tourism agencies to determine need. The overall design of the facility has been worked and reworked in response to the input provided by these groups and agencies and the final plan is a result of that analysis. The largest motivating factor behind the initial concept was the recognition, by almost everyone involved with local youth sports, of the overwhelming need to provide new and improved ice rink and indoor/outdoor training facilities in Erie County. Since then, that need has only been reinforced. The Erie Sports Commission has been a partner with us in the planning of the park. They are assured, through conversations had with large state and national tournament organizers and other sports groups, that once the improvements are made, they will be able to bring in large scale events and tournaments that this area has not seen before. Moreover, groups such as Erie Youth Hockey Association, Millcreek Youth Athletic Association, and multiple soccer, basketball, lacrosse, football, softball and baseball organizations have all indicated their strong desire to utilize the facility with the improvement we are planning. *Please see attached letters.*

Rink Management Services has used their expertise to forecast demand to be high, and have a solid foundation to anticipate revenue and expense. Through researching the going rates being paid to our current area facilities, what our area residents pay outside our community and rates



being paid in similar markets, Rink Management has been able to project expected revenues. They conservatively estimated revenues to begin low and gain in strength as the facility matures. Ice rink utilization is anticipated at 85%. The indoor training at the dome has revenue based on 40% utilization and grows to 65% after 3 years. Outdoor field revenues were based on existing numbers provided by Family First. Forecasts for expenses were again based upon Rink Management Services experience and expertise with similar facilities. Most of this information is contained in the proforma and extensive material including the proforma assumptions we forwarded the ECGRA board prior to our presentation a few weeks ago. I would encourage individual board members to reach out to the executives at Rink Management Services if they need any further verification of what went into the determination of need for a facility such as this in the area.

2. We fully intend to begin our capital campaign once the purchase of the property is complete but not before the ownership is transferred to GREATT. It is anticipated that title will transfer in late March 2017. We have hired KP Consulting to conduct our feasibility study. The Summit Township Industrial and Economic Development Authority has granted us \$20,000 to pay for the study. Currently, KP Consulting has the names of individuals and organizations that they will target for the study. Letters will be going out and contacts being made within the next few weeks. Our goal is to have the study complete near the time we close on the purchase which will allow us to begin receiving donations within a short amount of time of opening. Karen Petrucelli, our campaign coordinator, can be reached at [kpconsultingllc@yahoo.com](mailto:kpconsultingllc@yahoo.com). We will be happy to forward a copy of the feasibility study upon its completion.
3. We have had a few meetings with the Community Foundation, the Community Fund Drives Committee and our capital campaign consultant. It was explained to us that their requirement of a lead gift has softened. If we were unable to obtain a 10% gift, it would not prohibit our involvement with the Foundation. That being said, once the feasibility study is complete, we will have a better idea of our ability to secure such a donation.
4. The appraisal should be completed at any time now. As I understood it, the last remaining piece was the approval by Summit Twp. Of the subdivision of the Family First property allowing for the purchase of the phase 1 parcel. That approval was obtained last week. Once we receive the appraisal we will forward ECGRA a copy.
5. Detail of the construction costs can be provided by our architect, Shelane Buehler from Buehler and Associates, Inc. She is currently compiling similar information to send to the state in order to secure our RACP funding.
6. We have term sheets from both PNC Bank and Erie bank. Both lenders continue to show significant interest in financing the project. Once we have a secured commitment, if any, from ECGRA, we will be able to determine the final loan amount needed for permanent financing. This will then trigger the lenders commitments. We have, as you know, secured \$3,000,000 from RACP



and recently received \$500,000 additional monies from STIEDA in support of the project. That particular grant amounts to over 60% of the balance of their gaming funds, a strong indicator of their level of support. Please find attached copies of the term sheets that show the structure of the loans both short term/construction and permanent.

7. It would be premature to attempt to obtain any contracts or binding commitments in writing prior to purchasing the facility and construction beginning. *Please see attached letters as indicated in #1 above.*
8. No partnership with JMC has been explored. I would like to enforce the fact however, that our board is absolutely willing to work with JMC in whatever capacity that would be mutually beneficial. Whether that is as an additional rink for use in our larger tournaments, or any other way to help grow the ice skating community and its needs. Up to this point, JMC has been largely unresponsive to our inquiries and disinterested in our development.
9. I have had several conversations with Convention Center Authority chairman and vice chairman. They are both very familiar with our project. Some discussions have been general in nature and some very specific regarding any synergies between the CCA and the operation of GREATT. The CCA does not have any interest or intentions to enter into an operations relationship with us.
10. GREATT is a 501(c)(3) not for profit charitable organization. We are therefore property tax exempt. Summit Township is keenly aware of our status and, as indicated above, is fully supportive of our purchase and bulldout of the facility. Although very premature to contemplate at this point, if the long term success of the project allows us the financial freedom to enter into a PILOT, that is something our board would consider.

If there is any further information that you would like, or if any additional discussion is needed, please do not hesitate to contact me.

Thank you in advance for your consideration,

Robert J. Catalde, Esq.  
President, GREATT, Inc.





208 E. Bayfront Pkwy • Suite 201 • Erie, PA 16507-2405

Phone: 1.800.524.3743

814.454.1000

Fax: 814.459.0241

[erisesportscommission.com](http://erisesportscommission.com)

[info@eriasports.com](mailto:info@eriasports.com)

2014 & 2016 National Sports Commission of the Year

2016 National Marketing Campaign of the Year

Marty Starkman  
Sportstar Capital, Inc.  
718 Wilson Ave., Suite 206  
Toronto, Ont. M3K 1E2

December 2, 2016

Dear Marty,

I am writing to offer my full support of Sportstar Capital, Inc. in the management of Family First Sports Park. The facility is an important regional asset that offers great potential to drive sports tourism to our region.

As a division of VisitErie, the Erie Sports Commission is dedicated to promoting Erie as a prime destination for competitions and sports events. Our ability to bring new events to the community relies heavily on the facilities that exist here. Therefore, it is imperative as we execute our mission that Erie's sports facilities are top-notch, and provide amenities that address the needs of the many sports events that are constantly in search of a new destination.

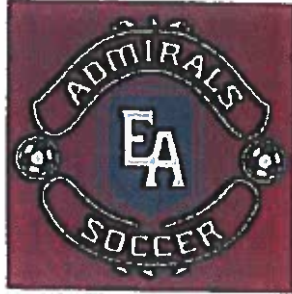
Family First Sports Park has the potential to offer such amenities to many types of large-scale events and tournaments. The Erie Sports Commission has hosted soccer and basketball tournaments at the facility, which have filled nearby hotels and restaurants, and resulted in millions of dollars in economic impact. With the proposed facility updates, we can continue our efforts to fill the fields with soccer and lacrosse tournaments, and drive new events to the facility's basketball courts and proposed ice pads. In the past six months alone, the ESC has hosted several national event operators in Erie who have toured Family First as a potential event location. We also support many existing local events which could benefit from proposed improvements at Family First Sports Park.

I look forward to working with Sportstar Capital and Rink Management Services, Inc. to bring new events to Family First Sports Park. Its success represents a crucial economic driver that will benefit everyone in our community, and we are excited to play a role in its transformation.

Best,

R. Ron Sertz  
Executive Director  
Erie Sports Commission

**ERIE GETS SPORTS!**



**ERIE ADMIRALS SOCCER CLUB**

**5132 ANNENDALE DRIVE**

**ERIE PA, 16506**

**Marty:**

It was great speaking to you today. On behalf of the Erie Admirals Soccer Club, I want to say how excited we are to see the upcoming enhancements to the Family First Sports Park facility.

The Admirals have been the major tenant of the Park since April 2012. We use the facility as our home during our 10 Month Season and also look to run some camps during the summer months. While we have enjoyed our tenure at the park, we all agree that investment in the facility is needed at this time.

It is our goal to use the outdoor fields during the Fall months of August to November. We will then look to move into the DOME for the winter season of December to April. Once the outdoor fields are deemed playable, we will then head back outside until the middle of June.

We understand that the Indoor Fieldhouse will soon become Hockey rinks which will certainly be welcomed and will surely enhance the value of the park. It is our goal that we will be able to hold Youth Leagues in the renovated DOME and be able to add additional indoor events and Friendlies with the additional space in the DOME.

At this time, we are running a Fall Tournament that brings teams in from Five States and Canada. We also hold a February Holiday Tournament that has become quite popular. With an enhanced and renovated DOME, we think we can bring in additional events.

As you can see, the Admirals are certainly a strong tenant and we are looking forward to a long lasting relationship with your group. Please let me know if there is anything I can do to help with the transition.

Sincerely yours,

**Sam Tojaga**

**Erie Admirals President**



November 22, 2016

Dear Mr. Baldwin,

This is the 5<sup>th</sup> year that we have utilized Family First for basketball. We have grown the program and subsequent gym rental every year. When I took over the program 6 years ago we had 490 boys and girls in the program. This year, we surpassed the 1,000 mark. As you would imagine, the more players and teams we grow equals more court time. I honestly don't see us declining. We have expanded our base year after year and are now starting to pull many kids in from the City and surrounding areas that we didn't really capitalize the last several years. I have utilized various forms of marketing to grow our base and bottom line we treat our families well with communication and attention to detail which keeps the word spreading. This year for our winter program, we have secured closed to 900 court hours for our program at FF. We begin our season in November with heavy practice times and then starting in December we begin games through February. I rent the courts Monday through Friday with various hours and number of courts each night. Every Saturday we utilize the entire field house from 8 am to 6 pm. In addition to our program, I feel there is significant opportunity for the advancement of the adult leagues which is run by another entity. The adult basketball is one that could be expanded from two nights per week to four or five with some attention given to it.

Lastly, beyond our existing court usage, we also have thoughts in place for a dodge ball league and/or an indoor kickball league. We will need indoor space for both of these if we continue to develop these programs.

I feel there is an incredible opportunity to grow the usage of the facility. Once the facility is operated and maintained properly, demand is going to be significant. If you have any questions on the current use or would like to speak about opportunities, please feel free to contact me.

Sincerely,

Kregg Heenan

Director of Basketball – Millcreek Youth Athletic Association

814-450-6364 – myaasports@gmail.com



Dear Don,

Thank you for contacting Erie Youth Hockey Association regarding our organization's ice schedule and needs.

As you may or may not be aware we currently have limited ice facilities in our area, with multiple organizations competing for the available ice times. Erie Youth Hockey is the largest purchaser of ice in the area therefore we do acquire the majority of available ice. However we are still left short. Our organization has seen continued and significant growth over the last few years, which has increased our need for additional ice that just isn't available.

Erie Youth Hockey currently purchases roughly \$450,000.00 worth of ice annually. This amount includes practice and game slots for our entire organization, and 3 tournaments that our organization hosts each year.

Based on our population and numbers for the current season, which could change slightly from season to season, we would need roughly 25 week night hours -Monday thru Thursday between 5:30-9:30 PM.

Saturday 3- 4 consecutive hrs 9:00 AM -1:00 PM

Saturday 4-5 available ice slots for travel games (hours could vary based on travel team schedules)

Saturday 5:00 PM-11:00 PM Adult League Games

Sunday 4-5 available ice slots for travel games (hours could vary based on travel team schedules)

Sunday 5:00 PM-11:00 PM Adult League Games

I have attached a list of our available programs and the approximate hours that each program requires. These hours do fluctuate from season to season but it gives us a general idea of what we need for scheduling.

If there is any additional information that you may need, please don't hesitate to contact me.

Yours In Hockey,

Shelly Berlin  
Erie Youth Hockey Association  
Treasurer  
814-602-4345  
gberlin03@gmail.com

<b>Timbit (Learn to Skate)</b>	<b>20 - 1 hour sessions per week</b>	<b>20 Ice hrs</b>
<b>Timbit Jamboree</b>		<b>5 Ice hrs</b>
<b>ADM (1 &amp; 2)</b>	<b>2 - 1 hour sessions per week</b>	<b>80 Ice hrs</b>
<b>ADM Jamboree</b>		<b>10 Ice hrs</b>
<b>House (SQ &amp; PW)</b>	<b>2 - 1 hr sessions per week</b>	<b>400 Ice hrs</b>
<b>House games</b>		<b>50 Ice hrs</b>
<b>House Tournament</b>		<b>20 Ice hrs</b>
<b>House Select</b>		<b>15 Ice hrs</b>
<b>Travel Boys</b>	<b>2 -1 hr sessions per week</b>	<b>250 Ice hrs</b>
<b>Travel Boys (games)</b>	<b>10 home games (Sat &amp;/or Sun)</b>	<b>75 Ice hrs</b>
<b>Travel Girls</b>	<b>2 -1 hr sessions per week</b>	<b>160 Ice hrs</b>
<b>Travel Girls (games)</b>	<b>10 home games (Sat &amp;/or Sun)</b>	<b>25 Ice hrs</b>
<b>Adult Hockey</b>	<b>no practice 1 game per week</b>	<b>400 Ice hrs</b>
<b>Tournaments</b>	<b>3 per year (Fri-Sun)</b>	<b>300 Ice hrs</b>
<b>Spring House Program</b>		<b>50 Ice hrs</b>
<b>Spring Travel pick-up</b>		<b>25 Ice hrs</b>
<b>Tryouts</b>		<b>20 Ice hrs</b>
<b>Cattle Practices</b>		<b>10 Ice hrs</b>

F.Y.E. 2016

	May	June	July	August	September	October	November	December	January	February	March	April
JMC fee fees	\$683.75	\$34,086.25			\$74,717.50	\$6,611.50	\$7,001.91	\$79,482.50	\$970.00	\$12,365.50	\$5,937.50	\$3,705.00
EMA fee fees	\$3,450.00				\$11,270.00	\$17,135.00	\$11,500.00	\$11,500.00	\$970.00	\$12,365.50	\$17,778.13	\$14,811.50
IMC fee fees	\$13,585.00			\$10,912.50	\$14,025.00	\$12,300.00	\$10,740.00	\$15,680.00	\$16,210.00	\$11,900.00	\$13,600.00	\$16,350.00
<b>TOTAL PER MONTH</b>	<b>\$17,728.75</b>	<b>\$34,086.25</b>	<b>\$0.00</b>	<b>\$10,912.50</b>	<b>\$98,742.50</b>	<b>\$30,713.50</b>	<b>\$34,878.91</b>	<b>\$100,662.50</b>	<b>\$17,150.00</b>	<b>\$24,268.00</b>	<b>\$38,516.63</b>	<b>\$34,906.50</b>

\$208,237.91

\$88,230.13

\$133,902.80

\$429,570.54

**PRELIMINARY MEMORANDUM OF TERMS AND CONDITIONS FOR**

**Greater Regional Erie Athletic Team Training (G.R.E.A.T.T.)**

**December 15, 2016**

This Preliminary Memorandum of Terms and Conditions is not a commitment or an offer to lend and does not create any obligation on the part of the Bank. The Bank will not be deemed to extend any commitment to the Borrower unless and until a formal commitment letter is issued. This outline is only a brief description of the principal terms of suggested facilities and is intended for discussion purposes only.

