

6700 Transit Road Redevelopment Project

Instructions and Insurance Requirements Document

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name Destination Brewery and Tap Room for Big Ditch Brewing Company

Project Summary

Project Consists of redevelopment of an assemblage of parcels located on Transit Road in the

Town of Cheektowaga to include construction of a new 105,315 square foot destination brewery, tap room, event space and related facilities to accommodate growth of Buffalo-based

Big Ditch Brewing Co. The new building would be developed by an affiliate of Iskalo

Development Corp. and leased in its entirety to Big Ditch Brewing Co. The redevelopment of the property assemblage would begin with demolition of two obsolete and long vacant buildings including an existing circa 1972 hotel building that ceased operation in 2017 and a former gas station/used car dealership constructed in 1967 that ceased operation in 2018. The demolition of the existing buildings and construction of the proposed new building and related improvements will greatly revitalize this section of the west side of Transit Road in the Town of

Cheektowaga.

Applicant Name Iskalo Development Corp as manager for and on behalf of Iskalo 6700 Transit LLC

Applicant Address 5166 Main Street

Applicant Address 2

Applicant CityWilliamsvilleApplicant StateNew YorkApplicant Zip14221

 Phone
 (716) 633-2096

 Fax
 (716) 633-5776

 E-mail
 dchiazza@iskalo.com

 Website
 www.iskalo.com

 NAICS Code
 531120, 531110

Business Organization

Type of Business Limited Liability Company

Year Established 2018
State in which Organization is established New York

1 Complete the table, below, by identifying, in each instance, if the Applicant:

(i) owns a 25% or more interest in real property within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property;

3/13/2020

(ii) holds a 25% or more interest in any entity that owns a 25% or more interest in real property within Eric County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property.

If NO to both scenarios (i) and (ii), proceed to the next question, otherwise, please complete the table as requested.

Name the Person/Entity Property Owner Relationship to Applicant Property Address Comments
provided under separate cover

2 Complete the table, below, by identifying, in each instance, if an OWNER of the Applicant, being a person/entity holding a 25% or more ownership interest in the Applicant:

(i) owns a 25% or more interest in real property within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property;

(ii) holds a 25% or more interest in any entity that owns real property, within Erie County, NY, and then note in the "Comments" column if any past due real property taxes, special district charges, and/or PILOT payments remain outstanding for such parcel(s) of real property.

If NO, to both scenarios (i) and (ii), proceed to the next question, otherwise, please complete the table as requested.

Name the Person/Entity Property Owner Relationship to Applicant Property Address Comments

Individual Completing Application

Name David Chiazza

Title Executive Vice President, Iskalo

Development Corp.

Address 5166 Main Street

Address 2

City Williamsville
State New York
Zip 14221

Phone (716) 633-2096 Fax (716) 633-5776

E-Mail dchiazza@iskalo.com

Company Contact (if different from individual completing application)

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney Terrence M. Gilbride

3/13/2020

Firm Name Hodgson Russ LLP

Address The Guaranty Building, 140 Pearl Street, Suite

100

Address 2

City Buffalo
State New York
Zip 14202

Phone (716) 848-1248

Fax

E-Mail tmgilbrid@hodgsonruss.com

Benefits Requested (select all that apply)

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

Applicant Business Description

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

Iskalo Development Corp. is a full-service, commercial real estate development company active throughout WNY. Iskalo Development undertakes both ground-up and adaptive re-use projects which are owned by affiliate entities (typically LLCs). Iskalo Development serves as its own developer, architect, construction manager and property manager. Iskalo 6700 Transit LLC was formed to acquire the Transit Road property assemblage and own any subsequent redevelopment of the property.

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%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

80

Describe vendors within Erie County for major purchases

Contractors/vendors for building construction and alteration, building related equipment, and property maintenance services

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

6700 Transit Road (assemblage also includes 6704 and 0 Transit Road parcels)

Town/City/Village of Project Site

Town of Cheektowaga

School District of Project Site

Depew Union Free School District

Current Address (if different)

Occupant for Proposed Project currently headquartered at 55 East Huron, Buffalo NY (this facility will remain in operation once new building is complete)

Current Town/City/Village of Project Site (if different)

Buffalo

SBL Number(s) for proposed Project

Section 82.03; Block-4; Lots 1, 2 and 3

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

\$111,970.33 (combined Town, County & School) for the 3 parcels comprising the assemblage

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 18,290.00

Building(s)

