

## 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 July 30, 2014 at 9:30 a.m. at the Town of Cheektowaga Town Hall, 3301 Broadway (Town Council Chamber), Cheektowaga, NY 14227 regarding:

CONTINENTAL SERVICE GROUP, INC. 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 the acquisition by the Company of certain items of machinery, equipment, furnishings, and other materials for improvements to be located at 201 Como Park Boulevard, Town of Cheektowaga, Erie County, New York (the "Facility").

The Agency contemplates that it will provide financial assistance to the Company for qualifying portions of the Project in the form of New York State and local sales and use tax exemption 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 August 18, 2014. The Project's 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



## ConServe 2014

### **Section I: Applicant Background Information**

#### Applicant Information - Company Receiving Benefit

<b>Applicant Name</b>	Continental Service Group, Inc. dba ConServe
<b>Applicant Address</b>	200 Cross Keys Office Park, Fairport NY 14450
<b>Phone</b>	585-421-1000
<b>Fax</b>	585-421-1054
<b>E-mail</b>	rklein@conserve-arm.com
<b>Website</b>	www.conserve-arm.com
<b>Federal ID#</b>	16-1265131
<b>NAICS Code</b>	561440
<b>Will a Real Estate Holding Company be utilized to own the Project property/facility</b>	No
<b>What is the name of the Real Estate Holding Company</b>	Not Applicable
<b>Federal ID#</b>	Not Applicable
<b>State and Year of Incorporation/Organization</b>	Not Applicable
<b>List of stockholders, members, or partners of Real Estate Holding Company</b>	Not Applicable

#### Individual Completing Application

<b>Name</b>	Richard Klein
<b>Title</b>	CFO, Treasurer
<b>Address</b>	PO Box 7, Fairport, NY 14450
<b>Phone</b>	585-421-1000 ext 5553
<b>Fax</b>	585-421-1054
<b>E-Mail</b>	rklein@conserve-arm.com

#### Company Contact (if different from individual completing application)

<b>Name</b>	same as above
<b>Title</b>	
<b>Address</b>	
<b>Phone</b>	
<b>Fax</b>	
<b>E-Mail</b>	

Company Counsel

**Name of Attorney** William Kreienberg  
**Firm Name** Harter Secrest and Emery  
**Address** 1600 Bausch & Lomb Place, Rochester, New York 14604-2711  
**Phone** 585-232-6500  
**Fax** (585) 232-2152  
**E-Mail** wkreienberg@hselaw.com

Identify the assistance being requested of the Agency

**Exemption from Sales Tax** Yes  
**Tax Exempt Financing\*** No  
 \* (typically for not-for-profits & small qualified manufacturers)  
**Exemption from Mortgage Tax** No  
**Exemption from Real Property Tax** No  
**Tax Exempt Financing\*** No  
 \* (typically for not-for-profits & small qualified manufacturers)

Business Organization

**Type of Business** S-Corporation  
**Year Established** 1985  
**State of Organization** New York

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

**Please include name and % of ownership.**

Mark E Davitt 74.36% Mark E Davitt 2012 Trust 25.64%

Applicant Business Description

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

ConServe provides account receivable management services to various organizations including the US Department of Education, US Dept of Treasury, NYSHESC, SUNY, colleges & universities and other various organizations. We provide customized collection solutions to these organizations with a focus on Higher Education, commercial and consumers accounts . ConServe has an intense focus on Compliance and Ethics that has enabled us to consistently be one of the top performing agencies on federal, state and other contracts. We were one of the first collection agencies to become PPMS certified through ACA International. Our focus on Compliance and Ethics was recognized when we won the Rochester Business Ethics Award. In addition, insideARm has named ConServe as one of the Best Place to Work in Collections for the last two years. We are a services organization with a focus on our employees and over half of our expenses relate to employee pay and benefits.

