

**Minutes for the August 9, 2006 Business Meeting of the Directors of
The Village of Lancaster Community Development Corporation**

At 8:06 a.m. on August 9, 2006, President Jeffrey Stribing convened a meeting of the VLCDC Board of Directors in the Board Room of the Village Municipal Building, 5423 Broadway. Those present included President Stribing, Village Mayor William Cansdale, Town Supervisor Robert Giza, Alan Kurtzman, John Mikoley, William Schutt and Richard Young. Also present were consultants Mark Aquino and Stanley J. Keysa.

Mark Aquino reported that the attorney familiar with financing residential projects he had invited was unable to attend today's meeting, but would be available in the future.

President Stribing asked Stan Keysa to brief the directors on the Rite Aid project. Stan noted that Ellicott Development was moving forward, and that Rite Aid had opened a temporary store in the LVP Complex, and had cleared fixtures from the old store. He also reported that Bill Paladino had said the project was about \$350,000 over budget, and that 2468 Group, Inc., a corporation formed by Paladino to own the project, was exploring ways to cut those costs. Paladino said he had spoken to Paul Leone, consultant to the Town of Lancaster IDA, and that Paul was optimistic that he could bring sales tax exemption to the project. As fixture and build-out costs can be 50% of a retail project, and subject to sales tax, such a savings could bring considerable savings. Stan noted that similar savings on the Save-A-Lot build-out had saved about \$40,000. However, the process of obtaining LIDA approval will delay the closing into September. (Bob Giza said he felt the sales tax exemption would be approved.

In the meantime, Paladino wants to start demolition and site preparation as soon as possible. Paladino has asked for an early entry agreement, and Stan had drafted one which he then described. Among other items, it calls for the developer to pay \$30,000 in escrow pending closing, obtain liability insurance, fence the worksite, and maintain safe access to Pleasant Avenue West for other tenants of VLCDC (including Rite Aid and Save-A-Lot).

Mark Aquino added that Paladino had reached agreement with Ed Church regarding transfer of the driveway along the north side of Eddy Ryan's, which is owned by Ellicott Development, but over which Church and VLCDC have easement rights. Because Mark has represented Ed Church, he asked Stan to take over representation of VLCDC on this matter. Stan went on to distribute a sketch of the area showing the lands being sold to 2468 Group, Inc., as well as the easement area, over which non-exclusive ingress and egress rights would be extended to both 2468 Group, Inc. and Ed Church. Dick Young asked that the \$30,000 be non-refundable. Another director suggested that, should the project not go forward, the developer be required to restore the VLCDC property. Stan said both items would be added to the agreement.

Keysa then led the directors through a one-page review of the environmental impacts to comply with the New York State Environmental Review Act requirements (see attached). On completion of the review, Bill Schutt moved to have VLCDC issue a "negative declaration", his motion was seconded by John Mikoley, and unanimously approved.

Richard Young then moved to authorize President Stribing to sign the early entry agreement with 2468 Group, Inc., a motion seconded by Bill Schutt and unanimously approved.

Continuing with details needed for the RiteAid store, Alan Kurtzman moved to authorize termination of certain existing easements which date to the establishment of a parking area by the

Village in 1949. His motion was seconded by Bill Schutt and unanimously approved.

Bill Schutt then moved to authorize execution of the deed to 2468 Group, Inc., and a new easement with both 2468 Group, Inc. and Ed Church. His motion was seconded by Dick Young and unanimously approve

Mark Aquino then addressed the question of the land in the Village Industrial Park between the Metz brothers' property (used by Beauty Pools and Kayak Pools) and the NYSEG transmission corridor. Stan again reviewed the history of the parcel, and the encumbrances found once a new surveyor realized that the original surveyor of the earlier Village Industrial Park had misplaced the east line of the great lot by about 20 feet. What remains is about 40 feet wide and is diagonally crossed by a lower voltage power line. In addition, VLCDC has fee ownership of the old Lehigh Valley Railroad bed under and limited by the NYSEG transmission lines.

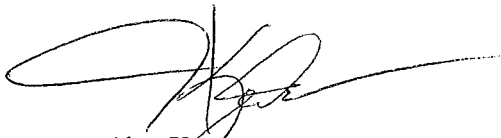
At this point, Steven Metz was invited to join the meeting, and he explained that his company had grown, and that he and his brother could use the property for storage or parking if it were donated to them. He had met previously with Mark and Stan, and they had suggested a price of \$20,000. Metz thought that far too high. Keysa noted that it would be illegal for VLCDC to gift the land to a private entity, and that new laws required that VLCDC obtain an independent appraisal. After some discussion, Metz agreed to cover the cost of an appraisal of the entire "L"-shaped parcel (estimated to be about \$750), to be hired by Mark Aquino. Dick Young then moved to authorize hiring an appraiser, seconded by Bill Cansdale, and unanimously approved.

Stan Keysa reminded the board that the New York Public Authorities Accountability Act of 2005 required each of them to attend a day-long training session, although none had been offered in the area since late winter. That act also requires all authorities and corporations such as VLCDC to establish a website and post certain information to the website. Mayor Cansdale noted the Village already has a website, and said he would ask Peter Herr about adding a VLCDC link.

Jeff Stribing noted that Lancaster Tanks had left the plant on St. Joseph's Street for a site in an Empire Development Zone in the City of Buffalo, and that he had had conversations with the Stutzman family, which still owns the land, about reuse or redevelopment.

At 9:12 a.m., John Mikoley moved to adjourn the meeting, seconded by Alan Kurtzman, and unanimously approved. **The next meeting will be on September 23rd at 8 a.m. at the Village Municipal Building.**

Respectfully submitted,



Alan Kurtzman,
Secretary