

NOTICE OF PUBLIC HEARING

Pursuant to Article 18-A of NYS General Municipal Law, the Erie County Industrial Development Agency (the "Agency") will hold a public hearing on August 27, 2015 at 10:00 a.m. at the Agency's offices, at 95 Perry Street-Suite 403, Buffalo, NY 14203 regarding:

240 Kensington, LLC, and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf (the "Company"), has submitted an application to the Agency (a copy of which is on file at the office of the Agency) requesting the Agency to undertake a certain project (the "Project") consisting of: (i) a leasehold interest in a parcel or parcels of land located at 240 Kensington, City of Buffalo, Erie County, New York (the "Land"), (ii) the acquisition, construction and equipping on the Land of an approximately 41,520 square-foot, three-story "L"-shaped building to accommodate approximately 40 senior apartment living units (the "Improvements"), and (iii) the acquisition and installation by the Company of certain items of machinery, equipment and other tangible personal property (the "Equipment," and collectively with the Land and the Improvements, the "Facility").

The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits consistent with the policies of the Agency.

A representative of the Agency will be present at the above-stated time and place to present a copy of the Application and hear and accept written and oral comments from all persons with views in favor of or opposed to the proposed financial assistance. Written comments may be submitted at this public hearing or delivered to the Agency at 95 Perry Street-Suite 403, Buffalo, NY 14203 until the comment period closes on September 15, 2015. The project application is available for public inspection at the Agency's offices Monday through Friday (excluding public holidays) from 9:00 a.m. until 4:00 p.m.

This public hearing is being conducted in accordance with Subdivision 2 of Section 859-a of the New York General Municipal Law.

Erie County Industrial Development
Agency



240 Kensington

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Applicant Name 240 Kensington LLC

Applicant Address 1659 Amherst Street- Suite 100

Phone (716)882-1226

Fax (716)882-1227

E-mail davidp@cssconstruction.biz

Website www.cssconstruction.biz

Federal ID# 47-4505238

NAICS Code 236116

Will a Real Estate Holding Company be utilized to own the Project property/facility Yes

What is the name of the Real Estate Holding Company 240 Kensington, LLC

Federal ID# 47-4505238

State and Year of Incorporation/Organization New York 2015

List of stockholders, members, or partners of Real Estate Holding Company David E. Pawlik , Russell D. Kyte, Craig Slater, Nick Sinatra, Mark Campanella, KLP Enterprises

Individual Completing Application

Name David E. Pawlik

Title Managing Partner

Address 1659 Amherst Street- Suite 100, Buffalo, NY 14214

Phone (716)882-1226

Fax (716)882-1227

E-Mail davidp@cssconstruction.biz

Company Contact (if different from individual completing application)

Name N/A
Title
Address
Phone
Fax
E-Mail

Company Counsel

Name of Attorney Craig Slater
Firm Name Slater Law
Address 26 Mississippi Street-Suite 400, Buffalo, NY 14203
Phone (716)845-6763
Fax (716)845-6760
E-Mail cslater@cslaterlaw.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax Yes
Exemption from Mortgage Tax Yes
Exemption from Real Property Tax Yes
Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Business Organization

Type of Business Limited Liability Company
Type of Ownership
Year Established 2015
State of Organization New York

List all stockholders, members, or partners with % of ownership greater than 20%

Please include name and % of ownership.

David E. Pawlik 20%, Russell d. Kyte 20%, Craig Slater 10%, Nick Sinatra 22%, Mark Campanella 3%, KLP Enterprises 25%

Applicant Business Description

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility

the entity that was created (240 Kensington, LLC) sole purpose is to develop a quality affordable senior housing development located in the Eastside of Buffalo. This site is a Brownfield site that will be remediated to residential DEC standards. The development will be a (40) unit senior apartment complex that will service potential tenants at (50, 60 & 80%) of the medium income.

Estimated % of sales within Erie County 40%

Estimated % of sales outside Erie County but within New York State 0

Estimated % of sales outside New York State but within the U.S. 0

Estimated % of sales outside the U.S. 0

(*Percentage to equal 100%)

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation of the estimated percentage of local purchases

100%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

240 Kensington

If the Proposed Project is located in a different Municipality than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If Yes, you will need to complete Section V of this Application

SBL Number for Property upon which proposed Project will be located

89.16-1-5-1

What are the current real estate taxes on the proposed Project Site

\$ 0 vacant parcel owned by the City of Buffalo

Assessed value of land

\$134,000

Assessed value of building(s)

\$ 0 vacant parcel of land

Are Real Property Taxes current?