**Estimated % of sales within Erie County** 1%  
**Estimated % of sales outside Erie County but within New York State** 9%  
**Estimated % of sales outside New York State but within the U.S.** 90%  
**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**

7/21/2014

The Erie County Industrial Development Agency (ECIDA)

We are a services organization and the 90% of our costs are spent on Payroll & employee benefits, Rent, Postage, telephone and purchased information

**Section II: Eligibility Questionnaire - Project Description & Details**

Project Location

**Municipality or Municipalities of current operations**

Walden Ave, Depew NY (Lancaster)

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

No

**In which Municipality will the proposed project be located**

Cheektowaga, NY

**Address**

201 Como Park Blvd, Cheektowaga, NY 14227

**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?**

Yes

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

**SBL Number for Property upon which proposed Project will be located**

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

**Assessed value of land**

**Assessed value of building(s)**

**Are Real Property Taxes current?**

Yes

**If no please explain**

**Town/City/Village of Project Site**

Cheektowaga

**School District of Project Site**

**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**

Apple Tree Realty Holdings

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

No

**Describe the present use of the Proposed Project site**

The current proposed Project site is Vacant

**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)**

There is an existing building that is vacant at this location that we will be leasing and moving our current approximately 100 employees in the Buffalo area in to this location. The current building has been gutted with the concrete floor and ceiling completely removed. The space will be built out to our specifications. There will be a server room that will require special air handling and cooling equipment. We will be purchasing new equipment and office furniture for this location with the ability to have up to 250 employees at this location.

**Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)**

7/21/2014

The Erie County Industrial Development Agency (ECIDA)

Since we are a service company, our revenues are generated through the activities of our staff. These tax savings allow us to invest more money into the equipment and hire additional staff.

**If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County? Would the Applicant proceed with the Project without Agency Financial Assistance? Describe.**

Yes we would continue with the project but we would not buy as much equipment and would not add as many staff at this location

**Will project include leasing any equipment?**

No

**If yes, please describe equipment and lease terms.**

At this time we anticipate purchasing the equipment



Project Information**Estimated costs in connection with project****Land and/or Building Acquisition**

\$ 0	0 square feet	0 acres
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**New Building Construction**

\$ 0	0 square feet
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**New Building addition(s)**

\$ 0	0 square feet
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**Infrastructure Work**

\$ 0
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**Renovation**

\$ 0	0 square feet
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**Manufacturing Equipment**

\$ 0
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**Non-Manufacturing Equipment: (furniture, fixtures, etc.)**

\$ 1,400,000
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**Soft Costs: (professional services, etc.)**

\$ 0
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**Other Cost**

\$ 0
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**Explain Other Costs****Total Cost**

\$ 1,400,000
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**Project Refinancing; estimated amount (for refinancing of existing debt only)**

\$ 0
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Sources of Funds for Project Costs:**Estimated Mortgage Amount**

\$
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**Lender Name, if Known****Equity****Have any of the above costs been paid or incurred as of the date of this Application?**

No
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**If Yes, describe particulars:**Construction Cost Breakdown:**Total Cost of Construction**

\$	(sum of 2,3,4,5, and/or 7 in Question K, above)
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**Cost for materials**

\$
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**% sourced in Erie County**

%
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**% sourced in State**

% (including Erie County)

**Cost for labor**

\$

**% sourced in Local Labor Area**

% (see Attachment 2)

**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**

\$ 1,400,000

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

\$ 122,500

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

		<b>Cost</b>	<b>% of Total Cost</b>
<b>Manufacturing/Processing</b>	0 square feet	\$ 0	0
<b>Warehouse</b>	0 square feet	\$ 0	0
<b>Research &amp; Development</b>	0 square feet	\$ 0	0
<b>Commercial</b>	0 square feet	\$ 0	0
<b>Retail</b>	0 square feet	\$ 0	0
<b>Office</b>	25,000 square feet	\$ 1,400,000	100
<b>Specify Other</b>	0 square feet	\$ 0	0

**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**

8/25/2014

**End date : Estimated completion date of project**

8/1/2015

**Project occupancy : estimated starting date of operations**

11/1/2014

**Have construction contracts been signed?**

No

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

No

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

No

**Is project necessary to expand project employment?**

Yes

**Is project necessary to retain existing employment?**

Yes

Employment Plan (Specific to the proposed project location):

	<b>Current # of jobs at proposed project location or to be relocated at project location</b>	<b>If project is to retain jobs, number of jobs to be retained</b>	<b>Total # of jobs 2 years after project completion</b>
<b>Full time</b>	100	100	140
<b>Part time</b>	0	0	0

<b>Total</b>	<b>100</b>	<b>100</b>	<b>140</b>
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Employment at other locations in Erie County: (provide address and number of employees at each location):

<b>Address</b>	3370 Walden Ave Depew NY 14043		
<b>Full time</b>	100	0	0
<b>Part time</b>	0	0	0
<b>Total</b>	100	0	0

