

Erie County Industrial Development Agency
Meeting of the Membership
December 20, 2017

@ 9:00 a.m.
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 November 29, 2017 Meeting of the Membership (Pages 2-3)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Pages 4-7)
- 3.2 2017 Tax Incentives Induced/Closing Schedule/ Estimated Real Property Tax Impact (Pages 8-10)
- 3.3 Policy Committee Update (Pages 11-15)
- 3.4 Insurance Brokerage RFQ Recommendations (Pages 16-19)

4.0	Induc	ement Resolutions:	Private	ECIDA	
	4.1 4.2	Emerson Huron, LLC/McGuire St. Paul Group, LLC	Investment \$36,798,900 \$ 3,785,000	Incentives \$1,908,125 \$ 168,641	Municipality Buffalo (Pages 20-70) Buffalo (Pages 71-120)

5.0 Amendatory Inducement Resolution(s):

5.1 (None)

6.0 Management Team Reports:

- 6.1 2018 Board Meeting Schedule (Page 121)
- 6.2 Disposition of Property
- 7.0 Adjournment Next Meeting January 24, 2018

MINUTES OF THE MEETING OF THE

MEMBERSHIP OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)

DATE AND PLACE: November 29, 2017, at the Erie County Industrial Development

Agency, 95 Perry Street, 5th Floor ESD Conference Room, Buffalo,

New York 14203

PRESENT: Hon. Diane Benczkowski, Hon. Joseph H. Emminger, Tyra Johnson,

Richard Lipsitz, Jr., Hon. Joseph C. Lorigo, Brenda W. McDuffie, Hon. Glenn R. Nellis, John J. Mudie, Hon. Mark C. Poloncarz, Sister

Denise Roche and Hon. Barry A. Weinstein

EXCUSED: Rev. Mark E. Blue, Hon. Byron W. Brown, James F. Doherty, Dottie

Gallagher-Cohen, David L. Lowrey, Louis Panzica, Hon. Darius G.

Pridgen 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 9:10 am, there being a quorum present, Ms. McDuffie called the meeting to order.

MINUTES

The minutes of the October 25, 2017 meeting of the members were presented. Mr. Lipsitz 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 presented the financial statements for October 2017 noting that the balance sheet shows that the Agency finished the month with total assets of \$34.1 million and net assets of \$22.1 million. The monthly income statement shows operating revenues of \$102,000, \$49,000 of which was administrative fees, such that the Agency is below budget for the month by \$103,000. October operating expenses were under budget by \$32,000 as a result of favorable variances in professional services, public hearings and marketing. Considering solely operating revenues and operating expenses, there was net loss of \$109,000 for October. However, after costs for strategic initiatives and depreciation, there was a net loss of \$1.5 million for the month, mainly as a result of the UDAG funds granted to the ILDC for the Bethlehem Steel land purchase. On a year-to-date basis, the income statement reflects operating revenues of

\$2.5 million which is \$432,000 ahead of budget for the year. The driver of that variance is administrative fees, which at \$1,900,000, are in excess of budget by \$421,000 through October. Operating expenses of \$2.3 million are below budget by \$294,000. Net special project grant revenue of \$322,000 brings net income for the year to \$515,000. After factoring in strategic investments and depreciation, there is a year-to-date net loss of \$6.2 million. Ms. McDuffie directed that the report be received and filed.

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

Approval of GEMCOR Resolution. Mr. Weathers presented a resolution approving for the dissolution of GEMCOR II, LLC and briefly reviewed the recent sale of the assets of GEMCOR II, LLC, commenting that the next step is to dissolve the company consistent with the desire of all the members of GEMCOR. Mr. Weinstein moved and Mr. Poloncarz seconded, to approve of the dissolution of GEMCOR. Ms. McDuffie called for the vote and the following resolution was unanimously approved:

RESOLUTION APPROVING THE DISSOLUTION OF GEMCOR II, LLC

At this point in time, Ms. McDuffie acknowledged and recognized the service of Agency board member and Amherst Town Supervisor, Barry Weinstein, noting that Supervisor Weinstein will be completing his term as Supervisor at the end of this year and as such, will no longer be a board member of the Agency. Ms. McDuffie and other members thanked Mr. Weinstein for his participation and service.

MANAGEMENT TEAM REPORTS

Response to Authorities Budget Office (ABO) Website Audit. Mr. Weathers reviewed the Agency's response to a recent audit of its webpage undertaken by the New York State Authorities Budget Office.

<u>Funding Invest Buffalo Niagara—Canadian Lead Generation</u>. Mr. Weathers noted that the Agency is submitting funds to Invest Buffalo Niagara as contemplated for within the Agency's 2017 budget related to Canadian Lead Generation initiatives.

There being no further business to discuss, Ms. McDuffie adjourned the meeting at 9:19 a.m.

Dated: November 29, 2017

Robert G. Murray, Secretary

Erie County Industrial Development Agency

Financial Statements

As of November 30, 2017

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet November 30, 2017

ACCETO.	November 2017	October 2017	December 2016
ASSETS:	6 0.700.040	n 0044394	A 0 500 005
	\$ 8,760,043	\$ 8,914,384	\$ 9,569,925
Restricted Cash & Investments	14,670,761	15,155,786	19,636,104
Due from Affiliates	326,539	297,080	362,329
Due from Buffalo Urban Development Corp.	47,235	41,760	50,940
Other Receivables	148,572	158,500	1,104,277
Total Current Assets	23,953,149	24,567,511	30,723,575
Grants Receivable	7,291,960	7,291,960	2,000,000
Loans Receivable, net of allowance	16,509	17,510	27,344
Venture Capital Investments, net of reserves	684,064	684,064	684,064
Fixed Assets	1,565,992	1,569,570	1,664,878
Total Long-Term Assets	9,558,525	9,563,104	4,376,286
TOTAL ASSETS	\$33,511,674	\$34,130,615	\$35,099,861
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 263,681	\$ 241,309	\$ 499,853
Deferred Revenues	7,177,997	7,180,116	2,400,000
Other Payables	131,354	131,354	168,884
Funds Held on Behalf of Others	4,528,015	4,505,938	3,712,452
Total Liabilities	12,101,047	12,058,717	6,781,189
Net Assets	21,410,627	22,071,898	28,318,672
TOTAL LIABILITIES & NET ASSETS	\$33,511,674	\$34,130,615	\$35,099,861

^{*} 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 November 2017

		Ac	tua	vs. Budget		
		Actual		Budget	١	ariance
REVENUES:						
Administrative Fees	\$	6,875	\$	150,000	\$	(143,125)
Affiliate Management Fees		32,959		32,958		0
Interest Income - Loans		1,560		600		960
Interest Income - Cash & Investments		1,491		2,042		(551)
Rental Income		18,461		18,167		295
Other Income		2,540		1,875		665
Total Revenues		63,886		205,642		(141,756)
EXPENSES:						
Salaries & Benefits	\$	153,911	\$	164,517	\$	(10,606)
General Office Expenses		21,681		28,725		(7,044)
Building Operating Costs		15,743		14,213		1,530
Professional Services		6,818		19,167		(12,349)
Public Hearings & Marketing		1,527		8,333		(6,807)
Travel, Mileage & Meeting Expenses		1,951		6,833		(4,882)
Other Expenses		165		1,250		(1,085)
Total Expenses		201,796		243,039		(41,242)
SPECIAL PROJECT GRANTS: Revenues Expenses	\$	3,119 (2,119) 1,000	\$	20,833 (27,083) (6,250)	\$	(17,714) 24,964 7,250
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS & DEPRECIATION:		(136,910)		(43,647)	_	(93,264)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Zero Net Energy costs (Z7+)		(3,343)		(95,344)		92,001
UDAG Gain/(Loss) on Venture Investments		(4)		*		59
UDAG Other Strategic Initiatives		-		+6		
UDAG Bethlehem Steel Industrial Park Grant UDAG BUDC BBRP Grant		(509,352)		(509,352)		390
ODAG DODG BBAL GIRIK		(512,695)		(604,696)		92,001
NET INCOME/(LOSS) BEFORE DEPRECIATION:		(649,605)		(648,343)	_	(1,262)
Depreciation		(11,667)		(11,668)		1
NET INCOME/(LOSS):	\$	(661,272)	\$	(660,010)	\$	(1,261)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: November 30, 2017

			ctu	ai vs. Budget				A	ctua	l vs. Prior Ye	ar	
		Actual		Budget	١	arlance		Actual	F	Prior Year	,	Variance
REVENUES:												
Administrative Fees	\$	1,927,832	\$	1,650,000	\$	277,832	\$	1,927,832	\$	1,464,983	\$	462,849
Affiliate Management Fees		362,544		362,542		2		362,544		352,458		10,086
Interest Income - Loans		6,335		6,600		(265)		6,335		6,269		66
Interest Income - Cash & Investments		20,635		22,458		(1,824)		20,635		21,177		(542)
Rental Income		268,458		235,833		32,625		268,458		203,780		64,678
Other Income		17,744		35,625		(17,881)	_	17,744		30,024		(12,280)
Total Revenues	_	2,603,547		2,313,058		290,488	_	2,603,547		2,078,691	—	524 <u>,856</u>
EXPENSES:												
Salaries & Benefits		1,866,884		1,969,590		(102,706)		1,866,884		1,775,332		91,552
General Office Expenses		275,071		315,975		(40,903)		275,071		333,133		(58,062)
Building Operating Costs		160,925		175,597		(14,672)		160,925		156,430		4,495
Professional Services		123,657		246,117		(122,460)		123,657		177,555		(53,898)
Public Hearings & Marketing		55,650		91,667		(36,017)		55,650		48,666		6,984
Travel, Mileage & Meeting Expenses		58,803		75,167		(16,364)		58,803		64,024		(5,221)
Other Expenses		6,839		13,750		(6,911)		6,839		8,233		(1,394)
Total Expenses	=	2,547,829		2,887,861		(340,032)	_	2,547,829		2,563,372		(15,544)
SPECIAL PROJECT GRANTS:												
Revenues		528,244		229,167		299,077		528,244		49,684		478,560
Expenses		(205,340)		(229,167)		23,827		(205,340)		(133,370)		(71,970)
LAPONOCO		322,904		-		322,904	_	322,904		(83,686)		406,590
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC												
INVESTMENTS & DEPRECIATION:	\$	378,622	\$	(574,803)	\$	953,425	\$	378,622	\$	(568,367)	\$	946,990
OTHER STRATEGIC INVESTMENTS AND INITIATIVE	S:											
Zero Net Energy costs (Z7+)	\$	(488,793)	\$	(1,048,781)		559,988	\$	(488,793)	\$	(226,568)	\$	
UDAG Bethlehem Steel Industrial Park Grant		(6,519,542)		(6,519,542)		-		(6,519,542)		-		(6,519,542)
UDAG BUDC BBRP Grant		(75,000)		(75,000)		-		(75,000)		2€		(75,000)
UDAG Gain/(Loss) on Venture Investments								-		5,366,076		(5,366,076)
Other Strategic Initiatives		(75,000)		-		(75,000)		(75,000)		(590,000)		515,000
		(7,158,335)		(7,643,323)		484,988	_	(7,158,335)		4,549,508		(11, 445,618)
NET INCOME/(LOSS) BEFORE DEPREC:		(6,779,712)		(8,218,125)		1,438,413	_	(6,779,712)		3,981,141		(10,498,628)
Depreciation		(128,333)		(128,339)		6		(128,333)		(128,344)		11

Tax Incentives Induced 2017

Parjiké Name	Brugalet City	Med.	10 saptak A.1 d	PT John 11 App	Problemed Ware Dev Pods	Property and the second	Projecte Info Year I FF
	D. 65.1a	6	05 007 397	4	35	2	80
Pilgrim Village* 791 Washington Street, LLC/Trico*	Buffalo Buffalo	\$	95,907,387 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	288	330	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
157 Great Arrow, LLC	Buffalo	\$	15,285,000	0	2	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	5 (0
128 Pearl Street/St. Paul's Apartments	Buffalo	\$	1,840,427	0) 1	(0
WNY Foreign Trade Zone Operations	Lackawanna	\$	1,760,000	4		5 2	3
Delaware Lodge, LLC	Kenmore	\$	1,246,000				0
ITT Enidine	Orchard Park	\$	1,200,000	261	271	() 0
25 Projects		\$	444,396,653	2,217	2,643	19	9 137

426 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

Professi Name	Am	oject nount at osing	FT Jobs at App	Propoded Year 2 FT Jobs	PT Jobs at App	Projected Year 2 PT Jobs	Profess City	Induced Date	Sai, Projest Complation Date
R&M Leasing, LLC	\$	11,802,000	50	70	0	0	Buffalo	3/22/2017	7/31/2018
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
Iroquois Bar Corporation	\$	1,561,179	65	67	0	0	Lackawanna	10/26/2016	9/27/2017
David Gordon/Gordon Companies, Inc	\$	1,425,000	82	88	10	22	Cheektowaga	5/20/2015	7/31/2017

16 Projects

\$ 75,877,136 1,350 1,558 16 57

208 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	006'8\$	\$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	00 \$5.24	\$26.30	\$26,000	\$130,000
Trawhen - G, LLC (Benderson Buell Spec)	oş	\$3,010,000	\$5.27	\$27.00	\$24,000	\$123,000
Shell Fab	0\$		\$12.44	\$60.00	\$11,000	\$54,000
Shevlin Land & Cattle	Ş	000 0545	\$12.20	\$58.00	002.85	
Flexo Transparent	Sos			\$27.00	\$5,100	
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	
Glendale Development (Barker St. Apartments)*	\$323,000	\$400,000	\$5.24	\$27.00	\$31,000	\$22,000
Alexandre Apartments*	\$100,000	SS		\$27.00	\$92,000	
Calspan	O\$			\$27.00	\$28,000	\$
Iroquois Bar	\$0		\$6.11	\$63.00	\$2,900	\$30,000
*denotes company has		*The final assesment on each project is determined	E 19			
or intends to file for City 485-a exemption		by the assessor of the respective municipality	J.	Total	\$344,100	007,676\$

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

MEETING: December 7, 2017, at Erie County Industrial Development Agency,

95 Perry Street, 5th Floor Conference Room, Buffalo, New York

PRESENT: Richard Lipsitz, Jr., Brenda W. McDuffie, John J. Mudie, Hon.

