



Erie County Industrial Development Agency  
Meeting of the Membership  
October 25, 2017  
@ 4:00 p.m. (New Time)  
95 Perry Street  
5th Floor ESD Conference Room  
Buffalo, New York 14203

**1.0 Call to Order**

1.1 Call to Order Meeting of the Membership

**2.0 Approval of Minutes:**

2.1 Approval of Minutes of the September 27, 2017 Meeting of the Membership (Pages 2-8)

**3.0 Reports / Action Items / Information Items:**

3.1 Financial Report (Pages 9-12)

3.2 Proposed Budget Timetable (Page 13)

3.3 Approval of 2018 Operating & Capital Budget (Pages 14-24)

3.4 OSC Audit Response

3.5 Approval of Resolution to sign Customer Agreement with NYSERDA (New Construction Program) for Technical/Design Support RE: Net Zero Project (Pages 25-26)

3.6 2017 Tax Incentives Induced/Closing Schedule/ Estimated Real Property Tax Impact (Pages 27-29)

3.7 Policy Committee Update (Pages 30-32)

**4.0 Inducement Resolutions:**

	<b>Private Investment</b>	<b>ECIDA Incentives</b>	<b>Municipality</b>
4.1 157 Great Arrow (Pages 33-72)	\$15,285,000	\$615,000	Buffalo

**5.0 Amendatory Inducement Resolution(s):**

5.1 Moog, Inc. (Pages 73-80)

**6.0 Management Team Reports:**

6.1

**7.0 Adjournment - Next Meeting November 29, 2017**

**MINUTES OF THE MEETING  
OF THE  
MEMBERSHIP OF THE  
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)**

- DATE AND PLACE:** September 27, 2017, at the Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor ESD Conference Room, Buffalo, New York 14203
- PRESENT:** Hon. Diane Benczkowski, Rev. Mark E. Blue, Hon. Joseph H. Emminger, Dottie Gallagher-Cohen, Tyra Johnson, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, Hon. Glenn R. Nellis, Louis Panzica, Hon. Mark C. Poloncarz, Hon. Darius G. Pridgen, Sister Denise Roche and Hon. Barry A. Weinstein
- EXCUSED:** Hon. Byron W. Brown, James F. Doherty, David L. Lowrey, John J. Mudie and Paul V. Vukelic
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; Mollie Profic, Treasurer; Karen M. Fiala, Assistant Treasurer and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist

At 9:07 am, Mr. Lipsitz called the meeting to order in the absence of the presence of the chair, Ms. McDuffie.

**MINUTES**

The minutes of the August 23, 2017 meeting of the members were presented. Sister Denise moved, and Mr. Nellis seconded, to approve of the meeting minutes. Mr. Lipsitz called for the vote and the minutes were unanimously approved.

**REPORTS/ACTION ITEMS/INFORMATION ITEMS**

Financial Report. Ms. Profic reviewed the August 2017 financial statements noting that the Agency finished the month with total assets of \$37.3 million and net assets of \$25.5 million. The monthly income statement shows operating revenues of \$394,000, \$340,000 of which was administrative fees, such that the agency is ahead of the budget by \$188,000. August operating revenues were under budget by \$21,000 as a result of favorable variances in professional services and general office expenses. Taking into account solely operating revenue and expenses, there was net income of \$172,000 for August. However, after costs for strategic initiatives and depreciation, there was net income of \$134,000 for the month. On a year-to-date basis, operating revenue is \$2.2 million which is \$547,000 ahead of budget for the year. The

driver of that variance is administrative fees, which at \$1,700,000, are in excess of budget by \$558,000 through August. Operating expenses of \$1.9 million are under budget by \$210,000. Net special project grant revenue of \$321,000 brings net income for the year to \$582,000. After factoring in strategic investments and depreciation, there is a year-to-date net loss of \$2.8 million. Mr. Lipsitz directed that the report be received and filed.

Finance and Audit Committee Update. Ms. Profic noted that at the most recently completed joint meeting of the ECIDA, RDC and ILDC Finance and Audit Committee, that the professional auditing services request for proposals was reviewed, and the draft 2018 budgets and three-year forecasts for the ECIDA, RDC and ILDC were also reviewed. Mr. Lipsitz directed that the report be received and filed.

Proposed Budget Timetable. Ms. Profic reviewed the 2018 budget timetable including upcoming events and due dates. Mr. Lipsitz directed that the report be received and filed.

Review of 2018 Budget. Ms. Profic noted that the proposed budget is included in the Board packet materials and informed members that the draft budget was approved by the Finance and Audit Committee with a caveat that any changes made to the draft budget totaling \$100,000 or more will require a subsequent review and approval by the Finance and Audit Committee prior to submission of the final budget to be approved by the Agency at its October, 2017 meeting. Ms. Profic noted that total operating revenues for 2018 are budgeted at just under \$2,800,000, which is slightly below 2017's projected total. The main piece of this revenue is \$1,960,000 of administrative fees. Historically, Ms. Profic noted that the Agency has used a ten-year rolling average to benchmark its administrative fees. Operating expenses are budgeted at almost \$2,800,000. Salaries and benefits are budgeted to increase less than 1% from 2017 projected totals, with most other expense lines remaining consistent or decreasing based on 2017 projections. The Agency also has a number of active grants, accounting for almost \$2,500,000 in grant revenue/expenses that will offset each other. This leads to a nearly break even budget, with a budgeted \$4,000 loss from operations. Depreciation, estimated at \$130,000, is a noncash item for accounting purposes.

Ms. Profic then reviewed the proposed use of funds, mainly being UDAG funds, that have built up over the years. Ms. Profic reviewed the top five lines totaling \$382,000 which includes requests from BUDC for the Buffalo Building Reuse Project and Invest Buffalo Niagara for their Canadian Lead Generation Initiative, the Agency's annual Invest Buffalo Niagara membership and National Development Council Technical Assistance contract, plus \$100,000 carry forward from the Beverly Gray Business Exchange's 2016 request. The Industrial Land Park Grant is a combined figure as the Agency is budgeting \$200,000 in carrying costs for 2018, combined with \$1,400,000 reimbursement to the UDAG fund by the ILDC from the first half of the \$2,780,000 New York State Empire State Development Corporation grant for Bethlehem Steel land acquisition costs. Ms. Profic concluded by stating the Agency is keeping \$1 million in the budget for venture capital co-investments and forgivable attraction loans, which would allow the Agency to use funds for these purposes should the right opportunity arise. Ms. Profic then reviewed the snapshot of the Agency's five-year capital budget.

At this point in time, Ms. McDuffie and Mr. Pridgen joined the meeting. Mr. Lipsitz directed that the report be received and filed.

Auditing Services Procurement Memo. Ms. Profic outlined the auditing services procurement process undertaken for the recent auditing services request for proposals. Ms. Profic noted that proposals were solicited in July, 2017, and five responses were received. Three staff members reviewed the proposals and scored them based on criteria contained within the materials presented to you today. As previously mentioned, the Finance and Audit Committee met on September 12, 2017 and concurred with the staff committee recommendation selecting Freed Maxick to provide professional auditing services to the ECIDA for the 2017 and 2018 audits, with an option of contracting with the firm for 2019, 2020, and 2021. Mr. Emminger moved, and Mr. Lorigo seconded, to select Freed Maxick to provide professional auditing services for the 2017 and 2018 fiscal years and to continue to allow Freed Maxick to be retained to provide auditing services for 2019, 2020 and 2021 based on satisfactory review and approval of the ECIDA's Finance and Audit Committee of Freed Maxick's prior performance. Mr. Lipsitz called for the vote, and the motion was unanimously approved.

Banking Resolution Approval. Ms. Profic reminded members that on August 23, 2017, the Agency approved designation of M&T Bank as the official depository of funds. Related thereto, M&T Bank has a standard form of public funds certified resolution which is required to be approved in exact format by the members of the Agency. Ms. Gallagher-Cohen moved, and Mr. Emminger seconded, to approve of the M&T Bank public funds certified resolution. Mr. Lipsitz called for the vote, and the aforementioned motion was unanimously approved.

2017 Tax Incentive Induced Closed Schedule Estimated Real Property Tax Impact. Ms. Fiala presented this report. Mr. Lipsitz directed that the report be received and filed.

Brownfield Cleanup Program Change Order. Mr. Cappellino updated members on the acquisition and remediation of the Bethlehem Steel real property recalling that in February of 2017, the ECIDA resolved to grant the ILDC \$6,700,000 to fund the carrying and acquisition costs for the purchase of approximately 150 acres of the former Bethlehem Steel site in Lackawanna, New York. As a condition of the purchase, the ILDC required the current property owner to install a certain land cover system to meet New York State Brownfield Cleanup program requirements on approximately 90 acres of the property by December 31, 2017. This would ensure the ILDC that the property would receive a certificate of completion for the remediation and future projects would be eligible for Brownfield Cleanup Program tax credits. Mr. Cappellino noted the original budget request for the acquisition was based on costs associated with utilizing slag as the cover material for the 90 acres. Due to a delay in gaining Albany DEC approval for the slag cover system, the cover system was switched to a soil cover system. The switch to soil allowed for the property to continue to be covered in an effort to meet the December 31, 2017 Brownfield Cleanup Program deadline. The change in cover material from slag to soil will result in an increased cost of approximately \$700,000 to cover the full 90 acres of property as was originally planned. Mr. Cappellino noted that the original funding allocation will allow for the installation of the soil cover system on approximately 70 acres of the site such that this change order request of an additional \$700,000 will allow the ILDC to pursue covering an additional 20 acres which will allow for the cover system to be installed on the full 90 acres as originally planned should the schedule allow. In the event the schedule does not allow for the full completion of the additional 20 acre cover system, any unused funds associated with this change order would be returned to the ECIDA UDAG fund.

Ms. Gallagher-Cohen sought confirmation that the Agency has in fact granted money to the ILDC. Mr. Cappellino confirmed that the Agency has granted UDAG funds, with a condition that 50% of all proceeds received by the ILDC with respect to future land sales be returned to the ECIDA UDAG fund.

Ms. Whyte emphasized that the resolution restates all prior ECIDA resolutions related to the previous UDAG grant provided to the ILDC and also noted that the \$700,000 grant amount is a large amount, however, this amount will leverage the Brownfield Cleanup Program to allow the ILDC to attract new private investment down the road.

Ms. McDuffie queried as to what would happen if the seller is unable to place a cover system on the real property in a timely manner. Mr. Cappellino stated that if the real property is not sold in a covered condition at the time of acquisition, then the ILDC will pay a lower purchase price than it would if the land did have a cover system placed upon it.

Mr. Poloncarz then thanked staff and members for their good work in prior approvals related to the ILDC's acquisition of the Bethlehem Steel site and noted that the value of the real property is much greater if the ILDC can acquire it in a covered condition under the Brownfield Cleanup Program prior to December 31, 2017.

Mr. Weinstein moved, and Mr. Blue seconded, to approve of the following resolution:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("AGENCY") TO PROVIDE ADDITIONAL FUNDING TO THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") IN THE AMOUNT OF \$700,000 FROM THE AGENCY'S U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT URBAN DEVELOPMENT ACTION GRANT ("UDAG") REFLOW FUND TO ENABLE THE ILDC TO COMPLETE ITS PURCHASE OF CERTAIN REAL PROPERTY LOCATED ON THE FORMER BETHLEHEM STEEL SITE IN LACKAWANNA, NEW YORK (THE "REAL PROPERTY")

Mr. Lipsitz called for the vote, and the aforementioned resolution was unanimously approved.

Policy Committee Update. Mr. Lipsitz provided members with an update of the most recently completed Policy Committee meeting, noting that the ITT-Enidine project was recommended by the Policy Committee for approval.

## INDUCEMENT RESOLUTIONS

ITT-Enidine, 7 Centre Road, Orchard Park, New York. Ms. Fiala reviewed this proposed sales tax and real property tax abatement benefits project involving the construction of a new 11,000 square foot addition to the company's existing manufacturing facility. Ms. Fiala noted the additional space will be used for expanded manufacturing operations.

As a condition precedent of receiving financial assistance and a material term and condition established by the Agency in connection with approval of the project, Ms. Fiala noted that the company must, subject to potential termination and/or modification and/or recapture of

financial assistance, submit on an annual basis or as otherwise indicated below, through the conclusion of the termination of the Agent Agreement/PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment – the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$1,020,000.00 (which represents the product of 85% multiplied by \$1,200,000.00, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 261 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
  - the number of current FTE employees in the then current year at the Facility; and
  - that the Company has maintained and created FTE employment at the Facility equal to 269 FTE employees [representing the sum of 261 Baseline FTE plus 8, the product of 85% multiplied by 10 (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company’s application for Financial Assistance)]. In an effort to confirm and verify the Company’s employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment – that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

Mr. Weinstein moved, and Mr. Lorigo seconded, to approve of the project as proposed. Mr. Lipsitz called for the vote, and the following resolutions were unanimously approved:

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY THAT ACTION TO UNDERTAKE THE ITT ENIDINE INC. (THE “COMPANY”) PROJECT WILL NOT HAVE A SIGNIFICANT ADVERSE IMPACT ON THE ENVIRONMENT**

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ITT ENIDINE INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iv) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT AND (B) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (v) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

## COMPLIANCE

Local Labor Verified Exemption Request – Unifrax I LLC. At this point in time, Ms. Gallagher-Cohen left the meeting. Mr. Cappellino reviewed a request made by Unifrax I LLC, to allow it to use less than 90% local labor sourced from Erie County, Niagara County, Chautauqua County, Cattaraugus County, Allegheny County, Wyoming County, Genesee County, and/or Orleans County due to the fact that the company is installing specialized equipment that has certain warranty issues related to installation of same whereby the manufacturer requires installation by only approved installers. As such, the company must utilize approved installers as opposed to workers sourced from the local labor area and as permitted by the Agency's local labor policy, the company is requesting an exemption from the local labor requirement. Mr. Cappellino noted that the company proactively reached out to the Agency to discuss this issue and is seeking approval beforehand as opposed to perhaps running afoul of the local labor policy and seeking approval afterwards. Mr. Cappellino also confirmed that the Agency's local labor policy expressly permits the Agency to approve of an exemption from use of local labor in this exact same situation. Mr. Weinstein moved, and Mr. Lipsitz seconded, to approve of the local labor waiver request. Mr. Lipsitz then thanked the company for voluntarily coming forward as opposed to this becoming a problem later, if at all, if the company had chosen not to disclose this issue to the Agency. Mr. Emminger then noted that Unifrax is a very good resident in the Town of Tonawanda and thanked the company for its investment. Mr. Lipsitz then called for the vote, and the local labor waiver request was then unanimously approved.

