

## **Minutes for the March 3<sup>rd</sup> 2010 meeting of the Directors of The Village of Lancaster Community Development Corporation**

At 7:45 am on the morning of March 3<sup>rd</sup> 2010, President Jeffrey Stribing convened a regular meeting of the Directors of the VLCDC in the second floor board room of the Municipal Building, 5423 Broadway, Lancaster, New York. Also present were Vice President Richard Young, Treasurer John Mikoley, and Directors Robert Giza, Edward Myszka and Matt Walters. Consultants Mark Aquino and Stanley Keysa also attended, as did banker John Evoy.

Jeff Stribing reported that the New York Store, viewed as a key anchor to the Main Street project, was considering applying for aid. Jeff said the goal of the VLCDC is to revitalize the central business district, and that we have a real opportunity here. The corporation has received \$200,000 New York State Main Street grant to distribute. Landowners need to come up with a 50% match. Jeff noted that the VLCDC Had generated its own funds thru sale of real property and rentals. He asked the Town of Lancaster Industrial Development Agency to assist with participation in the match needed for the New York Store, but that it legally could not as one of its directors was an officer of the corporation owing the store. He observed that Nate Neill, counsel to LIDA, had observed that the Clarence IDA was setting up a local development corporation to be able to funnel funds to needed local projects, and that Jeff had pointed out that Lancaster already has an LDC.

Jeff went on to say that he had a call from Tom Van Nortwick who was concerned with the delay in moving the funds. He recommended Jeff speak with Jim Sullivan who is running a similar program in the City of North Tonawanda. Sullivan recommended using LDC funds to aid the match.

Jeff said there may be a number of buildings needing assistance, and listed those he thought might. Mark Aquino made it clear he would not seek assistance for buildings he owns. Jeff thought the assistance needed would not exceed the \$35,000 he requested from LIDA. He continued by saying that Dick Young had suggested a citizens loan corporation, and Jeff thought that a good idea, but that we don't have the time to get that going. The project needs to move this month or lose a construction season. Failure to spend the current grant on time would jeopardize chances of getting future grants.

John Evoy said he had been attending meetings for nearly a year, and the focus was always on getting rid of the mortgage. He asked how providing assistance would impact that goal. Jeff responded by saying the VLCDC had about \$90,000 cash, so the aid suggested would not significantly impact that "cushion."

Stan Keysa noted that, if the Village decides to go forward with reconstruction of West Main Street, a portion of the cost would legitimately be compensation for the taking of a portion of the LVP Complex, while the VLCDC keeps a portion to support the mortgage with continued rentals. Stan also suggested looking at a long-term loan based on the period of probable usefulness. He and Mark thought that to be a maximum of 25 years. Dick Young renewed his concern with taking funding from the treasury. Discussion followed. Mark suggested a note and subordinated mortgage with a non-amortized loan due on sale. Discussion continued, with speakers suggesting that the landowners be pushed to develop the upper floors for residential use should another NYS grant become available. Those are typically 100% grants and guaranteed

funds. Mikoley noted that interest only at 6% would be \$175.00 per month. Jeff noted that the County Business Development Fund was priced at 2%. Evoy said rates are going up, and someone suggested asking 3%. More discussion followed. Consensus seemed to jell around a loan of not more than \$35,000 at a rate subject to negotiation for a period not to exceed 25 years. Dick Young said he wanted to see the legal language before approval, and that a loan be subject to due diligence.

Matt Walter moved that it be the sense of the board to move forward with negotiations contemplating a loan as outlined, and that the final terms be subject to a further vote of the board, which could be taken by email response. His motion was seconded by Dick Young and unanimously approved.

Jeff reported that the Erie County CBDG consortium had approved a \$300,000 grant to the Village for preparatory work on demolition of part or all of the LVP Complex. Stan Keysa outlined the further steps needed before the grant is finalized. Jeff reviewed the estimates for hazard abatement, ranging from \$10,000 to \$100,000. He said there was still a question of whether it would be better to demo the entire building (at an estimated \$500,000) or just a portion (at an estimated \$800,000). There is a cost involved in separating utilities and protecting the remaining section. Full demo would probably require a greater payment to the mortgage holders, and would eliminate potential for offsetting rental income

On other matters, Jeff reported that he attended a joint meeting of the Village Planning Commission and the Historic District Commission.

Bob Giza asked about the reaction of M&T Bank and discussion followed.

Mark Aquino distributed the request by Matt Jaskier to host a dance in the former Rite Aid space. After discussion, Mark was told the board was not inclined to grant the request due to concerns over liability.

Stan Keysa reminded the board that the annual meeting needed to be scheduled so notices could be mailed. Matt Walters moved to hold the annual meeting May 10<sup>th</sup> at 7:30 pm in the Municipal Building board room; Edward Myszka seconded the motion, which was unanimously approved.

John Evoy noted that he is now chairing the Lancaster Area Chamber of Commerce, and was looking to sponsor several inter-group luncheons so members of various boards could get to know each other and the objectives of their respective boards.

Dick Young moved to adjourn at 9:10 am; his motion was seconded by Bob Giza and unanimously approved.

Respectfully submitted,



Stanley J. Keysa,  
Assistant Secretary