- Borrower(s):** G.R.E.A.T.T. ("Borrower")
- Lender:** PNC Bank, National Association ("Bank")
- Credit Facilities:**
- (1) \$7,603,000.00 Draw-down Non-Revolver Credit Facility.
  - (2) \$1,600,000.00 Term Loan.
  - (3) \$500,000.00 Revolving Line of Credit Facility.
- Purpose:**
- (1) Purchase of Family First Facility Property and Installation of two Indoor Ice hockey rinks and facility improvement (the Property as defined below).
  - (2) Take-out and amortization of the remaining outstanding balance of the \$7,603,000 credit facility, after the grant and capital campaign proceeds are received and applied against the draw-down loan.
  - (3) General corporate and ongoing working capital purposes.
- Amortization:**
- (1) Draw-downs available for a period of up to 12 months with payments of interest-only during a 12 month period, with any remaining balance due at maturity.
  - (2) Equal monthly installments, on a straight-line basis, amortized over a period of 20 years, with any remaining balance due at maturity.
  - (3) Available for borrowing, re-paying and re-borrowing until maturity.
- Maturity:**
- (1) Twelve months from the closing date.
  - (2) Ten years from the closing date.
  - (3) Twelve months from the closing date.
- Interest Rate:**
- (1) 1-month LIBOR rate published daily in the Wall Street Journal plus 2.25%, adjusted for reserves and fluctuating daily ("Daily LIBOR").
  - (2) Rate Options:
    - (a) 1-month LIBOR rate published daily in the Wall Street Journal plus 2.25%, adjusted for reserves and fluctuating daily ("Daily LIBOR").  
*Variable rate can be amended during the loan term to a fixed rate.*
    - (b) Current indicative 4.5 year and 9.5 year fixed rates are 4.14% and 4.48%. Indicative forward start 4.5 year and 9.5 year rates effective September 1, 2017, are 4.29% and 4.66%.

*Indicative quotes are not binding and are subject to change. Rates can only be set upon execution of a rate protection lock agreement or final documentation in form and content to the Bank. Indicative rates shown as of December 15, 2016.*

- (3) 1 month LIBOR rate published daily in the Wall Street Journal plus 2.25%, adjusted for reserves and fluctuating daily ("Daily LIBOR").

Interest will be calculated on the daily outstandings on a 360 day year for the actual number of days elapsed and will be due monthly in arrears. In the event that Daily LIBOR at any time would be determined to be less than zero, such rate shall be deemed to be zero.

Customary yield protection and prepayment cost recovery provisions will be included in the definitive loan documents.

**Collateral:**

The Credit Facilities will be secured by, except as otherwise indicated below, first priority perfected security interests in the following collateral:

- (a) All of the Borrower's personal assets, present and future and wherever located, including without limitation, accounts, securities entitlements, deposit accounts, instruments, documents, chattel paper, inventory, goods, machinery, equipment, furniture, fixtures, commercial tort claims, letter of credit rights, general intangibles, payment intangibles, software, licenses, trademarks, trade-names, patents, copyrights and other assets and supporting obligations.
- (b) Real property, fixtures and improvements, owned by the Borrower and located at Oliver Road, Erie, (the "Property"), and an assignment of all leases and rents on the Property.
- (c) An assignment of the grants and capital campaign proceeds of the Borrower consisting of:
- (i) Redevelopment Assistance Capital Program ("RACP") grant approved in the amount of \$3,000,000.
- (ii) Erie County Gaming Revenue Authority grant in the amount of approximately \$1,000,000.
- (iii) Summit Township grant of approximately \$1,000,000.
- (iv) Capital Campaign proceeds of approximately \$1,000,000.
- (d) An assignment of the plans and specifications for the construction of the improvements and all construction contracts, architects' agreements and other documents relating to the Property.

The Credit Facilities will be cross-collateralized and cross-defaulted with each other and with all other present and future obligations of the Borrower to the Bank.

**Commitment/  
Closing Fee:**

\$1,000.00. The Commitment Fee shall be non-refundable.

**Expenses:**

All expenses incurred by the Bank, including appraisal, environmental, searches, construction consultant, recording of UCC filings and other security interests, and audit and reasonable legal fees (inside and outside), and any other expenses in reference to structuring, documenting, closing, monitoring or enforcing the Credit Facilities, shall be for the account of the Borrower and payable at closing and otherwise on demand.



**Conditions  
Precedent:**

Including, but not limited to, the following, with all documents to be satisfactory in form and substance to the Bank:

- (a) No material adverse change in the condition, financial or otherwise, operations, properties, assets or prospects of the Borrower.
- (b) No material threatened or pending litigation or material contingent obligations.
- (c) Execution of loan documentation.
- (d) With respect to the Borrower, (i) a copy of any trust agreement, partnership or operating agreement, if any; (ii) a copy of the certificate of formation filed with the Secretary of State of the jurisdiction in which such entity was formed; and (iii) verification of good standing with respect to such entity in the jurisdiction in which such entity was formed.
- (e) Resolutions of the Borrower evidencing approval of the Credit Facilities and all steps necessary to consummate the Credit Facilities including, without limitation, execution of the Loan Documents.
- (f) Delivery of evidence of legally binding insurance covering such risks as are required by the Bank, naming the Bank as lender loss payee or additional insured, as appropriate.
- (g) An appraisal of the Property, prepared by an MAI appraiser engaged by the Bank, which shall state a fair market value such that the loan to value ratio is not in excess of 75% and be acceptable in form and substance to the Bank. All costs associated with the appraisal will be the responsibility of the Borrower and must be remitted to the Bank prior to the engagement.
- (h) Consummation of acquisition of the Property as contemplated by a duly executed purchase agreement, which shall be in form and substance acceptable to the Bank and which shall not be amended or modified without the Bank's written consent.
- (i) Delivery of an ALTA 1992 or 2006 lender's title insurance policy insuring the lien of the mortgage on the Property in the amount of the Credit Facilities as a first lien on the Property, subject only to such exceptions as are acceptable to the Bank, with endorsements as Bank may designate.
- (j) Evidence satisfactory to the Bank and in such form as the Bank may require, including but not limited to a Phase 1 environmental assessment, that the Property is free of environmental problems.
- (k) Delivery of an environmental indemnification agreement executed by the Borrower and all Guarantors, indemnifying the Bank for any environmental costs or liabilities related to the Property.
- (l) If the Property is located in an area designated as a flood hazard area by any governmental agency, the Borrower will provide the Bank, at the Borrower's expense, with a policy of flood insurance in an amount equal to the maximum amount available under the federal flood insurance program, or such higher amount as the Bank may require.
- (m) Evidence that all actions necessary or, in the opinion of the Bank, desirable, to perfect and protect the security interest of the Bank have been taken.

- Reporting Covenants:**
- (n) Delivery of legal opinions required by the Bank relating to the Borrower and the Credit Facilities.
  - (a) Annual audited financial statements of the Borrower within 120 days of year end.
  - (b) Quarterly unaudited financial statements of the Borrower within 60 days of quarter end.
- Covenants:** Affirmative and negative covenants, including financial covenants, will be specified by the Bank for inclusion in the Loan Documents.
- Financial covenants are expected to include but may not be limited to leverage and debt service coverage, with definitions and covenant levels to be determined by Bank.
- Construction Matters:** Construction management details to be determined. The Bank reserves the right to require inspections and verifications of construction performed, which may result in construction management requirements by the Bank.
- Depository:** The Borrower will establish and maintain, with the Bank, the Borrower's primary depository account(s). If the Borrower fails to establish and/or maintain its primary depository account(s) with the Bank, the Bank may, at its option, upon 30 days notice to the Borrower, increase the interest rate payable by the Borrower by up to 1.00%.
- Documentation:** Loan Documents in form and substance satisfactory to the Bank must be executed and delivered containing representations, warranties, covenants, indemnities, conditions to lending, events of default and other provisions as are appropriate in the Bank's opinion and specified by the Bank.
- Governing Law:** Submission to Pennsylvania jurisdiction
- Miscellaneous:**
- (a) Waiver of jury trial.
  - (b) Confession of Judgment.

January 11, 2017



Greater Regional Eric Athletic Team Training (G.R.E.A.T.T.)  
Robert Catalde

Dear Mr. Catalde:

We are pleased to provide you with a draft of the summary of the proposed terms and conditions. The summary of the proposed terms and conditions is not a commitment to lend and does not create any obligation on the part of ERIEBANK, a division of CNB Bank. The following outline is only a brief description on the principal terms of the suggested facility and is intended for discussion purposes only.

**Summary of Proposed Terms and Conditions**

**Borrower:** G.R.E.A.T.T.

**Amount:** (A) To Be Determined Interim/Construction Financing  
(B) \$1,500,000 Commercial Term Note  
(C) \$ 750,000 Commercial Line of Credit

**Purpose:** (A) Provide interim funding for the purchase of real estate and all business assets at the Family First facility, improvements to the facility and installation of two indoor ice rinks.  
(B) Refinance of remaining balance of the Interim Financing credit facility after grant proceeds have been applied.  
(C) Short term working capital needs associated with operations and the business acquisition.

**Interest Rates:** (A) The interest rate will be variable at Prime Rate plus 1.00% with a Floor of 5.00%.  
(B) The initial rate for this loan shall be based upon the Federal Home Loan Bank of Pittsburgh 5-year treasury rate plus 3.00% at the time of closing; today's rate would be 5.22% for the first 60 month term. The rate of interest will be adjusted during the term of the note after 60 months from the note date and every 60 months thereafter until the maturity date of the loan. Each subsequent interest rate adjustment will be based on the then Federal Home Loan Bank of Pittsburgh 5-year rate + 3.00%.  
(C) The interest rate will be variable at Prime Rate plus 1.00% with a Floor of 5.00%.

**Prepayment/Refinance:** Credit Facilities A-C: Prepayment of the loan will be permitted in whole or in part at any time out of cash flow, without penalty. There will be a 2% penalty of the principal balance if the loan is refinanced at another financial institution.

**Maturity:** (A) 18 Months from the Date of Closing  
(B) 120 Months from the Date of Closing  
(C) Annually Renewable, 12 Months from the Date of Closing and every 12 months thereafter

**Repayment:** (A) Interest due monthly, Principal due at 18 month maturity.  
(B) Monthly payments of Principal and Interest beginning 30 days from the date of the Note and continuing on a monthly basis. The monthly payments will be based on a 180 month amortization.  
(C) Interest due monthly, Principal on demand.

**Fees:** (A) To be determined origination fee, plus a \$250 documentation fee.

Main Office ~ 2035 Edinboro Road ~ Erie, PA 16509 ~ 1 (888) 822-2990 ~ (814) 868-7523 ~ (814) 868-7524 fax  
[www.eriebank.net](http://www.eriebank.net)

(B) A loan origination fee of 1/4 of 1% or \$3,750, plus a \$250 documentation fee.

(C) A loan origination fee of 1/8 of 1% or \$938, plus a \$250 documentation fee; Annual renewal fee of 1/8 of 1% assessed 12 months from the Date of Closing and every 12 months thereafter.

All other fees necessary to perfect a security interest in the noted collateral shall be payable at closing. Applicable filing fees to include, but not be limited to, flood search, property search, appraisal, environmental and inspection costs and any additional fees incurred by the Bank.

**Collateral:**

**Credit Facility A:**

- A first priority perfected mortgage lien on all real estate located at 8155 Oliver Road, Erie, PA 16509.
- UCC-1 Filing of all business assets held by G.R.E.A.T.T.
- An Assignment of:
  - All lease and rental income associated with the property
  - Redevelopment Assistance Capital Program (RACP) grant approved in the amount of \$3,000,000.
  - Erie County Gaming Revenue Authority (ECGRA) grant approved in the amount of \$2,000,000.
  - Summit Township Industrial and Economic Development Authority Grant approved in the amount of \$1,000,000.
  - Capital Campaign Proceeds of a to be determined amount.
  - Plan and Specifications for the construction and improvements for all construction contracts and agreements related to the property

**Credit Facilities B & C:**

- A first priority perfected mortgage lien on all real estate located at 8155 Oliver Road, Erie, PA 16509.
- UCC-1 Filing of all business assets held by G.R.E.A.T.T.
- Assignment of all lease and rental income associated with the property

**Appraisal:**

MAI prepared appraisal acceptable to Bank at a to be determined loan to value ratio.

**Environmental:**

Completion of a real estate environmental analysis satisfactory to ERIEBANK.

**Reporting Requirements:**

The following information will be required:

- Federal Income Tax Return of Borrower within 15 days of filing.
- Annual Audited Financial Statements of Borrower within 120 days of year end.

**Conditions Precedent to Closing:**

The following items must be in satisfactory order and presented to the Bank prior to disbursement of loan proceeds:

Acceptable Bank review and validation of financial statement projections.

Acceptable Bank review and validation of all grants and contributions.

Executed purchase agreement in form and substance acceptable to the Bank.

MAI prepared appraisal in form and substance acceptable to the Bank.

Environmental assessment in form and substance acceptable to the Bank.

The Borrower shall obtain and maintain in full force and effect at all times until indefeasible payment in full of the Credit Facility, insurance covering such risks and in such amounts as are reasonable satisfactory to the Bank and its counsel. All required insurance policies shall be in form and substance satisfactory to the Bank naming ERIEBANK, a division of CNB Bank, PO Box 42, Clearfield, PA 16830-0042 as first mortgagee.

Title Insurance will be required and is offered through Bankers Settlement Services of Southwest Pennsylvania, LLC, P.O. Box 381, 310 Penn Street, Hollidaysburg, PA 16648 with 100 & 300 endorsements.

Maintain primary deposit accounts acceptable to Bank so long as the loan remains outstanding.

All documentation relating to the Credit Facility in form and substance satisfactory to the Bank and its counsel.

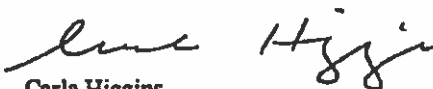
Subject to additional mutually agreeable loan conditions and covenants.

The final processing of this loan is subject to there being no adverse change in the financial condition of the Borrower, as of the closing date, which would warrant not disbursing the funds, as determined by the Bank. In the event there has been any material change in the Borrower's financial condition since the date of the application, the Bank, at its sole discretion, may terminate the commitment.

The proposed draft summary of terms and conditions is not a commitment to lend and does not create any obligation on the part of ERIEBANK, a division of CNB Bank. This outline is only a brief description on the principal terms of the suggested facility and is intended for discussion purposes only.

Should you have any questions, please feel free to call me at 814-866-4192. We appreciate the opportunity to serve you.