Yes

If no please explain

See Erie County On- Line System that indicates the parcel is owned by the City of Buffalo

Town/City/Village of Project Site

City of Buffalo

School District of Project Site

City of Buffalo

Does the Applicant or any related entity currently hold fee title to the Project site?

No

If No, indicate name of present owner of the Project Site

City of Buffalo

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the Proposed Project site

MI

Please provide narrative of project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The development will be a new construction 40 Unit Senior complex apartment building , three story "L". The residential tenants will be at the 50%, 60% and 80% of medium income.

Describe the reasons why the Agency's Financial Assistance is necessary and how the Financial Assistance enables the company to undertake the Project to facilitate investment, job creation and/or job retention. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

This former site was the facility for Hewitt Robbins and this will require remediation through the NYS Brownfield program and will be remediated to DEC residential standards.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

N/A

Site Characteristics

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

MI and this is the proper zoning for our intended reuse.

Describe required zoning/land use, if different

N/A

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

N/A

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

Yes

If yes, please explain

included within our package to the ECIDA is the acceptance in the NYS DEC Brownfield program to remediate to DEC residential standards.

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

N/A

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

No

If yes, please explain.

N/A

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

N/A

Select Project Type for all end users at project site (you may check more than one)

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, complete the Retail Determination contained in Section IV of the Application.

Please check any and all end uses as identified below.

Retail Sales No **Services** No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

No Manufacturing

No Acquisition of Existing Facility

Yes Housing

No Equipment Purchase

No Multi-Tenant

No Commercial

No Back Office

No Retail

No Mixed Use

No Facility for the Aging

No Civic Facility (not for profit)

No Other

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 134,000 41,520 square feet acres

New Building Construction

\$ 4,944,413 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$ 0

Renovation

\$ 0 square feet

Manufacturing Equipment

\$ 0

Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

Soft Costs: (professional services, etc.)

\$ 702,587

Other Cost

\$ 0

Explain Other Costs

Total Cost

\$ 5,781,000

Project Refinancing; estimated amount (for refinancing of existing debt only)

\$ 0

Sources of Funds for Project Costs:

Estimated Mortgage Amount (Sum total of all financing – construction and bridge)

\$ 4,000,000

Lender Name, if Known

Bank of Castile

Equity

800,000

Have any of the above costs been paid or incurred as of the date of this Application?

Yes

If Yes, describe particulars:

market study \$3,500, legal \$10,000, preliminary design \$3,000, survey \$4,500, brownfield \$10,000

Construction Cost Breakdown:

Total Cost of Construction

\$ 5,000,000

(sum of 2,3,4,5, and/or 7 in Question K, above)

Cost for materials

\$ 2,500,000

% sourced in Erie County

80%

% sourced in State

20% (including Erie County)

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

\$ 2,500,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):

\$ 218,750

For proposed facility please include # of sq ft for each of the uses outlined below

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$ 0	0
Warehouse	square feet	\$ 0	0
Research & Development	square feet	\$ 0	0
Commercial	square feet	\$ 0	0
Retail	square feet	\$ 0	0
Office	square feet	\$ 0	0
Specify Other	41,520 square feet	\$ 5,781,000	100

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking

Will project result in significant utility infrastructure cost or uses

No

What is your project timetable (Provide dates)

Start date : acquisition of equipment or construction of facilities

10/1/2015

End date : Estimated completion date of project

8/1/2016

Project occupancy : estimated starting date of operations

9/1/2016

Have construction contracts been signed?

No

Have site plans been submitted to the appropriate planning department for approval?

Yes

Has the Project received site plan approval from the appropriate planning department?

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion	Net total new jobs
Full time	0	0	1	1
Part time	0	0	0	0
Total	0	0	1	

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Will any of the facilities described above be closed or subject to reduced activity?

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 25,000

Estimated average annual salary of jobs to be retained

\$ 0

Estimated average annual salary of jobs to be created

\$ 25,000

Estimated salary range of jobs to be created

From

\$ 25,000

To \$ 25,000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated

N/A

What competitive factors led you to inquire about sites outside of New York State?

N/A

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

N/A

Do you anticipate applying for any other assistance for this project?