## MANAGEMENT TEAM REPORTS

Mr. Weathers reviewed the proposed 2018 meeting schedule. Mr. Weathers then updated members on efforts of compliance officer Dawn Boudreau noting that she has proactively been meeting with financial aid recipients and IDA applicants to ensure proper monitoring and reporting is undertaken and Mr. Weathers wanted the members to be aware of her good efforts that are resulting in better compliance overall and encouraging a good working relationship between the Agency and its clients.

Mr. Weathers also noted that the Agency is in receipt of the New York State Office of State Controller audit and once again noted that the OSC used post-2016 statutes to audit pre-2016 projects, such that there is a mismatch between the law and the projects that were not otherwise covered by the law. Mr. Weathers noted that OSC gave several recommendations for improvement to the ECIDA which require the Agency to continue doing what it has more or less otherwise been doing. Mr. Pridgen then thanked the staff for keeping members informed.

Mr. Poloncarz then asked for an update on the Gordon Foods sales tax recapture issue. Mr. Weathers noted that Gordon Foods sent a check with a general release, which was subsequently revised by ECIDA general counsel into a mutual release and the Agency has since deposited the check, in full reimbursement of state and local sales and use tax exemption amounts that were wrongfully claimed, and returned the amounts to the New York State Department of Taxation and Finance as required under New York law.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:56 a.m.

Dated: September 27, 2017

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Robert G. Murray, Secretary



**Erie County Industrial Development Agency**  
**Financial Statements**  
As of September 30, 2017

# ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

## Balance Sheet September 30, 2017

	September 2017	August 2017	December 2016
<b>ASSETS:</b>			
Cash *	\$ 9,036,826	\$ 9,072,204	\$ 9,569,925
Restricted Cash & Investments *	15,972,454	17,985,594	19,636,104
Due from Affiliates	267,154	236,408	362,329
Due from Buffalo Urban Development Corp.	41,150	35,286	50,940
Other Receivables	622,868	610,931	1,104,277
Total Current Assets	25,940,452	27,940,422	30,723,575
Grants Receivable	7,041,960	7,066,747	2,000,000
Loans Receivable, net of allowance	18,509	19,503	27,344
Venture Capital Investments, net of reserves	684,064	684,064	684,064
Fixed Assets	1,573,624	1,585,290	1,664,878
Total Long-Term Assets	9,318,157	9,355,604	4,376,286
<b>TOTAL ASSETS</b>	<b>\$35,258,608</b>	<b>\$37,296,026</b>	<b>\$35,099,861</b>
 <b>LIABILITIES &amp; NET ASSETS</b>			
Accounts Payable & Accrued Exp.	\$ 254,893	\$ 283,091	\$ 499,853
Deferred Revenues	6,941,929	6,946,013	2,400,000
Other Payables	131,354	131,354	168,884
Funds Held on Behalf of Others	4,357,725	4,382,465	3,712,452
Total Liabilities	11,685,900	11,742,922	6,781,189
Net Assets	23,572,708	25,553,103	28,318,672
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$35,258,608</b>	<b>\$37,296,026</b>	<b>\$35,099,861</b>

- Cash and restricted cash is invested in checking accounts at KeyBank. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Income Statement**

Month of September 2017

	<b>Actual vs. Budget</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES:</b>			
Administrative Fees	\$ 114,246	\$ 150,000	\$ (35,754)
Affiliate Management Fees	32,959	32,958	0
Interest Income - Loans	67	600	(533)
Interest Income - Cash & Investments	1,690	2,042	(352)
Rental Income	83,546	54,167	29,379
Other Income	2,709	6,875	(4,166)
<b>Total Revenues</b>	<b>235,216</b>	<b>246,642</b>	<b>(11,425)</b>
<b>EXPENSES:</b>			
Salaries & Benefits	\$ 151,097	\$ 164,517	\$ (13,420)
General Office Expenses	20,445	28,725	(8,280)
Building Operating Costs	14,818	14,213	605
Professional Services	1,031	19,167	(18,135)
Public Hearings & Marketing	4,276	8,333	(4,057)
Travel, Mileage & Meeting Expenses	1,212	6,833	(5,622)
Other Expenses	935	1,250	(315)
<b>Total Expenses</b>	<b>193,815</b>	<b>243,039</b>	<b>(49,224)</b>
<b>SPECIAL PROJECT GRANTS:</b>			
Revenues	\$ 4,884	\$ 20,833	\$ (15,949)
Expenses	(4,084)	(27,083)	22,999
	800	(6,250)	7,050
<b>NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS &amp; DEPRECIATION:</b>	<b>42,202</b>	<b>(2,647)</b>	<b>44,848</b>
<b>OTHER STRATEGIC INVESTMENTS AND INITIATIVES:</b>			
Zero Net Energy costs (Z7+)	(1,290)	(95,344)	94,054
UDAG Bethlehem Steel Industrial Park Grant	(2,009,640)	(2,009,640)	-
	(2,010,930)	(2,104,984)	94,054
<b>NET INCOME/(LOSS) BEFORE DEPRECIATION:</b>	<b>(1,968,728)</b>	<b>(2,107,631)</b>	<b>138,902</b>
Depreciation	(11,667)	(11,668)	1
<b>NET INCOME/(LOSS):</b>	<b>\$ (1,980,395)</b>	<b>\$ (2,119,298)</b>	<b>\$ 138,903</b>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Income Statement**

Year to Date: September 30, 2017

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
<b>REVENUES:</b>						
Administrative Fees	\$ 1,872,026	\$ 1,350,000	\$ 522,026	\$ 1,872,026	\$ 1,271,700	\$ 600,326
Affiliate Management Fees	296,627	296,625	2	296,627	288,375	8,252
Interest Income - Loans	4,713	5,400	(687)	4,713	4,568	145
Interest Income - Cash & Investments	17,509	18,375	(866)	17,509	17,000	509
Rental Income	231,436	199,500	31,936	231,436	166,653	64,783
Other Income	15,054	31,875	(16,821)	15,054	29,474	(14,420)
<b>Total Revenues</b>	<b>2,437,364</b>	<b>1,901,775</b>	<b>535,589</b>	<b>2,437,364</b>	<b>1,777,770</b>	<b>659,594</b>
<b>EXPENSES:</b>						
Salaries & Benefits	1,550,959	1,640,556	(89,597)	1,550,959	1,473,392	77,567
General Office Expenses	221,747	258,525	(36,778)	221,747	266,389	(46,642)
Building Operating Costs	132,078	143,670	(11,592)	132,078	128,974	3,104
Professional Services	113,707	201,700	(87,993)	113,707	153,187	(39,480)
Public Hearings & Marketing	56,278	75,000	(18,722)	56,278	41,401	14,877
Travel, Mileage & Meeting Expenses	53,531	61,500	(7,969)	53,531	52,329	1,202
Other Expenses	6,292	11,250	(4,958)	6,292	7,580	(1,288)
<b>Total Expenses</b>	<b>2,134,592</b>	<b>2,392,201</b>	<b>(257,609)</b>	<b>2,134,592</b>	<b>2,125,252</b>	<b>9,340</b>
<b>SPECIAL PROJECT GRANTS:</b>						
Revenues	513,312	187,500	325,812	513,312	48,684	464,628
Expenses	(191,408)	(187,500)	(3,908)	(191,408)	(72,287)	(119,121)
	<b>321,904</b>	<b>-</b>	<b>321,904</b>	<b>321,904</b>	<b>(23,603)</b>	<b>345,507</b>
<b>NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS &amp; DEPRECIATION:</b>						
	<b>\$ 624,676</b>	<b>\$ (490,426)</b>	<b>\$ 1,115,102</b>	<b>\$ 624,676</b>	<b>\$ (371,085)</b>	<b>\$ 995,761</b>
<b>OTHER STRATEGIC INVESTMENTS AND INITIATIVES:</b>						
Zero Net Energy costs (Z7+)	\$ (480,450)	\$ (858,093)	377,643	\$ (480,450)	\$ (145,626)	\$ -
UDAG Bethlehem Steel Industrial Park Grant	(4,635,190)	(4,635,190)	-	(4,635,190)	-	(4,635,190)
UDAG BUDC BBRP Grant	(75,000)	(75,000)	-	(75,000)	-	(75,000)
UDAG Gain/(Loss) on Venture Investments	-	-	-	-	5,366,076	(5,366,076)
Other Strategic Initiatives	(75,000)	-	(75,000)	(75,000)	(565,000)	490,000
	<b>(5,265,640)</b>	<b>(5,568,283)</b>	<b>302,643</b>	<b>(5,265,640)</b>	<b>4,655,450</b>	<b>(9,586,266)</b>
<b>NET INCOME/(LOSS) BEFORE DEPREC:</b>						
	<b>(4,640,964)</b>	<b>(6,058,709)</b>	<b>1,417,745</b>	<b>(4,640,964)</b>	<b>4,284,365</b>	<b>(8,590,505)</b>
Depreciation	(105,000)	(105,006)	6	(105,000)	(105,009)	9
<b>NET INCOME/(LOSS):</b>						
	<b>\$ (4,745,964)</b>	<b>\$ (6,163,715)</b>	<b>\$ 1,417,751</b>	<b>\$ (4,745,964)</b>	<b>\$ 4,179,356</b>	<b>\$ (8,590,496)</b>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)  
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)  
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

**2018 Budget Review**

<b>Date</b>	<b>Description</b>	
July-August	Review of proposed 2018 budgets by ECIDA management. (a) Prioritize any proposed budget requests for initiatives. (b) Formal budget requests compiled.	✓
September 12 <sup>th</sup>	Finance & Audit Committee review/approval of proposed budgets.	✓
September 27 <sup>th</sup>	Formal review of 2018 draft budgets at Board meetings.	✓
October 5 <sup>th</sup> (12:00 pm)	Board Q&A budget session #1 (voluntary).	✓
October 12 <sup>th</sup> (10:00 am)	Board Q&A budget session #2 (voluntary).	✓
October 17 <sup>th</sup>	Adjustments to budget based on Board feedback and Finance & Audit Committee approval of final budgets ( <i>if necessary</i> ).	N/A
October 25 <sup>th</sup>	Board meeting – action to approve final 2018 budgets.	
November 1 <sup>st</sup>	Deadline for final approved budget to be submitted to the ABO.	

**Erie County Industrial Development Agency**  
**2018 Budget**

# ***Erie County Industrial Development Agency (ECIDA)***

## **Proposed 2018 Budget + 3 Year Forecast**

### **A. Overview of Changes in 2018 Budget**

Presented herein is the projected operating budget for the Erie County Industrial Development Agency's ("ECIDA") year ending December 31, 2018 and a three-year forecast for 2019 to 2021.

The ECIDA is a not-for-profit, public benefit corporation that provides tax incentives, financing programs and economic development services to Buffalo and Erie County. In accomplishing its mission, the ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, the key source of revenue for the ECIDA is the administrative fees charged to those companies that utilize its various products and services. The income that the ECIDA generates is utilized to provide salaries to its professional staff for managing various economic development programs, as well as payments for professional fees, general office expenses, public notices/marketing, building costs and other miscellaneous expenses.

For the year ending December 31, 2018, the Agency is projecting a net *operating* loss of approximately \$4,000. Depreciation, a noncash item, is estimated at \$130,000 and brings the budgeted operating loss to \$134,000. There is also \$582,000 budgeted for six external projects, which will be funded with existing UDAG Funds, rather than operating revenue. After deducting these costs and \$2,000,000 reserved for future projects the potential net loss for 2018 is \$2,716,000. The majority of this loss would be funded from existing UDAG funds that have accumulated over several years.

The following significant risk factors may impact the 2018 results:

1. The majority of the ECIDA's administrative fee income is derived from a few large tax incentive and/or tax-exempt bond projects. Depending on the timing of these projects, the Agency's fee income can fluctuate significantly from year to year.
2. Changes in the overall national and/or regional economy could result in a decrease in local investment projects that are assisted by the Agency, resulting in a corresponding decrease in administrative fee income.