Sincerely,



Carla Higgins  
Assistant Vice President  
ERIEBANK



February 27, 2017

Erie County Gaming Revenue Authority Board of Directors  
5340 Fryling Road, Suite 201  
Erie, PA 16510

Dear Board Members

The Greater Regional Erie Athletic Team Training, Inc. is extremely pleased, that after more than two years of extensive preparation and planning, we are ready to purchase the Family First Sports Park. We are eager to begin the rehabilitation that will bring this facility to its true potential making it an incredible regional asset for our children, sports enthusiast, and our tourism industry. We have worked extensively with experts in the field and our local agencies to assure this project will be sustainable and meet the needs of our community. We look forward to continuing these relationships as we move forward as well as growing new partnerships in the years to come.

As we are finalizing the financing of this undertaking, we would formally like to ask your financial participation. We believe it is important to keep in mind the motive behind this request. Although we are confident that enough revenue will be generated to meet our debt service and provide for capital maintenance assuring sustainability of the facility; our principal goal is to keep user fees low and provide affordable programming for local youth. Lower debt service will ensure our objective. We are thankful for those who have already assisted in this goal. We have had architectural, legal, printing, grant writing and economic impact study services all donated. We have received a \$3 million dollar grant from the State and over \$500,000 from Summit Township. All of these partners have seen the value of this project and want to see resources go towards the children and not debt services. It is for this reason, we are requesting \$2 million dollars from the Erie County Gaming Revenue Authority.

We understand this request may be irregular to your current structure for funding. However, since this project would benefit the whole region and meets many of the objectives of our regional plans, it is our hope that the Erie County Gaming Revenue Authority will find a way to be a funding partner in this very worthy and beneficial project. As we are finalizing our financial package within the next two weeks, any form of commitment the Board could provide would be greatly appreciated during this time period.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Robert Catalde".

Robert Catalde, Esq.  
President, G.R.E.A.T., Inc.



March 7, 2017

Erie County Gaming Revenue Authority Board of Directors  
5340 Fryling Road, Suite 201  
Erie, PA 16510

Dear Board Members

On February 27<sup>th</sup>, GREATT, Inc. sent the Erie Gaming Revenue Authority a formal request for financial participation in the purchase and rehabilitation of the Family First Sports Park. We fully understand this is an unfamiliar type of request and that a means to fund the project will need to be developed in the near future. This being said, time is of the essence. In order to close on the property by the mid-April deadline, the bank is asking for all letters of intent in hand by the end of this week. They need to finalize the loan amount in order to begin processing the loan.

It is with this urgency and full respect of your position, we ask that any contribution to the project you may be considering be conveyed in a letter of intent by the end of this week.

A handwritten signature in black ink that reads 'Robert Catalde'.

Robert Catalde, Esq.  
President, G.R.E.A.T., Inc.



**House of Representatives**  
COMMONWEALTH of PENNSYLVANIA  
HARRISBURG

March 7, 2017

Erie County Gaming Revenue Authority Board of Directors  
5340 Fryling Road, Suite 201  
Erie, PA 16510

Dear Board Members,

For over two years, the Northwest Delegation has been actively supporting the efforts and assisting to raise funds for the purchase and rehabilitation of the Family Sports Park by the Greater Regional Erie Athletic Team Training, LLC. The Delegation fervently believes this project will advance many of the stated goals of our community, especially those established through the Destination Erie Plan. GREATT has worked tirelessly with area leaders, agencies and organizations to assure their plans for redevelopment will ameliorate this facility to its full potential and create an remarkable regional asset for our local youth, sports enthusiasts and tourism industry.

As State Legislators, we listened to the GREATT board, the many government entities and the organizations who advocated for this project and were able to secure a \$3,000,000 State grant to assure this asset would not be lost to our region. Summit Township has also shown their local support by advancing the project more than \$500,000. These funds were allocated to minimize the debt service and assure realization of the non-profit's mission of providing training and programing at minimal cost to children of our region. At a time when the Erie City Schools athletic program is at the least precarious, this is needed more than ever.

As we have been in several discussions over the past two years with ECGRA's executive director and have worked closely with the GREATT board, we are aware that a formal request for financial contribution has been made to your organization. For all the reasons stated above, we strongly encourage ECGRA to become a financial partner in retaining and redeveloping this facility that advances tourism in our region while providing our children with the opportunities found in other communities. As the purchase of the facility must be completed by mid-April, the banks are requesting a final loan amount by the end of this week. It is imperative that any possible contribution be identified at this time. It is our strong desire that your board will see the urgency and value of this project and will commit to financial assistance by the end of this week.

Thank you,

Handwritten signature of Florindo Fabrizio in black ink.

PA State Representative  
Florindo Fabrizio, 2<sup>nd</sup> District

Handwritten signature of Patrick Harkins in black ink.

PA State Representative  
Patrick Harkins, 1<sup>st</sup> District

Handwritten signature of Ryan Bizzarro in black ink.

PA State Representative  
Ryan Bizzarro, 3<sup>rd</sup> District



**Project Name: Ramps of Hope**

Project Sponsor: All God's Children Ministries

ECGRA Proposed contribution: \$2,500

ECF staff recommendation: \$5,000

Project Description:

All God's Children Ministries (AGCM) Ramps of Hope program constructs access ramps for individuals with serious physical disabilities. The ministry now includes 40 churches which support various programs and initiatives, including Ramps of Hope. They would like to increase the number of ramps they build and install from 60 to 75.

The grant money would be used to purchase lumber, permits and materials. AGCM built and installed 60 ramps last year. All the construction is done by groups of volunteers at no cost to the participant and they offer their services to any physically disabled individual who needs a ramp regardless of financial need cost the program incurs.

**Project Name: Specialized Transportation for People Who Use Wheelchairs**

Project Sponsor: Community Resources for Independence, Inc.

ECGRA Proposed contribution: \$7,500

ECF staff recommendation: \$15,000

Project Description:

Community Resources for Independence requests \$22,500 to purchase a new, handicapped accessible van to transport individuals with physical disabilities requiring wheelchairs. Community Resources for Independence operates a ride service for Erie-area people with disabilities, free of charge, to supplement the EMTA LIFT system.

CRI provided 605 rides throughout Erie County in 2016, but the CRI vans are aging and becoming less reliable, requiring in maintenance and difficulty of operation. Both from a financial and safety standpoint the CRI vans currently in use have become an issue of concern. As a result, clients that have no other means of transportation are left without a provider capable of transporting them to medical appointments, grocery shopping, etc. CRI is providing the cash match from their operational budget.

**Project Name: Mission Empower Renovation of Office and Training Space**

Project Sponsor: Mission Empower

ECGRA Proposed contribution: \$3,500

ECF staff recommendation: \$7,000

Project Description:

Mission Empower serves 400 families in Erie County by providing education and advocacy for special needs students and their families, assisting them in understanding their rights and responsibilities and navigating the education system. They also provide soft-skill training to teens and young adults ages 14-21 along with post-secondary planning, resume' development and an internship program paid for by OVR.

Mission Empower has requested \$17,397 from ECF Helping Today for the purchase of new furniture, entrance mats and carpeting for their headquarters located at 16<sup>th</sup> and Peach.

Mission Empowers recently received a federal grant award to fund the organization for the next four years. Their ability to meet with families and communicate important information that relates to child development is in part dependent on the environment they provide to do their work in.

**Project Name: Emerson-Gridley School Pantry Pilot Project**

Project Sponsor: Second Harvest Food Bank of Northwest Pennsylvania

ECGRA Proposed contribution: \$7,225

ECF staff recommendation: \$18,000

Project Description:

Second Harvest Food Bank of Northwest Pennsylvania has requested funding for a collaborative project with Emerson-Gridley Elementary School. Second Harvest is requesting funds to pilot a School Pantry at Emerson-Gridley Elementary School. Once open, the pantry will serve 150 families using the Second Harvest model for food pantry distribution developed in local neighborhoods across the county. Each family is expected to receive 30-50 pounds of healthy food, fresh produce and nutritious dairy items. Grant funds will be used for the purchase of the food to be distributed (\$18,000); Equipment, materials and supplies; (\$3,200); A laptop for diagnostics and purchasing \$650. Second Harvest is donating their freezer and shelving and matching the technology purchase with cash (\$1875+\$650=\$2525).

The Erie School District has identified Emerson-Gridley as a Community School and has hired a coordinator to manage program like the food pantry.

**Project Name: Eastside Grassroots Coalition**  
Project Sponsor: Sisters of Mercy House of Mercy  
**ECGRA proposed contribution: \$6,000**  
ECF staff recommendation: \$12,000

**Project Description:**

The House of Mercy, operated by the Sisters of Mercy, has requested \$18,858 from ECF and the Helping Today program to engage the Eastside Grassroots Coalition to begin community engagement planning as a continuation of the city's comprehensive plan.

Program would include outreach efforts focused on meetings between a core committee and the residents to gain resident input. The outreach effort would include relationship building with business leaders, and also build support for a private-nonprofit partnership that will lead to funding of neighborhood revitalization projects.

The Eastside Grassroots Coalition is comprised of organizations and individuals rooted in Erie's Fairmont-McClelland neighborhood and led by the House of Mercy and the Urban Erie Community Development Corporation. The Fairmont-McClelland neighborhood is one of 17 areas noted in the city's comprehensive plan. The Buffalo Road corridor in the heart of the neighborhood has deteriorated dramatically and is one of the areas designated in Erie Refocused where efforts should be concentrated.

Total proposed ECGRA contributions for the 1<sup>st</sup> Quarter - \$26,725



# GIRARD SCHOOL DISTRICT FOUNDATION

## Enhancing Educational Experiences



In February 2015, the ECGRA (Erie County Gaming Revenue Authority) challenged 13 public school district foundations to grow their endowments by \$5 per student. We surpassed our goal and raised \$11,000, \$8,675 of which was matched by the ECGRA. The GSD Foundation used these funds to establish our \$20,000 endowment with the Erie Community Foundation.

### Girard School District Foundation

1205 Lake Street  
Girard, PA 16417



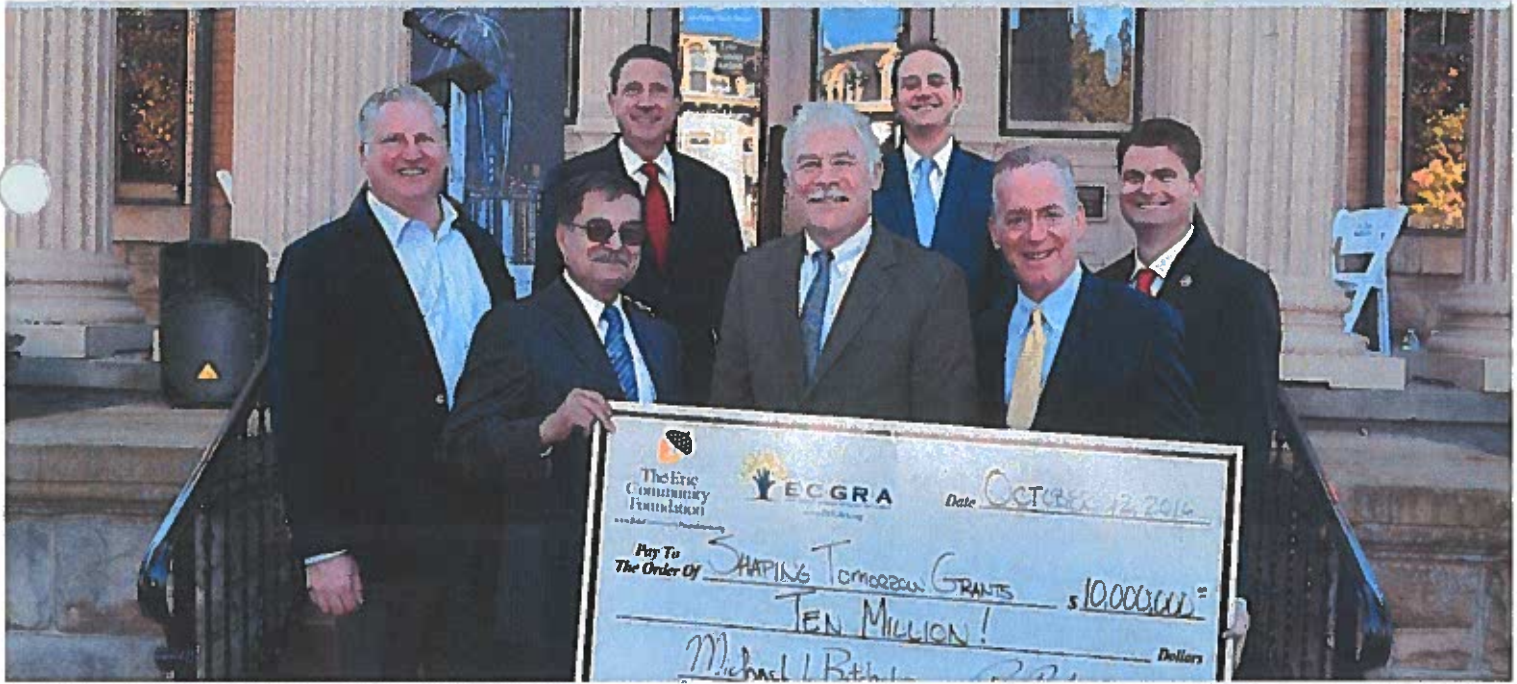
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2\*2 \*\*\*\*\*ALL FOR AADC 150  
ECGRA  
DIANE KUVSHINIKOV & AMANDA  
5340 FRYLING RD SUITE 201  
ERIE PA 16510-4672



*Pictured, (front row, l-r) Jael Deuterman, president/CEO, Velocity Network, Inc.; Marco Monsalve, chief executive officer, McManis and Monsalve Associates; Mike Batchelor, president, Erie Community Foundation; Mercyhurst President Michael Victor; Cal Pifer, Mercyhurst vice president for external relations and advancement; (back row, l-r) Mercyhurst Trustee Chair Richard Lanzillo, Esq., and Perry Wood, executive director, Erie County Gaming Revenue Authority. The check represents "Shaping Tomorrow" grants totaling \$10 million, including \$4 million to Mercyhurst.*

## Mercyhurst takes lead in creating Downtown Erie Innovation District

When Michael Victor said he was going to shake things up at Mercyhurst University, he wasn't kidding. In just his first year as president, he brought in a record-setting freshman class and celebrated a milestone year in fundraising. Now, he's turned his eye toward the challenges facing the City of Erie as it attempts to rechart its own path toward growth and prosperity.

Victor, who has touted achievement through partnership throughout his presidency, announced late last year that Mercyhurst would take the lead in creating a Downtown Erie Innovation District.

Mercyhurst's plan is to drive a new knowledge-based economy, focused on safety and security, with three of the city's most innovative corporate partners: Erie Insurance, McManis and Monsalve Associates and Velocity Network, Inc.

The partners intend to execute joint projects related to safety and security, specifically in the high-demand fields of data science and cybersecurity, where their combined skills will

create a powerful business alliance to catalyze economic growth.

Fueling the project is a \$4 million "Shaping Tomorrow" grant Mercyhurst received in October from the Erie Community Foundation with support from the Susan Hirt Hagen Fund for Transformational Philanthropy and the Erie County Gaming Revenue Authority.