Glenn R. Nellis, Laura Smith, David J. State, Paul V. Vukelic and

Maria Whyte

ABSENT: Rev. Mark E. Blue, Hon. Byron W. Brown, Hon. Johanna Coleman,

Colleen DiPirro, Hon. Joseph C. Lorigo and Hon. Geoffrey M.

Szymanski

OTHERS PRESENT: Steve Weathers, Chief Executive Officer; John Cappellino, Executive

Vice President; Karen M. Fiala, Assistant Treasurer; and Robert G.

Murray, Secretary

GUESTS: Andrew Federick, Erie County Senior Economic Development

Specialist; Rebecca Gandour, City of Buffalo Office of Strategic Planning; Mr. Dave Carswell, on behalf of Emerson Huron, LLC; and

Tom Fox, on behalf of St. Paul Group, LLC

There being a quorum present at 8:50 a.m., Mr. Lipsitz called the meeting of the Policy Committee to order.

MINUTES

The minutes of the October 12, 2017 Policy Committee meeting were presented. Upon motion made by Mr. Vukelic, and seconded by Mr. State, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's project matrix.

PROJECT PRESENTATIONS

Emerson Huron, LLC, 75 Huron West, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the renovation and redevelopment of the former C.W. Miller Livery facility to serve as the site for a

new Buffalo Culinary School to be operated and leased solely by the Buffalo public schools. 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 the potential modification, recapture and/or termination of financial assistance as follows:

Draft	Recar	nture	Material	Terms
DIAIL	IXCUA	pruiv	ITTALVITAL	LUIM

Condition	Term	Recapture Provision				
Total Investment	At project completion	Investment amount equal to or greater than 85% of project amount. Total Project Amount = \$36,798,900 85% = \$31,279,065				
Employment	Same as recapture period	Maintain 100% of base = 60				
Local Labor	Construction Period	Adherence to policy including quarterly reporting				
Pay Equity	Same as recapture period	Adherence to policy				
Unpaid Tax	Same as recapture period	Adherence to policy				
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax				

Mr. Cappellino then introduced Dave Carswell who spoke to Policy Committee members on behalf of the applicant.

Ms. McDuffie noted that the application calls for the construction of a single new approximately 600 sq. ft. apartment and stated her belief that the apartment is being established solely for purposes of obtaining the City of Buffalo Section 485-a real property tax abatement. Ms. McDuffie asked if the company would consider making the apartment available to a person of low or moderate income. Mr. Carswell responded that the small unit doesn't have significant value to the overall project and as such, the developer would consider renting the unit as a low-mod income apartment.

Ms. Whyte asked the developer to describe the challenges to redevelopment. Mr. Carswell stated that the developer has faced significant structural issues including a major need to meet seismic support requirements to bring the building to code.

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

St. Paul Group, LLC, 1115 Main Street, Buffalo, New York. Mr. Cappellino reviewed this proposed sales tax and mortgage recording tax exemption benefits project involving the full scale renovation of an existing vacant structure originally constructed in 1898 and known as Our

Lady of Lourdes Church. The proposed renovation includes the construction of two new floors within the open cathedral which will result in a building that will measure approximately 32,000 sq. ft. to be used for commercial, retail and residential purposes. It is anticipated that the residential units will be made available at market rate. Mr. Cappellino also noted that the project is located in a highly distressed area and, due to the large amount of speculative vacant space that could be used for retail purposes, and in compliance with Section 862 of the NY General Municipal Law, the Chief Executive Officer of Erie County shall provide written confirmation confirming the issuance of financial assistance for this project. Mr. Cappellino then 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 the potential modification, recapture and/or termination of financial assistance as follows:

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 = \$3,785,000 85% = \$3,217,250
Employment	Same as recapture period	Create 85% of projected: Projected = 18 Recapture Employment = 15
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to policy
Unpaid Tax	Same as recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Mr. Lipsitz asked Mr. Cappellino how many apartment units will be constructed. Mr. Cappellino responded that three apartment units will be constructed.

Mr. Cappellino then introduced Tom Fox who spoke on behalf of the project and presented a PowerPoint presentation to Policy Committee members.

Mr. Vukelic queried as to whether financing for the project is separate, or associated, with the adjacent medical facility construction project being undertaken by the developer. Mr. Fox stated that the financing is bundled together.

Ms. Smith expressed support for the project and the important positive impact that this project will have within the community. Ms. Smith noted the large financial risk combined with the significant and expensive structural challenges that must be overcome to support the walls

and roof of the facility and noted that 18 new jobs will be created as well, and compared this project to prior projects approved by the Agency including the Shea's Seneca project that also has a similar positive community impact and that was approved by this committee.

Ms. Whyte queried as to what percentage of square footage will be made available for the residential units. Mr. Fox responded that approximately 30% of the space will be allocated to the three residential unit apartments. Ms. Whyte asked how the bank would react to the Agency being involved in the project. Mr. Fox responded that while the ECIDA financial assistance is only a small piece of the overall project and budget, it is the "buy-in" from the ECIDA that is useful and important for getting bank approval.

Ms. Whyte then asked if the Agency does not provide financial assistance, what then would the lender do? Mr. Fox responded that the bank probably would not support the project and provide its lending approval.

Mr. Cappellino confirmed that the bank is looking to finance both the project as before Policy Committee members and the adjacent new medical office building, however, Agency financial assistance will only be provided to the church component of the project.

Ms. Gandour expressed that the Mayor of the City of Buffalo is supportive of this project and the related community benefits and new jobs that will result.

Mr. State noted that comments in the public hearing transcript were inaccurate as related to the NFTA being denied revenues due to the mortgage recording tax exemption benefit. Mr. State then spoke in favor of the project and noted its close proximity to access to public transportation.

Ms. Whyte also then referenced comments made at the public hearing and as recorded in the public hearing transcript, and noted that most of the comments reflected a desire for the construction of affordable housing, however, Ms. Whyte noted that this project is not a housing project, referring to the fact that only about 30% of the total square footage is being allocated to housing purposes, stating that this is a mixed use project consistent with the Agency's current adaptive reuse project policies and as such, is not a housing project in and of itself. Ms. Whyte also expressed support for the company's efforts to create 18 new jobs.

Ms. Whyte moved and Mr. Nellis seconded to approve of the project as proposed.

Ms. Smith then commented that the public hearing comments as provided within the public hearing transcript contradict the Agency's evaluative project criteria and the Agency's adaptive reuse policy so, while the public hearing input is important, it is also important that the Agency filter through the comments and utilize the Agency's approved evaluative criteria and policies as it evaluates projects on a case by case basis.

Mr. Lipsitz then called for the vote, and the project was then unanimously approved.

At this point in time, Mr. Nellis left the meeting.

UPDATES/DISCUSSION

Adaptive Reuse Working Group Update. Mr. Cappellino provided members with an update of the Adaptive Reuse project working group meetings. General discussion ensued. Mr. Cappellino noted that the next Adaptive Reuse Working Group meeting will occur on December 19, 2017. Mr. Lipsitz then directed that the report be received and filed.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 9:53 a.m.

Dated: December 7, 2017

Robert G. Murray, Secretary



Item 3.4

MEMORANDUM

TO:

ECIDA Board of Directors

FROM:

Mollie Profic, Controller & Treasurer

SUBJECT:

Insurance Brokerage Services RFQ Recommendation

DATE:

December 20, 2017

The ECIDA's Professional Services Request for Proposals Process requires proposals for Insurance Brokerage Services to be solicited at least every 7 years. Proposals were last solicited in 2009. Due to staffing changes and priority projects, a Request for Qualifications (RFQ) was not issued in 2016. On August 31, 2017, the Agency issued a Joint RFQ for Insurance Brokerage Services. The RFQ requested Property & Casualty (P&C) and Health & Benefits (H&B) brokerage services for the Agency and its affiliates, Buffalo Urban Development Corporation ("BUDC") and its affiliates and Western Region Corporation ("WRC"). The RFQ requested services for up to seven (7) years, but provides that ECIDA, BUDC, and WRC may terminate the contract at any time.

Request for Qualifications Process:

A hard copy of the RFQ was mailed to the fifteen (15) largest P&C and H&B agencies as ranked by the 2017 Business First Book of Lists. Notice of the RFQ was also placed in the Buffalo News, Challenger Community News, and The Criterion. In addition, the RFQ was posted on ECIDA's website. The RFQ responses were due on Friday, October 6, 2017. Five (5) proposals were received from individual agencies; two (2) P&C proposals and five (5) H&B proposals.

Evaluation Process:

Proposals were evaluated by Peter Cammarata, Karen Fiala, Mollie Profic, and Phil Riggs. An initial review of the five H&B proposals was conducted, and the three highest scores and the incumbent were selected for interviews. Since only two P&C proposals were received, the committee decided to interview both proposing firms. References for agencies with which the committee was unfamiliar were checked. The proposals were scored based on the following criteria stated in the RFQ:

- 1) The proposed insurance program.
- 2) Qualifications and experience of the individuals to be assigned to the engagement.
- 3) Qualifications and experience of the insurance agency.
- 4) Development of women & minority employees and M/WBE business enterprises.

95 Perry Street, Suite 403 • Buffalo, New York 14203 • ph. 716.856.6525 • fx. 716.856.6754 • www.ecidany.com

Results:

Property & Casualty

Lawley was the top-rated Property & Casualty broker. They have a team of experienced and specialized insurance representatives, and have served ECIDA, BUDC and WRC since the previous Insurance RFQ. Lawley has access to a large pool of providers and presents the carriers that offer the best terms, conditions and pricing. We currently meet with the team from Lawley at least annually to review detailed insurance proposals and discuss potential exposures. They have a full-service claims department to assist in protecting the entities' interests if claims should occur. Lawley also has experience reviewing the ECIDA's clients' insurance certificates, which amounts to hundreds of reviews each year, at no additional charge.

Health & Benefits

Bene-Care, Inc. was the top-rated Health & Benefits broker. Headquartered in Rochester, Bene-Care expanded its footprint to Buffalo twelve years ago, and currently houses eight employees in the Buffalo office. Their proposal offers a one-on-one approach, whereby they would meet with employees individually and make recommendations regarding coverage selection and/or alternatives. The committee was impressed with the knowledge of the representatives during the interview. Additionally, Bene-Care offers consolidated billing at no cost and will review ECIDA's carrier invoices each month to ensure all charges are accurate.

On December 11, 2017 the Joint Finance & Audit Committee of ECIDA, RDC, and ILDC reviewed the above and recommended that the Board approve Lawley as Property & Casualty broker of record and Bene-Care, Inc. as Health & Benefits broker of record.

Action:

I request that the Board approve the selection of Lawley as Property & Casualty broker of record and Bene-Care, Inc. as Health & Benefits broker of record, effective January 1, 2018.

RESOLUTION OF THE

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

REGARDING PROPERTY AND CASUALTY AND HEALTH AND BENEFITS INSURANCE BROKERAGE SERVICES

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, 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, in accordance with the Agency's Professional Services Requests for Proposals Process (the "RFP Process") adopted on September 8, 2008, the Agency issued a Request for Qualifications for Property & Casualty ("P&C") and Health & Benefits (H&B") insurance brokerage services on August 31, 2017 (the "RFQ"); and

WHEREAS, the RFQ was mailed to the fifteen largest P&C and H&B agencies as ranked by the 2017 Business First Book of Lists, and notice of the RFQ was placed in the Buffalo News, the Challenger Community News, and The Criterion and also posted on the Agency's website; and

WHEREAS, the Agency received two responses for P&C insurance brokerage services and five responses for H&B insurance brokerage services; and

WHEREAS, All RFQ responses were initially evaluated and scored by an internal Agency staff committee, and the two P&C proposal respondents, and the three highest scoring H&B proposal respondents were selected for interview; and

WHEREAS, thereafter, Agency staff selected Lawley to provide P&C insurance brokerage services due to their team of experienced and specialized representatives, the fact that they have serviced the Agency since the previous insurance RFQ was conducted in 2009, Lawley's access to a large pool of providers and Lawley's ability to present the carriers that offer the best terms, conditions and pricing, Lawley's full-service claims department as well as Lawley's experience reviewing the Agency's clients' insurance certificates; and

WHEREAS, thereafter, Agency staff selected Bene-Care to provide H&B insurance brokerage services due to their one-on-one approach whereby they proposed to meet with each individual employee to make unique recommendations regarding coverage selection and/or alternatives and due to their knowledge of the H&B field in general as well as their proposal to consolidate the Agency's billing at no cost; and

WHEREAS, the Agency's Finance & Audit Committee met on December 11, 2007, and unanimously resolved to recommend that the members of the Agency select Lawley to provide P&C insurance brokerage services to the Agency, and Bene-Care to provide H&B insurance brokerage services, to the Agency; and

WHEREAS, the Agency, based upon its review of the P&C and H&B RFQ Process and in consideration of staff and Finance and Audit Committee recommendations as related thereto as expressed herein, desires to select Lawley to provide P&C insurance brokerage services and Bene-Care to provide H&B insurance brokerage services.

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

Section 1: The Agency hereby selects Lawley to provide P&C insurance brokerage services and Bene-Care to provide H&B insurance brokerage services, for the 2018, 2019, and 2020 fiscal years, and thereafter, for the 2021 and 2022 fiscal years, directs the Agency's Finance and Audit Committee to review Lawley's and Bene-Care's performance and fees and hereby authorizes, based upon the Agency's Finance and Audit Committee's satisfactory review of same, and upon the approval of the Agency's Finance and Audit Committee, that Lawley and Bene-Care continue to be retained to for the 2021, and 2022 fiscal years.

Section 2: The Agency hereby authorizes and directs the officers of the Agency to execute the appropriate agreements and documents to retain Lawley to provide P&C insurance brokerage services and Bene-Care to provide H&B insurance brokerage services and to do all acts and things to effect the purposes of the foregoing resolution.

<u>Section 3</u>. This Resolution shall take effect immediately.