The following information details the key changes in the 2018 budget compared to the 2017 projected revenues and expenses:

# *Erie County Industrial Development Agency (ECIDA)*

## Proposed 2018 Budget + 3 Year Forecast

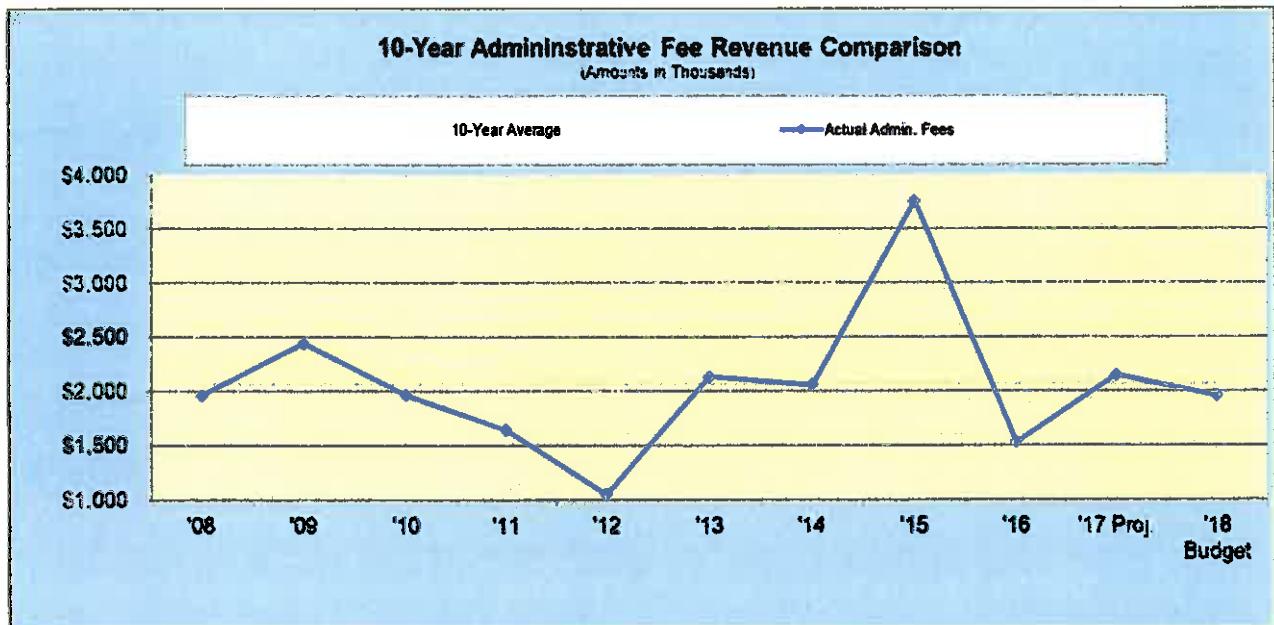
### A. Overview of Changes in 2018 Budget (continued)

#### Revenues:

##### *Administrative Fees (2018 Budget - \$1.96 million):*

Administrative fees primarily consist of fees earned by the ECIDA through the provision of tax abatements. During 2017, administrative fees included the final installment of a multi-year agreement for the Harbor Center project. Additionally, there have been two (2) tax-exempt bond closings in 2017 that have amounted to administration fees of approximately \$484,000. Since some fees are recognized over multiple years (in accordance with the terms of the related fee agreements), the Agency expects to recognize approximately \$750,000 of fees in 2018 related to prior year project approvals. The budgeted figure of \$1.96 million was derived using 95% of the 2007-2016 10-year average (\$2.07 million), to account for the Harbor Center being paid in full during 2017.

The following chart summarizes the actual administrative fee revenue over the past 10 years compared to the average administrative fee for the 10-year period from 2008-2017:





# *Erie County Industrial Development Agency (ECIDA)*

## **Proposed 2018 Budget + 3 Year Forecast**

### **A. Overview of Changes in 2018 Budget (continued)**

#### ***Affiliate Management Fees (increasing 4% from \$389,000 to \$404,000):***

Affiliate Management Fees represent salaries, benefit and facilities costs charged to ECIDA's affiliated companies (RDC & ILDC) for office space and services that ECIDA employees provide to these organizations, since they have no employees of their own. Affiliate management fees are expected to rise in 2018 due to an increase in ECIDA staff time spent on ILDC projects coupled with increases in salaries and benefits as described in the expenses section below.

#### ***Management Fees – BUDC (increasing 28% from \$65,000 to \$83,000):***

Management Fees – BUDC are salaries, benefit and facilities costs charged to Buffalo Urban Development Corporation ("BUDC") for services that ECIDA employees provide the organization and its affiliates. ECIDA provides financial reporting, facilities management, and administrative services to BUDC as part of a shared services agreement. Fees are expected to rise in 2018 due to an increase in ECIDA staff time spent on BUDC projects.

#### ***Rental Income (decreasing 7% from \$320,500 to \$298,700):***

Rental Income represents rent received by ECIDA from BUDC for office space, two facilities owned by ECIDA and other smaller agreements. The Port Terminal facility owned by ECIDA is losing one of two tenants, which will likely reduce ECIDA's share of the profit from the facility. The base rent for leased space at 143 Genesee Street increases in September 2018. There is also an administrative reclassification of certain rents in the 2018 budget.

### **Expenses:**

#### ***Salaries & Benefits (increasing <1% from \$2.04 million to \$2.05 million):***

The slight increase in salaries and benefits is a combination of projected salary increases and benefit expense increases. Salary increases of approximately 3% and a performance incentive pool that is calculated as 5% of total salaries compose the salaries portion of the increase. Compensation increases are based on an independent compensation study of ECIDA employees, comparing Agency employee salaries with other individuals in the local labor market who have similar titles and responsibilities. These adjustments, if any, will also be reviewed and approved by the ECIDA Board Compensation Committee for Executive Management and by the CEO for other staff. Annual rate increases for health care also contributes to higher employee benefit costs. As an organization of specialized professionals, salaries and benefits account for approximately 73% of total operating expenses.

***Erie County Industrial Development Agency (ECIDA)***  
**Proposed 2018 Budget + 3 Year Forecast**

**A. Overview of Changes in 2018 Budget (continued)**

***Professional Services (decreasing 8% from \$150,000 to \$138,500):***

Professional Services consist of the following:

	<b>2018 Budget</b>	<b>2017 Budget</b>	<b>2017 Projection</b>
Legal	\$75,000	\$120,000	\$42,000
Consultants	\$40,000	\$110,000	\$79,000
Auditing	\$23,500	\$36,500	\$29,000
<b>Total</b>	<b>\$138,500</b>	<b>\$266,500</b>	<b>\$150,000</b>

In 2018 legal expenses are budgeted to decrease due to a heavy concentration on projects of related entities that will not be expenses of ECIDA. Consultant expenses and auditing costs are budgeted to decrease, as there were several projects requiring consultants in 2017 and an Audit RFP that yielded a cost savings to the Agency.

***Marketing (decreasing 17% from \$60,000 to \$50,000):***

The decrease in ECIDA's marketing budget is due to focused marketing by RDC, which will be an expense of that Corporation. ECIDA will continue targeted advertising outreach, specifically to the business media, and outreach efforts to the minority and urban business communities.

**Erie County Industrial Development Agency (ECIDA)**  
**Proposed 2018 Budget + 3 Year Forecast**

**B. External Special Projects & Reserves for Future Projects**

The ECIDA's 2018 budget currently includes \$582,000 for external projects, \$1.4 million of grant reimbursement and \$2 million allocated for potential future projects that are consistent with the ECIDA's strategic plan and the restrictions on the UDAG and/or General Funds as follows:

Project	2018 Budget	2017 Approved Budget	2017 Projected Actual
<b>External Special Projects</b>	\$ 582,000	\$ 7,110,000	\$ 5,910,000
<b>ESD Grant Reimbursement</b>	(1,400,000)	-	-
<b>Z7+ Expense Reserve</b>	-	750,000	1,144,124
<b>Reserves for Future Projects:</b>			
Venture Capital Co-Investment	1,000,000	1,000,000	-
Forgivable Attraction Loan	1,000,000	-	-
Grow Erie Fund	-	500,000	-
Total	\$ 1,182,000	\$ 9,360,000	\$ 7,054,124

External Special Project allocations of \$582,000 include organizations that have received funding in the past, such as BUDC's Buffalo Building Reuse Project (\$100,000) and Invest Buffalo Niagara (\$72,000 for Canadian Lead Generation). Invest Buffalo Niagara's request for funds for Canadian Lead Generation is a two-year request totaling \$144,000. These requests will be presented to the ECIDA Board for approval before funding. Two other expenditures with Invest Buffalo Niagara (\$50,000) and the National Development Council (\$60,000) are annual commitments, and will not require specific Board action.

A \$100,000 allocation for the Beverly Gray Business Exchange is carried forward from a 2016 funding request of \$250,000. Once sufficient matching funds are committed, ECIDA will release these funds in accordance with our agreement. Also, \$200,000 is budgeted for Industrial Land Park, representing one-fifth of the \$1 million grant that the Board approved to ILDC for Bethlehem Steel site carrying costs. The Reserves for Future Projects of \$2 million are discussed on the following pages, and would also require Board approval prior to funding.

Reimbursement is expected from ILDC from its receipt of a \$2.78 million grant from Empire State Development beginning in 2018. ILDC was awarded grant monies to aid in the acquisition of the Bethlehem Steel site, and will reimburse ECIDA's UDAG Fund for the up-front usage of funds for the transaction in 2017.

The Z7+ Expense Reserve represents the remaining funds from the Board's \$1.5 million allocation in 2016. A \$750,000 carryover was estimated for the 2017 budget, while the actual carryover was just over \$1.1 million. The balance of those funds is projected to be spent in 2017, with no additional allocation in the 2018 budget.

***Erie County Industrial Development Agency (ECIDA)***  
**Proposed 2018 Budget + 3 Year Forecast**

**B. External Special Projects & Reserves for Future Projects (continued)**

**Venture Capital Co-Investment**

**Proposal: \$1,000,000**

**The Problem** – Currently, high-growth-potential companies have difficulty attracting angel or seed capital funding when they are in the earliest of their development stages. With the significant public investment in university and college research facilities and scientists, there is a need to commercialize this research in order to provide the “pay-back” on the community’s investment in the form of new high-paying jobs. Currently, there is a lack of early-stage capital for venture companies located in Western New York. Meanwhile, other communities which face similar issues have been successful in utilizing publicly-sponsored funds to support new companies.

Current New York State law does not explicitly allow IDAs to make equity venture investments in private companies. In order to achieve a change in New York State law, ECIDA is working with NYSEDC and the local New York State legislative delegation to pass legislation to codify the powers and duties of an IDA to operate an equity venture program and to provide venture investment to startup entrepreneurs and private companies.

**The Proposal** – In 2015, the ECIDA began the reestablishment of its Venture Capital Fund to provide equity investments in early-stage, high-growth-potential companies. The ECIDA will partner with qualified co-investors from Erie County such as Launch NY, 43 North, Z80 Labs, and/or Rand Capital. In the past, the ECIDA has had several key economic development successes by partnering with Rand Capital, such as its equity investments in GEMCOR II, LLC and Synacor, Inc. (approximately 400 jobs combined). The ECIDA would rely upon the expertise of its partners to conduct the due diligence required to evaluate the business, structure the investment and develop an exit strategy.

**Use of Funds** – To make equity (stock) and/or debt project expenditures in selected businesses.

**Partners** – Launch NY, 43North, Z80 Labs, Rand Capital and other venture capital firms.

**Approval** – The ECIDA Board would approve all project expenditures under this program.

**Consistency with Community Plans** – This strategy is consistent with the County Executive’s, *Initiatives for a Smart Economy 2.0*. One of the goals outlined in the plan is as follows: “*Erie County will create Venture Fund programs and provide venture equity to local entrepreneurs through the ECIDA*”.

***Erie County Industrial Development Agency (ECIDA)***  
**Proposed 2018 Budget + 3 Year Forecast**

**B. Special Projects & ECIDA Program Allocations (continued)**

**Forgivable Attraction Loan(s)**

**Proposal: \$1,000,000**

**Qualification** – Businesses must be relocating to a HUD-defined distressed area or meet other HUD qualifications and provide a significant regional impact in terms of investment and/or job creation.

**The Problem** – Currently a number of communities across the nation are aggressively pursuing businesses to entice them to their region. One vehicle that communities have used to tip the relocation decision in their favor is the use of a high-impact project expenditure fund. Until 2013, the Buffalo region did not have such a program, while neighboring states were offering these programs with positive results, to Erie County’s detriment.

**The Proposal** – The ECIDA would continue to fund a forgivable attraction loan fund that could aid in the attraction of key new businesses that would have a regional employment or investment impact. The attraction incentive would be structured in the form of a loan, with a portion or all of it forgiven if the company establishes their business in Erie County and meets specified investment and/or job goals. The ECIDA would work with Invest Buffalo Niagara to offer this incentive to those businesses that are the most promising and/or target the attraction loan to specific industries or regions (such as Southern Ontario). By providing this incentive, the Buffalo region would be perceived as demonstrating the community’s support for the business relocation and could be the tipping point that leads to the relocation of the business as well as related “follow on” investments.

**Use of Funds** – To make project expenditures to companies located outside of Western New York to offset a portion of their investment costs in relocating. Companies assisted would be in one of the regional targeted industry sectors and have a regional employment or investment impact. The program would have a targeted maximum incentive of \$25,000 per job created.