In awarding the grant, those donors noted that the Innovation District plan dovetails with the goals of Erie's Comprehensive Plan and is designed to serve three critical community needs:

- Stop brain drain and enhance brain gain.
- Replace low-wage jobs with family-sustaining jobs.
- Revitalize downtown Erie.

Victor said Mercyhurst is uniquely positioned to drive the innovation district's strategic focus of safety and security as home to the internationally renowned Tom Ridge College of Intelligence Studies and Applied Sciences,

which prepares students for intelligence careers in national security, law enforcement and the private sector. More than 1,000 alumni work in every major industry sector and 17 agencies of the U.S. intelligence community. A new master's degree in data science complements the intelligence studies program and many others at the university. Presently, the Ridge College enrolls 600 students and administers \$12 million in public and private sector grants and contracts. Increasingly, these funded opportunities involve cyber and corporate security projects.

Provost Dr. David Dausey, project leader, noted, "Innovation districts have shown that both American and global corporations are interested in being centered in proximity to trained talent. By focusing heavily on the emerging fields of data science and cybersecurity, Erie will be well positioned as a hub for companies to make investments."

Visit [innovationdistricterie.com](http://innovationdistricterie.com) to keep up with the project as it unfolds.



February 24, 2017

Perry N. Wood  
Erie County Gaming Revenue Authority  
5240 Knowledge Parkway  
Erie, PA 16510

Dear Perry:

Ralph M. Ford, Chancellor of Penn State Behrend, has informed me that you have been nominated as a member of the Campus Advisory Board. I am pleased that you are willing to accept this responsibility to serve Penn State in this significant way, and it is with great pleasure that I appoint you to the Board.

Penn State is faced with a growing challenge to provide opportunities for higher education. An effective response to this challenge must include local support for our Commonwealth campuses. We are very encouraged that Penn State can turn to campus and community leaders who serve on our Campus Advisory Boards to help advance higher education's role in local areas and develop a better understanding of community needs. We welcome your participation.

You will be hearing further from Dr. Ford concerning meetings and other activities of the Board. We are grateful for your service to Penn State.

Sincerely,

Eric J. Barron

C: Ralph M. Ford  
Madlyn L. Hanes



**PennState**  
**Behrend**

Ralph M. Ford, Chancellor  
The Pennsylvania State University  
Glenhill Farmhouse  
4701 College Drive  
Erie, PA 16563-0101

Tel: 814-898-6160  
Fax: 814-898-6461  
rmf7@psu.edu  
behrend.psu.edu

February 23, 20017

Perry Wood  
Erie County Gaming Revenue Authority  
5340 Fryling Road, Suite 201  
Erie, PA 16510

Dear Perry,

Thank you for joining us last week for the luncheon in my office and reception at Logan House to learn more about 1855 Capital Partners, a new regional investment fund. It was a pleasure to share with you the opportunity to participate in an early-stage venture fund that invests in companies that have an affinity to Penn State, and plans to engage the expertise and contacts of the Penn State Alumni family. It was an enjoyable and informative discussion, and it is great that you were interested in attending.

As the presenters and the fund's principals - Matt Rhodes and Paul Sciabica - mentioned, 1855 Capital is privately owned and not directly affiliated with Penn State, but it does have strong ties to the global University community, and the University will be making an investment. 1855 Capital identifies investment opportunities by engaging with faculty, staff, and students of the University involved in research and with Penn State's extensive alumni network. More information is available at [1855capital.com](http://1855capital.com).

Please contact me if you would like additional information or follow-up.

Sincerely,

Ralph M. Ford

Contact: Veronica Rexford  
Email: [vrxford@uecdc.org](mailto:vrxford@uecdc.org)  
Phone: 814-899-3904

E.F. Smith Quality of Life Learning Center/Urban Erie  
Community Development Corporation  
2046 E. 19<sup>th</sup> St.  
Erie, PA 16510



**FOR IMMEDIATE RELEASE:**

**Ribbon Cutting and Dedication of the Robert M. Barney 21<sup>st</sup> Century Opportunity Lab**

ERIE, PA (February 22, 2017) – The Urban Erie Community Development Corporation/E.F. Smith Quality of Life Learning Center will dedicate their newly completed computer lab and officially re-open the space with a ribbon cutting on February 23<sup>rd</sup>, 2017 at 3:30PM. The center is located at 2046 East 19<sup>th</sup> Street.

The lab is dedicated to the memory of Robert M. Barney, former Executive Director of the Rev. E. F. Smith Quality of Life Learning Center. Mr. Barney was committed to offering educational and job training opportunities to the families living in proximity to the center. His efforts lifted hundreds out of poverty. The current population of individuals using the center includes a large number of multi-lingual youth who attend the center after school and in the summer for educational, leadership development and workforce training opportunities.

“We are really pleased to have the lab completed so that our students, both adults and youth, now have access to 30 new computers with internet access so they can do school work and apply for jobs. Honoring Bob Barney in the process is very special. He was my friend and partner for many, many years.” said Gary Horton, President and CEO of Urban Erie CDC. “

Urban Erie was able to upgrade the lab with the assistance of local organizations, including the Erie County Gaming Revenue Authority, illustrating once again the significance of this source of funding for small non-profits serving urban youth.

The Erie Community Foundation, the Erie County Gaming Revenue Authority and the Housing Authority of the City of Erie provided the funding for the equipment purchases, in a combination of competitive grant allocations and matching funds.

**Organization Background:**

The Urban Erie Community Development Corporation (UECDC) is a private 501(c)3 nonprofit corporation with a mission to promote economic growth and revitalization through small business development and the creation of employment opportunities in the urban Erie area. The UE CDC at the Rev. E.F. Smith Quality of Life Learning Center assists low-income residents of Erie to increase their capacity for economic self-sufficiency through the provision of educational services, employment training and preparation for skilled employment. They also operate an afterschool program serving upwards of 150 youth, most of whom are resettled refugees from African countries including Kenya, South Sudan, Eritrea, Liberia and Tanzania and Bhutan and Nepal in Central Asia.

[www.uecdc.org](http://www.uecdc.org) [www.wibh.org](http://www.wibh.org)



## **City Council ignores how gaming funds help Erie already: David Sample**

**Wednesday**

Posted Feb 8, 2017 at 2:00 AM

Updated Feb 8, 2017 at 5:31 PM

At their meeting on Feb. 1, Erie City Council members passed a resolution "requesting that local state legislators support a plan that would set aside 10 percent of the slot machine revenues that Erie County government receives from Presque Isle Downs & Casino in Summit Township." Those funds, according to reporter Kevin Flowers' report, would be used to fund the city of Erie and the Erie School District to the tune of \$550,000 each.

Councilman Bob Merski sponsored the resolution, reasoning that the city supports many cultural assets and, with an abundance of tax-exempt organizations "sucking taxes out of the city of Erie" and a declining tax base, the city should benefit directly from gaming revenue.

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The city is directly benefiting from gaming revenue and has been for nine years. Rather than sucking taxes out, many of those assets Merski speaks of have been driving gaming revenue into the city. The Erie County Gaming Revenue Authority alone has invested more than \$22 million in nonprofit organizations and for-profit businesses that are hard at work improving the city of Erie's quality of life and creating jobs.

My colleagues and I invite Merski and his colleagues to visit ECGRA's grants map at \_\_\_\_\_ to see all of the organizations in the city limits currently directly benefiting from gaming revenue. For now, let me focus on a few key transformational investments currently benefiting the city of Erie.

ECGRA has invested \$309,000 in eight neighborhood development organizations, including the Sisters of St. Joseph Neighborhood Network, SNOOPS Neighborhood Association, Bayfront East Side Taskforce, Our West Bayfront and Erie Downtown Partnership, all of which are busy implementing the city's comprehensive plan while City Council has convened one public meeting about the plan since it was completed.

Gaming funds totaling \$175,000 are also at work in a plethora of community centers that the city has abandoned in its quest to balance its budget, including the E.F. Smith Quality of Life Center, Booker T. Washington Center and the Multicultural Community Resource Center.

More than \$15 million has been invested in Erie County's nine "lead assets" — all of which are headquartered in the city of Erie — and another \$565,000 is supporting 23 cultural, heritage and recreation organizations in the city. This does not count investments made in any organization based outside the city limits but still serving businesses, nonprofits or residents within the city limits.

We're investing in youth employability programs, such as the Erie School District's Tech After Hours, Eagle's Nest Leadership Corp. in partnership with UPMC Hamot, and Summer Jobs and More in collaboration with Erie County government and the Greater Erie Community Action Committee. These initiatives — which the city does not support financially — are giving young people education, skills training and job placement opportunities. We are improving our chances of reclaiming Erie's youth as productive adults, thereby

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alleviating problems in the city, such as crime, blight and poverty. It speaks volumes about our region when we invest in our youth with on-ramps to employability — and even more about a city government that seeks to take those funds away.

Speaking of the workplace, an additional \$6.6 million in gaming revenue is empowering those leading innovation to improve our economy and the city tax base. ECGRA-funded projects, including the Ignite Erie Inner-city Small Business Development Initiative and Industry+University Business Acceleration Collaborative and the budding Innovation District, are improving our resiliency against global pressures and regional trends in declining manufacturing.

By catalyzing our universities — one of our largest and most important nonprofit sectors — ECGRA is supporting new business creation and growth of existing industry. By investing gaming funds in local lenders, we've bolstered multiple inner-city businesses that otherwise would not have received funding to open their doors.

All of these investments and hundreds more not mentioned here alleviate a portion of the taxpayer and city burden to afford community improvement and development and quality-of-life efforts, without which Erie would be a substantially less desirable place to live, work and play. And if not for ECGRA's investments, those mentioned and many more ECGRA-funded organizations would otherwise be asking the city for funding.

In September, the Pennsylvania Supreme Court declared that the current local share gaming clause in the state's gaming legislation is worded in a manner that is unconstitutional. Without a fix from legislators, the funding stream could essentially dry up and Erie County would be left with an \$11 million annual deficit that would dramatically and negatively impact every community from downtown Erie to Fairview to my hometown of Corry.

ECGRA staff, board members, grantees and supporters have been diligently working in Harrisburg to protect those funds. And now the funds are being threatened at the local level — by Erie City Council.

We should be joining together to speak with one voice to Harrisburg, not fighting each other.

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David Sample, of Corry, is chairman of the board of the Erie County Gaming Revenue Authority.

# VIEWPOINT

OUR VIEW

## Casino fix must keep faith with Erie County

**The issue:** Erie County's gaming money imperiled  
**Our view:** State should honor deal with region

**A**s state legislators maneuver over what to do about a state Supreme Court ruling that found Pennsylvania's casino law unconstitutional, the Erie County Gaming Revenue Authority did a smart thing.

It commissioned a study that breaks down the tens of millions of dollars in economic impact that has been leveraged from investing gaming revenue in Erie County. The idea was to furnish lawmakers with detailed information on the real-world stakes that depend on the state making good on its original deal with Erie County and other areas that host casinos.

The deal, of course, was that communities that became home to legalized vice and the inherent problems and burdens that come with it would be compensated with a hefty share of the proceeds. We consider that deal binding, though the Legislature has the power to renege on it.

Erie County had been receiving about \$11 million annually from Presque Isle Downs & Casino, split between county government and the Gaming Revenue Authority. Those entities have put that money to work on various fronts — including helping to finance the extension of Erie International Airport's runway, boosting small business development and supporting regional assets important to the quality of life here.

In November, for example, ECGRA teamed up with Ben Franklin Technology Partners to add \$1 million to the Erie Innovation Fund. The fund lends money to startup companies, engines of the region's economic future, that might lack collateral for regular bank financing.

The flow of that money was arrested when the Supreme Court ruled in September that the tax on casinos was unconstitutional because it taxed different casinos at different levels. That created opportunities for mischief in Harrisburg, and started legislators in areas without casinos sniffing around for a way to get a piece of the action.

The Supreme Court extended the deadline for fixing the law until May 26. So far, no action has come from Harrisburg as the jockeying continues.

As reporter Nico Salvatori details elsewhere in Sunday's Erie Times-News, the loss or sharp curtailment of gaming money would leave major holes in the funding streams for projects, debt service, economic development strategies and amenities throughout the region. That's not just.

All of those things were pursued based on the state's commitment to its end of the deal with communities that host casinos and all that come with them. Whatever Harrisburg comes up with must make Erie whole.

It's somewhat reassuring, as Salvatori reports, that some local officials, including new state Sen. Dan Laughlin, of Millcreek Township, R-49th Dist., expressed confidence that our region will come out of this process in good shape. Erie County deserves no less.

# Erie Times-News

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## No 'magic bullet' for casino funds

**Tough decisions are ahead for county government, nonprofits if state lawmakers fail to fix a gaming law**

By Nico Salvatore  
n.salvatore@timesnews.com

The local share of revenue generated at Presque Isle Downs & Casino in Summit Township has helped a blight removal program in Corry get off the ground; paid for road, bridge, and infrastructure projects; and supported quality of life programs

throughout Erie County. "The money has done a lot of good for a small town that is pretty economically on its butt," said Dave Sample, referencing Corry. Sample is board chairman of the Erie County Gaming Revenue Authority, which each year receives about \$5.5 million of gaming revenue to invest in community

**More inside**  
Notable grants distributed by the Erie County Gaming Revenue Authority, A8

and economic development projects. In all, ECGRA has distributed \$44 million in loans and grants to 203 nonprofits and municipalities.

Erie County government receives about \$5.5 million annually as well, and uses it for a variety of programs and operations. Summit Township gets a share, as do Millcreek, McKean, Waterford and Green townships. Now that money is in jeopardy, and local officials See CASINO, A8

### CASINO

Continued from A1

and heads of nonprofits are weighing how they would deal with losing a source of revenue on which they have come to rely.

The state Supreme Court in September struck down a provision of a Pennsylvania law outlining how gambling revenue is distributed to communities that host casinos. The court gave state legislators until May 26 to fix the law, and so far little action has come out of Harrisburg.

#### 'A huge hit'

Erie County each year grants gaming funds to local community centers and nonprofits, but most of the money goes toward essential services and obligations.

It serves as the local match for the Erie Metropolitan Transit Authority, accounts for the \$3.8 million the county pays on its annual debt service, and provides significant support — more than \$600,000 worth — to GECAC's Area Agency on Aging.

In the absence of gaming funds, the county would have to spend general fund money for the debt payments and the EMTA cost, said Erie County Executive Kathy Dahlkemper. The grants would have to be cut from the county's budget entirely and some services, including those at the library, would likely be curtailed.

"Many of those grants would be gone," she said. "Some organizations depend on it more than others. It would be a huge hit to an entity like GECAC. But the one thing

we'd have to continue to do is pay off the debt service."

Raising taxes or refinancing debt could be in the county's future if the gaming funds go away, Dahlkemper said.

"We can argue whether we should have just kept those programs in the general fund, but those decisions were made before I got here," she said.