ADOPTED: December 20, 2017

Emerson Huron, LLC \$36,798,900 INDUCEMENT RESOLUTION

ELIGIBILITY

NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$1,750,000 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$180,000

EMPLOYMENT

Retained Jobs = 60 FT

PROJECT HISTORY

- 11/30/2017 Public Hearing Held.
 Transcript attached.
- City of Buffalo, as lead agent adopts a negative declaration in accordance with SEQRA
- 12/20/2017 Lease/Leaseback
 Inducement Resolution presented
 to the Board of Directors

Project Title:

Emerson Huron, LLC - c/o McGuire Development

Emerson Hospitality School

Project Address:

75 West Huron

Buffalo, New York 14202 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former C.W. Miller Livery for lease to the Buffalo School District.

Building Acquisition New Building Construction Renovation Equipment Soft Costs	\$ 298,900 \$ 2,000,000 \$24,000,000 \$ 4,500,000 \$ 6,000,000
Total Project Cost	\$36,798,900
85%	\$31,279,065

Company Description

Emerson Huron, LLC was formed to undertake the project. F. James McGuire, Mark Croce & James Jerge or a related company each own 33.3% of the LLC. The developers have a history of undertaking commercial development projects in Western New York and throughout the country.

Project Description

The project consists of the renovation and redevelopment of the former C.W. Miller Livery facility located on Huron Street; adjacent to the newly renovated Curtiss Building. The building has been vacant for 15 years. When complete, the building will serve as the site for a new Buffalo Culinary School and will be operated and leased solely by the Buffalo Public Schools.

The Emerson program including the expansion to a second facility, has been extremely successful with high demand from students and a continual waiting list. Since 2015, the Buffalo Public School has operated a temporary hospitality school located on South Park Avenue. The purpose was to increase the number of students in attendance within the program to ensure there would be an adequate number of freshmen to senior level students who would be able to fill the new Emerson hospitality school once completed. Once the new school is ready for occupancy, the new student body would be comprised of current upper level students, together with new students recruited to the program. The current school is led by approximately 60 full time staff comprised of teaching staff, administrators/support staff as well as maintenance technicians. 10 of the 60 are teaching staff at the high school that teach specialized courses relating to the hospitality and/or culinary aspects of this unique high school curriculum. All 60 full time staff will be retained and transferred to the new Emerson Hospitality School once completed in 2019.

Retail Determination

Use	Sq. Ft.	Cost	% of Project Cost
Emerson Culinary School	95,000	\$35,798,900	99%
Retail	5,000	\$1,000,000	1%
Total	100,000	\$36,798,900	100%

Since the retail component of the project represents 1% of the project cost, no sign off by the County is required.

The facility will be broken out as follows:

	11' (0.1 - 1
1st Floor	Lobby/Restaurant open to public/School main entry/small store for school supplies/items/sweatshirts
2nd Floor	School administrative office/Banquet/Special event space/Back of house teaching for food prep/serving and bakery/Access to gym
3rd Floor	Classroom/guidance counselors/nurse
4th Floor	Special education classroom
5th Floor	Interchangeable classrooms/science rooms/office space
6th Floor	Cafeteria/Library/Computer/Resource rooms/ 1-1 bedroom apartment

The apartment will measure approximately 600 sq. ft. and rent for approximately \$800/month.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional City Reve- nue over 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$9,800	\$12,000,000	\$929,000	\$648,000	\$401,000
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 = \$36,798,900 85% = 31,279,065
Employment	Same as recapture period	Maintain 100% of base = 60
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mort- gage recording tax

Recapture applies to: Mortgage Recording Tax Sales Tax

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 60 FTE's 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: Emerson Huron, LLC - c/o McGuire Development

Table 1: Basic Information

Project Name	c/o McGuire Development
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District.	Buffalo
Project Cost	\$36,798,900
Construction Budget	\$26,000,000
Direct Employment Expected	60
Direct Labor Income	\$1,872,568
Direct Construction Jobs	190
Direct Construction Labor Income	\$9,992,441
Total Labor Income	\$11,865,010

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$5,721,169
Sales Tax Revenue	\$1,015,842
State	
Income Tax Revenue	\$2,529,815
Sales Tax Revenue	\$855,446
TOTAL Estimated Revenue	\$10,122,272

Table 3: Estimated Project Incentives*

	 	 \$0-
Property Tax Savings	 _	
Sales Tax Savings		 \$1,750,000
Mortgage Tax Savings	 	\$180,000
TOTAL Estimated Incentives		\$1,930,000

Table 4: Employment Breakdown

Project	
Direct**	60
Indirect***	71
Induced****	39
Construction	
Direct	190
Indirect	69

Table 5: Ratios

Benefit to Cost Ratio	5,2:1
Overall ROI	44.8:1

^{*} Figures over 10 years and discounted by 3.49%

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^{**} 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.

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

Emerson Huron, LLC

Age of Structure (must be at least 20 years old and present functional challenges to redevelopment	The building is almost 125 years old as it was constructed in the late 1800's.
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 vacant for 15 years.
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 income as it is vacant.
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)	Being in the brownfield cleanup program along with undertaking a historic renovation adds significant cost to the rehabilitation of the site. 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 Planning Board, as lead agency, has approved the project. Mayor Brown has provided a letter in support of the project.
LEED/Renewable Resources Site or structure has delinquent property or other local taxes	N/A Taxes are current.
MBE/WBE Utilization Transit Oriented Development	N/A The facility is on the Metro Rail.

OTHER FACTORS TO CONSIDER:	
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 all new utility infrastructure along with significant structural repairs.
Site or structure is located in a distressed census tract	Property is located in Census Tract 165 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: December 20, 2017

Return on Investment - Emerson Huron, LLC

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 \$1,750,000
- ECIDA Mortgage Recording Tax Abatement approximate value \$180,000

ROI

Emerson Huron, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 3.1%

Stated ROI for the project with ECIDA assistance is 3.8%

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-Emerson Huron, 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
\$26,000,000	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
A.D.							

*** 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.)
\$36,798,900	N/A	\$1,750,000	\$180,000	\$7,000,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 24.2 %



CITY OF BUFFALO BYRON W. BROWN MAYOR



December 6, 2017

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

Re:

Emerson Hospitality school

Dear Mr. Weathers:

The City of Buffalo supports Emerson Huron, LLC's application to the Erie County Industrial Development Agency to renovate and redevelop the former C.W. Livery facility located on West Huron Street in the City of Buffalo. The structure will then serve as the site for a new Buffalo Culinary School. This project will expand educational opportunities for Buffalo students and act as a pipeline to Buffalo's ever expanding hospitality industry.

A quality education is vital for our community's children to thrive and lead us into the future, therefore the City of Buffalo is in full support of efforts to expand the Emerson hospitality program's second facility. With financial assistance from the ECIDA, Emerson Hospitality School will be able to accommodate the increasing number of students applying to the program.

This project not only offers additional space for the expanding Emerson Hospitality School, but will redevelop a long vacant and historically significant structure. This project is a welcomed addition to the resurgence of Downtown Buffalo and is a glowing example of investing in the youth of the City of Buffalo which is an investment in our City's future.

Sincerely,

Byron W. Brown

Mayor

PUBLIC HEARING SCRIPT

Emerson Huron, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on November 30, 2017 at 9:00 a.m., at the Erie County Industrial Development Agency's office located at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Lisa Hicks- McGuire Development

Dave Carswell - McGuire Development

Mark Croce - Buffalo Development Corporation

■ 1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer:

Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

□ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer:

We are here to hold the public hearing on the Emerson Huron, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in <u>The Buffalo News</u> on Monday, November 20, 2017.

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer:

The proposed project (the "Project") consists of: (i) three (3) parcels of land located at 73, 77 and 79 Huron West, City of Buffalo, Erie County, New York (the "Land") improved with the vacant historic C.W. Miller Livery building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements and the construction and equipping of a 5,000+/- SF addition (the "Improvements") to consist of a new hospitality high school for a population of 500 students, a public restaurant as part of the first floor, and 1-2 self-contained residential units with separate access; 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").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer:

All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on December 19, 2017. There are no limitations on written comments.

■ 5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer:

If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.

The Hearing Officer calls on those who raise their hand.

Dave Carswell, McGuire Development — We are presenting the Emerson II project located at 75 West Huron Street in the City of Buffalo. The building is approximately 100,000 sq. ft. and will be leased to the Buffalo Public School system for a second Culinary High School. The project has been in the works for more than 2 years and is finally coming to fruition. We hope to start construction by January of 2018. The project will also be involved in the 485-a program through the City. The project will have a small residential component with a separate entrance and access from the school. The main part of the building is a historic structure. The project will have an addition on the side of the building. The addition will be approximately 5,000 sq. ft. and will be for a full-size functioning basketball gym for the students. We have received all variances and we have site plan approval from the City. We are looking for a sales tax and mortgage tax abatement to facilitate the project. Thank you.

⋈ 6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:15 a.m.

SIGN IN SHEET PUBLIC HEARING

November 30, 2017, at 9:00 a.m. at the Erie County Industrial Development Agency's office located at 95 Perry Street, Suite 403, Buffalo, New York 14203 regarding:

Emerson Huron, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 73, 77 and 79 Huron West, Buffalo, New York 14202

Name	Company and/or Address	X box to speak/ comment
Lisa Hicks	McGuire Development	
Lisa Hicks	560 Delaware Avenue	
	Suite 300	
	Buffalo, New York 14202	
Dave Carswell	McGuire Development	
Dave Carswell	560 Delaware Avenue	X
	Suite 300	
	Buffalo, New York 14202	
Mark Croce	Buffalo Development Corporation	
William Crooc	257 Franklin Street	
	Buffalo, New York 14202	

SEQRA Notice of Determination

Non Significance

Negative Declaration

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (SEQR — State Environmental Quality Review) of the Environmental Conservation Law.

Lead Agency: City of Buffalo, Planning Board

901 City Hall 65 Niagara Square Buffalo, NY 14202

As per the provision of SEQR, the Lead Agency has reviewed the following action as it relates to the environment:

Action Title: Emerson Hospitality School

Location: 73-79 West Huron Street, Buffalo, NY

Type of Action: Type I

Description: The Action involves the reuse of the C.W. Miller Livery at 73 West Huron Street and the construction of a two (2) story building addition (total of 5,000 square feet) on an existing commercial property containing a parking lot at 79 West Huron Street, for the development of the Emerson Hospitality School. The new building addition will contain a gymnasium on the second floor, with some enclosed parking on the ground floor. The site will have a total of 24 parking spaces. The site will have new pervious surfaces/landscaping on existing impervious surfaces (parking lot) and will treat stormwater on-site in accordance with Buffalo Sewer Authority requirements for stormwater management.

As a Result of this Environmental Review: The Lead Agency has determined the undertaking of this action will not have a significant adverse effect on the quality of the environment. No further environmental review will be conducted prior to implementation of the action and a Draft Environmental Impact Statement will not be prepared.

Reasons Supporting This Determination: Potential environmental impacts associated with the action were identified in the Environmental Assessment Form to assess potential adverse environmental impacts compared to the criteria for determining significance identified in 6 NYCRR §617.7(c)(1) and in accordance with §617.7 (c)(2)(3). The potential impacts are not significant.

Impacts on Land

The construction of the new building and on-site improvements will not have significant adverse environmental impacts on land as the site is currently developed as a parking lot and is located in an urban area that has been historically developed.

Impacts on Air Quality

The project will not have a significant impact on air quality although the institutional uses will include heating and cooling units. This is not a significant impact and would not require an air permit.

Impacts on Surface Water

The project will not have an adverse impact on ground or surface water quality or quantity as the site is already developed as a parking lot. There will be new pervious surfaces/landscaping on existing impervious surfaces (parking lot), as well as treatment of stormwater on-site in accordance with Buffalo Sewer Authority requirements for stormwater management.

Impacts on Transportation

The proposed action will not have a substantial adverse change in existing traffic levels or roadway/intersections levels of service as it involves the development of an existing parking lot into institutional uses. The project is located in a developed urban area and road capacity is adequate to accommodate any increase in traffic generated by the project. The project site is also served by public transportation in the immediate area consisting of bus service.

Impacts on Noise, Odor and Light

The project will not have a substantial adverse change on noise levels. The institutional development is similar to the existing character of the area which consists of commercial, institutional, residential and other mixed-uses in an urban environment. The project will generate additional noise during construction, however, these impacts will be temporary and such impacts will be minimized to the extent practicable.

The project will not have a substantial increase in solid waste production. The use of the site as for institutional uses will not significantly increase waste. Waste from the site will be disposed of in accordance with local and state regulations.

The project will have minimal exterior lighting which is necessary to provide safe conditions for travel and pedestrian access during evening hours. All exterior lighting will be dark sky compliant.

Impacts on Flooding

The project is not located within a 100—year floodplain and therefore will not have any significant adverse environmental impacts on flooding.

Impacts on Flora and Fauna

The project will not result in the removal or destruction of large quantities of vegetation or fauna; substantially interfere with the movement of any resident or migratory fish or wildlife species; impact on a significant habitat area; impact a threatened or endangered species of animal or plant, or the habitat of such a species; or other significant adverse impacts to natural resources.

Impacts on a Critical Environmental Areas

The project is located in an urban area and is not within or adjacent to a Critical Environmental Area and will therefore, not impair the environmental characteristics of a Critical Environmental Area.

Consistency with Community Plans and Character

The project is consistent with the community's current plans and goals, including the development of new buildings in the project area, and is overall consistent with the existing community and neighborhood character. No significant adverse environmental impacts are anticipated.

Impacts on Historic and Archeological Resources

The project will not significantly impact the character and quality of a historic resource. Although the site is not located in or adjacent to a local, state or national historic district, it is located adjacent to the Miller, C. W., Livery Stable which is a landmarked building on the National Register. The project applicants are working with the New York State Office of Parks, Recreation and Historic Preservation's Division for Historic Preservation in order to ensure compatible with the building relative to view, massing and scale, as well as visual separation between the new construction and the existing building. No significant adverse environmental impacts are anticipated.

The project will not impact the character and quality of an archeological resource. There are no known and/or identified significant cultural resources on site or adjacent to the property and the project is not within an area designated as sensitive for archaeological sites on the NYSHPO archaeological site inventory. The area has been historical developed and redeveloped for an extensive period of time, therefore, no significant adverse environmental impacts are anticipated.