Yes

If yes, what type of assistance (Historic Tax Credits, 485(a), Grants, Utility Loans, Energy Assistance, Workforce Training)

yes a HOME \$1,200,000 20 year 1% loan

Section III: Adaptive Reuse Projects

Are you applying for tax incentives under the Adaptive Reuse Program? No

What is the age of the structure (in years)? 0

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended) No

If yes, number of years vacant? 0

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class) No

If yes, please provide dollar amount of income being generated, if any \$ VACANT LAND

Does the site have historical significance? No

Are you applying for either State/Federal Historical Tax Credit Programs? No

If yes, provide estimated value of tax credits \$ VACANT LAND

Briefly summarize the financial obstacles to development that this project faces without ECIDA or other public assistance. Please provide the ECIDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

attached is our proforma that indicates that without the incentives through the IDA the project would not be feasible.

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

Mayor Byron Brown

Please indicate other factors that you would like ECIDA to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, site or structure is located in a distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments

the former site was the Hewitt Robbins facility that was demolished several years ago. The site has environmental issue that though the NYS Brownfield program will be remediated to DEC residential standards.

Section IV: Retail Determination

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site? No

If yes, complete the Retail Questionnaire Supplement below.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 0 %

If the answer to this is **less than 33%** do not complete the remainder of the page and proceed to the next section (Section V: Inter-Municipal Move Determination).

If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:

Will the project be operated by a not-for-profit corporation? No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located? No

If yes, please provide a third party market analysis or other documentation supporting your response.

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services? No

If yes, please provide a market analysis supporting your response.

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? No

If yes, explain

Is the project located in a Highly Distressed Area? Yes

Section V: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state? No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state? No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

N/A

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State No

Within Erie County No

If Yes to either question, please, explain N.A

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

N/A

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

N/A

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

N/A

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

N/A

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

N/A

Section VI: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name N/A

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

SIC/NAICS Code

Multi-Tenant Facility

Please explain what market conditions support the construction of this multi-tenant facility

Have any tenant leases been entered into for this project?

<BLANK>

If yes, please fill out a tenant form in section VII, for each tenant.

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new projet site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
-------------	------------------------------------	---	--

Section VII: Environmental Questionnaire

General Background Information

Address of Premises 240 Kensington

Name and Address of Owner of Premises City of Buffalo

Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)
former Hewitt Robbins facility and presently vacant and will be remediated under the NYS Brownfield Program under the DEC residential standards.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

current vacant land

Describe all known former uses of the Premises

former Hewitt Robbins facility

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

No

If yes, please identify them and describe their use of the property

N/A

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

Yes

If yes, describe and attach any incident reports and the results of any investigations

ATTACHED WITHIN OUR PACKAGE IS AN EXPLANATION OF THE CONDITIONS PER THE BROWNFIELD PROGRAM

Has the Premises or any part of it ever been the subject of any enforcement action by any federal, state or local government entity, or does the preparer of this questionnaire have knowledge of: a) any current federal, state or local enforcement actions; b) any areas of non-compliance with any federal, state or local laws, ordinances, rules or regulations associated with operations over the past 12 months?

No

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

N/A

Has there been any filing of a notice of citizen suit, or a civil complaint or other administrative or criminal procedure involving the Premises?

No

If yes, describe in full detail

N/A

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

N/A

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

N/A

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

N/A

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

If yes, please identify the substance, the quantity and describe how it is stored

N/A

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

N/A

Identify all sources of discharges of water, including discharges of waste water, process water, contact or noncontact cooling water, and stormwater. Attach all permits relating to the same. Also identify any septic tanks on site

N/A

Is any waste discharged into or near surface water or groundwaters?

No

if yes, please describe in detail the discharge including not only the receiving water's classification, but a description of the type and quantity of the waste

N/A

Air Pollution

Are there or is it contemplated that there will be any air emission sources that emit contaminants from the Premises?

No

If yes, describe each such source, including whether it is a stationary combustion installation, process source, exhaust or ventilation system, incinerator or other source

N/A

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

List and describe all above and under ground storage tanks at the Premises used to store petroleum or gasoline products, or other chemicals or wastes, including the contents and capacity of each tank. Please also provide copies of any registrations/permits for the tanks

N/A

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

No

If yes, please provide all details regarding the event, including the response taken, all analytical results or reports developed through investigation (whether internal or external), and the agencies which were involved

N/A

Polychlorinated Biphenyls ("PCB" or "PCBs") And Asbestos

Provide any records in your possession or known to you to exist concerning any on-site PCBs or PCB equipment, whether used or stored, and whether produced as a byproduct of the manufacturing process or otherwise.

Have there been any PCB spills, discharges or other accidents at the Premises?

No

If yes, relate all the circumstances

N/A

Do the Premises have any asbestos containing materials?

No

If yes, please identify the materials

N/A