**Partners** – Invest Buffalo Niagara (IBN)

**Approval** – The ECIDA Board would approve all awards under this program.

**Consistency with Community Plans** – This strategy is consistent with the County Executive’s “Initiatives for a Smart Economy 2.0” which states: *“Projects assisted by the ECIDA will be those that bring outside investment and self-sustaining jobs to Erie County while strengthening the regional economic base, helping to create a more inclusive economy and leading to population stabilization throughout the area”*.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed Budget for 2018**

	<b>Proposed Budget 2018</b>	<b>Approved Budget 2017</b>	<b>Projected 2017</b>	<b>Actual 2016</b>
<b>REVENUES:</b>				
Administrative Fees	\$ 1,960,000	\$ 1,800,000	\$ 2,148,000	\$ 1,528,261
Affiliate Management Fees	404,000	353,500	389,000	362,136
Management Fees - BUDC	83,000	42,000	65,000	40,257
Interest Income - Loans	-	7,200	6,000	6,864
Interest Income - Cash & Investments	16,000	24,500	23,728	23,298
Rental Income	298,700	254,000	320,543	299,019
Other Income	30,000	42,500	22,017	31,763
UDAG Venture Investment Income (GEMCOR)	-	-	-	103,360
UDAG Venture Sale Income (GEMCOR)	-	880,000	-	7,148,729
<b>Total Revenues</b>	<b>2,791,700</b>	<b>3,403,700</b>	<b>2,974,289</b>	<b>9,543,687</b>
<b>EXPENSES:</b>				
Salaries & Benefits	2,052,490	2,134,107	2,044,519	1,894,761
Professional Services	138,500	266,500	150,236	258,596
General Office Expenses	176,580	184,700	171,002	187,683
Insurance Expense	82,500	100,000	73,594	71,579
Marketing Expenses	50,000	75,000	60,000	40,450
Public Notices	24,000	25,000	34,914	20,139
Building Operating Costs	181,660	191,560	180,113	179,338
Travel, Mileage & Meeting Expenses	80,000	82,000	78,479	66,865
Other Expenses	10,000	15,000	8,036	10,204
<b>Total Expenses</b>	<b>2,795,730</b>	<b>3,073,867</b>	<b>2,800,894</b>	<b>2,729,614</b>
<b>GRANT INCOME:</b>				
Revenues	2,248,950	250,000	5,208,000	51,284
Expenses	(2,248,950)	(250,000)	(5,033,250)	(374,214)
	-	-	174,750	(322,930)
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(4,030)</b>	<b>329,833</b>	<b>348,144</b>	<b>6,491,143</b>
Depreciation	(130,000)	(140,000)	(140,000)	(140,345)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(134,030)</b>	<b>189,833</b>	<b>208,144</b>	<b>6,350,798</b>
<b>External Special Projects (UDAG Fund):</b>				
Buffalo Building Reuse Project (BUDC)	100,000	75,000	75,000	-
Beverly Gray Business Exchange*	100,000	-	-	150,000
Annual Membership (IBN)	50,000	75,000	75,000	75,000
Canadian Lead Generation (IBN)	72,000	-	-	-
NDC Technical Assistance	60,000	60,000	60,000	60,000
Z7+ consultants/expense reserve	-	750,000	1,144,124	495,876
Nonprofit Campus Concept	-	4,200,000	-	-
Industrial Land Park grant paid(rec'd)**	(1,200,000)	2,700,000	5,700,000	-
2016 special projects paid	-	-	-	370,000
<b>Total Special Projects</b>	<b>(818,000)</b>	<b>7,860,000</b>	<b>7,054,124</b>	<b>1,150,876</b>
<b>NET INCOME (LOSS) BEFORE OTHER RESERVES:</b>				
	<b>683,970</b>	<b>(7,670,167)</b>	<b>(6,845,980)</b>	<b>5,199,922</b>
<b>Reserves for Future Projects:</b>				
Venture Capital Co-Investment	1,000,000	1,000,000	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
Grow Erie Fund (NDC)	-	500,000	-	500,000
<b>Total Other Reserves</b>	<b>2,000,000</b>	<b>1,500,000</b>	<b>-</b>	<b>500,000</b>
<b>NET INCOME (LOSS):</b>	<b>\$ (1,316,030)</b>	<b>\$ (9,170,167)</b>	<b>\$ (6,845,980)</b>	<b>\$ 4,699,922</b>

\* In March 2016 the ECIDA Board approved a request for \$250,000 to BERC for the Beverly Gray Business Exchange. \$150,000 was paid upon the implementation of operations and initial funding of the Beverly Gray Center. ECIDA is obligated to release the remaining \$100,000 once BERC demonstrates that the organization has received committed matching funds.

\*\* Board authorized the acquisition of the Bethlehem Steel property by ILDC in February 2017; this included an allocation of \$5,700,000 for land acquisition, and \$1,000,000 for carrying costs over the next 5 (\$200,000/year) years. Reimbursement of \$2.78 is expected from ILDC after ESD grant revenue is recognized.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**  
**Proposed 3 Year Forecast 2019-2021**

	Proposed Budget 2018	Forecast 2019	Forecast 2020	Forecast 2021
<b>REVENUES:</b>				
Administrative Fees	\$ 1,960,000	\$ 1,950,000	\$ 1,950,000	\$ 1,950,000
Affiliate Management Fees	404,000	416,000	428,000	441,000
Management Fees - BUDC	83,000	85,000	88,000	91,000
Interest Income - Cash & Investments	16,000	18,000	18,500	19,000
Rental Income	298,700	295,000	295,000	295,000
Other Income	30,000	40,000	40,000	40,000
Proceeds from Land Sales (UDAG)	-	-	250,000	250,000
<b>Total Revenues</b>	<b>2,791,700</b>	<b>2,804,000</b>	<b>3,069,500</b>	<b>3,086,000</b>
<b>EXPENSES:</b>				
Salaries & Benefits	2,052,490	2,114,000	2,177,000	2,242,000
Professional Services	138,500	140,000	140,000	140,000
General Office Expenses	176,580	182,000	187,000	193,000
Insurance Expense	82,500	85,000	88,000	91,000
Marketing Expenses	50,000	52,000	54,000	56,000
Public Notices	24,000	25,000	26,000	27,000
Building Operating Costs	181,660	187,000	193,000	199,000
Travel, Mileage & Meeting Expenses	80,000	82,000	84,000	87,000
Other Expenses	10,000	10,000	10,000	10,000
<b>Total Expenses</b>	<b>2,795,730</b>	<b>2,877,000</b>	<b>2,959,000</b>	<b>3,045,000</b>
<b>GRANT INCOME:</b>				
Revenues	2,248,950	250,000	250,000	250,000
Expenses	(2,248,950)	(250,000)	(250,000)	(250,000)
	-	-	-	-
<b>NET INCOME (LOSS) BEFORE DEPRECIATION, EXTENAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(4,030)</b>	<b>(73,000)</b>	<b>110,500</b>	<b>41,000</b>
Depreciation	(130,000)	(130,000)	(130,000)	(130,000)
<b>NET INCOME (LOSS) BEFORE EXTERNAL SPECIAL PROJECTS AND OTHER RESERVES:</b>				
	<b>(134,030)</b>	<b>(203,000)</b>	<b>(19,500)</b>	<b>(89,000)</b>
<b>External Special Projects and Strategic Initiatives:</b>				
Buffalo Building Reuse Project (BUDC)	100,000	100,000	100,000	100,000
Beverly Gray Business Exchange	100,000	-	-	-
Annual membership (IBN)	50,000	50,000	50,000	50,000
Canadian Lead Generation (IBN)	72,000	72,000	-	-
NDC Technical Assistance	60,000	60,000	60,000	60,000
Industrial Land Park grant paid(rec'd)	(1,200,000)	(500,000)	(480,000)	200,000
Venture Capital Co-Investment	1,000,000	-	-	-
Forgivable Attraction Loan(s)	1,000,000	-	-	-
<b>Total Special Projects and Other Strategic Investments</b>	<b>1,182,000</b>	<b>(218,000)</b>	<b>(270,000)</b>	<b>410,000</b>
<b>NET INCOME (LOSS):</b>	<b>\$ (1,316,030)</b>	<b>\$ 15,000</b>	<b>\$ 250,500</b>	<b>\$ (499,000)</b>

**Erie County Industrial Development Agency**  
**Proposed Five Year Capital Budget 2018-2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
<b>Facilities:</b>						
<b><u>143 Genesee Street</u></b>						
<b>Exterior</b>						
Exterior Envelope	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ 18,000
Landscaping	15,000	-	4,000	-	-	19,000
Lighting	-	5,000	-	-	7,000	12,000
Glazing	2,000	5,000	5,000	30,000	-	42,000
Entry Doors	-	15,000	-	-	-	15,000
Painting / Caulk	-	5,000	-	-	-	5,000
Signage	12,000	-	-	-	-	12,000
<b>Interior</b>						
Bathrooms	-	14,000	2,500	-	-	16,500
Electrical	2,000	-	2,500	-	7,000	11,500
Painting	3,000	-	-	-	-	3,000
Carpet	-	-	21,000	-	-	21,000
Misc	7,000	2,400	7,000	10,000	7,000	33,400
	<u>41,000</u>	<u>46,400</u>	<u>42,000</u>	<u>40,000</u>	<u>39,000</u>	<u>208,400</u>
<b><u>95 Perry Street</u></b>						
<b>Interior</b>						
Misc	10,000	10,000	10,000	10,000	10,000	50,000
<b>Total Facilities</b>	<u>51,000</u>	<u>56,400</u>	<u>52,000</u>	<u>50,000</u>	<u>49,000</u>	<u>258,400</u>
<b>Information Technology:</b>						
Network infrastructure	8,000	-	-	-	-	8,000
Servers	-	-	8,000	-	-	8,000
Misc.	3,000	3,000	3,000	3,000	3,000	15,000
<b>Total Information Technology</b>	<u>11,000</u>	<u>3,000</u>	<u>11,000</u>	<u>3,000</u>	<u>3,000</u>	<u>31,000</u>
<b>GRAND TOTAL</b>	<u>\$ 62,000</u>	<u>\$ 59,400</u>	<u>\$ 63,000</u>	<u>\$ 53,000</u>	<u>\$ 52,000</u>	<u>\$ 289,400</u>



# ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## RESOLUTION

A regular meeting of the Erie County Industrial Development Agency was convened on October 25, 2017, at 4:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE AGENCY TO ENTER INTO A CERTAIN GRANT AGREEMENT WITH THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (“NYSERDA”) TO BENEFIT THE DESIGN AND CONSTRUCTION OF THE PROPOSED ZERO NET ENERGY FACILITY

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the “Act”), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, the Agency has proposed to construct and operate a new, 100,000+/- SF zero net energy facility for small light manufacturing and office firms to locate and grow their businesses within Western New York, with the competitive edge of having a net zero energy utility charge for their operations, thus promoting accelerated growth and expansion to further encourage zero energy facility construction in the Buffalo, NY region, and furthering the mission of the Agency (the “Project); and

WHEREAS, NYSDERA provides certain technical and design team support to assist building owners interested in installing electric efficiency in new or substantially renovated buildings and the Agency applied for such assistance to benefit the design and construction of the Project facility; and

WHEREAS, NYSERDA has awarded the Agency \$12,415 for Technical Analysis to provide assistance related to energy analysis, demand response, and analysis of deep energy savings, and an additional \$44,220 for Zero Net Technical Support for benchmarking, modeling, and development of energy use guidelines, conditioned upon the Agency providing local cost sharing in the amount of \$7,415 for the Technical Analysis component of the NYSERDA program and local cost sharing in the amount of \$11,055 for the Zero Net Technical Support component of the NYSERDA program, for a total project cost of \$75,105; and

WHEREAS, the Agency desires to accept the NYSERDA grant for the Technical Analysis and the Zero Net Technical Support components in the total amount of \$56,635 (the "NYSERDA Grant") and to appropriate the required local match expenditure in the total amount of \$18,470 (the "Local Match") as so required by NYSERDA and as a condition of receipt of the NYSERDA Grant.

**NOW, THEREFORE, BE IT RESOLVED BY THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

Section 1. The Agency hereby approves and accepts the terms and conditions of the NYSERDA Grant and authorizes the expenditure of the required Local Match to undertake certain required studies to benefit the design and construction of the proposed Project facility as permitted by the NYSERDA Grant.

Section 2. The Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver a Technical Services Task Work Order, along with any other related agreements and documents (collectively, the "Documents") as so required by the NYSERDA Grant, in such form as approved by counsel to the Agency and as approved by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such checks, certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. These Resolutions shall take effect immediately.