Impacts on Energy

The project will not result in a major change in the quantity or type of energy used. There will be a minor increase consistent with institutional uses, but these impacts would not be significant.

Impacts on Human Health

The project will not create a hazard to human health. The proposed institutional development does not involve hazardous materials and/or operations. The project site is currently active in the NYSDEC Brownfield Cleanup Program (Site Code: C915282) and is in the process of being remediated. Because the Applicant is proposing to remediate the environmental conditions and that remediation will be subject to significant NYSDEC oversight, the remedial efforts will improve and therefore reduce any adverse impacts on human health. In addition, during building rehabilitation all applicable local and state regulations must be adhered to in regards to any environmental contaminants present on site and/or from removed building materials. No significant adverse environmental impacts are anticipated.

Impacts on Aesthetic Resources

The project will not create a substantial change in the use, or intensity of use, of land including agricultural, open space or recreational resources, or in its capacity to support existing uses. No significant adverse environmental impacts are anticipated.

Additional Considerations

The project will not encourage or attract a large number of people to a place or places for more than a few days, compared to the number of people who would come to such place absent the action.

The project will not create a material demand for other actions that would result in one of the above consequences.

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 result in a substantial adverse impact on the environment.

The project does not include two or more related actions undertaken, funded or approved by an agency, none of which has or would have a significant impact on the environment, but when considered cumulatively would meet one or more of the criteria in 6 NYCCR 617.7(c)(1).

For further information relative to this Negative Declaration, contact Ms. Nadine Marrero, AICP, Director of Planning, Room 901 City Hall, Buffalo, New York 14202, (716) 851-5029.

Dated: November 6, 2017

CC: Mayor Byron Brown
Council President Darius Pridgen, Ellicott District
Involved/Interested Agencies
Applicants

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY INDUCEMENT RESOLUTION

EMERSON HURON, 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, December 20, 2017 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF EMERSON HURON. 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 ACOUISITION. 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) three (3) parcels of land located at 73, 77 and 79 Huron West, City of Buffalo, Erie County, New York (the "Land") improved with the vacant historic C.W. Miller Livery

building (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements and the construction and equipping of a 5,000+/- SF addition (the "Improvements") to consist of a new hospitality high school for a population of 500 students, a public restaurant as part of the first floor, and 1-2 self-contained residential units with separate access; 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 November 30, 2017, at 9:00 a.m., at the Agency's offices located at 95 Perry Street-Suite 403, Buffalo, NY 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 renovation, upgrading 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, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act ("SEQR"), the Company has submitted to the Agency an Environmental Assessment Form (the "EAF") with respect to the Project; 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 coordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was a Type I Project, and issued a negative declaration ("Negative Declaration") under SEQR on November 6, 2017; 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.

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 December 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 renovating, upgrading 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) Buffalo Public School District (the "Tenant") will occupy the Facility. The Agency hereby approves the subleasing of space in the Project to the Sub-Tenant 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.
 - Determines that: the Project constitutes a "Type 1 Action" within the (ii) 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 is not located in or adjacent to a local, state, or national historic district, it is located adjacent to the Miller, C.W., Livery Stable which is a landmarked building on the National Register however the Company is working with the New York State Office of Parks, Recreation and Historic Preservation in order to ensure that the project will be compatible with the building relative to view, massing and scale such that no significant adverse impacts to the character and quality of the adjacent historic structure 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 by adaptively reusing a vacant, declining and aged structure and rehabilitating it for commercial and very limited 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 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 125 years old and functional issues related to its age present challenges to its reuse;
 - (ii) the building has been underutilized for 15 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 Project has received the support of local governmental entities;

- (vii) the structure requires significant costs to comply with building codes;
- (ix) the facility is on the Metro Rail 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; and
- (xii) asbestos issues present a public safety hazard related to rehabilitation and redevelopment of the Project.
- 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 renovate, upgrade 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 \$20,000,000.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$1,750,000.00. 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 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 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 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 \$31,279,065.00 (which represents the product of 85% multiplied by \$36,798,900.00 being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment that there are at least 60 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 FTE employment at the Facility equal to 60 FTE employees. 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.

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.

Subject to the terms of this Inducement Resolution, the Chair, the Vice Section 5. 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: December 20, 2017



Emerson II

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name Emerson Hospitality School

Applicant Name Emerson Huron, LLC c/o McGuire Development

Company

Applicant Address 560 Delaware Avenue

Applicant Address 2 Suite 300

Applicant City Buffalo

Applicant State New York

Applicant Zip 14202

Phone 7168291938 7168851319

E-mail Ihicks@mcguiredevelopment.com

Website www.mcguiredevelopment.com/

 Federal ID#
 20-4957022

 NAICS Code
 236220

Will a Real Estate Holding Yes

Company be utilized to own the Project property/facility

What is the name of the Real

Estate Holding Company

Emerson Huron, LLC

Federal ID#

State and Year of

Incorporation/Organization

List of stockholders,

members, or partners of Real Estate Holding Company

Individual Completing Application

Name Lisa Hicks

Title Associate Director, Development & Finance

Address 560 Delaware Avenue

Address 2 Suite 300
City Buffalo
State New York
Zip 14202

7168291938

Fax 7168851319

E-Mail Ihicks@mcguiredevelopment.com

Company Contact (if different from individual completing application)

Name Dave Carswell

Title Assistant Vice President, Development

Address 560 Delaware Avenue

Address 2 Suite 300

City Buffalo

State New York

Zip 14202

Phone 7168291563 **Fax** 7168851319

E-Mail dcarswell@mcguiredevelopment.com

Company Counsel

Name of Attorney Philip S. Bousquet

Firm Name Bousquet Holstein PLLC
Address 110 West Fayette Street

Address 2 One Lincoln Center, Suite 1000

City Syracuse

State New York

Zip 13202

Phone 3157016309 Fax 3154232866

E-Mail Phil@bhlawpllc.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax Yes

Exemption from Mortgage Yes

Tax

Exemption from Real No

Property Tax

Tax Exempt Financing* No

Business Organization

Type of Business Limited Liability Company

Type of Ownership

Year Established 2017
State of Organization New York

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

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

Please include name and % of ownership.

F. James McGuire 33.33%, Buffmark Holdings, LLC 33.33%, James Jerge 33.33%

Applicant Business Description

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

For more than 50 years, since the founding of Frank McGuire's first company in 1960, the McGuire name has been synonymous with honesty, integrity, and hard work. While Western New York is most familiar with The McGuire Group Health Care Facilities, business interests have spanned the United States and a number of industries, including construction, hospitality, healthcare, real estate, and venture capital, from Alaska to Florida. No matter the industry, or the location, every McGuire business has a common theme of commitment to the customer and superior service. In 2005, Jim McGuire and Jim Dentinger re-energized McGuire Development Company. With a continued focus on providing quality service and representation to all clients, McGuire Development was built upon the qualities of integrity, value, service and trust. For ten years, we have continually grown and broadened our capabilities and the depth and knowledge of our team. From our offices in Downtown Buffalo, we provide full-service commercial real estate and development company, including real estate consulting, owner's representation, brokerage, property management, leasing and development services. Our unique combination of skills as a broker, developer, property manager, owner, and consultant give our customers broad resources to draw upon. Combine those skills with our company's experience as an owner, developer, and manager of more than 4 million square feet of space, and you can see why McGuire Development is one of the most sought-after development partners in Western New York. The culmination of these varied perspectives and expertise allows us to assist and guide our clients as they realize their real property goals.

Estimated % of sales within Erie County	90
Estimated % of sales outside Erie County but within New York State	5
Estimated % of sales outside New York State but within the U.S.	5
Estimated % of sales outside the U.S.	0
(*Percentage to equal 100%)	

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

CCS WNY - 15% AJ & J of Amherst - 15% Doritex - 10% Suburban Property - 10% Gorenflo's - 10% Held's Janitorial - 10% Suburban Lock & Key - 10% Plant People - 5% Graybar - 5% DWC Mechanical - 10%

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

75 Huron West (Formerly known as 73-79 Huron West)

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

111.37-4-10 and 111.37-4-11 and 11.37.4.17.2

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

Assessed value of land

(SBL 111.37-4-10 \$60,200) (SBL 111.37-4-11 \$123,600) (SBL 111.37-4-17.2 \$25,300) total \$209,100

Assessed value of building(s)

(SBL 111.37-4-10 \$89,800) (SBL 111.37-4-11 \$0) (SBL 111.37-4-17.2 \$0) total \$89,800

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

City of Buffalo

School District of Project Site

Buffalo School 140200

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

Ye

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

Presently vacant building and surface parking.

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)

McGuire Development intends to work with its tenant Buffalo Public Schools to develop one of the last large parcels remaining for redevelopment in the Hospitality Corridor, 75 Huron West, in to a hospitality high school operated by the Buffalo Public School District. The building is surrounded by complementary hospitality businesses. In addition, the adaptive reuse of a nationally recognized historic building, into a multi-purpose commercial facility will bring vibrancy and economic investment to the neighborhood. The historic C.W. Miller Livery at 75 Huron West has been designed to satisfy the programmatic needs of a new Hospitality High School for a population of 500 students. A description of our proposed solution by floor is as follows: • Basement Level - Mechanical/electrical support space, plus available space for food and program storage as required. • First Floor - A tall lobby/concierge space fronting West Huron Street which acts as an upscale hotel-like entry point serving both a public restaurant space and as the school's main entry. The restaurant will feature a private dining room for intimate functions. The north/rear side of the building will accommodate deliveries and distribution space for food supplies entering the building, with direct access to a freight/service elevator serving all floors. The balance of the floor is dedicated to a teaching kitchen/culinary lab, prep and support space. • Second Floor - The main administrative office for the school will front along West Huron Street. A large and divisible banquet/special event space is provided along with back-of-house teaching spaces for food prep/serving and a bakery. This floor also provides access to a full-size Gymnasium, built as an addition to the building, including locker and toilet rooms. The Gym is built on piers to accommodate staff parking bēlow. • Third Floor - This floor accommodates more traditional interchangeable school classrooms, including a dedicated art room, as well as offices for guidance and the school nurse. • Fourth Floor - Traditional interchangeable and special education classrooms. • Fifth Floor -Traditional interchangeable classrooms including dedicated science rooms, plus office space for the assistant principal. • Sixth Floor - This space is the most striking in this historic building, due to the exposed structural trusses and bracing. This floor will accommodate large open-plan spaces including the cafeteria and library. Computer and resource rooms will serve to divide these two, large sky-lit spaces from each other. We envision the use of suspended panels and glass partitions to highlight the unique character of this space. • Residential - 1 selfcontained residential dwelling unit, with separate access. The unit will be approximately 600 square feet and will rent for an estimated \$900.00 per month. The apartment will be separately metered and the tenant will be responsible for all utilities except that water will be the responsibility of the landlord. In reference to the job creation requirement portion of the ECIDA application, this narrative serves to explain employment that currently exists at BPS temporary location and the number of jobs which will be retained when the permanent Emerson Hospitality School is completed and fully occupied in 2019. The Emerson program, including the expansion to a second facility, has been extremely successful with high demand from students and a continual waiting list. Currently, the Buffalo Public School operates a temporary hospitality school which was initiated in 2015. The purpose of "Emerson Annex@28" located at 1515 South Park Avenue was to increase the number of students in attendance within the program to ensure there would be an adequate number of freshmen to senior level students who would be able to fill the new Emerson hospitality school once completed. Once the new Emerson hospitality school is ready for occupancy, the new student body would be comprised of current upper level students, together with new students recruited to the program. The Emerson Annex@28 is currently led by approximately 60 full-time staff, comprised of teaching staff, administrators/support staff as well as maintenance technicians. Of the 60 full time staff, 10 are teaching staff at the high school that teach specialized courses relating the to hospitality and/or culinary aspects of this unique high school curriculum. All 60 full-time staff, including the 10 specialized positions which are considered unique to this program and location, will be transferred to the new Emerson Hospitality School once completed in 2019. In terms of job retainage, all positions would be retained and transferred to the new location, including the 10 specialized positions which are considered unique to this program and location.

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:

The ECIDA's mandate includes, among other things, "providing resources that encourage investment and improves the quality of life for the residents of the region". Should this project be undertaken by the Agency, it would not only aid in fulfilling the Agency's mandate but also facilitate the rehabilitation of this long vacant historic building, which is essential to changing the character of Huron Street, thereby improving the aesthetic appearance and quality of life for those who live, work and visit downtown Buffalo. The property is also in an area with a large concentration of hospitality businesses, namely hotels. Tourists visiting the city will also be positively impacted by the presence of a fully rehabbed historic building, which adds to the city's progressive image. Most importantly however, is the impact that the rehabilitation will have on 450+ of our city's youth who choose to attend this school. This building will become a state-of-the-art educational institution used by high school students with an interest in the field of hospitality. Today's youth will be the leaders of tomorrow, and the building in itself serves as a tool to helping them achieve readiness to enter into the workforce or higher education, should they so choose, with the knowledge and skills needed to excel in their chosen path. ECIDA's assistance will free up funds to be reinvested into the school, its curriculum, supplies and other resources required to effectively run a Buffalo Public School which exceeds all expectations.

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

This project involves the reuse of a historic building and will incur significant costs to completely re-purpose the structure, initially used as a livery stable into an educational institution. Safeguards must be put in place to ensure the building is structurally sound, and also to ensure that the students be afforded the best possible work space and technology to complete their education and training, giving students the best chances for success after graduation. This comes at a substantial cost. Financial assistance from the Agency may be used to cover costs frequently incurred by public schools, freeing up money that can be spent on improvements to programs and curriculum. Furthermore, a high school with a hospitality focus will incur costs that are not normally incurred in a traditional high school setting, such as the cost of equipment and supplies, necessary for the proper functioning of this specialized program. Assistance from the Agency will greatly assist in the District's ability to run a first-rate hospitality program. Financial assistance not only will help to achieve our vision for the project, but it will also help to facilitate investment and provide a much needed revitalization to this part of Huron Street, improving the overall physical infrastructure of this urban community. The addition of a high school will create an outgrowth of positive urban transformational activity, increasing population density and further stimulating investment to serve newly added populations downtown.