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

Yes

Payroll Information

**Annual Payroll at Proposed Project Site**

\$ 5,500,000

**Estimated average annual salary of jobs to be retained**

\$ 51,718

**Estimated average annual salary of jobs to be created**

\$ 50,000

**Estimated salary range of jobs to be created**

**From**

\$ 30,000

**To \$ 70,000**

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

Yes

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

If we can not expand then we would need to look outside the state of New York

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

Competitive salary rates because the federal contracts we service require SCA wages. The SCA wage rate and benefit rate for NYS as established by the Federal Government is higher in NYS than most other states.

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

Yes

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

Yes - we have been in contact with Monroe Count IDA (COMIDA) and Ontario County IDA (OCIDA)

**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)**

Potential Workforce training, exploring NYSEDA assistance in the state

### 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)**

<BLANK>

**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)**

<BLANK>

**If yes, please provide dollar amount of income being generated, if any**

\$

**Does the site have historical significance?**

<BLANK>

**Are you applying for either State/Federal Historical Tax Credit Programs?**

No

**If yes, provide estimated value of tax credits**

\$

**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)**

**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**

**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**

## **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?** <BLANK>

**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?** <BLANK>

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?** <BLANK>

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?** <BLANK>

If yes, explain

**Is the project located in a Highly Distressed Area?** <BLANK>

## **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?** Yes

**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:**

This assistance will help us keep this project in NYS. We had outgrown the current facility and it could not accommodate our need for additional space and parking. We work on federal contracts and are required to pay SCA wages which are higher in NYS than other states. These benefits help offset the higher wages rates and allow us to purchase more equipment and hire more employees.

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

**Within New York State** Yes

**Within Erie County** Yes

**If Yes to either question, please, explain** The move will be from Lancaster to Cheektowaga to allow for growth and needed parking requirements. We outgrew the current location and it could not accommodate the required additional space and parking requirements

**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.)**

**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.)**

We needed 25,000 sqft and our parking requirements since we are a service company are 10 parking spaces per 1000 square feet.

**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?**

Yes

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

Our current workforce is located in the area and there is a pool of qualified talent in the general area.

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

The current owner/landlord will be re-leasing the facility

**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.**

3332 Walden Ave, Depew NY Not enough parking 485 Cayuga Road, Buffalo, NY did not like the location 500 Seneca Street, Buffalo NY did not like the location, property would not be ready in time and parking was not adequate 2219 George Urban Blvd, Depew NY Location was not big enough and not enough parking Thruway Plaza, 2195 Harlem Road - did not like the location. Preferred the location we have selected.

**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** ConServe  
**Address** Buffalo address - 201 Como Park Blvd, Cheektowaga, NY 14227  
**Contact Person** Richard Klein  
**Phone** 585-421-1000  
**Fax** 585-421-1054  
**E-Mail** rklein@conserve-arm.com  
**Federal ID #** 16-1265131  
**SIC/NAICS Code** 561440

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.
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**Section VII: Environmental Questionnaire**

General Background Information

**Address of Premises** 201 Como Park Blvd, Cheektowaga NY 14227  
**Name and Address of Owner of Premises** Apple Tree Realty Holdings LLC, 2875 Union Rd #22, Cheektowaga, NY 14227

**Describe the general features of the Premises (include terrain, location of wetlands, coastlines, rivers, streams, lakes, etc.)**

Currently a business park in an suburban setting

**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**

The building was originally built in 1973. The space once remodeled will be used as a call center.

**Describe all known former uses of the Premises**

The building was originally built as a supermarket then changed to Back office space around 2000

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

Yes

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

This is an office park setting with several tenants including but not limited to, IRS, Time Warner, VA, Empire state college, Catholic Health, and Health care solutions

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

No

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

**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**

**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**

#### 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**

**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**

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

**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**

#### 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**

Not applicable - only storm water discharge into the municipality storm sewers

**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**

No septic systems. Only tied into Erie county sewers



**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**

**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**

**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**

There are no storage tanks for our leased location, however at the overall office park location, the landlord has indicated that there are 5 diesel backup generators and 2 natural gas backup generators. However, these are not located near our standalone building we are leasing.

**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**

**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**

**Do the Premises have any asbestos containing materials?**

No

**If yes, please identify the materials**