Dated: October 25, 2017

### Tax Incentives Induced 2017

Project Name	Project City	Inducement Amount	PT Jobs at App	Projected Year 3 PT Jobs	PT Jobs at App	Projected Job Year 3 PT
Pilgrim Village*	Buffalo	\$ 95,907,387	4	35	2	80
791 Washington Street, LLC/Trico*	Buffalo	\$ 80,535,000	0	30	0	0
683 Northland/WNY Workforce Training Center	Buffalo	\$ 58,067,917	0	8	0	0
Moog, Inc.	Elma	\$ 32,600,000	251	293	0	0
Unifrax 1, LLC	Tonawanda	\$ 26,000,000	0	25	0	0
Curtiss Buffalo*	Buffalo	\$ 24,130,000	0	55	0	0
570 Associates VI, LLC	Cheektowaga	\$ 20,745,000	0	124	0	0
467 Richmond Avenue, LLC	Buffalo	\$ 10,775,636	3	4	0	0
R&M Leasing Pierce Arrow Business Park	Buffalo	\$ 10,591,000	50	70	0	0
Latina Boulevard Foods, Inc.	Cheektowaga	\$ 10,000,000	172	177	0	0
Sumitomo Rubber USA, LLC	Tonawanda	\$ 9,709,000	1,241	1,241	0	0
Shea's Seneca Street, LLC	Buffalo	\$ 9,041,730	0	4	0	27
Pearl Group, LLC	Buffalo	\$ 7,245,000	0	30	0	10
Pine Pharmaceuticals, Inc.	Tonawanda	\$ 5,600,000	15	27	4	4
Glendale Development	Buffalo	\$ 4,992,000	0	0	0	2
166 Chandler Holdings, LLC	Buffalo	\$ 4,695,000	5	10	5	5
Double Eagle Kenmore, LLC	Kenmore	\$ 4,250,000	0	2	0	0
Tecumseh Redevelopment, LLC	Lackawanna	\$ 3,455,556	0	0	0	0
Aakron Rule	Akron	\$ 2,670,000	142	155	6	6
Silos at Elk Street	Buffalo	\$ 2,055,000	32	36	0	0
128 Pearl Street/St. Paul's Apartments	Buffalo	\$ 1,840,427	0	1	0	0
WNY Foreign Trade Zone Operations	Lackawanna	\$ 1,760,000	4	6	2	3
Delaware Lodge, LLC	Kenmore	\$ 1,246,000	0	0	0	0
ITT Enidine	Orchard Park	\$ 1,200,000	261	271	0	0

24 Projects \$ 429,111,653    2,180    2,604    19    137

424 Projected FTE New Jobs

118 Projected PT New Jobs

\*Amendatory Inducement (Pilgrim Village) from 2015 approval increasing dollar amount from \$94,778,000 to \$95,907,387

\*Amendatory Inducement (791 Washington Street, LLC) from 2016 approval decreasing dollar amount from \$90,490,542 to \$80,535,000

\*Amendatory Inducement (Curtiss Buffalo) from 2014 approval increasing dollar amount from \$18,100,000 to \$24,130,000

**Tax Incentives Closings - 2017**

Project Name	Project Amount at Closing	FT Jobs at App	Projected Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Project City	Inquired Date	Est. Project Completion Date
Flexovit USA	\$ 8,349,492	45	81	0	0	Angola	11/18/2015	12/31/2016
Fisher Price	\$ 7,013,997	750	750	0	0	East Aurora	6/18/2014	2/28/2017
Flexo Transparent	\$ 6,559,158	115	121	0	0	Buffalo	12/21/2016	12/31/2018
93 NYRPT, LLC	\$ 6,331,256	0	35	0	0	Cheektowaga	4/22/2015	8/31/2017
Calspan Corporation	\$ 6,095,500	113	124	0	0	Cheektowaga	8/24/2016	12/31/2017
Trahwen-G, LLC	\$ 4,772,611	0	35	0	0	Cheektowaga	5/25/2016	12/31/2018
The Alexandre Apartments, LLC	\$ 4,630,393	0	3	0	0	Buffalo	11/30/2016	1/31/2018
Pine Pharmaceuticals, LLC	\$ 4,300,000	15	27	4	4	Tonawanda	2/22/2017	6/30/2018
Glendale Development	\$ 4,240,000	0	2	0	2	Buffalo	5/24/2017	9/30/2018
Shell Fab	\$ 3,179,000	45	55	2	2	West Seneca	8/24/2016	12/31/2017
Gordon Market Restaurant	\$ 2,081,000	0	19	0	27	Buffalo	1/27/2016	12/31/2016
128 Pearl Street, LLC	\$ 1,933,600	0	1	0	0	Buffalo	3/22/2017	3/31/2018
Shevlin Land & Cattle Company	\$ 1,602,950	70	80	0	0	West Seneca	9/16/2015	6/30/2016
David Gordon/Gordon Companies, Inc	\$ 1,425,000	82	88	10	22	Cheektowaga	5/20/2015	7/31/2017

14 Projects                      \$ 62,513,957    1,235      1,421      16    57  
 186 FT Projected New Jobs  
 41 Projected PT Jobs

**ESTIMATED TAX IMPACT (SUBJECT TO RESTRICTIONS OF NYS TAX CAP)  
2017 CLOSINGS**

PROJECT NAME	PRE-PROJECT VALUE	EST. OR ACTUAL INCREASE IN ASSESSED VALUE DUE TO PROJECT	COUNTY TAX RATE	LOCAL TAX RATE	PROJECTED INCREASE IN COUNTY TAXES AS A RESULT OF THE PROJECT OVER ABATEMENT PERIOD	PROJECTED INCREASE IN LOCAL TAXES AS A RESULT OF THE PROJECT OVER ABATEMENT PERIOD
David Gordon/Dave's Christmas Tree	\$1,100,000	\$500,000	\$5.24	\$26.28	\$3,900	\$19,700
Flexovit USA	\$0	\$1,600,000	\$5.24	\$25.50	\$17,000	\$85,000
93 NYRPT, LLC (Benderson Broadway Spec)	\$0	\$3,288,000	\$5.24	\$26.30	\$26,000	\$130,000
Trawhen - G, LLC (Benderson Buell Spec)	\$0	\$3,010,000	\$5.27	\$27.00	\$24,000	\$123,000
Shell Fab	\$0	\$602,700	\$12.44	\$60.00	\$11,000	\$54,000
Shevlin Land & Cattle (Upstate Pharmacy)	\$0	\$450,000	\$12.20	\$58.00	\$8,200	\$39,000
Flexo Transparent	\$0	\$650,000	\$6.45	\$27.00	\$5,100	\$26,000
Pine Pharmaceutical	\$0	\$1,161,000	\$13.30	\$82.00	\$32,000	\$200,000
128 Pearl Street (St. Paul's Parish)*	\$0	\$0	\$5.24	\$27.00	\$63,000	\$44,000
Glendale Development (Barker St. Apartments)*	\$323,000	\$400,000	\$5.24	\$27.00	\$31,000	\$22,000
Alexandre Apartments*	\$100,000	\$1,400,000	\$5.24	\$27.00	\$92,000	\$70,000
*denotes company has or intends to file for City 485-a exemption		*The final assesment on each project is determined by the assessor of the respective municipality				
			<b>Total</b>		<b>\$313,200</b>	<b>\$812,700</b>

**MINUTES OF A MEETING OF THE  
POLICY COMMITTEE OF THE  
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

- MEETING:** October 12, 2017, at Erie County Industrial Development Agency, 95 Perry Street, 5<sup>th</sup> Floor Conference Room, Buffalo, New York
- PRESENT:** Rev. Mark E. Blue, Hon. Johanna Coleman, Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, David J. State, Paul V. Vukelic and Maria Whyte
- ABSENT:** Hon. Byron W. Brown, Colleen DiPirro, John J. Mudie, Hon. Glenn R. Nellis, Laura Smith, and Hon. Geoffrey M. Szymanski
- OTHERS PRESENT:** Steve Weathers, Chief Executive Officer; John Cappellino, Executive Vice President; and Robert G. Murray, Secretary
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Mr. Nick Sinatra, on behalf of 157 Great Arrow, LLC

In the absence of the presence of a quorum, Mr. Lipsitz initiated the meeting of the Policy Committee.

**PROJECT MATRIX**

Mr. Cappellino reviewed the Agency's project matrix.

**UPDATES/DISCUSSION**

Moog Update. Mr. Cappellino updated members that Moog proactively reached out the Agency noting that, at the time the company submitted its application for financial assistance, the current number of jobs at the proposed project location consisted of 251 FTE positions. However, the company has subsequently noticed that its "jobs at application" total of 251 was not accurate, and as such, the correct total number of jobs at application should have been 288 FTE positions. Mr. Cappellino explained to the Committee members that the Board would need to amend the company's inducement resolution to account for the change in jobs at application which will have an effect on the material terms and conditions required by the Agency as a condition of receipt of financial assistance.

Policy Committee Meeting Schedule. Mr. Lipsitz reviewed the 2018 Policy Committee Meeting Schedule. There being no discussion, Mr. Lipsitz directed that the schedule be received and filed.

Adaptive Reuse Working Group. Ms. Whyte provided members with an update on the Adaptive Reuse Working Group meeting held earlier this week, noting that the working group identified suburban shopping malls as becoming obsolete, with increased vacancy becoming more and more likely, such that the working group believes that it would be worthwhile for suburban shopping malls to be given some additional consideration as the Adaptive Reuse Working Group continues its review and analysis of the Agency's adaptive reuse policy. The working group also reviewed the criteria for eligibility for a project to be approved as an adaptive reuse project including that the project be at least 20 years old and a requirement that the project be either vacant or under-utilized for at least three years. Mr. Cappellino

noted that Mike Bartlett and Dave Mingoia provided the working group with a presentation on adaptive reuse efforts in the Town of Hamburg and Amherst, respectively. Mr. Lipsitz then directed that the report be received and filed.

At this point in time, Mr. State joined the meeting. There now being a quorum present, at 9:13 a.m., Mr. Lipsitz called the meeting to order.

**MINUTES**

The minutes of the September 7, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Lorigo, and seconded by Mr. Blue, the aforementioned Policy Committee meeting minutes were unanimously approved.

**PROJECT PRESENTATIONS**

157 Great Arrow, LLC, 157 Great Arrow Avenue, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the renovation and adaptive reuse of a portion of the Pierce Arrow complex. When complete, the rehabilitated portion of the Great Arrow complex will house 72 one and two bedroom apartments and approximately 3,000 square feet of space will be established to an amenity-based future, but unknown, tenant. In addition, parking for approximately 100 cars will be made available onsite. Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to potential modification, recapture and/or termination of financial assistance as follows:

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project Amount = \$15,285,000 85% : \$12,992,250
Employment	Same as Recapture Period	Create 85% of projected:
Local Labor	Construction period	Adherence to policy including quarterly reporting
Unpaid Taxes	Same as Recapture Period	Adherence to policy
Pay Equity	Same as Recapture Period	Adherence to policy
Recapture Period	2 Years After Project Completion	Mortgage Recording Tax State and Local Sales Taxes

Mr. Cappellino then introduced Mr. Sinatra, on behalf of the company, who provided a brief update on the project to the Committee members.

Ms. Whyte then queried as to the target population for the apartment units. Mr. Sinatra replied that the target is primarily empty nesters, age 50 years and older.

Ms. Whyte then asked Mr. Sinatra about opportunities to provide affordable housing. Mr. Sinatra responded that his company is starting to look at affordable housing but noted that the Department of Housing and Community Renewal low/mod income housing project review process is very time consuming and can take years to obtain such state funding.

Ms. McDuffie asked if there is a reason the company does not do a mixture of rental and condos in the same development. Mr. Sinatra responded that the company is utilizing historic tax credits which require the company to own the improved unit for at least seven years, which would make condo development impossible because such condo units are sold immediately upon completion. In addition, Mr. Sinatra also stated that construction costs versus sales price does not have enough of a spread to make for sale condo units worthwhile.

Ms. Whyte asked when the project would be initiated. Mr. Sinatra responded that the company is looking to start towards the end of the winter and plans on a spring, 2019 opening date.

Mr. Blue queried as to whether utilities are included within the rent. Mr. Sinatra responded that only water is included within the rent, as gas and electric will be separately metered for each unit. Mr. Blue then asked if parking was included within the rent. Mr. Sinatra responded in the affirmative.

Ms. McDuffie moved, and Mr. Lorigo seconded to approve of the project as proposed. Mr. Lipsitz called for the vote, and the project was then unanimously approved.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:30 a.m.

Dated: October 12, 2017

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Robert G. Murray, Secretary



**157 Great Arrow, LLC  
\$15,285,000  
INDUCEMENT RESOLUTION**

**ELIGIBILITY**

- NAICS Section - 531110

**COMPANY INCENTIVES**

- Approximately \$525,000 in sales tax savings.
- Up to 3/4 of 1% of the final mortgage amount estimated at \$90,000

**EMPLOYMENT**

- The project is anticipated to create 1 additional job (two years after project completion).

**PROJECT HISTORY**

- 10/02/2017 - Public Hearing held
- 10/25/2017 - ECIDA ratifies and confirms City of Buffalo Negative Declaration.
- 10/25/2017- Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.

**Project Title:** 157 Great Arrow, LLC

**Project Address:** 157 Great Arrow Avenue  
Buffalo, New York 14207  
(Buffalo City School District)

**Agency Request**

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of a portion of the former Pierce Arrow complex.

Building Addition	\$ 3,000,000
Renovation	\$11,875,000
Soft Costs	\$ 410,000
 Total Project Cost	 \$15,285,000
 85%	 \$12,992,250

**Company Description**

157 Great Arrow, LLC is a corporation formed by Sinatra & Company Real Estate ("Sinatra") for the purpose of undertaking the project. Sinatra is a privately held, full-service real estate firm with a broad-based portfolio of real estate assets.

The company relies on a value-added approach to properties that have not yet met, or no longer meet full potential.

**Project Description**

The proposed project includes the renovation and adaptive reuse of a portion of the Pierce Arrow complex. The historic warehouse is 95,000 sq. ft. and eligible for historic tax credits and is currently under review by the State Historic Parks office. When complete, the building will house 72 1 & 2 bedroom apartments. One bedroom apartments are planned to be in the 700 sq. ft. to 1,100 sq. ft. range and two bedroom apartments will range in size from 1,100 sq. ft. to 1,450 sq. ft. Rents for the one bedroom apartments will average between \$882 - \$1,386. Rents for the two bedroom apartments will average between \$1,386 and \$2,000.

Approximately 3,000 sq. ft. of space will be marked to an amenity-based tenant. Parking for approximately 100 cars will be made available at the exterior of the property.

Additional landscaping and new paving along the exterior of the building will increase the overall aesthetic of the dilapidated structure and the surrounding areas.

The project requires an extensive level of upgrades to an underutilized building that has never been used for residential purposes.