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

Nr

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

Should the project be denied assistance, our tenant, the Buffalo Public School District, will be forced to take on additional costs, money that is needed in other areas (as outlined in previous responses). Furthermore, Erie County will not be able to add this project to the list of projects that successfully contributed to regional development initiatives.

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

Based upon the City of Buffalo, Unified Development Ordinance, the property is currently zoned as N-1D (downtown hub). The building located at the site is vacant and the adjacent lot operates a surface parking lot. The new use will be a high school operated by Buffalo Public Schools. This use is permitted and no changes to zoning/land use will be required. However, under the City of Buffalo's Unified Development Ordinance, there are certain restrictions on the development of the site which may require a variance.

Describe required zoning/land use, if different

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

The project may need to apply to the zoning board of appeals to request a variance(s) with respect to an addition to the current historic building. Possible variances include building height, ground floor transparency and upper floor transparency. Requirement for these variances have not yet been determined by the City and we are working with our architects to amend our preliminary designs to address these issues, thereby eliminating any need for variances.

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

The property is in the New York State Brownfield Clean Up program. The Certificate of Completion is anticipated by the end of the year. Additional work is required in the building (see attached Stohl Report).

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site? No

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?

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 Yes Services No

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

No Manufacturing No Multi-Tenant Yes Mixed Use

Yes Acquisition of Existing Facility No Commercial No Facility for the Aging

No Housing No Back Office No Civic Facility (not for profit)

Yes Equipment Purchase Yes Retail Yes Other

Public High School

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 298,900 square feet acres

New Building Construction

\$0 square feet

New Building addition(s)

\$ 2,000,000 5,000 square feet

Infrastructure Work

\$0

Renovation

\$ 24,000,000 95,000 square feet

Manufacturing Equipment

\$0

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

\$ 4,500,000

Soft Costs: (professional services, etc.)

\$6,000,000

Other Cost

\$0

Explain Other Costs

Total Cost

\$ 36,798,900

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:

Stohl Environmental Hazmat Report \$ 6,120 AJ Petrelli Structural Letter \$600 C&S Survey/Civil/Site Plan Work \$13,250 Traffic Demand Management Study \$2,500

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):

\$ 5,798,900

Bank Financing:

\$ 24,000,000

Tax Exempt Bond Issuance (if applicable):

\$0

Taxable Bond Issuance (if applicable):

\$0

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

\$ 7,000,000

Identify each state and federal grant/credit:

State & Federal Historic Tax Credit Brownfield Tax Credit

Total Sources of Funds for Project Costs:

\$36,798,900

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.

\$ 24,000,000

Lender Name, if Known

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

\$240,000

Construction Cost Breakdown:

Total Cost of Construction

\$30,500,000

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

Cost for materials

\$ 15,250,000

% sourced in Erie County

90%

% sourced in State

95% (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

\$ 20,000,000

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

\$ 1,750,000

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:

485(a) - the mixed-use urban project will include 1 residential unit as well as a commercial component and will qualify for a 12-year partial tax exemption through the NYS department of taxation and finance (Office of Real Property Tax Services).

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

		Cost	% of Total Cost
Manufacturing/Processing	square feet	\$0	0
Warehouse	square feet	\$0	0
Research & Development	square feet	\$0	0
Commercial	square feet	\$0	0
Retail	5,000 square feet	\$ 1,000,000	1

11/20/2017 The Erie County Industrial Development Agency (ECIDA)

Office square feet \$0

0

99

Specify Other

95,000 square feet \$ 35,798,900

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

1/1/2018

End date: Estimated completion date of project

6/1/2019

Project occupancy: estimated starting date of operations

7/1/2019

Have construction contracts been signed?

Nο

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to the proposed project location):

	¥	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	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 **
Full time		0	60	0	0
Part time		0	О	0	0
Total		0	60	0	

^{**} 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:

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	0	\$ O	\$0	\$0	\$0
Professional	55	\$ 70,000	\$ 20,000	\$0	\$0
Administrative	0	\$0	\$ O	\$0	\$0
Production	0	\$0	\$0	\$0	\$0
Independent Contractor	0	\$0	\$0	\$0	\$0
Other	5	\$ 25,000	\$ 10,000	\$0	\$0

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

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

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

Yes

Payroll Information

Annual Payroll at Proposed Project Site

\$3,975,000

Estimated average annual salary of jobs to be retained (Full Time)

\$ 66,250

Estimated average annual salary of jobs to be retained (Part

\$0

Estimated average annual salary of jobs to be created (Full Time)

\$0

Estimated average annual salary of jobs to be created (Part

Time)

\$0

Estimated salary range of jobs to be created

From (Full Time)	\$0	To (Full Time	\$0
From (Part Time)	\$0	To (Part	\$0
, and ,		Time)	

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?

Nc

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)

State and Federal Historic Tax Credits, Brownfield Tax Credits, 485(a)

Section III: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Buffalo Public School District Occupant Name

406 City Hall Buffalo, New York 14202 **Address**

Contact Person Joseph Giusiana (716) 816-3560 **Phone** (716) 878-9718

E-Mall jgiusiana@buffaloschools.org

Federal ID#

Fax

SIC/NAICS Code 611110

Multi-Tenant Facility

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

Have any tenant leases been entered into for this project?

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

of sq ft and % of total to be business, products services, % of sales in Erie **Current Address (city, Tenant Name** occupied at new projet site state, zip)

Section IV: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Buffalo Public School District

Property Address:

75 Huron West

City/Town/Village

Buffalo

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

+/- 100,000 square feet

What percentage of the building does this represent?

100%

Are terms of lease:

NET

If GROSS lease, please explain how Agency benefits are passed to the tenant

Estimated date of occupancy

6/1/2019



PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Buffalo Public School District

Local Contact Person:

Joseph Giusiana

Title:

Executive Director, Plant Services

Current Address:

City Hall, Rm. 403 Buffalo, New York 14202

Phone:

716-816-3560

Fax:

716-878-9718

E-Mail:

JGiusiana@buffaloschools.org

Website:

http://www.buffaloschools.org/plantservices.cfm

Company President/General Manager:

Number of employees moving to new project location:

Full-Time:

60

Part-Time:

0

Total:

60

1/20/2017	The Erie County Industrial Development Agency (ECIDA)
If yes, how many <u>additional</u> employees moving	to new project location?
P. II Times	
Full-Time:	
0	

11/20/2017

Part-Time:

0

Total:

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

The code 61111 is for public schools. There will be limited retail transactions occurring on the school property. Primarily, one of the teaching facilities used by this specialized high school will be a restaurant, where food will be prepared and sold to members of the general public, students and staff. Secondary to this will be a small booth located in the lobby of the school (exact location to be determined) where apparel and other items adorned with school insignia will be available for purchase. 100% of the sales will be made from the location as the school does not anticipate providing a method of shipping merchandise elsewhere.

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

The tenant is a city of Buffalo Public School which will be leasing space to expand its current secondary school offerings to a larger pool of students. Currently, there is a restaurant located on West Chippewa which functions in the same way that the new restaurant will function - as a teaching facility, offering prepared food items to members of the general public, students and staff.

Please list the square footage which the proposed tenant will lease at the Project location $\pm 100,000$

Please list the square footage which the proposed tenant leases at its present location(s)

N/A

Describe the economic reason for either the increase or decrease in leased space.

N/A

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

Where is company relocating from?

Address:

N/A

City/Town/Village:

State:

Zip:

If yes, please provide reason for move; i.e. larger/smaller facility required, competitive position, lease expiration, etc.

If owned, what will happen to the existing facility once vacated?

If leased, when does lease expire?

1/1/2012

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

Nο

If yes, please provide details as to location, and amount of leased space, how long leased?

Is location necessary to:

Discourage your company from moving out of New York State

No

Maintain your company's competitiveness within the industry:

No

(if yes is checked on one or both please provide specific explanation as an attachment on company letterhead)

Will tenant/user's use of the project involve the sales of goods OR services to customers who personally visit the facility Yes

If the answer is YES, are sales taxes collectible under Article 28 of the Tax Law of the State of New York on sales of these goods

Yes

Were local economic development officials contacted about the availability of alternative sites within the community you are leaving?

No

If yes, who was contacted and what was the outcome?

If no, why not?

This is a new public school. A temporary facility is being used to populate this new program until the new facility is complete but no facilities are being closed as a result of this new school being created. The site was chosen based upon an extensive RFP process. The site location was ultimately voted on and approved by the Buffalo Public School Board of Education.

Will present location be your company's headquarters?

No

If No, Where is the location of HQ:

City:

City Hall, Buffalo

State:

New York

Form Completed By:

Joseph Giusiana

Relationship to Company:

Executive Director, Plant Services

Section V: Environmental Questionnaire

General Background Information

Address of Premises

75 Huron West, Buffalo NY 14202 (Formerly known as 73-79 Huron West)

Name and Address of Owner

Emerson Huron, LLC 257 Franklin Street Buffalo, NY 14202

of Premises

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

The Premises are located on an urban street, in the heart of downtown Buffalo New York,

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

There are three parcels that will be developed into the Emerson Hospitality High School. One of the parcels, houses a building that has been vacant for approximately 15 years. The other two parcels are currently used for surface parking but will be developed to include a gymnasium that will be connected to the historic building and form a part of the high school.

Describe all known former uses of the Premises

The building has historically been used as a livery stable and most recently as multi-level parking garage.

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

Yes

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

The parking lot immediately adjacent to the vacant historic building is currently being occupied by the owner of the building for use as paid surface parking, Pay2Park.

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

See the attached spills incident, which was not a discharge directly on the site, but which spread to contaminate the site. The spill and any hazardous conditions have since undergone remediation, as evidenced in the report located on the NYSDEC Environmental Site Remediation Database - Spill No. 1106834.

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

N/A

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

N/A

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

No

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

Air Poliution

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

N/A

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

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 Biphenvls ("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?

Yes

If yes, please identify the materials

Asbestos was detected on the following materials on the Premises:-aircel/mag pipe insulation-boiler fire box lining-boiler door gasket-transite back panel of fuse box/panel-exterior/interior window caulk-elevator brake shoes-elevator control wire-roof tar, roof field felt, roof flashing felt



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?

<BLANK>

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)?	125
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)	Yes
if vacant, number of years vacant.	15
If underutilized, number of years underutilized.	15
Describe the use of the building during the time it has been underutilized:	Vacant
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	\$
If apartments are planned in the facility, please indicate the following:	

1 Bedroom	Num 1	ber of Units	Sq. Ft. Range Low to High 600	\$ 800	ţh
2 Bedroom	0		0	\$ 0	
3 Bedroom	0		0	\$ -0	
Other	0	수현점, 111점 - 함께	. 9	\$ 0	
Does the site have historica	al signific	ance?		Yes	
Are you applying for either	State/Fe	deral Histori	cal Tax Credit Programs?	Yes	
If yes, provide estimated va	lue of ta	x credits		\$ \$7 million	

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)

Without ECIDA incentives, the Buffalo Public School District will incur additional costs given that the district would not be able to complete construction with the tenant allowance that was allocated for this project. As well, the Brownfield Clean Up program and the building's recognition on the national register of historic places also increases the costs associated with the rehabilitation of this site. ECIDA assistance will help to minimize the costs incurred by the Buffalo Public School District and increase the overall feasibility of the project.

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

We expect to receive the full support of all City of Buffalo departments for the rehabilitation of the building (including the Department of Permits, Planning Board, Zoning Board, Buffalo Sewer Authority, Preservation Board).

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 rehabilitation of this building is important for the revitalization of the City of Buffalo. The building will be a significant benefit to BPS high school students once in operation. The facade work and brick re-pointing necessary as well as remediation of hazardous materials will reduce public safety hazards currently present. The structure presents a significant cost associated with building code compliance, specifically, the requirement that the building achieve a high seismic rating will be a costly endeavor. The building is already listed on the National Register of Historic Places but due to its condition and vacancy, receives a low tax assessment. Once the rehabilitation is complete, the City of Buffalo will not only enjoy a beautifully redesigned, functional and fully tenanted historic building, but also and increased tax base.

25/27

Section VIII: Senior Citizen Rental Housing Projects

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

<BLANK>

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?

<RLANK>

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?

Yes

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?

5 %

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>

St. Paul Group, LLC \$3,785,000 INDUCEMENT RESOLUTION

ELIGIBILITY

NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$142,146 in sales tax savings
- Up to 3/4 of 1% pf the final mortgage amount estimated at \$26,495

EMPLOYMENT

New Jobs Projected = 18 FT

PROJECT HISTORY

- 12/01/2017 Public Hearing Held.
 Transcript attached.
- 12/20/2017 Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 12/20/2017 Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title:

St. Paul Group, LLC

Project Address:

1115 Main Street

Buffalo, New York 14209 (Buffalo City School District)

Agency Request

A sales tax and mortgage recording tax exemption in connection with the adaptive reuse of the former Our Lady of Lourdes Church.

Building Acquisition Renovation Soft Costs	\$ 40,000 \$3,249,060 \$ 495,940
Total Project Cost	\$3,785,000
85%	\$3,217,250

Company Description

St. Paul Group, LLC is a corporation formed by Ellicott Development. The LLC is 100% owned by 1238 Group, LLC which LLC is 100% owned by Santa Croce Group. The applicant is a newer formed LLC, however, its principals have over 40 years of successful real estate development and management experience redeveloping many properties in the City of Buffalo and Western New York.

Project Description

The proposed project involves the full-scale renovation of an existing vacant structure originally constructed in 1898 and known as Our Lady of Lourdes Church. The proposed renovation includes the construction of two new floors within the open cathedral nave which will result in a building that will measure approximately 32,000 sq. ft.

End uses include 1st floor retail/restaurant or brewery uses, 2nd floor offices although tenants are unknown at this time and 3 residential apartments in 1-3 BR configurations on the 3rd floor. While the apartment component has not yet been fully laid out, the average unit square footage for a one bedroom would be approximately 900 sq. ft. and 1,300 sq. ft. for the 2 BR and 1,800 sq. ft. for the 3 BR. Rents will be in the \$1,100 to \$1,950 per month range and includes water.

The church was constructed in the late 1800's and has been vacant for approximately 24 years.

The former church will internally connect with a new 6-story medical office building soon to be under construction at 1091 Main Street.