#### 'They survived before'

Pundraising and community outreach are part of the daily business of running a nonprofit organization, and those efforts would increase for groups that have received gaming money from either Erie County or ECGRA.

The Humane Society of Northwestern Pennsylvania received \$45,000 in gaming revenue from Erie County in 2016, and is expecting another \$45,000 in 2017. The money has covered more than half of the cost of the society's animal cruelty department for several years.

The department has two employees and investigates more than 1,000 animal cruelty calls a year, said Nicole Bawol, the society's executive director.

"We've been so fortunate to have that money," Bawol said. "It would definitely tax our resources if we lost those funds."

The society is not funded by or affiliated with the Humane Society of the United States. It gets its funds from citizen donations, grants and fundraisers.

"We do the best we can with what we have," Bawol said. "Without the gaming funds, we'd be really looking at more community outreach. We'd probably have to ramp up fundraisers and grant writing."

#### Where the money goes

The Erie County Gaming Revenue Authority distributed about \$7.2 million in casino gambling revenue to 90 nonprofits and municipalities in 2016. Here are a few notable grants:

- Bridgeway Capital: \$1 million for small business financing
- Ben Franklin Technology Partners: \$500,000 for small business financing
- Mercyhurst University: \$400,000 for the Downtown Erie Innovation District Shaping Tomorrow program
- Empower Erie: \$400,000 for the Shaping Tomorrow program
- Erie Zoological Society: \$376,387 for lead assets
- Erie's public schools: \$225,000 for the Shaping Tomorrow program, human services and other programs
- Gannon University: \$50,000 for the East-West Bayfront Plan

SOURCE: ERIE COUNTY GAMING REVENUE AUTHORITY

The same is true of the Youth Artists Debut Orchestra (YADO), which received nearly \$10,000 from ECGRA in 2016. The group provides musical education for young people, including students from low-income families. The gaming money pays for advertising and to bring in professional musicians from around the world who perform with the students.

Without gaming money, YADO would have to cut that element of its program.

"These world-class artists inspire our students and they set a standard of professionalism and excellence," said Jessie Collura, executive director.

She stressed the importance of learning how to play a classical instrument.

"It increases students' self-esteem, it teaches them leadership skills, teaches them self-discipline," she said. "It's a special thing. We need special things."

Collura said the organization is looking to secure a \$3 million endowment so that it can continue offering its entire program.

Mike Batchelor, president of the Erie Community

Foundation, said he expects an increased demand from nonprofits if the gaming revenue disappears. The foundation links charitable endowments from donors to needs in the Erie area, and partnered with ECGRA in some of its grant-making programs.

Batchelor said nothing can replace the gaming revenue. "We're here for every nonprofit," he said. "We'll do the best we can, but we have no special funding, no magic bullet here in terms of what we can access."

Nonprofits may have to learn to live without the gaming revenue.

"They survived before," he said. "They'll likely survive after, but it may not be as vibrant or robust. Some things will probably have to be canceled or laid off or made smaller."

#### 'It's really up to the legislators'

The future of programs that rely on gaming revenue is in the hands of state legislators.

Little news has come from Harrisburg on the topic since a bill made it through the House last year that called for a \$10

million annual host fee from each casino. However, there is an effort by some state senators to expand the fee across the state, diluting its impact in host communities.

They include senators who represent rural districts without casinos, said Perry Wood, ECGRA's executive director.

"Their ability to do that is to say 'you're not going to have my vote unless we get a piece of the action,' completely ignoring the spirit of the law," he said. "It's not a given that this will be resolved without any pain for Erie County," he said.

But state Sen. Dan Laughlin, of Millcreek Township, R-40th Dist., offered some reassurance.

"There are senators that don't have casinos in their district that want a slice of the pie," Laughlin said. "I don't believe that's going to happen."

Laughlin said senior state senators are working on legislation that would more or less preserve the funding as Erie County has known it.

"I believe we're getting close," he said.

Based on conversations Dahlkemper has had with local lawmakers and others from around the state, she said she is confident Erie County will be OK.

"I think we have to have some degree of trust in our legislative body," she said. "It's really up to the legislators. I think the important thing is to keep talking to them about the importance of these funds to the community."

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

# Presque Isle Downs celebrates 10th an

*(Editor's note: This article appeared in the Erie Times-News and was written by newspaper staff member Kevin Flowers. The Associated Press made the article available for newspapers across the state.)*

ERIE (AP) — When it opened a decade ago, Presque Isle Downs & Casino represented something entirely fresh for the Erie region.

Thanks to the Pennsylvania Racehorse Development and Gaming Act of 2004, the region had a new major employer and its own \$200 million entertainment venue — one focused on the business of winning and losing and the pursuit of cold, hard cash.

After five years of planning and development, Presque Isle Downs, located off Route 97 in Summit Township, made its debut on Feb. 28, 2007.

Featuring more than 2,000 slot machines, buffets, a fine dining restaurant, a clubhouse restaurant and lounge and a host of other amenities, the venue replicated a Las Vegas-style wagering atmosphere in northwestern Pennsylvania.

In addition, the casino's one-mile thoroughbred track made its debut in September 2007, bringing live horse racing back to Erie County for the first time since Erie Downs closed after the 1987 season.

The facility has also hosted concerts and outdoor boxing as it has undergone several changes during the last decade, including new ownership; the addition of table games, poker and a high limit room; and renovated bars and restaurants.

Presque Isle Downs is also the launching point for the multiday Roar on the Shore rally's popular yearly motorcycle parade, and the casino has spawned the development of new hotels, gas stations, restaurants and other businesses along Route 97.

And the players keep coming. Presque Isle Downs' gross revenue was \$118 million in the fiscal year that started July 1, 2015, and ended June 30, according to the Pennsylvania Gaming Control Board.

The casino averaged 4,142 visitors a day in 2016, and daily payouts to gamblers of nearly \$3.3 million, said Jennifer See, the casino's director of marketing.

"I'm here two or three times a week," 73-year-old James West, a retired maintenance worker and machine builder from Painesville, Ohio, said, while playing slots at the casino this past week.

West said he once won \$20,000 at Presque Isle Downs on a single slot machine play, and that he collectively won \$19,000 at the casino in 2016, "although I spent a lot more than that." Asked what keeps him coming back, West quipped, "I can smoke in here," as he puffed a cigarette.

"And it's really nice here. I like it better than the casinos in Cleveland," West said. "And they give me a lot of benefits. Free plays, drinks, sometimes a room."

"Our guests, like our team members, are imperative to the success of this property," said Jeff Pavre, Presque Isle Downs' vice president and general manager.



Anita Gillett, of Franklin, high-fives her husband, Paul Gillett, while playing slot machines at Presque Isle Downs and Casino in Erie.

## 'Erie's golden goose'

The casino, however, means much more to Erie County than a good game.

The state's gambling law requires casinos to pay millions of dollars in annual assessments to host municipalities/counties, and Erie County has received more than \$104 million in casino revenues from Presque Isle Downs since the facility opened, according to financial figures from Erie County government.

That money has helped fund programs, projects and events county-wide, including road, bridge and other infrastructure projects, business incubators and startups, Erie County's library system; youth job programs; community/cultural events such as festivals, sports programs for inner-city children; free Sunday hours at the Erie Zoo, and more.

Gaming revenues also helped fund the \$47 million expansion of Erie Insurance Arena and the Erie International Airport's \$80.5 million runway extension.

"I would say that Presque Isle Downs has been Erie's golden goose," said Perry Wood, executive director of the Erie County Gaming Revenue Authority.

Erie County receives roughly \$11 million in revenues each year from Presque Isle Downs. The county keeps \$5.5 million, and the other \$5.5 million is distributed by the Gaming Revenue Authority, which invests the funding via grants and loans in economic and community development projects throughout the region.

"None of the funding that goes to the hundreds of nonprofits and municipalities to do creative and innovative things would be possible without local share gaming revenue," Wood said. "You can't underestimate the economic impact."

Erie County Executive Kathy Dahlkemper agreed.

"The biggest impact of the casino other than being another recreational venue is the revenue it brings into the county," Dahlkemper said, adding that the casino revenues are also used to make payments on the county's long-term debt and award county grants to various local agencies. "It has allowed us to fund a lot of projects that affect a lot of people in this region. That's a huge positive."

Dave Robinson is executive director of the Union City Family Support Center, a nonprofit that provides social, health and educational services to families and children in the Union City area.

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That program is partially funded by gambling revenues.

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State lawmakers promised last fall to fix the problem quickly, but that has yet to happen.

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"Everyone in Erie County benefits from our success," Pavre said. "A significant portion of our tax dollars stay here to help fund assets and programs that are important and vital to our community."

## Staying relevant

As Presque Isle Downs enters its second decade, the venue does so while facing an expanded regional gambling market.

Seneca Allegany Casino in Salamanca, New York, Presque Isle Downs' closest competitor, is just 80 miles east, offering both slots and table games.

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And there is additional casino competition in northeast Ohio — three casinos in the Cleveland area.

Pavre, who has testified in Harrisburg before a state Senate committee about saturation of the gambling market, said Presque Isle Downs has spent the past several years upgrading its casino floor with new carpeting, paint and revamped restaurants and bars, as well as new slot products.

"We're putting more of an emphasis on improving both our internal and external impact."

# Anniversary

## Facts, figures about Erie casino

Here are some facts about Presque Isle Downs & Casino:

Opened: Feb. 28, 2007

Number of employees: (including those associated with horse racing) 785

Ownership: Reno, Nev.-based Eldorado Resorts acquired Presque Isle Downs in 2014 after a merger with the Erie casino's first parent company, MTR Gaming Group

Biggest slots jackpot: \$500,000, on a progressive slot machine in November 2012. In progressive jackpots, a bank of slot machines is linked together electronically to award one big jackpot.

Biggest table game win: \$88,472.47 in July of 2015

Gamblers per day (average): 4,142 in 2016

Daily payout (average): \$3,286,576 in 2016

Annual wagers: Nearly \$1.4 billion in the 2015-16 fiscal year, the last fiscal year with complete financial figures

Annual payouts to gamblers: \$1.2 billion in fiscal year 2015-16

Gross yearly revenue: \$118 million in fiscal year 2015-16

Table games introduced: July 2010

Poker: launched in October 2011

High limit room: opened in July 2015

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That purchase will add another 12 properties to Eldorado's gaming portfolio.

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"I am confident that the continued level of support from El Dorado Resorts will continue," Favre said.

Pam Dennis said she appreciates the casino's efforts to improve, upgrade and remain attractive to gamblers — even though her luck at video slots was not great.

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"Before today, I had not been here in about five years," Dennis said. "It's grown a lot. There are more places to eat and the place looks great. I might even be able to get my husband to come here with



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## Winning hand



Anita Gillett, of Franklin, Pa., high-fives her husband, Paul Gillett, while playing slot machines Feb. 28 at Presque Isle Downs and Casino in Summit Township. (PHOTOS BY DAVE MUNCH/ERIE TIMES-NEWS)

### Presque Isle Downs celebrates 10th anniversary

By Kevin Flowers  
kevin.flowers@timesnews.com

**W**hen it opened a decade ago, Presque Isle Downs & Casino represented something entirely fresh for the Erie region.

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See PRESQUE, A5



Presque Isle Downs and Casino is located on Perry Highway in Summit Township.

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Source: Presque Isle Downs & Casino/Eldorado Resorts; Pennsylvania Gaming Control Board

### Online

To see more photos of Presque Isle Downs & Casino: [GoErie.com/Photos](http://GoErie.com/Photos)

# PRESQUE

Continued from A1

In addition, the casino's one-mile thoroughbred track made its debut in September 2007, bringing live horse racing back to Erie County for the first time since Erie Downs closed after the 1987 season.

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On Tuesday, Presque Isle Downs will celebrate its anniversary with T-shirt giveaways, free hot dogs and cupcakes and free play giveaways for patrons, among other events. The Breeze Band, a popular local R & B group, will perform at the casino Tuesday night.

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Customers fill the dining room of The Brew Brothers restaurant at Presque Isle Downs and Casino. (DAVE MUNCH/ERIE TIMES-NEWS)

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## 'A road map' for Erie

### 5-year action plan is presented to City Council

By Kevin Flowers  
kflowers@timesnews.com

Here is what Erie's waterfront, downtown and east and west bayfront neighborhoods could look like in five years.



Moog



Wyredick

Pedestrian bridges linking downtown and State Street to the bayfront. New bicycle paths.

An eastside walking trail connecting residential and business districts to the Bayfront Connector.

Downtown streetlight, sidewalk

and parking improvements, along with updated parking meter technology.

And improvements at Gridley and Bayview parks on the city's west side.

A new computer database would be developed to track the progress of those projects and many others. City officials would create a land bank and housing court to



The improvements recommended in the action plan for Erie Refocused focus on "core strengthening" in downtown Erie, the bayfront, and the city's east bayfront and west bayfront neighborhoods. [SARAH CROSBY/ERIE TIMES-NEWS]

deal with dilapidated properties, establish mechanisms for preserving Erie's historic properties and develop new ways to support private

development and the work of neighborhood improvement groups.

And the projects and initiatives would cost more

than \$17 million, paid for via city, state and federal funds, along with private financing and, potentially, newly created funding streams such

as a surcharge on real estate transactions that could be used to fight blight.

See PLAN, A7

## PLAN

Continued from A1

Those suggestions, and more, are included in a short-term implementation strategy for improvement projects recommended as part of the Erie Refocused, the city's multiyear, multimillion-dollar comprehensive development plan.

Erie City Council heard details of the action plan during a study session at Erie City Hall on Thursday, and the plan was presented to Mayor Joe Sinnott on Wednesday. The plan outlines improvements recommended by Erie Refocused that local officials believe can be launched or completed within the next five years.

The improvements focus on "core strengthening" in downtown Erie, the bayfront, and the city's east bayfront and west bayfront neighborhoods. According to the action plan, that strategy is recommended because downtown and the waterfront are two of Erie's strongest community assets, and those areas feature strong neighborhood improvement groups and private entities — such as Erie Insurance, UPMC Hamot and Gannon University — that are already helping to fund revitalization efforts.

Local officials said that Thursday's meeting was an important step toward making Erie Refocused a reality.

"We have to keep this momentum going, and really rethinking how we

do things," City Council President Cas Kwitowski said. "Now people are thinking about how things connect to each other. How do we make it better? I like what I heard."

Unveiled in April 2016, the comprehensive plan is the first of its type for the city in decades. It addresses Erie's future needs in a number of areas, including housing, transportation, land use and economic development, to combat decades of systematic decline. The plan also suggests the city look for creative ways to attract private financial investment, matched by public dollars, for various projects.

"This is really a road map for the city administration to start implementing the comp plan," said Kathy Wyrosdick, director of the Erie County Department of Planning. Wyrosdick, who said she hopes to see "one or two" of the recommended projects begin in 2017, presented the action plan to City Council on Thursday night with Chris Mong, the city's director of economic and community development.

Wyrosdick and Mong are among a number of local officials who have been working on the action plan since November.

