

**Minutes for the September 7th 2011 meetings of
The Village of Lancaster Community Development Corporation**

At 7:35 a.m. on the morning of September 7th 2011, President Jeffrey Stribing convened a meeting of the Executive Committee of the VLCDC in the second floor board room of the Municipal Building at 5423 Broadway, Lancaster, New York. Also present were Vice President Richard Young, Secretary Craigg McRae, Treasurer John Mikoley and Directors John Evoy and Linda Mallia. Consultants Mark Aquino and Stanley Keysa.

John Mikoley moved approval of the minutes of the August 3rd 2011 meeting; his motion was seconded by Linda Mallia and unanimously approved. The vote was as follows:

John Evoy	aye	Linda Mallia	aye
Craigg McRae	aye	John Mikoley	aye
Jeffrey Stribing	aye	Richard Young	aye

John Mikoley presented the Treasurer's report as prepared by Mark Aquino, noting that all items were as usual. Craigg McRae then moved approval of issuance of checks 1851 thru 1863 in the amount of \$18,315.82; his motion was seconded by John Evoy and unanimously approved. The vote was as follows:

John Evoy	aye	Linda Mallia	aye
Craigg McRae	aye	John Mikoley	aye
Jeffrey Stribing	aye	Richard Young	aye

Mark Aquino then reported that both LifeForms and Orfeo had vacated in preparation for the asbestos abatement project. Matt will move upstairs. InLighten, which pays \$2000 per month, and the Village of Lancaster, which pays nothing, are still downstairs, as is Save-A-Lot.

Dick Young asked about utilities, and Mark said that upstairs outside tenants have their own meters, while interior tenants don't.

Mark said the court case in which the VLCDC had been cited by the Town of Lancaster Building Inspector's Office for a number of violations has been moved to Alden to avoid any appearance of conflicts. He added that pretty much all violations have been cleared, and that he expects an adjournment in contemplation of dismissal. He will need to confer with Town Building Inspector George Pease and Village Fire Inspector Scott Kuhlmeier to see if anything else is needed.

Regarding the letter received from the Village regarding snow-plowing, Mark said that the Village has been handling for about 5 or 6 year, he has billed SAL 50% of the actual cost of plowing. Recently, since the Village took over, he has gotten quotes and billed 50% of the mean. The Mayor seemed surprised, but Mark had thought the Village costs

were offset by the significant amount of free space provided to the Village for storage. Mark suggested that the Village could bill the VLCDC for snowplowing and the VLCDC would then bill SAL, and the VLCDC should also bill the Village for storage space. He thought the Village had no mechanism to track time spent plowing. Discussion followed.

At 7:50 a.m., Edward Myszka joined the meeting.

Regarding the audit, Mark reported that the field work had been completed, and that he expected a report at the October meeting. He said he expects the report to have a "going concern" caution included. Jeff asked about requirements under the Public Authorities Law regarding the length of time the same firm can be used as auditors. Stan Keysa said that the same firm could be used if a different partner were the principal auditor. Mark said that Tom Malecki, who had led the work for several years, was not the partner-in-charge this year.

Matt Walter joined the meeting at 7:55 a.m.

Jeff Stribing remarked on the May 2011 letter from Village Fire Inspector Scott Kuhlmeier to the Village Fire Chief regarding response at the LVP Complex (copy attached). Mark said that he would have hoped that such letter would have been shared with the building owner. He noted that it was a brief letter raising various questions regarding the areas to which it applied. Discussion followed. If the issues regarded the fire code, Mark thought the questions had been addressed. If his remarks concerned the structural safety of the building, that posed a different question.

Jeff said he understood the Village Board was going to ask the Building Inspector if there were concerns with the building structure, and if so, where. He thought the Building Inspector would respond that the questions needed professional evaluation, in which case the Village Board would need to decide whether to engage the services of an engineering firm. Discussion followed regarding the multiple evaluations already made and whether they were sufficiently detailed. Consensus was that the last report by Wm Schutt Associates needed more detail as to structural deficiencies, if any.

Jeff reported the LVP Complex working committee met on Tuesday with Erie County personnel regarding cost-sharing, should the report recommend demolition. The County is concerned over the lack of movement on the abatement project, and that the funds be spent-down in a timely fashion.

Jeff also noted the informal gathering last week at Eddy Ryan's, hosted by Dick Young, of which the media had been notified. At it, Dick Young had briefed the full Village Board and two Town Board members on his offer to purchase the existing mortgages at 50% of unpaid principal, and the need for someone to take such risk to get redevelopment of the central business district moving, and of potential stumbling blocks. No decisions were made at the meeting, but Jeff thought the elected officials had a better understanding of the problems.