The new medical office building is not seeking financial assistance from the ECIDA.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 485-a Abatement Period	Additional City Reve- nue over 485-a Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$3,000	\$1,500,000	\$116,000	\$81,000	\$50,000
Combined Tax Rate: 33				

Retail Determination

Use	Sq, Ft,	Cost	% of Project Cost
Retail	5,550	\$812,265	25%
Office	5,703	\$812,265	25%
Residential/Other	11,200	\$1,624,530	50%
Total	22,453	\$3,249,060	100%

On December 20, 2017 the Board determined that the project was a retail project and it was located in a highly distressed area and in compliance with Section 862 of the NY General Municipal Law, the chief executive officer of Erie County shall provide written confirmation confirming the financial assistance.

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 = \$3,785,000 85% = 3,217,250
Employment	Same as recapture period	Create 85% of projected: Projected = 18 Recapture Employment = 15
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Same as recapture period	Adherence to Policy
Unpaid Tax	Same as recapture period	Adherence to Policy
Recapture Period	2 years after project com- pletion	Recapture of state and local sales taxes and mort- gage recording tax

Recapture Applies to: Mortgage Recording Tax Sales Tax

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 15 full time employees 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: St. Paul Group, LLC - St. Paul Group, LLC

Table 1: Basic Information

St. Paul Group, LLC
(531) Real Estate
Buffalo City
Buffalo
\$3,785,000
\$3,249,060
18
\$561,770
24
\$1,248,694
\$1,810,464

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$714,939
Sales Tax Revenue	\$273,416
State	
Income Tax Revenue	\$671,769
Sales Tax Revenue	 \$230,245
TOTAL Estimated Revenue	\$1,890,370

Table 3: Estimated Project Incentives*

Property Tax Savings	\$0
Sales Tax Savings	\$142,146
Mortgage Tax Savings	\$26,495
TOTAL Estimated Incentives	\$168,641

Table 4: Employment Breakdown

Project	
Direct**	18
Indirect***	21
Induced****	12
Construction	
Direct	24
Indirect	9

Table 5: Ratios

Benefit to Cost Ratio	11.2:1
Overall ROI	133.1:1

* Figures over 10 years and discounted by 3.49%

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^{**} 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.

ADAPTIVE REUSE REPORT & EVALUATIVE CRITERIA

St. Paul Group, LLC/Our Lady of Lourdes

Age of Structure (must be at least 20 years	The building is almost 120 years old as it
old and present functional challenges to	was constructed just before 1900.
redevelopment 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 vacant for 24 years.
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 income as it is vacant.
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 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)	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. The functional obsolescence of the building will require a heavy cash outlay as the developer needs to undertake extensive structural repairs on the building's interior, replacement of all windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities. 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 Planning Board has approved the project. Mayor Brown has provided a letter in support of the project.
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 the 8A bus line as well as Metro Rail.

OTHER FACTORS TO CONSIDER: 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 all new utility infrastructure along with significant structural repairs.
Site or structure is located in a distressed census tract	Property is located in Census Tract 31 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: December 20, 2017

Return on Investment - St. Paul Group, LLC - Our Lady of Lourdes

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 \$142,146
- ECIDA Mortgage Recording Tax Abatement approximate value \$26,495

<u>ROI</u>

St. Paul Group, LLC has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project without ECIDA assistance is 1.8%

Stated ROI for the project with ECIDA assistance is 2.1%

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-Our Lady of Lourdes- 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
\$3,249,060	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.)
\$3,785,000	N/A	\$142,146	\$26,495	\$0

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 4.4 %

PUBLIC HEARING SCRIPT

St. Paul Group, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf Project

Public Hearing to be held on December 1, 2017 at 9:00 a.m., at the Erie County Industrial Development Agency's office located at 95 Perry Street, Suite 403, Buffalo, New York 14203

ATTENDANCE

Tom Fox, EDC

Kirk Laubenstein, Coalition for Economic Justice

Anthony Baney, Erie County Green Party

John Washington, PUSH Buffalo

Robert Murphy, PUSH Buffalo

Brian Nowak, Councilmember Elect, Town of Cheektowaga

Dennice Barr, F.B.A.C.

Members of the General Public

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer:

Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer:

We are here to hold the public hearing on the St. Paul Group, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in <u>The Buffalo News</u> on Tuesday, November 21, 2017.

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer:

The proposed project (the "Project") consists of: (i) a .57+/- acre parcel of land located at 1115 Main Street, City of Buffalo, Erie County, New York (the "Land") improved with the vacant Our Lady of Lourdes Church (the "Existing

Improvements"); (ii) the renovation, upgrading and equipping of the Existing Improvements and the construction and equipping of two (2) additional floors to the Existing Improvements (the "Improvements") to consist of 5,550+/- SF of retail space on the first floor, 5,703+/- SF of professional office space on the second floor, and 11,200+/- SF of on the third floor to consist of 3 apartments; 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").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits and mortgage recording tax exemption benefits (in compliance with Agency's uniform tax exemption policy).

Hearing Officer:

All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203 until the comment period closes on December 19, 2017. There are no limitations on written comments.

∑ 5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer:

If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.

The Hearing Officer calls on those who raise their hand.

Tom Fox, Ellicott Development Company, Director of Development: Here today regarding our proposed adaptive reuse of the former Our Lady of Lourdes Church at 1115 Main Street near Best. The church was constructed in 1898, currently 119-year-old, vacant and neglected for over 25 years. The building was stripped to its bones by the previous owner. The proposed renovation includes the construction of two new floors within the open cathedral as you mentioned. The first floor will be retail and restaurant space

approximately 5,500 sq. ft., second floor would be commercial office space at approximately 5,700 sq. ft. and the third floor will include three market-rate apartments in 1 and 2-bedroom configurations approximately 900-1,800 sq. ft. in size. It's our objective to fit-out the 1st and 2nd floors as innovative "incubator" space. While we are considering several potential users that have shown interest in the 1st floor space, including a small brewery, we ultimately see the floor containing multiple small users as a "pop-up" concept providing different services such as a food outlet, a small shop for snacks, clothing and other items that would change from time-to-time. The 2nd floor would contain a co-work space geared to medical and tech start-ups. While permanent full-time job counts for incubator space are typically on the low end up-front, the concept will ultimately cultivate many new and successful business concepts and related jobs. At 1115 Main Street, we anticipate the creation of at least 18 new jobs within 2 years of completing the project. The completed project will also create a significant jump in real estate taxes given the current total assessment is \$90k with the building valued at \$5k. So, it will be a big jump for the city and county. The total project costs are estimated at approximately \$3,785,000. Like other adaptive reuse projects that we have undertaken, the viability of 1115 Main Street is plagued in many ways requiring a need for every available resource to finance and yield a modest return. In this case, we projected under 5%. Redeveloping a long-vacant and dilapidated structure results in a series of extraordinary costs that are not confronted in new ground-up development. These costs include, but are not limited to, bringing the building into code compliance, all new utility infrastructures, and significant structural repairs in this case. While construction costs in our area are generally in line with and in some cases higher than in other major American cities, our rental market significantly lags behind in the rates it can bare. These low market rates result in unwillingness by lenders to commit to the projected need for project financing resulting in a loan-to-value shortfall. The requested funding is further challenged when our lenders rely on further discounted rental rates than those we feel we can comfortably achieve in the project area. With the ECIDA's assistance, we are able to tighten the gap in securing project financing and ultimately breathe new life into a long-underutilized structure. As Grant mentioned, the requested inducement is for construction sales tax abatement and mortgage recording tax credit. Thank you.

Kirk Laubenstein: I am the director of the Coalition for Economic Justice. We have long been interested in reform at the Erie County Industrial Development Authority. I guess my thinking is the County Executive has said "but for". We need a but for test in every inducement that the IDA gives out and as I was looking over this package in front of me it looks like everything is in line right so the entire project is ready to go, all the permits are given, financing seems to be in order, and so the question that I have I guess is but for. They are asking for about \$200,000 worth of tax breaks. Some of that is mortgage recording tax, so about \$26,000 of that is mortgage recording tax. Mortgage recording tax takes away from public transit. We also know, I mean you are talking about a derelict building, it's been owned by Ellicott Development for a long time now, so I guess the question is who let it go derelict. The crucial component really is that the adaptive reuse policy when it was put in place was put in place to make sure that derelict old buildings could be put back online. At this point, we are in a whole different place than when the adaptive reuse policy started. The adaptive reuse policy started I don't know a while ago now and our city is in a whole different place. We have incredible gentrification, we have rents \$1,500, \$2,000, and everything has changed. It is our firm belief that there should be no new inducements of residential properties before a new adaptive reuse policy is formed that can actually make sure that people who make minimum wage, people that make very little money can actually be taken into account. Today we would like to request a moratorium on all residential adaptive reuses inducements because it's just not okay that huge developers that have millions and millions and millions and millions of dollars are here at the ECIDA with their hand out asking for the cherry on top of their millions. Again, I will reiterate, we want a moratorium on all adaptive reuse inducements until a new adaptive reuse policy can be put in place.

Anthony Baney from the Eric County Green Party: I just want to make a very urgent request that the ECIDA hold these meetings in a more public fashion. I believe that going about this does not allow people that work during the day to be able to speak to these projects. I wasn't able to in my previous job

working third shift talk to the proposal for the Great Arrow building project. That's not relevant to this project but while I look over this project I don't really know what market rate means to be honest with you and I don't really see what that range would be specifically to the apartments that are being proposed in this project. I don't think that is a justification for the exemption they are asking from the city and I really believe that there should be more public oversight of these proposals especially because as previously talked about the developers do have millions of dollars and we continue to give out these inducements and these tax exemptions and I understand that it is under the guise of industrial development but I think if the ECIDA were to actually put focus towards projects of public importance such as the Huntley Plant in Tonawanda, there is still not much that is being put into that. I think that should be more of a focus as opposed to these small projects that go to developers. There needs to be more of a change on the focus of what the projects are tackling and I also believe like I said before there needs to be more public oversight, so I think that there needs to be some type of claw back reform in these projects that if they don't fulfill all of the project requirements, that all of the money comes back to the public taxpayers in any form that was given out so that is all I have to say to this project. Thank you.

John Washington. I'm with PUSH Buffalo. I want to start by first reiterating what everybody else said that this needs to be a public process. I know that I would not know about this if it wasn't for the Deputy County Executive Maria Whyte and my relationship with Paul Vukelic and Dick Lipsitz who are on the board but if you go on the website it is extremely difficult to find out about public hearings. Also, public hearings should be held in public forums and there should be public notice. And public notice is not the six pages of City and Region in the Buffalo News. Public notices putting things on social media. It being the first thing that you see, the public sees on their website is how they can get involved in the process. It has been difficult to find and figure out where we can insert ourselves in this process without having relationships with people on the board of the ECIDA. I think that is what is fundamentally wrong. As far as this project goes, I have a series of fundamental problems with how the ECIDA operates. If you look at the percentage of money that is being allocated for these tax breaks in relationship to the overall cost of the project, not receiving these inducements is not going to stop this project. This is gravy and this gravy money that Nick Sinatra, William Paladino and others get takes away from the resources that people desperately need in this city. We live in the third poorest and sixth most segregated city in the country. That is not getting any better. In fact, the ECIDA, BUDC and every institution in this building is making this worse. Statistically any quality in Erie County has grown over the past ten years and its grown partly because of the adaptive reuse policy that has created rising rents, created virtually no jobs and I know your statistics will say that these corporations are reporting jobs but when you go out into the communities of this city, people are starving for jobs. Unemployment is ridiculously high, and this is an industrial development agency. This is not developing industry. It is developing an industry of gentrification that is pushing rents higher and making it harder for working people to live in the city of Buffalo. Until the ECIDA can create a policy that mirrors the Department of Social Services policy that the rest of us have to abide by in which we have to certify our income, how much assets do we have. If I want to go get food stamps they would ask me how much money is in my bank account, they would ask where I lived before, who I lived with, how much those people make. We have people that are multimillionaires that are asking for assistance and there is no consideration for how much money they already have in figuring out should we actually give them assistance; do they deserve assistance. While there are single mothers who are being denied and cut a couple hundred dollars a month to buy food for their families. To me that is disgusting and I don't understand how anyone can sit in this building, around this table, and know that is happening and still continue to give these giveaways to multi-millionaires who are supporting an administration that wants to eviscerate the social safety net that is the only thing that is holding cities like Buffalo together. We have an extremely poor city, we have a struggling and starving city, and instead of investing in affordable housing, instead of investing in education, we are taking away from the pool of resources that is used to invest in our people and we are handing it to the richest people in our county. The only thing that is going to result in that is continued poverty and inequality. I think that the ECIDA needs to get much more strict and stringent in how it identifies who it is investing in and this but for test because I have no question that the majority of projects that the ECIDA has invested in could have been done through any other form of financing. Why aren't these companies going to their shareholders, going to the banks and when they come, they've already secured all of the financing, everything is already done, so it is ridiculous to me to assume this narrative that oh, well if they didn't get this extra \$200,000 suddenly the building that they bought and owned for years and all the money that they have already invested in it, they are going to just through that away. Buffalo is a changing market. Buffalo is one of the most popular real estate markets in the country and that is only going to get better for developers so why do we continue to invest the resources we so desperately need in our neighborhoods to support people to multi-millionaires who frankly express in every single way possible their disdain for people of color, their disdain for people on public assistance and their disdain for women, families and children in Erie County. To me it is disgusting, despicable and it has to stop. Thank you.

Brian Nowak, Councilmember Elect, Town of Cheektowaga. Good morning everybody. I didn't plan on speaking but I just wanted to be very brief. Every time we give one of these breaks to developers that doesn't need it we erode trust with the public who already has a distain for the political system and for people with wealth, power and prestige that's just growing. Whoever has to vote on this, whoever has the power to go to Sinatra, William Palladino, pull them aside, have a private conversation, and the question they need to ask themselves is at what point is it enough for them and do they want to take the personal responsibility on their shoulders of eroding public trust even more than it already is and destabilizing a system that is on its way to being in tatters. I have nothing else to say. These guys covered everything else beautifully. Thank you.