"We're not waiting five years," Wyrosdick told City Council members and about 75 members of the public who attended Thursday night's session.

"These were all public priorities reflected in (Erie Refocused), and it's a business plan that basically says, 'Here's what we can do as a city to think differently,'"



An outside walking trail connecting residential and business districts to the Bayfront Connector is among the recommendations in Erie Refocused. This is a file photo of Erie residents walking along the Bayfront Promenade near the foot of Cherry Street. (CHRISTOPHER MILLETTE/ERIE TIMES-NEWS)

Wyrosdick said. "We're not talking about raising taxes to do this. We can start a lot of this Day One. And some of these things are already happening."

The action plan also suggests:

- Creating a City Action Team of various officials from different city departments to support development projects.

- Working with public financing experts and officials adept at public-private partnerships to explore new financing methods such as tax credit programs and tax increment financing for historic districts.

- City officials and the Erie Redevelopment Authority working closely with the county Planning Department on neighborhood planning and the development of a database/GIS system that can analyze land use within city limits.

- Developing criteria for "effective preservation" of historic buildings/assets

in the city.

- Supporting the establishment of innovation districts and technology incubators in the city. Mercyhurst University, the Erie Community Foundation, the Erie County Gaming Revenue Authority and the Susan Hirt Hagen Fund for Transformational Philanthropy, along with Erie Insurance, Velocity Network and the consulting firm of McManis & Monsalve Associates, are working on such a plan, which would create a cybersecurity and data science hub downtown.

- The city work with the Pennsylvania Department of Transportation, as well as private investors, to finalize a study of improvements needed along the Bayfront Parkway and find financing "outside of regularly allocated PennDOT funds" to help pay for them, such as state capital improvement grants.

The action plan recommends of the

comprehensive plan, which has already been endorsed by City Council and the city's Planning Commission, are the first phase of Erie Refocused's implementation. The next phase, in a few years, will focus on strengthening neighborhoods in other areas of the city.

Councilman Mel Witherspoon said he was happy to hear that, because he fears revitalization needs in many of the city's troubled neighborhoods "will be left out" of the process.

"And we still have to get the funds to make this happen," Witherspoon said. "I think this is needed ... but I want people to focus on the communities outside of the downtown and bayfront, too."

Councilman Curtis Jones Jr. said the plans' details underscore "the capacity that's already been built" between the public and private sectors.

"I think it all makes

sense," Jones said. "But I also don't want to lose those gaps and put some effort into (other neighborhoods)."

The comprehensive plan was written by Alexandria, Virginia-based consulting firm GZB, hired by Sinnott's administration to develop the strategy.

Charles Buki, GZB's founder and principal consultant, has said that the comprehensive plan will likely take years to implement and that its many recommendations could cost as much as \$600 million. Both Buki and city officials have said the city will most likely move forward in stages, based on community priorities and available financing.

Erie businessman and developer Rick Griffith — who has long pushed for better regional cooperation — also came to City Hall on Thursday night to hear the action plan's details. Griffith said he was encouraged that county and city officials, and others, helped forge the plan together.

"There are a lot of times where that doesn't happen, and I give both sides of the equation some credit there," Griffith said. "Everybody knows that as the city goes, so goes our entire area."

"It's very important that we work together," Griffith continued. "We're at the starting gate now ... I hope it stays as transparent as it looks right now. So let's fix it. We've got to fix it."

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# VIEWPOINT

## OUR VIEW

# Erie arts hub becoming master work

**The issue:** PACA arts center is booming  
**Our view:** Art enhances life, region's bottom line

**A**rt elevates the mind, opens the doors to new perception and makes us laugh, cry or understand. Too often, it is treated as a nonessential dimension of life — especially when it comes to funding.

Thank the muses then, for champions like Mark Tanenbaum, founder of Erie's Performing Artists Collective Alliance. Just five short years ago, Tanenbaum leased 1505 State St., which had in the past served as a hub for the Erie arts scene, with a grand vision of what the dilapidated, 118-year-old brick building could become. The goal? A "thriving and long-lasting cultural hot spot" with a theater for performances by artists local and international and rental space for artists to teach and create their wares.

Tanenbaum said then, "The time is right and the town is ready." And he was right, as detailed Friday by Erie Times-News reporter Gerry Weiss.

Not just a leaseholder, PACA now owns the building, purchasing it for about \$230,000 in December. As promised, PACA hosts plays, concerts, art and puppet shows for the public. It offers artists affordable space in which to do their work. Tanenbaum said 60 artisans — potters, dancers, sculptors, singers and photographers — now rent studio space.

Three new commercial tenants will open in summer: Oasis, a grocery selling something in very short supply in Erie's core, fresh produce; First Amendment Tees Co., a silk-screen company; and Gallery 104, which sells high-end work made by artists throughout the region.

The building's shabby exterior belies the magic occurring within it, but that, too, is changing. By May, new windows, doors and lighting will be in place and better reflect the vitality within.

Not just entertaining, this emerging hub stands to play a substantial role in Erie's economic recovery.

As Tanenbaum noted, such a resource can stem the migration of Erie's creative class to more welcoming locales, such as Pittsburgh. He's plans to build condominiums with studio space on the building's upper floors to help keep talent here.

A hip, thriving arts scene can serve as a lure to young professionals, as well, especially with plans for a downtown Innovation District in motion. As Antoine van Agtmael, author of "The Smartest Places on Earth," said in a recent Jefferson Educational Society lecture, successful innovation districts have vibrant urban cores replete with amenities young people seek.

Art as economic engine is no outlier. Nearby Oil City, for example, is among many locales trying to pursue the strategy. It converted a historic landmark, the former hub of John D. Rockefeller's Standard Oil Co., into studio and gallery space for artists lured to town through an artist relocation program.

PACA, and especially Tanenbaum, deserve credit and thanks for their courageous, farsighted commitment to Erie and its arts.

Bravo.

# First fruits of Erie's plan for the future to be revealed

This is an exciting week for Erie because the first concrete results are about to be unveiled since urban planning consultant Charles Buki released his Erie Refocused comprehensive plan in 2016. As Erie Times-News reports described it, Erie City Council will receive and discuss the \$15 million first phase of a plan that includes streetscape improvements in the downtown and bayfront, as well as plans for neighborhoods on the east and west bayfront.

Chris Mong, the city's director of economic and community development, and Kathy Wyrosdick, director of the Erie County Department of Planning, have been the point people in developing recommendations that are expected to be implemented over a five-year period, and these two officials will be in the spotlight to explain their research and recommendations.

While this is only a fraction of the good things that could emerge from the Buki plan, Thursday's meeting at 5:30 p.m. at



Pat Cuneo

Ragnoni Council Chambers at City Hall should be recognized for its sheer importance. This is a start, and it took a great deal of work to get here.

The reason I'm optimistic is that I saw the scores of civic leaders — corporate leaders, nonprofit leaders, government leaders, business professionals, news media, powerful private citizens — jam into the Jefferson Educational Society for the Metro 100 Conference a few months ago and hear firsthand from Buki and his associates the truth about what Erie has become, in good ways and bad, and the possibilities of what it could be. The determination of these leaders is our hope.

Make no mistake, Thursday's meeting is a big deal. It shows real progress. This is also a time to think big, and far beyond just this meeting. This entire effort needs to attract more

people and groups in the process; to engage the citizenry; to make sure that these vital planning issues play a key role in the upcoming mayoral race.

Buki himself put a \$600 million price tag on projects Erie needs to accomplish for its own survival, and we need to proceed on several tracks to get things done. It will take incredible effort and teamwork to determine bricks-and-mortar goals and how to pay for them. And for now, let's greet this first report in the positive spirit in which it is intended. Congratulations, Erie. This is happening.

• Leon Panetta strikes me as one of the few true elder statesmen in America. The former CIA director from 2009 to 2011 and secretary of defense from 2011 to 2013 has worked for nine presidents in his nearly 79 years.

So it matters when Panetta acknowledges, as he did Sunday, that leaking classified information is wrong by definition as a matter of swearing an oath to the United States, and that it would have been his duty as CIA director to notify the

president of violators. That said, Panetta blamed President Donald Trump for starting and not solving the breakdown in trust between the White House and the U.S. intelligence community. This nation, he said, is in danger, and it is Trump who is the biggest loser because he is depriving himself of receiving the intelligence he needs to keep us safe.

How hard is that, really, to understand and appreciate? If Trump wants to keep America safe from terrorism and open hostility from nations that work to defeat us, like Russia, Iran, Syria and North Korea, he must regain the trust of our intelligence community. All else is secondary to this divide because it truly threatens our safety and Trump's ability to govern.

Ah, but there is the rub. Part of regaining that trust requires a thorough, bipartisan investigation of the many ways Russia tried to rig the presidential election in Trump's favor and whether and to what degree Trump's associates worked with the Russians before and after his election victory over

Hillary Clinton. The issue of Trump's refusal to release his tax records, breaking decades of precedent for presidential candidates, nominees and presidents, also becomes more relevant because they would show whether Trump has Russian-related holdings and whether his potential conflicts could compromise the United States.

The House Ways and Means Committee, of which U.S. Rep Mike Kelly, of Butler, R-3rd Dist., is a member, has the authority to obtain tax records and make them public. But last week, Republicans on the panel blocked the Democrats' attempt to obtain Trump's tax records by a straight party-line vote, 23-15. That is sad.

In the larger view, this serious scenario places Trump's month-old administration in peril. But thanks to rare people like Panetta and Republican Sens. John McCain and Lindsey Graham, maybe we'll start to get to the bottom of this national security mess.

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# CITY & REGION

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## ECGRA to award grants to Erie County public schools

By Gerry Weiss  
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Six Erie County school district foundations, including the Partnership for Erie's Public Schools, will receive more than \$115,000 combined Thursday from the Erie County Gaming Revenue Authority.

ECGRA officials are

expected to make the announcement at a 9:30 a.m. news conference inside the Jefferson Educational Society, 3207 State St.

ECGRA since January 2015 has helped Erie County public school district foundations build their fundraising capacity through the School District Foundation Endowment Challenge.

ECGRA committed up to \$200,000 to those foundations and matched donations — up to \$5 per student — raised by the 10 participating foundations through December 2016.

Six of the 10 foundations will receive \$115,143 combined in ECGRA funding

See GRANTS, B3

### GRANTS

Continued from B1

on Thursday, while the four other foundations received grant money in December 2015. In all, the 10 participating foundations collectively raised a total of \$389,860, including ECGRA's match, over a two-year span.

The Erie School District's foundation, Partnership for Erie's Public Schools, is receiving a \$60,000 challenge grant from ECGRA, the largest of Thursday's grants.

A portion of the money will be used toward classroom projects districtwide. On Thursday, as part of "We Love Erie's Public Schools

Week," the Partnership for Erie's Public Schools will announce 20 teacher recipients of the spring 2017 innovative classroom grants, totaling more than \$25,000. Since 2013, PEPS has awarded between \$10,000 and \$15,000 in classroom grants each year to district teachers.

This year, because of the ECGRA endowment challenge, the number of grants was doubled, said Daria Devlin, executive director for PEPS.

"We wanted to put a portion of the ECGRA money directly to work in our classrooms," Devlin said. PEPS raised \$136,971, including the \$60,000 ECGRA match, during the two-year challenge.

The PEPS grant announcement will take place at 3:15 p.m. in the

auditorium of Woodrow Wilson Middle School, 718 E. 28th St.

Also on Thursday, the Corry Area School District Foundation will receive a \$10,000 ECGRA match; General McLane Foundation a \$10,960 match; Milk Creek Education Foundation (\$22,978); Northwest Community Educational Foundation (\$7,260); and Union City Area School District Foundation (\$3,945).

In December 2015, the Fairview School Foundation received a \$8,350 matching challenge grant from ECGRA, while the Girard School District Foundation received \$11,100, Fort LeBoeuf School District Foundation \$11,579, and Iroquois School District Foundation (\$7,000).

The 10 participating school districts combined serve more than 33,000 students in Erie County.

ECGRA spearheaded the fundraising challenge in 2014 in light of Erie's poverty rates, which are some of the highest in Pennsylvania. The campaign, coordinators said, was designed to foster the growth of students and teachers in Erie County and elevate the region's public schools.

In addition to matching funds, ECGRA is providing ongoing training, fundraising and marketing tools to support the foundations' efforts.

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# VIEWPOINT

## OUR VIEW

### New economy gains strength

**The issue:** Mercyhurst, Erie Insurance partner  
**Our view:** Innovation district holds promise

Rust Belt cities are finding new economic lifeblood by creating innovation hubs that pair industry with academic expertise to advance more technologically based businesses.

Buffalo has medical innovation and biotechnology, and Milwaukee's initiatives focus on water issues.

Erie, if all goes according to plan, will emerge as hub of innovation for cybersecurity and data science.

The city's hopes for the creation of a downtown innovation district began in October with a \$4 million grant to Mercyhurst University from the Erie Community Foundation, the Erie County Gaming Revenue Authority and the Susan Hirt Hagen Fund for Transformational Philanthropy. Mercyhurst is meant to take the lead in creating the district, while working with Erie Insurance, Velocity Network and the consulting firm of McManis & Monsalve Associates to complete joint projects.

On Friday, the first tangible initiative to advance this transformation began with the welcome announcement of a \$1.25 million investment to develop and expand academic programs at Mercyhurst focused on the insurance industry and cybersecurity, as detailed by Erie Times-News reporter Gerry Weiss.

The university's Walker College of Business will house programs on risk control, insurance underwriting and insurance claims, while programs in cybersecurity, data analytics and cyberintelligence in the insurance industry will be developed and expanded through the Ridge College of Intelligence Studies and Applied Science.

Erie Insurance board member and Mercyhurst graduate Betsy Hirt Vorschick is making the investment, which seems rightly timed and focused.

The initiative hews to priorities in both the Erie Downtown Master Plan and Erie Refocused, the city's comprehensive plan. It will create a pool of talent and expertise for Erie Insurance to draw on for interns, new hires and workforce training — a need that is likely only to grow given the company's recent announcement of a \$135 million facility expansion and plans to create 1,000 new jobs at the Erie headquarters.

And it could help to stem Erie's damaging brain drain by creating fresh opportunities for the young and educated.

As Weiss reported, there is a workforce shortage of cybersecurity expertise, and jobs for risk managers have grown nearly 30 percent since 2004, according to Mercyhurst officials.

This partnership between Erie's only Fortune 500 company and Mercyhurst could one day make Erie a national hub to meet these growing demands and allow the region to find its place in the global economy.

Taken together with other transformative initiatives in the offing — Scott Enterprises' \$150 million Harbor Place bayfront development, UPMC Hamot's \$111 million expansion, and the \$1.6 million that Marquette Savings Bank, UPMC Health Plan, Gannon University and Erie Insurance have invested to help realize the Our West Bayfront plan — Erie's future is coming into view. It looks anything but rusty.



