

**Minutes for the August 12, 2002 meeting of the Board of Directors of the
Village of Lancaster Community Development Corporation**

Meeting was called to order at 7:05 p.m. by Joseph C. Giallanza, President, in the Village of Lancaster Municipal Building Library at 5423 Broadway, Lancaster, New York.

Secretary William G. Cansdale, Jr. called the roll and the following board members declared themselves to be present: Betty Aquilla, Mayor Cansdale, President Giallanza, Alan Kurtzman, and Len Vento. Village Trustee Jeff Stribing and consultant Stanley J. Keysa were also present.

Mayor Cansdale asked to be excused so as to chair a work meeting of the Village Board in the next room, rejoining the VLCDC Board meeting from time to time.

Betty Aquilla moved to approve the minutes of the July 1, 2002 meeting, seconded by Len Vento, and unanimously approved. No changes were proposed to the minutes for the meetings of December 17, 2001, January 7, 2002, February 4, 2002, March 4, 2002, April 1, 2002, May 6, 2002 and June 3, 2002.

President Giallanza reviewed various items of correspondence. President Giallanza asked that Stan Keysa consult with the law firm of Magavern and Magavern regarding any litigation necessary to collect rents from or evict delinquent tenants, and with regard to a notice of claim mailed by Renaldo and Myers PC on behalf of Wilson Environmental Technologies, Inc., expressing the viewpoint that VLCDC may have a claim against WET for breach of fiduciary duties.

The swap of land with Lancaster Mall Inc. (Casilio) is still pending. Paul Casilio has expressed concern that there are no power lines or gas lines in the extension, and asked for a significant reduction in the purchase price. Stan Keysa is exploring an arrangement with NYSEG whereby the VLCDC would underwrite the cost of installing the distribution line, with NYSEG crediting VLCDC 300 feet for each customer who ties in to the line. Stan has received the search and survey for for CBD parcels, and sent these out for a preliminary title insurance report.

President Giallanza noted a potential purchaser for land on the south side of Commerce Parkway, with whom he is continuing negotiations. This potential buyer wants assurances that Walter Winter Drive will be completed. Keysa noted that the Village has been promised \$100,000 from Erie County CDBG funds to work on the road north of the DL&W Railroad tracks, but said the contract had been delayed as the County staff was participating in preparation of more than a dozen applications for NYS "Main Street" and "Empire Opportunity Fund" competitions, which had a deadline of 5pm that evening. Per his conversations with Ken Swanekamp of the County staff, a contract should be out in ten days. Keysa also noted that an Industrial Access Program application had been filed with New York State for the balance of the road, and offered to check with State Senator Dale Volker to request an update on the IAP status.

President Giallanza distributed preliminary draft financial reports which had been delivered by Fox & Co. earlier that afternoon. Stan Keysa was asked to discuss with Fox & Co. the note on the relationship with NYSEG regarding the Industrial Park lands, and also to ask that a note be added to reflect pending sales of land, including those which closed in early June. He was also asked to discuss adding a list of security deposits.

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Jeff Stribing noted the desire of M&T Bank to move quickly on the extension to its parking lot, which will require approval by the Planning Commission, the Historic District Commission, and of the Village Board. Stan Keysa was asked to check deed cites to determine what M&T had reserved when it transferred lands to the Village for the current driveway west of the bank.

Jeff Stribing left the meeting at 7:22 pm and Jim Everett joined the meeting at 7:25 pm.

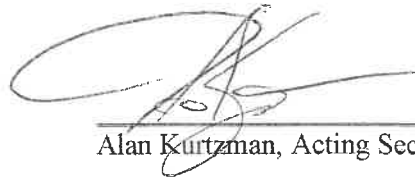
Jim Everett noted he had negotiated a new lease for the LVP Complex, adding Arndt Asset Management for 1000sf at \$6.50 per square foot.

Jim Everett distributed the financial reports for June and July, 2002, and discussed status of tenant rent payments, especially as to what was owed by Embroidery Services, Inc., and by Beat Publications, Inc., dba Charm Graphics. The Board discussed the potential for other tenants if one or both of the delinquent tenants were evicted, and how much of the LVP Complex might need be removed if West Main Street were extended west, but the proposed north-south road was eliminated. It appears as little as 18% of the building might need to be demolished. It was noted that the west portion of the building is apparently at a much lower elevation than the offices on West Main Street. A clear answer requires the completion of a topographic map of the full site, and an engineering report on the building.

The Board then discussed the impact of the ongoing reconstruction of Broadway (US Route 20) with the observation that the contractor, Catco, is moving quite rapidly, but that the businesses on both Broadway and the Central Avenue detour are still being hurt by the reluctance of shoppers to venture into the work zone.

The meeting was adjourned at 8:36 pm on motion of Len Vento, seconded by Alan Kurtzman, and unanimously approved.

Respectfully submitted.



Alan Kurtzman, Acting Secretary