Jeff also noted the informal meeting with Mike Horrigan, one of the owners of the Save-A-Lot franchise, and that it had not gone well. Horrigan brought his lawyer, and demanded \$750,000 to move. Essentially, after initially indicating a willingness to look at the Elks building on Legion Parkway and at the former Tops building at Broadway and Penora, SAL was balking at moving.

Regarding M&T Bank, Stan Keysa reported that there seemed to be a misunderstanding as to what is to take place. He had spoken with Vince Hauber, attorney for the bank, who forwarded a draft Forbearance Agreement, which essentially had the VLCDC agreeing that it is in default on the mortgage (whereas it is paid to date) and the VLCDC then buys out the mortgage at 50%. Keysa said he had rejected that approach, saying that it was his understanding is that the current mortgages (including that of the EC RL&DC & LIDA) is to be assigned to Dick Young, thus saving considerable closing costs. Stan has suggested to both Young's attorney and Hauber that a memorandum of understanding be drafted to guide the process. He has heard nothing since.

Mark reported that the Northpoint Church is remodeling, using their own labor. Discussion followed as to whether that is appropriate if the building is unsafe. Mark noted the church has a month to month lease, and thought Kuhlmeys's primary concern was with putting firefighters on the roof over the southwest area, where temporary braces were installed to support "top-hat" trusses, which have a reputation for weakening if exposed to great heat over a long period of time. Mark noted that there were no concerns expressed by the Building Inspector's Office while that office occupied space in the building last year, and that nothing had changed since then. Discussion followed. Mark will make the church and other tenants aware that there is the potential for a structural evaluation by an engineering firm. More discussion followed.

John Evoy noted that it is essential that M&T Bank release its mortgage on that portion of the building needed to permit a road to be constructed (areas 2 & 3). This would free-up the \$300,000 project, but not guarantee the balance needed would be forthcoming.

Matt Walter moved to direct Mark Aquino to speak with Scott Kuhlmeys to get clarification of his concerns, and to go forward with the leases unless Scott was expressing concern over the structure of the portion of the building facing on the north side of West Main Street; his motion was seconded by John Mikoley and unanimously approved. The vote was as follows:

John Evoy	aye	Linda Mallia	aye
Craigg McRae	aye	John Mikoley	aye
Edward Myszka	aye	Jeffrey Stribing	aye
Matt Walter	aye	Richard Young	aye

(Copy of Scott Kuhlmeys's September 7th 2011 response to President Stribing is attached.)

John Evoy moved to authorize a letter be sent to M&T Bank and the secondary mortgage holders to request a release of the areas needed to extend West Main Street. His motion was seconded by Matt Walter and unanimously approved. The vote was as follows:

John Evoy	aye	Linda Mallia	aye
Craigg McRae	aye	John Mikoley	aye
Edward Myszka	aye	Jeffrey Stribing	aye
Matt Walter	aye	Richard Young	aye

Jeff Stribing reported that he had a letter from Dick Young expressing his desire to resign from the board to avoid any appearance of conflict of interest resulting from his offer to purchase the existing mortgages from M&T Bank, the EC RL&DC and LIDA.

Dick said he was concerned that not all were pulling in the same direction. He said his offer was to purchase the mortgages at 50% of current principal value, and that he would not seek repayment until the land was sold for redevelopment, but even the possibility of being paid interest at that time might suggest a conflict and that he wanted to avoid even the appearance of such conflict. He said he was willing to help at any time, but not as a voting director. He has been trying to get a vision implemented for twenty years.

The board unanimously thanked Dick for his years of dedication. Jeff said it was a sad day, but that he understood it. He commended Dick for advancing the concept of redeveloping the central business district and for his past contributions such as funding Visions, funding engineering for the lower parking lot, funding the Wm Schutt Associates concept of redevelopment, and providing space gratis for the Lancaster Fire Museum. Stribing then moved to accept Young's resignation; his motion was seconded by Craigg McRae and unanimously approved. The vote was as follows:

John Evoy	aye	Linda Mallia	aye
Craigg McRae	aye	John Mikoley	aye
Edward Myszka	aye	Jeffrey Stribing	aye
Matt Walter	aye	Richard Young	abstained

John Evoy asked that John Denece be considered as a future director, and that his resume be circulated. (Copy is attached.)

At 8:55 a.m., Craigg McRae moved to adjourn; his motion was seconded by John Evoy and unanimously approved.

Respectfully submitted,



Craigg McRae, Secretary