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## Inside the 'war room'



**Where the next moves on Erie Refocused are taking shape**

By Gerry Weisa and Kevin Flowers  
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It was a cluttered storage area on the Erie Maritime Museum's third floor as recently as mid-fall, roughly 400 square feet of space filled with unused cabinets, tables and other pieces of furniture.

These days it's called the "war room," and much of the city of Erie's future hinges on what's being

discussed and debated inside.

There have been nearly two dozen behind-the-scenes meetings held in the war room since November, with each session geared toward identifying core priorities and taking action strongly suggested in Erie Refocused, the city's multiyear, multimillion-dollar comprehensive development plan.

Unveiled in April 2016, the plan is the first of its type for the city in decades.

Mayor Joe Sinnott's administration

See 'WAR ROOM', A8

In their "war room" at the Erie County Planning Department, Kathy Wyrósdick, Erie County director of planning, and Christopher Mong, director of the City of Erie's Department of Economic and Community Development, are preparing an action plan with recommendations related to the Erie Refocused plan.

CHRISTOPHER MILLETTE/ERIETIMES-NEWS



## 'WAR ROOM'

Continued from A1

hired Alexandria, Va.-based consulting firm CZB to craft what's been called a decision-making guide to address Erie's future needs in a number of areas, including housing, transportation, land use and economic development.

The plan, which will be rolled out in stages, aims to develop strategies to combat decades of systematic decline. The first report outlining priority projects and initiatives for the comprehensive plan — decisions currently being crafted in the war room — is expected to be presented to Sinnott and Erie City Council by late February.

"Various entities (are) working as a team to determine the best way to target our investments to be most effective for the region," Sinnott said recently.

The groups working in the war room include a cross-sector regional mix of leaders and officials in business, transportation, government and redevelopment. Engineers, planners and representatives from neighborhood improvement task forces have taken part, too.

City of Erie mayoral candidates, area nonprofit leaders and deputies with Gov. Tom Wolf's office also have been to the war room.

Some of them simply looked around and listened as local planners outlined projects aiming to transform Erie.

Others asked to see where their clout, vision and funding fit in the process.

On one wall of the war room is a large map of the city, showing 12th Street down to Presque Isle Bay, from Greengarden Boulevard across to the Bayfront Connector. The map, attached to the wall with Velcro, is covered by a plastic sheet, making it easy to draw on,

the action plan that she said will be presented to Sinnott and City Council later this month. That plan will suggest up to \$15 million in streetscapes and other improvements in four areas: downtown Erie, the bayfront, and the city's east bayfront and west bayfront neighborhoods.

All of those areas have benefited from significant private investment from entities such as Erie Insurance, UPMC Hamot and Gannon University. Further, they all have strong improvement associations or neighborhood groups already in place, Wyrosdick said.

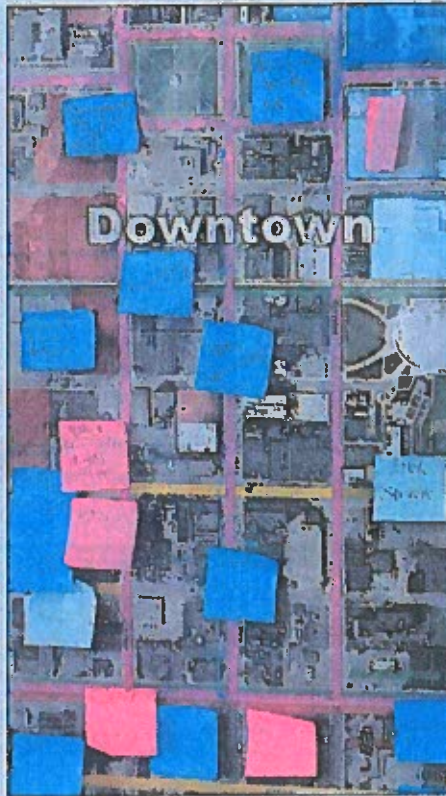
Chris Mong, the city's director of economic and community development, said the improvements are targeted to support and enhance the private investment already taking place in those areas of the city.

Both Mong and Wyrosdick said the improvements will be paid for via a combination of state and city funding, competitive grants and other public and private investments that will be laid out in the draft recommendations.

"We're strengthening the core in this first phase, which is what the comp plan suggests," said Mong, another key war room player. "Things like new sidewalks, street lighting, signage, updated parking meter (technology). We're working with the private sector to enhance what other groups are doing. That's what this is about."

The war room map accounts for a section of Erie where about 24,000 residents live, or nearly one-quarter of the city's population of 100,055.

In the heart of those grids are lower State and French streets, the pulse of the city's downtown, and neighborhoods on Erie's east and west sides — areas ticketed for major revitalization through private sector and nonprofit investments from Erie Insur-



Post-it notes on a map of the City of Erie are being used by the Erie Refocused planning team. The notes identify public- and private-sector projects to revitalize the Erie region, especially the State Street corridor downtown. CHRISTOPHER MILLETTE/ERIE TIMES-NEWS



The Erie Refocused action plan will advocate for streetscaping to be

a financial boost Friday from an Erie Insurance board member through a \$1.25 million investment to develop a risk management program at Mercyhurst University, aimed at educating a growing workforce in a high-demand field while also creating a feeder system for Erie Insurance.

Mercyhurst is taking the lead in establishing the district, with Erie Insurance as one of the project's top partners.

In October, Mercyhurst received a \$4 million grant from the Erie Community Foundation, Erie County Gaming Revenue Authority and the Susan Hirt Hagen Fund for Transformational Philanthropy to create the district, which will focus on cybersecurity and data science.

The risk management program will begin at the start of the university's 2017-18 academic year. In four years, officials said, the first group of graduates will be prime candidates for corporate jobs — and family-sustaining wages — in the district.

"With cybersecurity, you need risk managers," said David Dausey, Mercyhurst's provost and vice president for academic affairs and a war room participant. "We will have a top pool of talent in this growing, high-demand field groomed right here. And the goal is to keep them here. We are quite excited. There is no rest for the ambitious."

Innovation district officials have hired DHR International, the global executive search firm, to conduct a nationwide search to find a chief executive to run the district. Other first-year goals include finding an office from which to operate.

"We are closer to a physical location," Dausey said. "We have more work still to be done, and more individuals to be involved."

The Brookings Institution recently signed on with the project as a liaison, with

crisis and change.

The map today has about 125 color-coordinated sticky notes scattered about, with priority projects and timelines — be it for the former GAF Materials Corp. site or the Our West Bayfront neighborhood improvement project — tagged for each note.

Nearly a dozen white postersheets cloak the other walls, with lists upon lists detailing projects and plans written in magenta marker on each one.

Small bowls filled with mini-chocolate bars and Starbucks squares are placed on tables around the war room. The meetings — some lasting 45 minutes, some surpassing three hours — have been described as collegial and informal yet passionate with discussions often rising in intensity as the enormity, frustrations and challenges of such a pivotal moment in Erie's history comes more into focus.

"People get in this room and it becomes almost a therapy session for the city," said Erie County Director of Planning Kathy Wyrosdick, whose office is a short walk down the hall from the war room. Wyrosdick has pushed hard to make sure that Erie Refocused involves regional cooperation and includes an effective implementation strategy.

"They talk about the multiple plans and projects going on in the city. They talk about Erie's problems and possible solutions," she added about the war room's participants. "Everyone who comes in here is greatly motivated. We are inching forward one sticky note at a time."

#### Forging a plan

The inching forward is about to take a giant leap. Wyrosdick is preparing

also, UBMC Health, Gannon University, Scotts Run Springs and Mercyhurst University, among others.

Bolstering those core areas supports those investments, Wyrosdick said, while addressing the priority goals of Erie Refocused.

"The city needs to keep up with all the improvement work being done by the private sector. It is taking shape around the city as we speak," she said. "The next mayor and administration will have to take some calculated risks. The city of Erie is not seen as a strong partner by some. It's seen as more of an afterthought, a place you get permits. That needs to change."

Erie Insurance spokeswoman Leah Knapp said the region's only locally based Fortune 500 company appreciates local officials' efforts to put the comprehensive plan in motion. The company, in November, announced it will invest \$135 million in a 346,000-square-foot building in downtown Erie. The construction project will be one of the largest in the city's history.

"Helping to build a vibrant Erie community and further support the Erie Refocused plan," Knapp said, "is essential to our company's success."

#### 'A value all its own'

Charles Buki is the founder and principal consultant at OZB, the consulting firm that wrote Erie Refocused. He has been vocal about Erie leadership's need to reject the status quo and the impulse to play it safe when it comes to implementing the comprehensive plan.

Buki, in a recent interview, said he is encouraged by the war room approach.

"Starting in this way, by doing something different,

improved around West 14th Street in Erie in the area of the Rothrock Building. Once redeveloped, it will be the headquarters for the Erie Network. CONTRIBUTED: KENNER WACHTER ARCHITECTURE AND DESIGN

has a value all its own. It's the planning equivalent of Franklin D. Roosevelt's 'We have nothing to fear but fear itself' statement," Buki said.

Buki has told local community and business leaders that Erie faces an "existential crisis" that economically-ravaged cities like Flint, Mich., and Camden, N.J., suffered through — and have yet to recover from.

To turn things around, Buki said previously, the city should embrace targeted investments, especially in the downtown and along the bayfront, to protect existing assets, build the city's middle class and reconfigure the city for pedestrian use.

"When you look at successful cities, there's an X-factor, and it is that they don't have a fear of failure," Buki said. "In the past, Erie has had challenges because everyone's living in their own tunnel, their own box, their own silo trying to get things done."

"Having a strategy room with different folks, from different organizations, you're forming partnerships. And that's great," Buki said. "It's better to start and screw up than to not start at all."

Jeremy Bloeser agrees. Bloeser is the executive director of the Bayfront Eastside Task Force, which fights blight within a 25-block area from East Sixth Street to Presque Isle Bay, between Holland and Wayne streets.

Bloeser has attended war room meetings.

"I'm hopeful. This is exciting," Bloeser said. "We have the county, the city, the neighborhood groups, and other people all working together as opposed to working in silos. In my 5 1/2

years with B.E.S.T., I haven't seen this level of cooperation and transparency."

John Buchna, the executive director of the Erie Downtown Partnership, has also been to several war room meetings. His organization serves a 70-block area of downtown Erie, from Sasafra to Holland streets, between the bayfront and 14th Street.

The Downtown Partnership in May unveiled a master plan for downtown Erie that outlines goals that include creating distinct districts downtown; physical improvements; housing upgrades; economic development; transportation improvements; and more aggressive marketing of downtown Erie.

The downtown plan is in syno with many of Erie Refocused's recommendations.

"We're leveraging the opportunities we have to make more opportunities and different groups are looking at everything from the standpoint of how it connects," Buchna said. "This is tremendous."

Wyrosdick, the county planning director, said the war room strategy sessions will continue as the comprehensive plan's implementation within the city of Erie takes shape.

"This is all about how we can collaborate better and how we become more nimble as a government and as organizations," Wyrosdick said, "so that we can understand what our problems are and try to come up with solutions."

#### Working together

One such partnership is the Downtown Erie Innovation District, which received

Bruce Katz, an innovation district guru with the justification, coaching the local group and connecting Erie with some of the more than 80 districts operating worldwide, Dansey said.

The Our West Bayfront coalition focuses on revitalizing 843 acres on Erie's west side, from Presque Isle Bay south West 12th Street and Sasafra Street west to the Bayfront Parkway.

The initiative on Jan. 6 announced the hiring of Anna Frantz as the group's first executive director. Frantz came to the initiative after leaving the top post at Emerge 2040, the Erie region's 25-year, community-driven master plan.

On that same January day, UBMC Health Plan, Gannon University, Marquette Savings Bank and Erie Insurance committed more than \$1.6 million to Our West Bayfront over the coming six years.

Our West Bayfront formed in 2016 as a collaboration among neighborhood residents, Gannon, Housing and Neighborhood Development Service and the Martin Luther King Center. The project in 2017 is eyeing a number of improvements, with efforts addressing blight, improving housing and enhancing safety.

"You can sense this fabulous energy, with all the projects, and the connections being created that we are tapping into," Frantz said. "There's not a feeling of everyone off doing their own thing. This is important work, and we are in this together."

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## \$1.25 million grant seeds new effort at Mercyhurst

By Gerry Weiss  
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Mercyhurst University and Erie Insurance announced a collaboration Friday that will develop a risk management



program in a high-demand field at the school while creating a pipeline of available talent for the Fortune 500 company.

The program, which will begin in the fall, is being made possible through a \$1.25 million investment by Betsy Hirt Vorsbeck, an Erie Insurance board member and 1977 Mercyhurst graduate.

Vorsbeck is the daughter of F. W. Hirt, the longtime chief executive and board chairman of Erie Insurance, and Audrey Sitter Hirt, a 1949 Mercyhurst graduate after whom the Audrey Hirt

Academic Center at Mercyhurst is named.

The money will be used to develop and expand academic programs in risk

See GRANT, A6

### GRANT

Continued from A1

control, insurance underwriting and insurance claims through the university's Walker College of Business, and programs in cybersecurity, data analytics and cyberintelligence in the insurance industry through the Ridge College of Intelligence Studies and Applied Sciences, officials said.

The program will be named the F. W. Hirt Erie Insurance Risk Management Program at Mercyhurst University.

"I'm happy to make this investment with Mercyhurst University to prepare students on the changing needs of the insurance industry," Vorsbeck said in a statement. She did not attend Friday's news conference. "This program is a great way we can honor my father's legacy while looking toward the future."

Mercyhurst President Michael Viktor said the university is grateful to Vorsbeck and Erie Insurance for their commitment to this collaboration,



In Erie Friday, Mercyhurst University President Michael Viktor announces a \$1.25 million investment to develop a risk-management program at the school. GREG WOHLFORD/ERIE TIMES-NEWS

"which we believe will be transformative in nature, benefiting not only our two institutions, but creating new jobs and opportunities in the Erie region."

The risk management program will align with and support plans for the Downtown Erie Innovation District.

Mercyhurst in October received a \$4 million grant to create the district, which is designed to stimulate growth here with corporate jobs focused on cybersecurity and data science. That grant came from the Erie Community

Foundation, Erie County Gaming Revenue Authority and the Susan Hirt Hagen Fund for Transformational Philanthropy.

Innovation districts are a new and emerging global trend in urban planning that began in the early 2000s. More than 80 of these districts are operating worldwide, seeking solutions to modernize their economies and move away from industrial-based production to technology-driven fields.

The district dovetails with the priorities of Erie Refocused, the city of Erie's comprehensive plan that was unveiled in April.

Mercyhurst is taking the lead in establishing the district, with Erie Insurance, Velocity Network and the consulting firm of McManis & Monsalve Associates working with interested partners to execute joint projects.

One goal of the Mercyhurst/Erie Insurance collaboration is to have the first graduating class of the new risk management program ready for jobs, internships and other opportunities in what will then be an operating innovation district.

David Dausey, Mercyhurst's

provost and vice president for academic affairs, said the university will be a key player in trying to dismantle local brain drain while keeping young talent from leaving Erie for elsewhere.