\$10,878.00

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

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

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

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

6700 Transit Road and a portion of 0 Transit Road is improved with a hotel building (circa 972) that ceased operation in the fall of 2017. 6704 Transit Road is improved with a former gas station building (circa 1967) that was most recently used as a used car dealership that ceased operation approximately 2 years ago.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated 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)

Demand for Big Ditch Brewing craft beer exceeds the production capacity of the company's downtown Buffalo facility. Therefore, Big Ditch is seeking to expand into a new facility that can accommodate its long term growth. The proposed new facility, which Big Ditch Brewing would lease from Iskalo 6700 Transit LLC, would be 105,315 +/- square feet of which 58,690 square feet (55.7%) would consist of brewery production and company offices (i.e. "non-retail"). The balance of the facility would consist of an expansive tap room, event space and related support areas (i.e. "retail"). Agency assistance is ONLY being sought for the non-retail components of the overall project. Big Ditch Brewing's existing brewery production and tap room operations in its downtown location would remain in operation after the new project is completed. The proposed project is conceived to be a world-class destination brewery, serving as an anchor of the burgeoning craft beer tourism industry in Western New York. The project site is located along the I-90 at the Transit Road interchange which will provide high visibility & convenient access to the brewery. In addition to the investment to be made by Iskalo 6700 Transit LLC in the development of the new facility, Big Ditch Brewing anticipates making an initial investment of up to \$15 million in new Production Equipment and other Furniture, Fixtures & Equipment to be installed in the building (this equipment investment is not part of this application). The initial phase of brewery equipment installation would enable production of up to 50,000 barrels of beer annually, more than 3 times the production capacity of Big Ditch Brewing's current downtown Buffalo facility. The production capacity of the new facility will ultimately be able to accommodate future expansion to 100,000 barrels (in addition to the brewing capacity of Big Ditch Brewing's existing downtown Buffalo facility which will remain in operation).

Municipality or Municipalities of current operations

City of Buffalo (the Buffalo facility will remain in operation after completion of the proposed facility)

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

No

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 within New York State 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 Intermunicipal Move Determination section of this application)

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, type of assistance offered and provide supporting documentation available

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

No

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

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 project, as presently conceived and described herein, could not be undertaken without the requested assistance from the Agency.

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

Big Ditch Brewing's current brewery has reached its useful capacity of 15,000 barrels of annual production and is currently scheduled at >99% utilization. A substantial increase in brewery capacity is needed for Big Ditch Brewing to meet current demand and anticipated growth in demand from existing markets served as well as expansion into new geographic markets. The additional brewing capacity of the proposed new facility will also enable Big Ditch to increase the number/variety of beers packaged and sold (SKUs) and to conduct appropriate research and development in order to innovate new beer products; a critical factor for all craft brewers. The new facility will relieve these immediate pressures and provide sufficient capacity for anticipated growth for the foreseeable future. The initial phase of equipment to be purchased for the facility by Big Ditch Brewing will increase annual craft beer production by 50,000 barrels per year which would place Big Ditch Brewing among the top 5 of independently owned craft brewers in New York State and in the top 50 of independently owned craft brewers in the United States. Fulfilling this growth is necessary for Big Ditch Brewing to achieve its goal of being recognized as a world-class brewery. In this regard, the quality, scale, design, and visibility of the new destination brewery building proposed to be located alongside and proximate to an I-90 interchange will further enhance the Big Ditch Brewing's brand and serve to enhance the burgeoning craft beer tourism draw within Western New York. Big Ditch Brewing is a young company that has grown from 2,000 barrel production in 2015 to 15,000 barrels in 2019. However, the scale of the proposed facility represents a substantial expansion and will require a significant long term commitment carrying with it considerable risk. The provision of sales tax and PILOT incentives from the Agency to the project developer will be passed through to Big Ditch Brewing for the purpose of mitigating some of this risk, enabling the project to proceed as presently planned so that the long term benefits described in the preceding paragraph can be realized.

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

No

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

As the current Big Ditch Brewing facility is at production capacity, there is an immediate need to develop a new facility to provide additional capacity regardless of whether or not the Agency provides assistance. As the non-retail portion of the project is eligible for Agency assistance, applicant and Big Ditch has progressed the project engineering and design upon the reasonable expectation (but not presumption) that Agency assistance would be granted. Denial by the Agency of this application for requested assistance would be detrimental to the project and Big Ditch, likely necessitating that a project of more modest scope would be pursued which may not be justifiable on the proposed Transit Road site given its high cost of acquisition and site preparation (which includes expensive asbestos abatement and demolition of existing buildings). Whether or not the project could proceed on the Transit Road site, the delay resulting from the need to re-plan the project would cause great harm to Big Ditch as it would not be able to meet current production demand which would adversely impact its competitive market position at a pivotal time.