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional Local Revenue over 485-a Abatement Period.	New Yearly Taxes Upon Expiration of Abatement Period
\$6,600	\$7,300,000	\$565,000	\$390,000	\$242,000
Combined Tax Rate: \$33				

### Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total project Amount = \$15,285,000 85% : \$12,992,250
Employment	Same as Recapture Period	Create 85% of projected: Projected: 1 Recapture Employment: 1
Local Labor	Construction period	Adherence to policy including quarterly reporting
Unpaid Taxes	Same as Recapture Period	Adherence to policy
Pay Equity	Same as Recapture Period	Adherence to policy
Recapture Period	2 Years After Project Completion	Mortgage Recording Tax State and Local Sales Taxes

Recapture applies to:

- Mortgage Recording Tax
- State and Local Sales Taxes

### Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At project completion the company must certify i) total investment is equal to or greater than 85% of the anticipated project amount; ii) confirm company has maintained 1 full time employee at the facility iii) confirm adherence to ECIDA local labor policy during construction and iv) adherence to unpaid tax and pay equity policies for the recapture term.



# Internal Report: 157 Great Arrow, LLC - 157 Great Arrow, LLC

Table 1: Basic Information

Project Name	157 Great Arrow, LLC
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	\$15,285,000
Construction Budget	\$11,875,000
Direct Employment Expected	1
Direct Labor Income	\$31,209
Direct Construction Jobs	87
Direct Construction Labor Income	\$4,563,855
Total Labor Income	\$4,595,065

Table 2: Estimated State & Regional Benefits \*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$1,742,023
Sales Tax Revenue	\$95,714
State	
Income Tax Revenue	\$261,334
Sales Tax Revenue	\$80,601
<b>TOTAL Estimated Revenue</b>	<b>\$2,179,671</b>

Table 3: Estimated Project Incentives \*

Property Tax Savings	\$0
Sales Tax Savings	\$519,531
Mortgage Tax Savings	\$90,000
<b>TOTAL Estimated Incentives</b>	<b>\$609,531</b>

Table 4: Employment Breakdown

Project	
Direct**	1
Indirect***	1
Induced****	1
Construction	
Direct	87
Indirect	31

Table 5: Ratios

Benefit to Cost Ratio	<b>3.6:1</b>
Overall ROI	<b>15.4:1</b>

\* Figures over 10 years and discounted by 3.49%

\*\* Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

\*\*\* Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

\*\*\*\* Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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**PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits\*\*\* and Percentage of Project Costs financed from Public Sector sources**

**\*\* The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

**PILOT Estimate Table Worksheet-157 Great Arrow, LLC- 2017**

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$14,875,000	N/A			

\*Apply equalization rate to value

Company will apply to the City of Buffalo for 485-a exemption

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption

**\*\*\* Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

**Percentage of Project Costs financed from Public Sector Table Worksheet:**

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$15,285,000	N/A	\$525,000	\$90,000	\$7,642,500

**Calculate %**

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 54 %

**ADAPTIVE REUSE REPORT &  
EVALUATIVE CRITERIA  
157 Great Arrow, LLC**

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The building is over 100 years old having been constructed in approximately 1915.
Structure has been vacant or underutilized for a minimum of 3 years (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). Project promotes the elimination of slum and blight.	The building has been underutilized for over 25 years. A portion of the building is currently being used for car storage.
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class)	The facility is not generating any significant income.
Project is in compliance with the investment and growth criteria of the Framework for Regional Growth. The redevelopment supports or aligns with Regional or Local Development Plans	The framework states that investment should be targeted to “developed areas” and “regional centers”. This project falls within the developed areas as designated by the Regional Framework.
Demonstrated evidence of financial obstacle to development without ECIDA or other public assistance (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rate as compared to regional industry averages)	Because of the building’s age and its assumed status as a historic structure, very specific construction methods and materials must be utilized that conform to state and federal historical standards which raises the cost considerably. The developer has submitted an ROI which indicates below average rate of return on the investment.
Demonstrated support of local government entities	The City of Buffalo as lead agency has approved the project. A letter of support has been provided by the Mayor of the City of Buffalo.
LEED/Renewable Resources	N/A
Site or structure has delinquent property or other local taxes	Taxes are current.
MBE/WBE Utilization	N/A
Transit Oriented Development	The facility is on several bus routes (11, 20, 25 & 32) as well as Metro Rail.
<b>OTHER FACTORS TO CONSIDER:</b>	
Environmental/Safety Issues: Structure or site presents significant public safety hazard and or environmental remediation costs	The facility must be compliant with current building code requirements including abating environmental contamination,

	removing lead based paint and the installation of all new mechanical systems.
Site or structure is located in a distressed census tract	Property is located in Census Tract 54 which is considered highly distressed under the State statute.
Structure presents significant costs associated w/ building code compliance.	All new heating, ventilation, air and fire safety systems must be installed.

Dated: October 25, 2017

Rev. 6/2017

### Return on Investment

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high-risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for development projects.

### Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing, and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

### Public Incentives Requested

- ECIDA Sales Tax Abatement approximate value \$525,000
- ECIDA Mortgage Recording Tax Abatement approximate value \$90,000

### ROI

157 Great Arrow, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 4.0%

Stated ROI for the project with ECIDA assistance is 4.9%





**CITY OF BUFFALO**  
**BYRON W. BROWN**  
**MAYOR**



September 27, 2017

Mr. Steven W. Weathers  
Chief Executive Officer  
Erie County Industrial Development Agency  
95 Perry Street, Suite 403  
Buffalo, NY 14203

Re: Sinatra and Company Real Estate  
157 Great Arrow

Dear Mr. Weathers:

The City of Buffalo supports Sinatra and Company's application to the Erie County Industrial Development Agency to renovate and upgrade a portion of the historic Pierce Arrow site into residential apartments and commercial space. We believe this development project will provide improved housing options and create immediate jobs for the residents of Buffalo.

Buffalo is a vibrant city filled with things to do and discover. What makes our city truly unique is our collection of historic buildings and landmarks. As in many other districts of our city in recent years, we are witnessing a resurgence of these character-rich, century old properties. This exciting project will further enhance the revitalization of the surrounding community and carry on the economic expansion in Buffalo. It will create numerous immediate construction jobs as well as permanent positions in the commercial component.

The project at 157 Great Arrow is a prime example of Buffalo's ongoing efforts to revive the City's architectural integrity that it was founded on, and fully compliments the economic resurgence that Buffalo has been experiencing over the last decade. Projects like this show the rest of the country that Buffalo is indeed ready for business.

Sincerely,

A handwritten signature in black ink that reads "Byron W. Brown".

Byron W. Brown

Mayor

**Hocieniec, Carrie**

---

**Subject:** FW: Re: Great Arrow statement

----- Forwarded message -----

**From:** Matt Connors <[matt@sinatraandcompany.com](mailto:matt@sinatraandcompany.com)>

**Date:** Oct 2, 2017 1:29 PM

**Subject:** Re: Great Arrow statement

**To:** "Lesswing, Grant" <[glesswing@ecidany.com](mailto:glesswing@ecidany.com)>

**Cc:**

The Great Arrow apartments will feature 72 market-rate apartments that are a mix of one and two bedrooms. Significant environmental work will be done to the building and site, but will lead to a more aesthetically pleasing green space around the acre site. The company will also be utilizing historic tax credits to bring the building back to its original industrial look. A small amount of commercial space will be on the ground floor of the property for lease.

**Matt Connors**  
Vice President of Development  
Sinatra & Company Real Estate  
617 Main Street Suite 200

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
INDUCEMENT RESOLUTION**

**157 GREAT ARROW, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),  
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS  
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, October 25, 2017 at 4:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 157 GREAT ARROW, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

**WHEREAS**, the Company has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) a portion of a 6+/- acre parcel of land located at 157 Great Arrow Avenue in the City of Buffalo, Erie County, New York (the "Land") together with an existing 95,000+/- SF warehouse building within the historic Pierce Arrow site (the "Existing Improvements"), (ii) the

construction and/or renovation, upgrading and equipping of the Existing Improvements thereon into a mixed-use project consisting of 92,000+/- SF of market-rate 1-, 2-, and 3-bedroom residential apartments (73+/- units) and 3,000+/- SF of commercial space, together with on-site parking (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, the Existing Improvements and the Improvements, the "Facility"); and

**WHEREAS**, pursuant to General Municipal Law Section 859-a, on October 2, 2017, at 9:00 a.m., at the Agency's offices located at 95 Perry Street, Suite 403, Buffalo, New York 14203, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

**WHEREAS**, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement") and related leaseback agreement (the "Leaseback Agreement") with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility and (b) a mortgage recording tax exemption benefit for the financing related to the Project (collectively, the sales and use tax exemption benefit and the mortgage recording tax exemption benefit are hereinafter collectively referred to as the "Financial Assistance"); and

**WHEREAS**, the City of Buffalo Planning Board (the "Planning Board") in accordance with Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the "State Environmental Quality Review Act" and/or "SEQR"), undertook a coordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was a Type I Action, and issued a negative declaration ("Negative Declaration") under SEQR on June 19, 2017, with respect to the Project; and

**WHEREAS**, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's

application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review and recommendations of the Project and its September 7, 2017 resolution to approve the project subject to the terms and conditions as described herein, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions the Act.

(I) The Agency hereby approves the subleasing of space in the Project and authorizes the Company to proceed with the Project as herein authorized; and

(J) Based upon a thorough and complete review of the Application and its accompanying materials and information, the Environmental Assessment Form submitted by the Company, and the proceedings conducted by the Agency and the City of Buffalo Planning Board, to date, pursuant to SEQR, the Agency hereby:

(i) Ratifies the proceedings conducted by the Planning Board pursuant to SEQR, as well as the Planning Board's determination that the Project does not pose a significant potential adverse environmental impact, thus warranting the issuance of a negative declaration, as that term is defined in SEQR.

(ii) Determines that: the Project constitutes a "Type 1 Action" within the meaning of SEQR, that the redevelopment of the existing building on the site will have no impact on the site as the site is currently developed; that no air permit is required as the project will not have a significant impact on air quality; that there will be no impacts on ground or surface water quality or quantity or increase in the amount of impervious surfaces associated with this use; that the Project will not have an adverse impact in existing traffic levels because it is already located within a developed urban area and which already has road/traffic capacity available, that there will be no substantial adverse change in noise levels as the proposed use is similar to the existing character of the adjacent area; that the proposed use of the site will not result in an increase in solid waste production; that the Project will not result in any impact on vegetation, fauna, or substantially interfere with fish or wildlife species, that there will be no impact on significant plant or animal habitat, that no impacts whatsoever will affect threatened or endangered species and no Critical Environmental Areas will be impacted; that the Project is consistent with the community's current plans and goals and with the neighborhood character; that there will be no adverse impacts to the Facility adversely affecting its archeological significance; that while the site contains a building on site listed on the National Register (Pierce Arrow Factory Complex) no exterior modifications will be performed as part of this Project such that no adverse environmental impacts are anticipated, that there will be no impact in the quantity or type of energy used; that the Project will not create a hazard to human health; that the Project will not create a substantial change in the use of the land or the site; that the Project will not involve changes in two or more elements of the environment, no one of which has a significant adverse impact on the environment, but when considered together results in a substantial adverse impact on the environment; and that the Project does not include two or more related actions, none of which has or would have a significant impact on the environment but when considered cumulative would meet one or more criteria to be considered under SEQR regulations.

(iii) Determines that the Project will result in no major impacts and, therefore, is one which will not have a "significant effect on the environment" as such quoted term is defined in SEQR, and that no "environmental impact statement" as such quoted term is defined in SEQR need be prepared for this action.

(iv) Determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project, and the participation by the Agency in undertaking the Project, have been satisfied. This determination constitutes a “negative declaration” (as such quoted terms are defined under SEQR) for purposes of SEQR.

(K) The Project is compliant with the Countywide IDA Eligibility Policy, constitutes a commercial facility as defined in the General Municipal Law and will promote employment opportunities and prevent economic deterioration in the City of Buffalo. The Agency has reviewed the opinion of the State Comptroller (OSC Op. 85-51) and hereby specifically finds that the Project will create temporary construction jobs and one (1) full-time job, and, by adaptively reusing a vacant, declining and aged structure and rehabilitating it for residential use, will be a physical and economic improvement to this sensitive area of the City of Buffalo; and

(L) The Project qualifies for Agency Financial Assistance as it is compliant with the Agency's Adaptive Reuse Project Policy and meets the Agency's evaluative criteria for adaptive reuse projects, said criteria established by the Agency as required under General Municipal Law Section 859-a(5) as evidenced by the following:

- (i) the building is approximately 101 years old and functional issues related to its age present challenges to its reuse;
- (ii) the building has been underutilized for 25 years;
- (iii) the building is not generating any rental income;
- (iv) the Project is in compliance with the investment and growth criteria of the Framework for Regional Growth;
- (v) the Applicant has demonstrated evidence of financial obstacles and impediments to conventionally financing the project without otherwise obtaining Agency or other public assistance;
- (vi) the Mayor of the City of Buffalo has provided a letter supporting the Project;
- (vii) the building is located within a distressed census tract;
- (viii) the structure requires significant costs to comply with building codes;
- (ix) the facility is on several bus routes thus meeting transit oriented development criteria;
- (x) the Project is located in a highly distressed census tract; and
- (xi) the Project's stated return on investment is below what investors and developers seek to achieve for such investments in urban high-risk areas.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the appointment of the Company as agent of the Agency, if utilized, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an estimated amount up to \$6,000,000.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$525,000.00. The Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services.

Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as



described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must (i) cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the conclusion of the later of two (2) years following either (i) the construction completion date, or (ii) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$12,992,250.00 (which represents the product of 85% multiplied by \$15,285,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – the number of current FTE employees in the then current year at the Facility and further confirmation that the Company has maintained and created FTE employment at the Facility equal to one (1) FTE employee (being the total number of new FTE employee positions as proposed to be created by the Company as stated in the Company's application for Financial Assistance). In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on quarterly basis, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment – that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.

- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) related documents; provided, however, that the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the “Lender”) up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the “Agency Documents”); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency’s interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency’s Administrative Fee Agreement (the “Fee Agreement”) and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement

and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Executive Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: October 25, 2017



**Great Arrow Apartments**

**Section I: Applicant Background Information**

Applicant Information - Company Receiving Benefit

**Project Name** Great Arrow Apartments  
**Applicant Name** Matt Connors  
**Applicant Address** 617 Main Street Suite 200  
**Applicant Address 2**  
**Applicant City** Buffalo  
**Applicant State** New York  
**Applicant Zip** 14203  
**Phone** 7162208468  
**Fax**  
**E-mail** matt@sinatraandcompany.com  
**Website** www.sinatraandcompany.com  
**Federal ID#**  
**NAICS Code** 531110  
**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** 157 Great Arrow, LLC  
**Federal ID#**  
**State and Year of Incorporation/Organization** 2,009  
**List of stockholders, members, or partners of Real Estate Holding Company** Sinatra and Company Real Estate, 157 Great Arrow LLC

Individual Completing Application

**Name** Matt Connors  
**Title** Vice President of Development, Sinatra and Company Real Estate  
**Address**  
**Address 2**  
**City** Buffalo  
**State** New York  
**Zip** 14203  
 7162208468 X106

**Phone**

**Fax**

**E-Mail**

matt@sinatraandcompany.com

Company Contact (if different from individual completing application)

**Name**

**Title**

**Address**

**Address 2**

**City**

**State**

**Zip**

**Phone**

**Fax**

**E-Mail**

Company Counsel

<b>Name of Attorney</b>	Peter Savage
<b>Firm Name</b>	Sinatra and Company Real Estate
<b>Address</b>	617 Main Street
<b>Address 2</b>	
<b>City</b>	Buffalo
<b>State</b>	New York
<b>Zip</b>	14203
<b>Phone</b>	7162208468
<b>Fax</b>	
<b>E-Mail</b>	

Identify the assistance being requested of the Agency

<b>Exemption from Sales Tax</b>	Yes
<b>Exemption from Mortgage Tax</b>	Yes
<b>Exemption from Real Property Tax</b>	No
<b>Tax Exempt Financing*</b>	No

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

Business Organization

<b>Type of Business</b>	Limited Liability Company
<b>Type of Ownership</b>	
<b>Year Established</b>	2009
<b>State of Organization</b>	New York

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

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

Sinatra and Company Real Estate LLC--50%, Barry Fishman, 50%

Applicant Business Description

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

Sinatra & Company Real Estate is a privately held, full-service real estate firm. It's core strengths are investment, management and development of a broad-based portfolio of real estate assets. Since its inception in 2009 by Nick Sinatra in Buffalo, New York the companies strategic methods have relied upon a value-add approach to properties that have not yet met, or no longer meet full potential. The company has approximately 2,200 apartment units in the Western New York region and continues to expand through numerous development and turnkey acquisition projects. Of the 2,200 apartment units, Sinatra and Company Real Estate also has a large commitment to affordable housing with over \$100 Million in affordable housing projects underway or announced. While the project is market rate, Sinatra and Company has also expanded into the affordable housing market with 3 projects at 1200 Jefferson, 818 Michigan (McCarley Gardens) and 240 Kensington announced or underway that totals over \$100 Million investment on the east side with 100% of the units affordable. We have been committed to locating sites for additional affordable housing but the Great Arrow Apartments unfortunately cannot sustain the reduced rents given the higher development costs in this historic building.

<b>Estimated % of sales within Erie County</b>	100
<b>Estimated % of sales outside Erie County but within New York State</b>	0
<b>Estimated % of sales outside New York State but within the U.S.</b>	0
<b>Estimated % of sales outside the U.S.</b>	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**

Buffalo

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

Yes

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

**Address**

157 Great Arrow Avenue

**Will the completion of 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 OR in the abandonment of one or more plants or facilities of the project occupant located within the state?**

No

**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 the Retail Section of this application)

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

78.78-1-11

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

**Assessed value of land**

200,000

**Assessed value of building(s)**

200,000

**Are Real Property Taxes current?**

Yes

**If no please explain**

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

Buffalo

**School District of Project Site**

Buffalo

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

Yes

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

**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 building is currently significantly underutilized and is being used as storage for various cars and miscellaneous items as identified in the walkthrough with the ECIDA with Karen Fiala and Grant Lesswing.

**Please provide narrative of the proposed project and the purpose of the proposed 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 Pierce Arrow Apartments project will feature 73 1, 2, and 3-bedroom market-rate units. This historic, 95,000 SF warehouse is eligible for Historic Tax Credits and currently under review by the State Historic Parks Office. There will be an amenity-based tenant on the ground floor that would occupy approximately 1,500-2,000 SF along with ample tenant storage, a bike and mail room. Parking will be on the exterior of the property for tenants and feature enough spots for approximately 100 cars. The property will require all new mechanical systems including HVAC, Electric, Plumbing and Fire Protection. Additionally, new windows in accordance with the standards set forth by SHPO will encase the exterior of the building featuring an industrial-style historic replica window. Additional landscaping and new paving along the exterior of the building will increase the overall aesthetic of the dilapidated structure and surrounding areas.

**If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:**

**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)**

The project requires an extensive amount of upgrades to an underutilized building that has never been residential. Excessive costs in upgrading the HVAC, Electric, Plumbing, Fire protection and windows create a gap that would need the assistance from the agency to help with the lower than expected ROI. This particular corridor in NYE Park has also seen a boom in residential rental development within the last year so the rents in the area must stay competitive with surrounding projects despite our higher redevelopment costs for the building. Additionally, the historic requirements as mandated by SHPO has increased costs across the board; most specifically, the historic industrial windows that are projected to cost upwards of \$1,500,000 to properly create the historic replica.

**Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency:**

No

**If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?**

**Will project include leasing any equipment?**

No

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

Site Characteristics

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

Yes

**Describe the present zoning/land use**

449 - warehouse

**Describe required zoning/land use, if different**

411-residential

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

**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**

As explained in the Part 1, the soils have elevated levels throughout the site of TCE from previous uses that will require additional testing on site, potentially creating a Brownfield project.

**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?**

Yes

If yes, please provide copies of the study.

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

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.

**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**      Yes

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.

- |  |                         |   |
|--|-------------------------|---|
| <b>No Manufacturing</b>                    | <b>Yes Multi-Tenant</b> | <b>Yes Mixed Use</b>                      |
| <b>No Acquisition of Existing Facility</b> | <b>Yes Commercial</b>   | <b>No Facility for the Aging</b>          |
| <b>Yes Housing</b>                         | <b>No Back Office</b>   | <b>No Civic Facility (not for profit)</b> |
| <b>No Equipment Purchase</b>               | <b>No Retail</b>        | <b>No Other</b>                           |

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

\$ 3,000,000	95,000 square feet	acres
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**New Building Construction**

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

\$ 0	square feet
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**Infrastructure Work**

\$ 0	
------	--

**Renovation**

\$ 6,875,000	95,000 square feet
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**Manufacturing Equipment**

\$ 0	
------	--

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

\$ 5,000,000	
--------------	--

**Soft Costs: (professional services, etc.)**

\$ 400,000	
------------	--

**Other Cost**

\$ 10,000	
-----------	--

**Explain Other Costs****Total Cost**

\$ 15,285,000	
---------------	--

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

\$ 0	
------	--

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

Yes
-----

**If Yes, describe particulars:**Sources of Funds for Project Costs:**Equity (excluding equity that is attributed to grants/tax credits):**

\$ 3,285,000
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**Bank Financing:**

\$ 12,000,000
---------------

**Tax Exempt Bond Issuance (if applicable):**

\$ 0
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**Taxable Bond Issuance (if applicable):**

\$ 0
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**Public Sources (Include sum total of all state and federal grants and tax credits):**

\$ 7,557,000
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**Identify each state and federal grant/credit:**

Brownfield Cleanup Program, Historic Tax Credits

**Total Sources of Funds for Project Costs:**

\$22,842,000

**Has a financing preapproval letter or loan commitment letter been obtained?**

Yes

Mortgage Recording Tax Exemption Benefit:

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

**\*Amount of mortgage, if any, that would be subject to mortgage recording tax.**

\$ 12,000,000

**Lender Name, if Known**

**Estimated Mortgage Recording Tax Exemption Benefit (% of estimated mortgage amount stated above):**

\$120,000

Construction Cost Breakdown:

**Total Cost of Construction**

\$ 11,785,000

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

**Cost for materials**

\$ 6,000,000

**% sourced in Erie County**

100%

**% sourced in State**

100% (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**

\$ 6,000,000

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

\$ 525,000

Real Property Tax Benefit:

**Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency's PILOT benefit:**

485a

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

		Cost	% of Total Cost
<b>Manufacturing/Processing</b>	square feet	\$ 0	0
<b>Warehouse</b>	square feet	\$ 0	0
<b>Research &amp; Development</b>	square feet	\$ 0	0
<b>Commercial</b>	3,000 square feet	\$ 375,000	3
<b>Retail</b>	square feet	\$ 0	0
<b>Office</b>	square feet	\$ 0	0
<b>Specify Other</b>	92,000 square feet	\$ 11,500,000	97

**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**

Yes

What is your project timetable (Provide dates)

**Start date : acquisition of equipment or construction of facilities**

11/1/2017

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

12/1/2017

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

1/15/2018

**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?**

No

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

No

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 FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED</b>	<b>IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion</b>	<b>Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PT jobs to be created upon TWO Years after Project Completion **</b>
<b>Full time</b>	0	0	1	1
<b>Part time</b>	0	0	0	0
<b>Total</b>	1	0	1	

\*\* The Labor Market Area includes the Counties of Erie, Niagara, Genesee, Cattaraugus, Wyoming and Chautauqua. For the purposes of this question, please estimate the number of FTE and PT jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column.

\*\*\*By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period

following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

Salary and Fringe Benefits for Jobs to be Retained and Created:

<b>Category of Jobs to be Retained and Created</b>	<b>Average Salary</b>	<b>Average Fringe Benefits</b>
<b>Management</b>	\$ 40,000	\$ 10,000
<b>Professional</b>	\$ 0	\$ 0
<b>Administrative</b>	\$ 0	\$ 0
<b>Production</b>	\$ 0	\$ 0
<b>Independent Contractor</b>	\$ 0	\$ 0
<b>Other</b>	\$ 0	\$ 0

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

<b>Address</b>	617 Main Street Buffalo NY 14203		
<b>Full time</b>	77	0	0
<b>Part time</b>	2	0	0
<b>Total</b>	79	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**

\$ 40,000

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

\$ 0

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

\$ 40,000

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

**From** \$ 40,000 **To** \$ 40,000

**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**

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

**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**

**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)**

Historic Tax Credits, 485a, Brownfield Cleanup Program



**Section III: Facility Type - Single or Multi Tenant**

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

Multi-Tenant Facility

For Single Use Facility

**Occupant Name**

**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**

This project will round out the development in the NYE Park region of Buffalo and help resurrect a significantly underdeveloped and dilapidated storage facility within the sprawling Pierce Arrow site. In addition to this project, there are two construction projects that have been announced—a mixed-use development on the Elmwood portion of the site, and an expansion of the Tapestry Charter School directly east of the proposed project. This project will help create a unified display of redevelopment of older buildings and create an appealing aesthetic for renters and the site in general.

**Have any tenant leases been entered into for this project?**

No

**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 IV: Tenant Information**

## **Section V: Environmental Questionnaire**

### General Background Information

**Address of Premises** 157 Great Arrow Avenue

**Name and Address of Owner of Premises** Sinatra and Company Real Estate, 617 Main Street Suite 200, Buffalo, NY 14203

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

Generally flat surrounding surface, no existing landscaping or bodies of water.

**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**

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

Manufacturing, Storage

**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**

**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**

**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**

**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**

**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**

**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?**

<BLANK>

**If yes, please identify the materials**

**Section VI: 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:**

**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**

**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.)**

**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?**

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

**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.**

**Section VII: Adaptive Reuse Projects**

**Are you applying for tax incentives under the Adaptive Reuse Program?** Yes

**What is the age of the structure (in years)?** 101

**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 vacant, number of years vacant.** 0

**If underutilized, number of years underutilized.** 25

**Describe the use of the building during the time it has been underutilized:** Mostly storage for cars

**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** \$

**Does the site have historical significance?** Yes

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

**If yes, provide estimated value of tax credits** \$ 3,057,000

**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)**

The Great Arrow apartment building has significant shortfalls and in terms of the environmental, we have an open spill reported to the DEC as shown in our reports uploaded to the application.

**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**

Councilman Joe Golombek, Mayor Byron Brown, Congressman Higgins

**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 property is located in a distressed census tract. The building is currently under review for Historic Tax Credits as one of the original manufacturing plants in the neighborhood. There are estimated to be significant costs associated with the environmental cleanup and overall redevelopment of the vacant building to bring it back to its original construction aesthetic. Additionally, we will be working with the City to determine any and all code requirements moving forward in the conversion from warehouse to residential. The cleanup costs are estimated to be in the high six figures as we are still navigating the site with further testing to attain the actual remediation and cleanup costs.