Robert Murphy with PUSH: I wasn't going to say anything today but there is an article that appeared on my Facebook page, I think it is from the Buffalo News that says that Buffalo has the worst survival rate, I'm not sure what word they used because I didn't read the article, but life span is lowest of any of the major cities in New York state so that's news today. Thank you.

Grant Lesswing: As there are no further comments, there are no other people who have signed in.

<u>John Washington:</u> There is one person who is on a bus here. I just want to see how far away she is if you wouldn't mind.

Grant Lesswing: That's fine.

Dennice Barr: My statement is that again I've travelled 4.9 miles to get here today because it is just that important to me. I am living in a community that has been pushed back and redlined for generations, not receiving anything and I'm at a point where I am so frustrated because when are we going to stand up and do right by the communities that are suffering and have managed to pay their taxes and hang on throughout the generations. You know we are consistently handing out these tax breaks and all of these lovely gifts to wealthy developers who have millions of dollars. When I think about what \$15 million dollars could do for my community, it's outrageous and we consistently keep handing these things out. I understand that this is the week of giving and it's close to Christmas but enough. In 2017 this is December and we are closing out the end of the year and people are standing up all around the nation and all around the city saying, listen we've seen the numbers, they've already come into the city about the disparity, about the inequity that is going on around the city about the housing crisis, all of this, and yet we're still not paying attention. We have a major housing crisis in this city. Our homeless population is growing. All of these numbers have been crunched, they've already been handed over. So why is it that at a time when we are at this point even at the end of the year when we ought to be sitting back and looking at how we are going to fix some of this mess that we got ourselves into. Instead we're looking at how we are going to continue to build these beautiful glass and steel structures that people can't afford to live in and my community doesn't want. It's not right and it needs to stop. I need for two things to

happen. Here is my Christmas list as leadership of the Fruit Belt Community. The first thing is that you know that somebody owes us some money. Somebody owes my community some money like not even this year or last year but we are talking about years that this has been going on and we've received nothing. In the shadow of the medical corridor and all these lovely buildings and I don't fault anybody for wanting to do well in this life. I want my sons to do well but I don't want them to do well on the backs of poor people. If that's how you make your living I have a problem with you so that's my first issue. My second issue is when are we going to get our community benefits agreement? We have been asking for it now for 8-9 years. We've been talking about it. We need partnership. This business of coming in and prancing around us and waving at us from across the street and acting like we're not supposed to be a part of the conversation is so past done. It's time for somebody to put their big boy pants on and get into a situation of responsibility and deal with my community the way that they need to. This conversation is long overdue to the point of what I had to go through just to get here today because I represent my community. Somebody's privilege is showing in this situation. I'm not saying, I'm just saying somebody's privilege is showing that we can continue to hand out this money like it's just candy to people who already have abundance in the face of communities that are suffering and are being pushed back and homeless populations are growing, and we just act like it's okay. This is not business as usual. The day for that is done. It's over, it's finished. They had their party. Great for them. It's done but now it's time to build some partnerships. I want to remind some people that yes the fruit belt looks like a small community but we have developed some partnerships and grown some alliances and we are not small anymore. Our voice is very large, and we are growing. People better wake up and pay attention to the fact that just because there was a time when there were a few people that you had to deal with and that was okay because you could get around them and it didn't matter. They are just poor black people. That is done. I can guarantee you that when you deal with me, you're going to deal with a whole lot of other entities now because we need for people to be responsible and to get in position of partnership. If you don't want to partner with us, then you are going to continue feel us pinch. We are not asking anymore. We are demanding at this point. I have seniors that are aging out and I'm not going to see these people die before they get what they deserve. It's not right. They have done what they are supposed to do. They have invested in the city. They have maintained their properties. They have pride in their community. When are we going to see people step up and recognize that. Aside from the fact that we are a historic community and we have to keep reminding other communities of that. People in some other areas of the city don't have to do that. They are well recognized. But for some reason when it comes to the fruit belt, we don't get recognized for that, but we know it so we gotta keep coming out here to tell you because for some reason people don't understand it and if I seem like I'm angry, you're damn right I'm angry. This is my community and I'm tired of seeing them get pushed back and pushed aside and being told to wait. We have waited more than one generation. Now it's time for some responsible conversation. You want to give somebody some money, invest in my community. Start with a community center. We need a community center. Start with that. Come and help us. Do something for us instead of always looking to get something for free. It's done and that's what I'm going to say about that. Thank you. I appreciate you waiting for me.

⋈ 6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at 9:40 a.m.

SIGN IN SHEET PUBLIC HEARING

December 1, 2017, at 9:00 a.m. at the Erie County Industrial Development Agency's office located at 95 Perry Street, Suite 403, Buffalo, New York 14203 regarding:

St. Paul Group, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf

Project Location: 1115 Main Street, Buffalo, NY 14209

Name	Company and/or Address	X box to speak/ comment	
Tom Fox	EDC, 295 Main Street, Buffalo, NY	X	
Kirk Loubenstein	Coalition for Economic Justice 2495 Main Street, Suite 547 Buffalo, NY 14214	X	
Anthony Baney	Erie County Green Party	X	
John Washington	PUSH Buffalo	X	
Robert Murphy	PUSH Buffalo	Х	
Brian Nowak	4 Pendennis Place Buffalo, NY	X	
Dennice Barr	F.B.A.C.	X	

Short Environmental Assessment Form Part 1 - Project Information

Instructions for Completing

Part 1 - Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 - Project and Sponsor Information					
Name of Action or Project:					
1115 Main St					
Project Location (describe, and attach a location map):					
1115 Main St Buffalo, NY 14209					·
Brief Description of Proposed Action:	<u> </u>				
The proposed project at 1115 Main Street is a full-scale renovation of the existing vacan Lourdes church. The proposed renovation includes the construction of two new floors will of 22,453 usable square feet from the basement to the 3rd floor. End uses will include 19 space, (tenants unknown at this time) and 3 residential apartments in 1, 2, and 3 bedroo	thin the : st floor re	open cathedral nave, white stall/restaurant, 2nd floor	ch Will profes	result in	a totel j
Name of Applicant or Sponsor:	Telepl	none: (716) 854-0060		_	
St Paul Group, LLC	E-Ma	1: bpaladino@ellicottdev	elopm	ent.com	
Address:			_		
295 Main St, Suite 210					
City/PO:		State:	Zip	Code:	
Buffalo		NY	1420	203	
Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.					YES
2. Does the proposed action require a permit, approval or funding from any	other g	overnmental Agency?		NO	YES
If Yes, list agency(s) name and permit or approval: Planning Board					V
3.a. Total acreage of the site of the proposed action? b. Total acreage to be physically disturbed? c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor?	0.56	04 acres 04 acres 06 acres			
4. Check all land uses that occur on, adjoining and near the proposed action. Urban	ercial	Residential (suburi	ban)		

Page 1 of 3

NO NO	YES	N/A
5. Is the proposed action, a. A permitted use under the zoning regulations?	V	
b. Consistent with the adopted comprehensive plan?	V	
6. Is the proposed action consistent with the predominant character of the existing built or natural	NO	YES
landscape?		V
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area?	NO	YES
If Yes, identify:		
8. a. Will the proposed action result in a substantial increase in traffic above present levels?	NO	YES
b. Are public transportation service(s) available at or near the site of the proposed action?		V
c. Are any pedestrian accommodations or bicycle routes available on or near site of the proposed action?	V	
O Door the proposed action meet or exceed the state energy code requirements?	NO	YES
If the proposed action will exceed requirements, describe design features and technologies:		V
	NO	YES
10. Will the proposed action connect to an existing public/private water supply?	NO	I MA
If No, describe method for providing potable water:		$\overline{\mathbf{V}}$
	NO	YES
11. Will the proposed action connect to existing wastewater utilities?	NO	1103
If No, describe method for providing wastewater treatment:		
N. C. In Constitution	NO	YES
12. a. Does the site contain a structure that is listed on either the State or National Register of Historic Places?	7	
b. Is the proposed action located in an archeological sensitive area?		7
	NO	YES
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency?	V	
1. Way 14 the amproved estion physically after or specoach into, any existing wetland or waterbody?		
If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres:	37437	
		in si Hilipa
14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that	apply:	-
Shoreline Forest Agricultural/grasslands Barly mid-successional		
☐ Wetland ☑ Urban ☐ Suburban	NO	YES
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed		ILO
by the State or Federal government as threatened or endangered?	NO	YES
16. Is the project site located in the 100 year flood plain?	V	
17. Will the proposed action create storm water discharge, either from point or non-point sources?	NO	YES
If Yes.		
a. Will storm water discharges now to adjacent properties.	711177	
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	42 5 5 5 6	
If Yes, briefly describe:		

Page 2 of 3

18. Does the proposed action include construction or other activities that result in the impoundment of	NO	YES
water or other liquids (e.g. retention pond, waste lagoon, dam)? If Yes, explain purpose and size:	V	
19. Has the site of the proposed action or an adjoining property been the location of an active or closed	NO	YES
solid waste management facility?		
If Yes, describe:		
	النا	
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or	NO	YES
completed) for hazardous waste?		
If Yes, describe:		1
4 néarby parcels have been registered in the Brownfield Clean Up Program		
I AFFIRM THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE I	BEST O	FMY
KNOWLEDGE		
Applicant/sponsor name; St. Cast Group, LLC Date: 11/2/17		
Signature:		

Agency Use Only [If applicable]		
Project:	1115 Hain Street	
Date:	19-20-17	

Short Environmental Assessment Form Part 2 - Impact Assessment

Part 2 is to be completed by the Lead Agency.

Answer all of the following questions in Part 2 using the information contained in Part 1 and other materials submitted by the project sponsor or otherwise available to the reviewer. When answering the questions the reviewer should be guided by the concept "Have my responses been reasonable considering the scale and context of the proposed action?"

		No, or small impact may occur	Moderate to large impact may occur
1.	Will the proposed action create a material conflict with an adopted land use plan or zoning regulations?	E	
2.	Will the proposed action result in a change in the use or intensity of use of land?	P	
3.	Will the proposed action impair the character or quality of the existing community?		
4.	Will the proposed action have an impact on the environmental characteristics that caused the establishment of a Critical Environmental Area (CEA)?	Ø	
5.	Will the proposed action result in an adverse change in the existing level of traffic or affect existing infrastructure for mass transit, biking or walkway?		
6.	Will the proposed action cause an increase in the use of energy and it fails to incorporate reasonably available energy conservation or renewable energy opportunities?	D	
7.	Will the proposed action impact existing: a. public / private water supplies?	4	
	b. public / private wastewater treatment utilities?		
8.	Will the proposed action impair the character or quality of important historic, archaeological, architectural or aesthetic resources?	P	
9.	Will the proposed action result in an adverse change to natural resources (e.g., wetlands, waterbodies, groundwater, air quality, flora and fauna)?	4	
10.	Will the proposed action result in an increase in the potential for erosion, flooding or drainage problems?	回	
11.	Will the proposed action create a hazard to environmental resources or human health?	Image: section of the sec	

PRINT FORM

Agency Use Only [If applicable]		
Project:		
Date:		

Short Environmental Assessment Form Part 3 Determination of Significance

For every question in Part 2 that was answered "moderate to large impact may occur", or if there is a need to explain why a particular element of the proposed action may or will not result in a significant adverse environmental impact, please complete Part 3. Part 3 should, in sufficient detail, identify the impact, including any measures or design elements that have been included by the project sponsor to avoid or reduce impacts. Part 3 should also explain how the lead agency determined that the impact may or will not be significant. Each potential impact should be assessed considering its setting, probability of occurring, duration, irreversibility, geographic scope and magnitude. Also consider the potential for short-term, long-term and cumulative impacts.

Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action may result in one or more potentially large or significant adverse impacts and an environmental impact statement is required.		
Check this box if you have determined, based on the information and analysis above, and any supporting documentation, that the proposed action will not result in any significant adverse environmental impacts.		
ERIE COUNTY IDA Name of Lead Agency KASEN M. FIALK	12-20-17	
Name of Lead Agency	Date	
	Asst. Treasurer	
Print or Type Name of Responsible Officer in Lead Agency	Title of Responsible Officer	
Laver M. Fiala		
Signature of Responsible Officer in Lead Agency	Signature of Preparer (if different from Responsible Officer)	

PRINT FORM

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY INDUCEMENT RESOLUTION

ST. PAUL GROUP, 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, December 20, 2017 at 9:00 a.m.

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

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ST. PAUL GROUP, 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 .57+/- acre parcel of land located at 1115 Main Street, City of Buffalo, Erie County, New York (the "Land") improved with the vacant Our Lady of Lourdes Church (the "Existing Improvements"); (ii) the renovation, upgrading and equipping of the Existing

Improvements and the construction and equipping of two (2) additional floors to the Existing Improvements (the "Improvements") to consist of 5,550+/- SF of retail space on the first floor, 5,703+/- SF of professional office space on the second floor, and 11,200+/- SF of on the third floor to consist of 3 apartments; 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 December 1, 2017, at 9:00 a.m., at the Agency's offices located at 95 Perry Street-Suite 403, Buffalo, NY 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, the Project constitutes a "retail" project as defined under Section 862 of the Act and as such requires additional findings; and

WHEREAS, the Agency must, prior to providing any Financial Assistance to such a "retail" Project find that: (1) the Project is likely to attract a significant number of visitors from outside the economic development region in which the Project is located as established by section two hundred thirty of the New York Economic Development Law; or (2) the predominant purpose of the Project would be to make available goods or services which would not, but for the Project, be reasonably accessible to residents of the City of Buffalo because of a lack of reasonably accessible retail trade facilities offering such goods or services; or (3) the Project is located in a "highly distressed area" as such term is defined in Section 854(18) of the Act, and, in addition, find that the undertaking of the Project will serve the public purposes of the Act by preserving permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State; and thereafter obtain the approval of the chief executive officer of the County of Erie, New York, confirming the Agency's finding; 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, pursuant to and in accordance with applicable provisions of the State Environmental Quality Review Act ("SEQR"), the Company has submitted to the Agency an Short Environmental Assessment Form (the "EAF") with respect to the Project;

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 uncoordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was an Unlisted Action, and issued a negative declaration ("Negative Declaration") under SEQR on September 11, 2017; 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 December 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, upgrading 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; and
- (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 review of the Application and representations made by the Company to the Agency, the EAF, and the Planning Board's Negative Declaration SEQR Determination and related materials, the Agency finds that the Project constitutes an "Unlisted Action" within the meaning of SEQR and a coordinated review is optional and as such, the Agency has conducted an uncoordinated review of the Project under SEQR and has determined that:
 - (i) 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; that there will be no substantial adverse change in noise levels as the proposed residential 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 plan 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 there will be no impact in the

quantity or type of energy used; that the Project will not create a hazard to human health; and that the Project will not create a substantial change in the use of the land or the site.

