

**CITY OF ERIE REVITALIZATION AND IMPROVEMENT ZONE AUTHORITY
BOARD OF DIRECTORS MEETING**

December 18, 2024

100 State Street, Suite 700, Erie, PA 16507

Attendees: Matthew Wachter, Matthew Good (via Teams), Daria Devlin, Katrina Vincent, Cathryn Morris-Easterling (via Teams), Michael Raftis, and Roger Richards (via Teams)

Also attending: Brian Cressman, Esq., James Walczak, Esq., and Katie Nagle from Senator Dan Laughlin's office.

1. Call to Order. Meeting was called to order at 3:02 p.m. by Matthew Wachter.
2. Public comment. No public comment.
3. Review of Minutes. Daria Devlin had one correction to the minutes—changing “PFMA” to “PFM” in the discussion of potential third-party financial advisors. A motion to approve minutes from the November 20, 2024 meeting was made by Daria Devlin, seconded by Katrina Vincent, and approved unanimously.
4. Update on CRIZ Application. Matthew Wachter and Jim Walczak discussed the status of our application. All materials have been provided to the State—the last of which was a Resolution passed by the City of Erie School District on December 11th. Mr. Wachter thanks Mrs. Devlin for her efforts in seeing passage of the Resolution. Mrs. Devlin commended Brian Polito for his support of the CRIZ. All materials were due to the State by December 17th, but were provided well in advance of that date. We have not heard any feedback from the State, but have reached out several times. Mr. Wachter suggested Sen. Laughlin’s office may be able to obtain an update from Sec. Seiger.
5. Discussion of Preliminary Project Meetings. Matthew Wachter discussed positive meetings with the EDDC and ECCCA regarding preliminary project discussions. A meeting is impending regarding the project at 21st and Sassafras. Mr. Richards discussed the history of the GAF site, and past relationship with a developer for the site. Mr. Wachter emphasized the new development tool provided by the CRIZ, the uniqueness and value of the GAF site, and the importance of getting the GAF development done correctly. Ms. Vincent inquired regarding the environmental status of the GAF site, to which Atty. Walczak and Mr. Richards provided background information. Atty. Walczak discussed that the ECCCA could proceed with borrowing and breaking ground in 2025, on the promise of CRIZ funding to assist in repaying the debt. Mike Raftis inquired as to what debt vehicle would be used. Atty. Walczak said the ECCCA would borrow money now on the promise of CRIZ help later, with the parking garage project likely being tax exempt but other development being financed via taxable vehicles. Atty. Walczak discussed the question of whether infrastructure to support the GAF site would be taxable or not, and whether future development would limit infrastructure improvement participation by the CRIZ. Gus Pine, Executive Director of the ECCCA, plans to present to the Board at its January meeting regarding ECCCA’s pipeline of projects.

Katrina Vincent inquired regarding any projects on Port Authority parcels. Atty. Walczak discussed the Port Authority parcels in the CRIZ, and the relationship between the Port Authority and ECCCA regarding operation of Liberty Park as well as discussions of a project site study for the parcel. Mrs. Devlin added to the discussion from the point of view of the Port Authority and there being a revenue issue to resolve. Atty. Wachter and Mrs. Devlin agreed a further meeting must occur to sort through details. Ms. Vincent mentioned another developer that may have interest in developing projects within the CRIZ.

Discussion turned to setting up a “backstop” for funding to avoid returning increment to the State in a year. Mr. Wachter discussed the idea of a small business loan/grant fund. Atty. Walczak discussed the benefit such a program could provide to businesses that have a reporting responsibility, but do not have a development project to otherwise benefit from the CRIZ. Mrs. Devlin emphasized the benefit it could provide to contractors, particularly minority and female owned businesses within the CRIZ to assist in jumpstarting their businesses. Cathryn Morris-Easterling asked whether the loan/grant fund would be comprised of whatever increment is leftover each year or separately budgeted and funded. Mike Raftis and Matthew Wachter affirmed the loan/grant fund would be allocated for, not a project funded with leftover increment each year. Atty. Cressman discussed Lancaster’s experience in creating an endowed fund for small business loans/grants with a portion of a bond issuance. Lancaster received pre-approval on criteria from the State for applicants to be eligible to receive funding, and administers the program without taking each loan/grant to the State for approval. Mr. Wachter discussed the City’s successful existing small business loan/grant program, and whether the administration of the CRIZ program could be linked into the City’s loan administration team.

6. Discussion of Committees.

Mr. Wachter discussed the importance of creating committees, particularly a Project Review Committee and a Communications Committee. Until the Authority hires an administration, all activities have to occur through the Board and its advisors. Mr. Wachter asked any Board members with interest in serving on a committee to reach out to him. Atty. Walczak also asked any Board members that know of other potential projects to bring them to the Board.

Mrs. Devlin asked whether Mr. Wachter has talked with Kim Thomas of Infinite Erie. Mr. Wachter replied that they have spoken frequently, and there are no other projects Ms. Thomas is aware of other than those in Infinite Erie’s project pipeline.

7. Hiring of Advisors.

Mr. Wachter discussed Erie Insurance’s retention of advisors to assist in creation of the Authority—particularly, FourScore and RP Consulting. Each has presented a proposal to the Board, but the proposals have not been extensively reviewed yet. Ms. Vincent asked whether such contract would have to be publicly bid. Atty. Walczak responded they would not, as professional services do not need to be publicly bid.

8. Old Business / New Business. Mike Raftis asked about what the Authority is thinking it will offer or require of applicants and their projects. Mr. Wachter discussed that we will have to figure it out as we go, and there may be changes on a project by project basis. Funding options may include loans, grants, commitments to cover debt service, equity, etc.. We must figure out our tools. Atty. Walczak discussed the question of whether equity would be permitted, and two different developers that have asked this question.

Cathryn Morris-Easterling discussed the importance of transparency with project review and approval. She worries about the perception of not having a menu of funding options will lead to a perception that the Authority is not transparent. Mrs. Devlin discussed the importance of making sure the little guy has equal footing, and a menu of options would help with that. Mr. Raftis added that an objective framework is important. Atty. Walczak discussed an outline—serving as a type of menu—that he is developing, and that is being review by our consultants currently.

9. Meeting Adjourned. The meeting was adjourned at approximately 3:51 pm. A motion to adjourn was made by Katrina Vincent, seconded by Roger Richards, and approved unanimously.