"The field of risk management is changing rapidly. The insurance industry is moving more and more toward a big-data approach," Dausey said. "The industry will need more people to interpret, analyze and make sense of that data."

The partnership between the school and the only Fortune 500 company based in Erie also comes on the heels of Erie Insurance announcing in December its plans to create 1,000 jobs at the Erie headquarters. This comes as Erie Insurance undertakes a \$135 million facility expansion on the city's east side.

The new risk management program will create cutting-edge academic and research projects that advance the insurance field and develop innovative products and new areas of business, Mercyhurst officials said.

The program also will create a strong pipeline of available talent, with opportunities

for internships to new hires while providing continuing education and training for Erie Insurance employees and others interested in the field, officials added. Mercyhurst's program will teach traditional risk management skills, augmented by cutting-edge science in cybersecurity, and big data to identify threats and protect information networks. The growth of the internet and the corresponding rise in cybercrime has triggered a workforce shortfall with companies competing for cybersecurity experts, according to the 2016 Cybersecurity Jobs Report.

Jobs for risk managers have grown nearly 30 percent since 2004, Mercyhurst officials said, citing industry experts.

"The workforce in the insurance industry, in general, is aging," said Dionne Wallace Oakley, senior vice president of human resources at Erie Insurance. "Millennials need to be aware of the insurance agency as a career choice."

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**RESOLUTION NUMBER 2, 2017**

**Resolution to Enter into agreements with 42 Erie County Special Events Grants applicants, whose events take place between January 1, 2017 and December 31, 2017**

Whereas, the Regional Assets Committee has established a set of eligibility and funding criteria for special events that are produced by municipalities and nonprofits;

Whereas, there were forty-two (42) applicants for special events funding, and the Board of Directors affirms that forty-two (42) applicants have met the funding eligibility;

Whereas, the forty-two (42) special events applicants are identified as the

Albion Area Fair Inc., Asbury Woods Partnership Inc., Borough of Union City, Borough of Wesleyville, CAFÉ, Crime Victim Center of Erie County, Inc., Dr. Gertrude A. Barber Foundations, Downtown Edinboro Art & Music Festival, Downtown North East, Inc., Edinboro Highland Games, Erie Homes for Children and Adults, Erie Art & Music Festival, Erie Asian Pacific American Association, Erie Contemporary Ballet Theatre, Erie Downtown Partnership, Erie Drum Corps Association, Erie Lions Club Save and Eye Game, Erie Regional Chamber & Growth Partnership, Film Society of Northwestern Pennsylvania, Goodell Gardens & Homestead, Harborcreek Township, Holy Trinity Roman Catholic Church, Jefferson Educational Society, Lake Erie Arboretum at Frontier, Lake Erie Ballet, Lake Erie Fanfare Inc., Martin Luther King Center, Mercy Center for Women, The Nonprofit Partnership, North East Community Fair Association, Presque Isle Partnership, Roar on the Shore, SafeNet, St. Patrick's Church, Sisters of St. Joseph Neighborhood Network, Union City Pride, Inc., WQLN Public Media, Waterford Community Fair Association, Wattsburg Agricultural Society Inc., YMCA of Greater Erie, Young Artists Debut Orchestra, and Youth Leadership Institute of Erie;

Whereas, the eligible applicants are awarded grants totaling \$171,014.05 to the extent outlined in the attached Exhibit "A";

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the Erie County Gaming Revenue Authority Bylaws, resolves to enter into agreements with forty-two (42) Erie County Special Events Grants applicants, whose events take place between January 1, 2017 and December 31, 2017, so they may flourish, create an economic impact on the region through tourism, and continue to enrich the quality of life for Erie County residents.

On the motion of \_\_\_\_\_, seconded by \_\_\_\_\_,

This resolution was passed on the 9<sup>th</sup> day of March 2017 by a vote of \_\_\_\_ to \_\_\_\_.

**ERIE COUNTY GAMING REVENUE AUTHORITY**

\_\_\_\_\_  
Chairman, Erie County Gaming Revenue Authority

March 9, 2017

ATTEST:

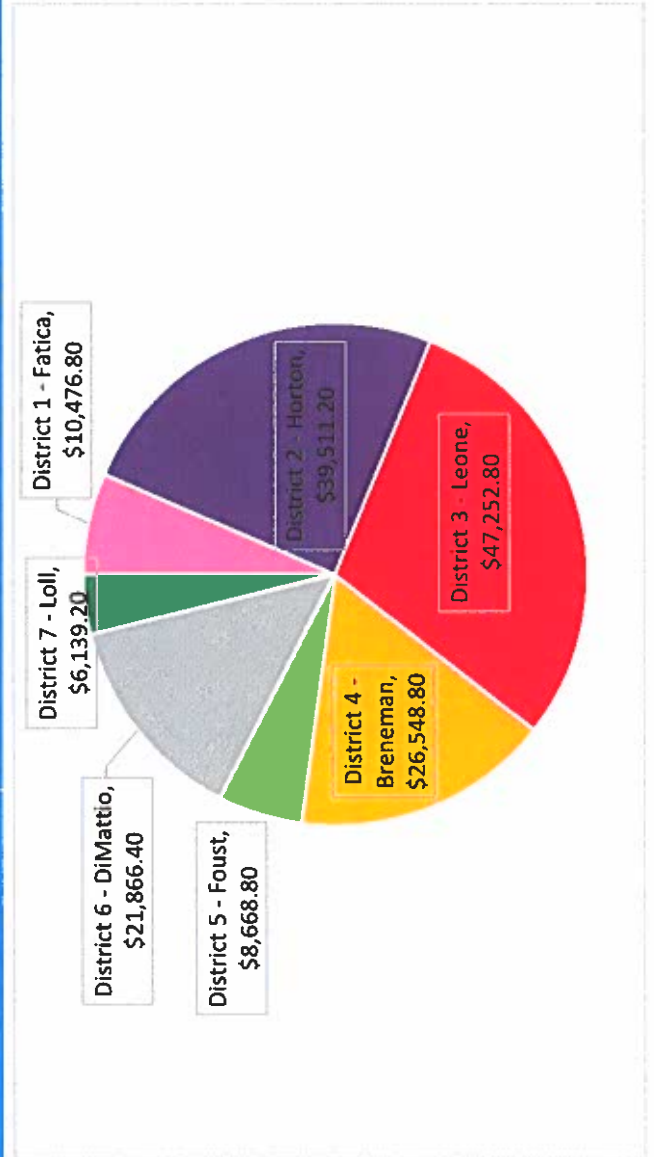
\_\_\_\_\_  
Secretary, ECGRA



# 2017 Special Events Grants Applicants

Organization	Events	District	4.00%
Albion Area Fair	Albion Area Fair	District #7	\$5,608.80
Asbury Woods Partnership, Inc	Maple Festival, Wine and Dine in the Woods, Ridge Run, Honey Harvest, Scary Creature Feature, School House Craft Festival and Winter Wonderland	District #1	\$2,537.60
Borough of Union City	French Creek Festival	District #6	\$504.80
Borough of Wesleyville	Wesleyville Community Day	District #5	\$459.20
CAFE	CelebrateErie 2017	District #3	\$14,000.00
Crime Victim Center of Erie County, Inc.	Moonlight on the Bay	District #3	\$1,698.40
Downtown North East, Inc.	North East Area Chamber of Commerce Events	District #5	\$3,480.00
Dr. Gertrude A Barber Foundations	Barber Events 2017: 10th Annual Art Show and Sale; 5th Annual Barber Beast on the Bay; 53rd Annual Christmas Ball	District #2	\$12,339.20
Edinboro Arts & Music Fest	The Downtown Edinboro Arts and Music Festival	District #6	\$2,000.00
Edinboro Highland Games	Edinboro Highland Games	District #6	\$2,343.20
EHCA Foundation/Erie Homes for Children and Adults	2017 Special Events of EHCA	District #4	\$2,208.00
Erie Art & Music Festival	Piloting of an Erie Art & Music Festival	District #2	\$3,800.00
Erie Asian Pacific American Association	Asian Festival 2017	District #2	\$720.00
Erie Contemporary Ballet Theatre	Fairy Tale Series	District #7	\$530.40
Erie Downtown Partnership	Block Parties and Downtown d'Lights	District #2	\$1,294.40
Erie Drum Corps Association	American Salute DCA Drum and Bugle Corps Show	District #1	\$820.00
Erie Lions Club Save an Eye Game	78th Annual Save an Eye Game	District #1	\$934.40
Erie Regional Chamber and Growth Partnership	Beer on the Bay, Homecoming/Business Showcase, YEP's Kickball for Kids	District #2	\$3,920.00
Film Society of Northwestern Pennsylvania	FILM at the Erie Art Museum   One Night in Hollywood (Annual Oscar Party)   Erie's Voices / Educational Summer Program   The Greater Erie Film Office Film Maker Networking Group & Seminars   Screenplay & Film Competition	District #3	\$1,315.20
Goodell Gardens & Homestead	Goodell Gardens & Homestead 2017 Signature Community Events Series	District #6	\$855.20
Harborcreek Township	Harborcreek Township Community Concerts, HC Light Up Night and Park It events.	District #5	\$1,796.80
Holy Trinity Roman Catholic Church	24th Annual Zabawa Polish Festival	District #3	\$5,048.00
Jefferson Educational Society	JES Educational Programming	District #4	\$17,406.40
Lake Erie Arboretum at Frontier (LEAF)	LEAF 2017 Events	District #2	\$1,804.00
Lake Erie Ballet	"Matters of the Heart", LEB Spring Performance, and LEB's "The Nutcracker".	District #2	\$3,997.60
Lake Erie Fanfare, Inc.	34th Annual Drum Corps Competition; 21st Annual German Heritage Festival	District #4	\$4,760.00
Martin Luther King Center	Reflections (2) and It's a Small World	District #2	\$584.00

<p>Women Making History, Alumnae Dinner, Butterfly Effect, Purse &amp; Peel Luncheon, Miles for Mercy 5k and Wreath Sale</p>	District #4	\$2,174.40
<p>North East Community Fair</p>	District #5	\$532.80
<p>Presque Isle Partnership 2017 Events</p>	District #1	\$6,184.80
<p>Roar on the Shore 11th Annual Bike Week</p>	District #3	\$19,613.60
<p>Scrabble, Beyond Words, Garden Party, Boo Run, 100 women, Big Backyard Parties for Children, Interpersonal Violence Conference</p>	District #2	\$3,014.40
<p>Erie Irish Festival</p>	District #2	\$4,054.40
<p>Italian Festival</p>	District #3	\$3,568.00
<p>Nonprofit Day 2017</p>	District #2	\$2,310.40
<p>The French Creek Festival</p>	District #6	\$1,002.40
<p>Waterford Community Fair 2017</p>	District #6	\$4,534.40
<p>Erie County Fair at Wattsburg 2017</p>	District #6	\$10,626.40
<p>Sounds Around Town Summer Concert Series and TV &amp; Radio Broadcasts</p>	District #5	\$2,400.00
<p>Lake Erie Cycle Fest</p>	District #2	\$868.80
<p>Quintessentially Quintet; Regency Recital; Strings Bring Summer; Spring Strings at Springhill; Erie SeaWolves Independence Day Celebration; Summer Music Academy Finale Concert; Hallelujah Holidays; Christmas Recital at LECOM Senior Living Center</p>	District #3	\$2,009.60
<p>Global Youth Service Day 2017</p>	District #2	\$804.00
<p><b>YOUTH LEADERSHIP INSTITUTE OF ERIE</b></p>		<b>\$160,464.00</b>





## **RESOLUTION NUMBER 3, 2017**

### **Resolution to Approve Human Services grants for the first quarter of 2017**

Whereas, the Erie County Gaming Revenue Authority offers quarterly grants for human services in conjunction with the Helping Today program facilitated by the Erie Community Foundation; and

Whereas, the purpose of the human services funding is a function of a strong economic development system that provides a safety net for its most disadvantaged citizens; and

Whereas, the Economic Development Financing Law provides that one of the purposes of the law is to "Otherwise promote the health, welfare and safety of the residents of this Commonwealth by promoting economic activity and efficiency, by alleviating or eliminating unemployment, blight and other unhealthy conditions and by otherwise providing public benefit and prosperity and to do or perform any of the above regardless of whether the project, the project applicant, or the project user is a public or private or done with a profit or not-for-profit purpose;" and

Whereas, Erie Community Foundation's Helping Today grant program was designed to improve the quality of life in the region by ensuring a vital nonprofit sector and the programs funded through the Helping Today grant have the effect of alleviating unhealthy conditions within Erie County; and

Whereas, the staff of the ECGRA have reviewed the merits and applicability of the proposed projects and programs in relation to the Economic Development Financing Law, and in conjunction with the Helping Today grants panel proposes funding to the extent outlined in the attached Exhibit A;

**NOW, THEREFORE, BE IT RESOLVED** that the board of directors of the Erie County Gaming Revenue Authority, pursuant to the Economic Development Financing Law and the Erie County Gaming Revenue Authority bylaws, resolves to award grant funding to the above named projects subject to terms of the Erie County Gaming Revenue Authority's grant agreement.

On the Motion of \_\_\_\_\_, seconded by \_\_\_\_\_.

This resolution was passed on the 9<sup>th</sup> day of March, 2017 by a vote of \_\_\_\_\_ - \_\_\_\_\_.

ERIE COUNTY GAMING REVENUE AUTHORITY

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Chairman, Erie County Gaming Revenue Authority

March 9, 2017

ATTEST:

\_\_\_\_\_  
Secretary, ECGRA

# Human Services Grants (Helping Today)

## First Quarter 2017

All God's Children Ministries	Ramps of hope	\$ 2,500
Community Resources for Independence, Inc.	Specialized transportation for people who use wheelchairs	7,500
Mission Empower	Renovation of office and training space	3,500
Second Harvest Food Bank of NW PA	Emerson-Gridley School pantry pilot project	7,225
Sisters of Mercy House of Mercy	Eastside Grassroots Coalition	6,000
		\$ 26,725



**MEMORANDUM**

**TO:** Secretary of the Board  
Erie County Gaming Revenue Authority ("ECGRA")

**FROM:** James Domino  
ECGRA Board Director

**DATE:** March 9, 2017

**RE:** GREATT and Family First Sports Park

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As you are aware, the Erie County Gaming Revenue Authority (ECGRA) has been approached by G.R.E.A.T.T., an entity which desires funding from ECGRA to purchase Family First Sports Park. Through my business, Domino Insurance Agency, Inc., I sell insurance to the current owner of Family First Sports Park. If ECGRA were to grant the funding request, my client would stand to benefit financially. Accordingly, I have inquired with ECGRA Solicitor Wachter who has ruled that this presents a conflict of interest, and as such, I am required to abstain from any deliberation or vote on the matter. I ask that this memo be made part of the minutes of this meeting per the requirements of the Pennsylvania Public Officials and Employees Ethics Act.

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