- (ii) The Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment, that the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQR, and that no "environmental impact statement" as such quoted term is defined in SEQR need be prepared for this action.
- (iii) 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 approximately eighteen (18) full-time jobs, 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 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 119 years old and functional/structural issues related to its age present public safety issues and challenges to its reuse;
 - (ii) the building has been underutilized for 24 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 Project has received the support of local governmental entities;
 - (vii) the building is located within a highly distressed census tract;
 - (viii) the structure requires significant costs to comply with building codes;
 - (ix) the facility is on the 8A bus route, as well as the Metro Rail, thus meeting transit oriented development criteria; and

- (x) the Project's stated return on investment is below what investors and developers seek to achieve for such investments in urban high-risk areas and the Company has stated that securing Agency Financial Assistance is critical for securing bank financing.
- (M) The Project is located within a "highly distressed area" as such term is defined in Section 854(18) of the Act and therefore qualifies for Financial Assistance under Section 862(2)(b)(ii) of the Act. The Agency hereby finds that, as required under Section 862(2)(c) of the Act, that the undertaking of the Project will serve the public purpose of the Act by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in New York State. In compliance with Section 862(2)(c) of the Act, prior to providing Financial Assistance to the project, the Chief Executive Officer of the County of Erie shall provide written confirmation confirming that the Project will serve the public purpose of the Act by preserving permanent private sector jobs or increasing the overall number of permanent, private sector jobs in the State of New York.
- Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.
- 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, upgrade 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 \$1,624,530.00, which may result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$142,146.00. 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 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 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 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 \$3,217,250.00 (which represents the product of 85% multiplied by \$3,785,000.00, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment that the Company has created full-time equivalent ("FTE") employment at the Facility equal to 15 FTE employees representing the

product of 85% multiplied by 18 (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.

Subject to the terms of this Inducement Resolution, the Chair, the Vice Section 5. 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: December 20, 2017



Our Lady of Lourdes Church

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Project Name Our Lady of Lourdes Church

Applicant Name St Paul Group, LLC

Applicant Address 295 Main St, Suite 210

Applicant Address 2

Applicant City Buffalo

Applicant State New York

Applicant Zip 14203

Phone 7168540060 **Fax** 7168540060

E-mail bpaladino@ellicottdevelopment.com

Ýes

Website www.ellicottdevelopment.com

Federal ID# 47-4487836

NAICS Code

Will a Real Estate Holding Company be utilized to own the Project property/facility What is the name of the Real

Estate Holding Company

Federai ID#

State and Year of

Incorporation/Organization

List of stockholders,

members, or partners of Real Estate Holding Company

Individual Completing Application

Name Jeremy P.-Wassel

Title Planning & Development Coordinator

Address 295 Main St, Suite 210

Address 2

City Buffalo
State New York

Zip 14203

The Erie County Industrial Development Agency (ECIDA)

11/20/2017 **Phone**

7168540060

Fax

7168522829

E-Mail

jwassel@ellicottdevelopment.com

Company Contact (if different from individual completing application)

Name

Thomas Fox

Title

Director of Development

Address

295 Main St, Suite 210

Address 2

City

Buffalo

State

New York

Zip

14203

Phone

7168540060

Fax

7168522829

E-Mail

tfox@ellicottdevelopment.com

Company Counsel

Name of Attorney

Lori Carbaugh

Firm Name

Paladino, Cavan, Quinlivan & Pierce

Address

295 Main St, Suite 210

Address 2

City

Buffalo

State

New York

Zip

14203

Phone

7168528222

Fax

7168522829

E-Mail

lcarbaugh@ellicottdevelopment.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax

Yes

Exemption from Mortgage

Yes

Tax

Exemption from Real

No

Property Tax

Tax Exempt Financing*

No

Business Organization

Type of Business

Limited Liability Company

Type of Ownership

Year Established

2014

State of Organization

New York

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

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

Please include name and % of ownership.

St Paul Group LLC is 100% owned by 1238 Group, LLC. 1238 Group, LLC is 100% owned by Santa Croce Group, LLC. Santa Croce Group, LLC is 25% owned by William Paladino, 22.20% owned by Magliano Group, LLC, 9.50% owned by 9912 Group, LLC, 5.50% owned by Paladino 2000 trust, 5.00% owned by Joe Cavan, 5.00% owned by Joseph Hannon, 5.00% owned by Joseph Paladino, and the remaining owners have less than 5% ownership interest each

Applicant Business Description

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

The applicant is newer formed, LLC, however, it's principals has over 40 years of successful real estate development and management experience redeveloping many properties in the City of Buffalo and Western New York.

Estimated % of sales within Erie County	100
Estimated % of sales outside Erie County but within New York State	0
Estimated % of sales outside New York State but within the U.S.	0
Estimated % of sales outside the U.S.	0

(*Percentage to equal 100%)

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

100

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Municipality or Municipalities of current operations

City of Buffalo

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

Yes

In which Municipality will the proposed project be located

City of Buffalo

Address

1115 Main Street

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

100.71-2-49.2

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

3,136

Assessed value of land

85,000

Assessed value of building(s)

5,000

Are Real Property Taxes current?

Yes

If no please explain

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo School District

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

Ye:

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?

Yes

Describe the present use of the Proposed Project site

Presently vacant, this former church was historically home to Our Lady of Lourdes.

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 proposed project at 1115 Main Street is a full-scale renovation of the existing vacant structure, constructed circa 1898 as Our Lady of Lourdes church. The proposed renovation includes the construction of two new floors within the open cathedral nave, which will result in a total of 22,453 usable square feet from the basement to the 3rd floor. End uses will include 1st floor retail/restaurant, 2nd floor professional-office-space, (tenants unknown at this time) and 3 residential apartments in 1, 2, and 3 bedroom configurations on the 3rd floor. The apartments will range from 900 to 1,800 square feet in size with rents projected from \$1,100 to \$1,950 per month. The basement will be used for storage. The former church will internally connect with our new 6-story medical office building soon to be under construction at 1091 Main Street. Prior to our purchase of the property, the former owner had stripped the building's interior down to bare bones. While the overall scope of work is extensive, some of the key rehabilitation costs will include extensive structural repairs on the building's interior, replacement of all windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities among other items to bring the building into code compliance.

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)

Like other adaptive reuse developments that we have undertaken, the viability of this project is plagued in many ways requiring a need for every available resource to finance and yield a modest return. Redeveloping a long-vacant and dilapidated structure results in a series of extraordinary costs that are not confronted in new ground-up development. These costs include, but are not limited to, bringing the building into code compliance, all new utility infrastructure, and significant structural repairs. While construction costs in our area generally in line with and in some cases higher than in other major American cities, our rental market significantly lags behind what developers can charge for rent. These low market rates result in an unwillingness by lenders to commit to the projected need for project financing resulting in a loan-to-value shortfall. The requested funding is further challenged when our lenders rely on further discounted rental rates than those we feel we can comfortably achieve in the project area. with the ECIDA's assistance, we are able to tighten the gap in project financing and breathe new life into a long-underutilized and poorly maintained the structure.

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

Yes

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

We cannot proceed with the project as current market rates for commercial retail, office, and residential apartments does not support the high cost of redevelopment which includes extensive structural repairs on the building's interior, replacement of all windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities among other items to bring the building into code compliance.

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

The project site is located in an N-1C zone.

Describe required zoning/land use, if different

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?

No

If yes, please explain

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

No

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?

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 Yes 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.

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

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition

\$ 40,000 24,411 square feet 1 acres

New Building Construction

\$ 0 square feet

New Building addition(s)

\$ 0 square feet

Infrastructure Work

\$0

Renovation

\$ 3,249,060 32,128 square feet

Manufacturing Equipment

\$0

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

\$0

Soft Costs: (professional services, etc.)

\$ 495,940

Other Cost

\$0

Explain Other Costs

Total Cost

\$3,785,000

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

\$ O

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):

\$ 1,135,500

Bank Financing:

\$ 2,649,500

Tax Exempt Bond Issuance (if applicable):

\$0

Taxable Bond Issuance (if applicable):

\$0

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

\$0

Identify each state and federal grant/credit:

Total Sources of Funds for Project Costs:

\$3,785,000

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

<BLANK>

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.

\$ 2,649,500

Lender Name, if Known

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

\$26,495

Construction Cost Breakdown:

Total Cost of Construction

\$3,249,060

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

Cost for materials

\$ 1,624,530

% 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

\$ 1,624,530

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

\$ 142,146

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:

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

			Cost	% of Total Cost
Manufacturing/Processing		square feet	\$0	0
Warehouse		square feet	\$0	0
Research & Development		square feet	\$0	0
Commercial		square feet	\$0	0
Retail	5,550	square feet	\$ 812,265	25
Office	5,703	square feet	\$ 812,265	25
Specify Other	11,200	square feet	\$ 1,624,530	50

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

1/1/2018

End date: Estimated completion date of project

7/1/2017

Project occupancy: estimated starting date of operations

7/1/2017

Have construction contracts been signed?

Yes

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

Yes

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

Yes

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Employment Plan (Specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated at project location	IF FINANCIAL ASSISTANCE IS GRANTED project the number of FTE and PT jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PT jobs to be CREATED upon TWO years after Project completion	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 **
Full time	0	0	18	0
Part time	0	0	0	0
Total	0	0	18	

^{**} 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:

Category of Jobs to be Retained and Created	# of Employees Retained and Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	0	\$0	\$0	\$0	\$0
Professional	0	\$0	\$ O	\$ 0	\$0
Administrative	0	\$ O	\$ O	\$ 0	\$0
Production	0	\$0	\$0	\$0	\$0
Independent Contractor	0	\$0	\$0	\$ 0	\$0
Other	0	\$ 30,000	\$ O	\$0	\$0

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

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

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

No

Payroll Information

Annual Payroll at Proposed Project Site

\$ 60,000

Estimated average annual salary of jobs to be retained (Full

Time)

\$0

Estimated average annual salary of jobs to be retained (Part

Time

\$0

Estimated average annual salary of jobs to be created (Full Time)

\$ 30,000

Estimated average annual salary of jobs to be created (Part

Time)

\$0

Estimated salary range of jobs to be created

From (Full Time) \$ 30,000 To (Full Time) \$ 30,000
From (Part Time) \$ 0 To (Part \$ 0
Time)

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?

<BLANK>

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)

485(a) assistance through City of Buffalo

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

Have any tenant leases been entered into for this project?

<BLANK>

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

Tenant Name

Current Address (city, state, zip)

occupied at new projet site Co.

of sq ft and % of total to be SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie

Section IV: Tenant Information



Section V: Environmental Questionnaire

General Background Information

Address of Premises 1115 Main Street, Buffalo, NY 14209

Name and Address of Owner

St Paul Group, LLC 295 Main Street, Suite 210 Buffalo, NY 14203

of Premises

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

The property is located in downtown Buffalo, a fully developed urban area

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

Church

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?

No

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

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

No

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

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

No

If yes, describe in full detail

Solid And Hazardous Wastes And Hazardous Substances

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

No

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

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

No

If yes, please provide copies of the permits.

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

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

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

<BLANK>

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?

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?

No

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?

Nο

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

<BLANK>

Within Erie County

<BLANK>

If Yes to either question, please, explain

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

<BLANK>

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?

<BLANK>

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?				
What is the age of the structure (in years)?				
	the rentable square foo	for a minimum of 3 years? (letage of the structure being ed)		Yes
If vacant, number of yea	rs vacant.			24
if underutilized, number of years underutilized.				
Describe the use of the b	uilding during the time	it has been underutilized:		
		t income? (Insignificant inco average for that property cl		Yes
If yes, please provide dollar amount of income being generated, if any				
If apartments are planne	ed in the facility, please	indicate the following:		
	Number of Units	Sq. Ft. Range Low to High		
1 Bedroom	1	900	\$ 0	
2 Bedroom	1	1	\$ 0	
3 Bedroom	1	1	\$ 0	
Other	0	0.	\$ Q	
Does the site have historical significance?				
Are you applying for either State/Federal Historical Tax Credit Programs? No			No	
If yes, provide estimated	value of tax credits		\$	

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

Current rental rates do not support the heightened costs of the proposed commercial adaptive reuse of 1115 Main Street which include extensive structural repairs on the building's interior, replacement of all windows, extensive restoration of decorative plasterwork on the building's interior, installation of new vertical circulation including an elevator and two stair towers, a fire suppression system and restroom facilities among other items to bring the building into code compliance.

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

485(a) from the City of Buffalo

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 redevelopment of 1115 Main Street faces many issues that when paired with market rental rates complicate a feasible redevelopment of this property situated in a highly distressed area. Among these issues is the cost of bringing the building into current code compliance, replacing outdated infrastructure and making significant structural repairs to a building left in total disrepair by its previous owner.

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 ---

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?

<RLANK>

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

Yes 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? If ves. complete the Retail Questionnaire Supplement below. What percentage of the cost of the project will be expended on such facilities or property primarily 25 % used in making sales of goods or services to customers who personally visit the project? 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> <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? 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 <BLANK> 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? If yes, please provide a market analysis supporting your response. <BLANK> Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York? If yes, explain <BLANK> Is the project located in a Highly Distressed Area?



ECIDA & RDC Board of Directors Meetings - 2018 Meetings start at 9:00 a.m.

95 Perry Street 5th Floor ESD Conference Room Buffalo, New York 14203

Wednesday, January 24

Wednesday, February 21

Wednesday, March 21

Wednesday, April 25 (Annual Meeting)

Wednesday, May 23

Wednesday, June 27

Wednesday, July 25

Wednesday, August 22

Wednesday, September 26

Wednesday, October 24

Wednesday, November 28

Wednesday, December 19