**Section VIII: Senior Citizen Rental Housing Projects**

**Are you applying for tax incentives under the Senior Rental Housing policy?**

No

**Has the project received written support from the city, town or village government in which it is located?**

<BLANK>

**Describe the location of the project as it relates to the project’s proximity to the town / village / city center or to a recognized hamlet.**

**Is the project consistent with the applicable municipal master plan?**

<BLANK>

**If yes, please provide a narrative identifying the master plan (by name) and describing how the project aligns with the plan details**

**Does the project advance efforts to create a walkable neighborhood and community in proximity to important local amenities and services?**

<BLANK>

**If yes, please provide a narrative describing the walkable nature of the project including access seniors would have to specific neighborhood amenities.**

**Has a market study shown that there is a significant unmet need in the local community or specific neighborhood where seniors are unable to find appropriate housing opportunities?**

<BLANK>

**Is the project located in an area (defined as a 1 – 5 mile radius of the project site) where there are significant local resident populations that are at or below the median income level?**

<BLANK>

**If yes, please describe how you made this determination based upon census tract and other relevant third party data.**

**Does the project provide amenities that are attractive to seniors and differentiates the project from standard market rate housing?**

<BLANK>

**If yes, please describe these amenities (examples may include: community rooms, social / recreational activity areas, senior-oriented fixtures and safety amenities, security systems, call systems, on site medical services)**

**Are there impediments that hinder the ability to conventionally finance this project and /or negatively impact the project’s return on investment?**

<BLANK>

**If yes, please briefly summarize the financial obstacles to development that this project faces without IDA or other public assistance. Please provide the IDA 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)**

**Will the project target (and maintain during the incentive period) a minimum 50% occupancy rate of senior citizens whose income is at or below 60-80% of the median income for Erie County?**

<BLANK>

**If yes, please describe provide a narrative citing key facts that substantiate this finding.**

**Section IX: 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>



**Moog, Inc.**  
**\$32,600,000**  
**AMENDATORY INDUCEMENT RESOLUTION**

<b>ELIGIBILITY</b>
<ul style="list-style-type: none"> <li>o NAICS Section - 336410</li> </ul>
<b>COMPANY INCENTIVES</b>
<ul style="list-style-type: none"> <li>o Approximately \$2,000,000 in real property tax savings.</li> <li>o Approximately \$1,575,000 in sales tax savings.</li> </ul>
<b>PROJECT BENEFITS</b>
<ul style="list-style-type: none"> <li>o The project will generate approximately \$535,951 of revenue to the local taxing jurisdictions over the abatement period representing \$131,379 to the County of Erie, \$5,598 to the Town of Elma, \$398,974 to the Iroquois Central School District</li> </ul>
<b>FORMER EMPLOYMENT</b>
<ul style="list-style-type: none"> <li>o Current Jobs = 251</li> <li>Projected Jobs = 293</li> </ul>
<b>AMENDED EMPLOYMENT</b>
<ul style="list-style-type: none"> <li>• Current Jobs = 288</li> <li>• Projected Jobs = 330</li> </ul>
<b>PROJECT HISTORY</b>
<ul style="list-style-type: none"> <li>• 02/21/2017 - Public hearing held. No oral or written comments.</li> <li>• 03/22/2017 - Lease/Leaseback Inducement Resolution presented to the Board of Directors.</li> <li>• 10/25/2017 - Amendatory Inducement Resolution presented to the Board of Directors.</li> </ul>
<b>COMPANY HISTORY</b>
<b>Project Investment Totals:</b> 1973 - \$17,000,000 1981 - \$3,500,000 1983 - \$750,000 1983 - \$475,000 1997 - \$4,324,848 1997 - \$16,234,200 1999 - \$7,709,540 2006 - \$6,700,000 2007 - \$12,500,000 2008 - \$11,000,000 2011 - \$17,100,000

Project Title: Moog, Inc.  
 Project Address: 400 Jamison Road  
 Elma, New York 14059  
 (Iroquois CSD)

**Agency Request**

A sales tax and real property tax abatement in connection with the expansion of the company's Aircraft Division operations.

New Building Addition	\$21,500,000
Renovation	\$ 8,600,000
Manufacturing Equipment	\$ 500,000
Non-Manufacturing Equipment	\$ 1,500,000
Soft Costs/Other Costs	\$ 500,000
<b>Total Project Cost</b>	<b>\$32,600,000</b>
<b>85%</b>	<b>\$27,710,000</b>

**Company Description**

Moog is a worldwide designer, manufacturer and integrator of precision motion control products and systems. Moog's high-performance systems control military and commercial aircraft, satellites and space vehicles, launch vehicles, missiles, industrial machinery, wind energy, marine applications and medical equipment.

66% of the company's sales are to customers located outside of New York State and 33% of customers are located outside of the United States.

**Project Description**

The proposed project consists of the addition of 95,000 sq. ft. to Moog's Aircraft Division operations. Approximately 75-80% of the addition will be used for mechanical and electronic assembly and test facilities for military and commercial aircraft flight control products. The remaining space will be utilized as mixed office space to include engineering, manufacturing support and administrative functions.

While Moog's overall employment reaches approximately 2,500, the Aircraft Division accounts for 251 existing jobs. This division will be adding an additional 42 employees as part of the project.

**New Tax Revenue Estimated**

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 10-Year Abatement Period	Additional City Revenue over 10-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
N/A	\$541,800	\$131,000	\$404,000	\$255,000
Combined Tax Rate: \$471.00				

**PILOT Table**

The project will generate approximately \$535,951 of revenue to the local taxing jurisdictions over the abatement period representing \$131,379 to the County of Erie, \$5,598 to the Town of Elma, \$398,974 to the Iroquois Central School District.

Year	% payment under PILOT	Est. County PILOT	Est. Town PILOT	Est. School PILOT	Est. Total PILOT	Full Taxes without PILOT	Net Exemption
1	10%	\$6,256	\$267	\$18,999	\$25,521	\$255,215	\$229,693
2	10%	\$6,256	\$267	\$18,999	\$25,521	\$255,215	\$229,693
3	10%	\$6,256	\$267	\$18,999	\$25,521	\$255,215	\$229,693
4	20%	\$12,512	\$533	\$37,998	\$51,043	\$255,215	\$204,172
5	20%	\$12,512	\$533	\$37,998	\$51,043	\$255,215	\$204,172
6	20%	\$12,512	\$533	\$37,998	\$51,043	\$255,215	\$204,172
7	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
8	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
9	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
10	30%	\$18,768	\$800	\$56,996	\$76,564	\$255,215	\$178,650
<b>TOTAL PAYMENTS</b>		\$131,379	\$5,598	\$398,974	\$535,951	\$2,552,149	\$2,016,198

## Draft Recapture Material Terms

Condition	Term	Recapture Provision
Total Investment	At project completion	Investment amount equal to or greater than 85% of the project amount. Total Project Amount = \$32,600,000 85% = \$27,710,000
Former Employment	Coincides with 10-Year PILOT	Maintain Base = 251 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment: 287
Amended Employment*	Coincides with 10-Year PILOT	Maintain Base = 288 Create 85% of Projected Projected = 42 85% = 36 Recapture Employment: 324
Local Labor	Construction Period	Adherence to Policy Including Quarterly Reporting
Pay Equity	Coincides with 10-Year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-Year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-Year PILOT	Recapture of Real Property Taxes, State and Local Sales Taxes

Recapture applies to:

- Real Property Taxes
- State and Local Sales Taxes

**\*Amendment to employment material terms only. All other recapture terms remain the same.**

### Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 251 employees at the facility and created an additional 42 jobs iii) adhere to local labor policy and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

### Amendatory Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of project company must certify i) total investment amount equal to or greater than 85% of the anticipated project amount proposed ii) confirm that company has maintained 288 employees at the facility and created 85% of projected jobs =36 iii) adhere to local labor policy and iv) confirm adherence to ECIDA unpaid taxes and pay equity policy for the recapture term.

# MOOG

East Aurora, New York

September 29, 2017

Ms. Karen Fiala  
Tax Incentive Products Manager  
Erie County Industrial Development Agency  
95 Perry St.  
Buffalo, New York 14203

RE: Moog Inc. - ECIDA Project ID 10356 – 400 Jamison Road

Dear Ms. Fiala:

The purpose of the letter is a result of our phone conversation of Tuesday, August 1, 2017 at which time we discussed the 2<sup>nd</sup> quarter employment survey which Moog is required to complete as part of ECIDA project ID 10356 related to Moog's Aircraft Division expansion at 400 Jamison Rd, East Aurora, NY.

At the time the ECIDA application was submitted the current number of jobs at the proposed project location consisted of 251 full time positions, and the total projected full time jobs to be created totaled 42. Upon collecting the data needed in order to complete the 2nd quarter employment survey, we discovered the "jobs at application" total of 251 was not accurate. The correct total of jobs at application should have been 288. While the headcount remains at 288 as of June 30, 2017, the following should be noted:

• Total number of jobs at project location as per submitted application	251
• Total number of jobs inadvertently not included on application, but should have	<u>37</u>
• Corrected total	288
• Positions relocated out to other buildings on the Moog East Aurora campus	(49)
• Positions relocated in to project location from other buildings on the EA campus	32
• Newly created positions	<u>17</u>
• Total number of jobs at project location as of June 30, 2017	<u>288</u>

As we indicated, it is common practice for internal relocations to occur throughout the Moog East Aurora campus. While we understand the ECIDA requires that Moog not only create at least 85% of the job creation commitment of 42, we must also maintain the existing 288 positions. Our concern is how to manage the employees that may move in and out of the facility during the upcoming years in which we are obligated to report our headcount to the ECIDA. In addition, we wish to confirm that we do receive credit for the newly created positions.

We would great appreciate if you could discuss our situation with the Board and provide guidance on how to report on future employment surveys.

Please know how much with appreciate your time as well as Dawn's in discussing this matter. Do not hesitate to contact me should you require additional information and/or clarification.

Thank you,

*Laurie A. Eden*

Laurie A. Eden  
Tax Manager  
Moog Inc.  
[leden@moog.com](mailto:leden@moog.com)  
716.687.4200

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
FIRST AMENDMENT TO INDUCEMENT RESOLUTION**

**MOOG, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR  
ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, October 25, 2017 at 4:00 p.m.

The following resolution was duly offered and seconded, to wit:

AMENDATORY RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE APPROVAL OF CERTAIN MATERIAL TERMS AND CONDITIONS RELATED TO THE PROVISION OF FINANCIAL ASSISTANCE WITH RESPECT TO THE MOOG, INC. PROJECT (AS MORE FULLY DESCRIBED BELOW)

**WHEREAS**, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

**WHEREAS**, MOOG, INC., AND/OR INDIVIDUAL(S) OR AFFILIATES, SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) a leasehold interest in parcels of land located at 400 Jamison Road, Town of Elma, Erie County, New York (the "Land") to be improved thereon with additions to Plants 1 and 3 totaling 95,000+/- SF (the "Improvements") to be utilized for manufacturing/processing, research & development and office space, and (ii) the leasing, 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"); and

**WHEREAS**, by resolution adopted on March 22, 2017 (the "Original Resolution") the Agency authorized financial assistance to the Company with respect to the Application in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the construction, expansion, renovation, upgrading and equipping of the Facility and (b) a real property tax abatement benefit through a ten (10) year term PILOT Agreement for the benefit of each municipality and school district

having taxing jurisdiction over the Project (collectively, the sales and use tax exemption benefit and the real property tax exemption benefit are hereinafter collectively referred to as the “Financial Assistance”); and

**WHEREAS**, as stated within the Company’s Application, the Company represented therein that its then current number of jobs at the proposed location consisted of 251 full time positions, and the total projected full time jobs to be created totaled 42 new full time positions; and

**WHEREAS**, the Agency received notification from the Company dated September 29, 2017 (the “Notification”) that upon collecting data needed to complete its second quarter, 2017 employment survey, that the Company’s listed number of full time jobs at Application, represented to be 251 positions by the Company as stated on its Application, was not accurate and as such, the Company has requested that the Original Resolution be amended to reflect 288 full time positions, instead of 251 full time positions, at the time of Application; and

**WHEREAS**, the Agency desires to amend the Original Resolution to reflect that the Company had 288 full time employees located at the Project location at the time of Application.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

Section 1. All recitals, findings and determinations of the Agency contained in the Original Resolution are hereby reaffirmed, ratified, restated and incorporated herein by reference as if set forth herein in their entirety, except as modified by this Resolution.

Section 2. Based upon the representations made by the Company in its Notification with respect to the number of full time employees located at the Project location at the time of Application, and Agency board member review, discussion and consideration of same, the Agency hereby finds, determines and hereby amends Section 3(ii) of the Original Resolution in its entirety to read as follows:

Section 3(ii) of the Original Resolution is hereby replaced in its entirety to read as follows:

- (ii) Employment Commitment - that there are at least 288 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
  - the number of current FTE employees in the then current year at the Facility; and
  - that within two years after Project completion the Company has maintained and created FTE employment at the Facility equal to 324 FTE employees, being the sum of Baseline FTE and 36 [representing the product of 85% multiplied by 42 (being the total number of new FTE employee positions as proposed to be created by the Company as stated in

the Company's application for Financial Assistance)]. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's "Quarterly Employment Survey" form to be made available to the Company by the Agency.

Section 3. Unless otherwise amended pursuant to the terms contained herein, the terms of the Original Resolution shall remain unchanged.

Section 4. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 5. All actions heretofore undertaken by the Agency and the Company as agent of the Agency are ratified and approved and the Agency and the Company, as agent of the Agency, are hereby authorized to continue to undertake the Project.

Section 6. These Resolutions shall take effect immediately.

Dated: October 25, 2017