Will project include leasing any equipment?

Na

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Public transportation is reasonably close to the project location. Bus routes 66 and 48 are available from a stop at Transit Road and Main Street.

Has a project related site plan approval application been submitted to the appropriate planning department?

Νo

If Yes, include the applicable municipality's and/or planning department's approval resolution, the related State Environmental Quality Review Act ("SEQR") "negative declaration" resolution, if applicable, and the related Environmental Assessment Form (EAF), if applicable.

If No, list the ECIDA as an "Involved Agency" on the related EAF that will be submitted to the appropriate municipality and/or planning department for site plan approval.

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

Yes

Describe the present zoning/land use

Assemblage includes M1 (Light Industrial) and GM (General Commercial) zoning classifications.

Describe required zoning/land use, if different

Proposed project is compatible with current zoning of the site

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?

Nο

If yes, please explain

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

Yes

If yes, please provide a copy.

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

If yes, please provide copies of the study.

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

No

If yes, describe the efficiencies achieved

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?

Yes

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

The hallmark of the craft beer industry and hence, the critical mission of any craft brewery is the innovation of new craft beer and related products. Big Ditch Brewing invests approximately \$60,000 annually in the research and development of new products though this activity is limited by available capacity at the current facility. The investment in research and development will increase substantially once the new facility is completed as capacity will be freed up at the downtown facility where principal R&D activities will continue to be centered.

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

For purposes of the following, 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.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales Yes **Services** No

Please check any and all end uses as identified below.

Yes Acquisition of Existing Facility No Assisted Living No Back Office

No Civic Facility (not for profit) No Commercial No Equipment Purchase No Facility for the Aging Yes Industrial

No Market Rate Housing No Mixed Use No Multi-Tenant

Yes Retail No Senior Housing Yes Other

office space, single tenant

No Life Care Facility (CCRC)

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

% of Total Cost Cost

Manufacturing/Processing	54,011 square feet	\$16,565,145	51%
Warehouse	square feet	\$0	0%
Research & Development	square feet	\$0	0%
Commercial	square feet	\$0	0%
Retail	45,218 square feet	\$13,868,337	43%
Office	6,086 square feet	\$1,866,573	6%
Specify Other	square feet	\$0	0%

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

No

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

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

Will project result in significant utility infrastructure cost or uses

No

What is the estimated project timetable (provide dates)

Start date: acquisition of equipment or construction of facilities

8/1/2020

End date: Estimated completion date of project

12/31/2021

Project occupancy: estimated starting date of occupancy

1/1/2022

Project Information

Estimated costs in connection with Project

Land and/or Building Acquisition

\$ 5,250,055 square feet 9 acres

New Building Construction

\$ 21,500,000 105,315 square feet

New Building addition(s)

\$ 0 square feet

Reconstruction/Renovation

\$ 0 square feet

Manufacturing Equipment

\$0

Infrastructure Work

\$0

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

\$0

Soft Costs: (Legal, architect, engineering, etc.)

\$3,175,000

Other Cost

\$ 2,375,000

Explain Other Land/Building Acquisition includes ACM abatement and demolition

Costs Other Cost includes Land Carry Costs, Construction Loan Interest,

Developer Fee, Contingency

Total Cost 32,300,055

Construction Cost Breakdown:

Total Cost of Construction \$21,500,000 (sum of 2, 3, 4 and 5 in Project Information, above)

\$10,750,000.00

\$940,625.00

Cost of materials \$10,750,000.00

80% % sourced in Erie County

Sales and Use Tax:

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

Estimated State and local Sales and Use Tax Benefit (product of

8.75% multiplied by the figure, above):

\$0

Project refinancing estimated amount, if applicable (for

refinancing of existing debt only)

Have any of the above costs been paid or incurred as of the date Yes

of this Application?

If Yes, describe particulars: Land/Building Acquisition Costs of \$4.4 million, Approximately

\$200,000 in Site Carry Costs, Approximately \$750,000 in

Architecture/Engineering Costs

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$5,300,055

> **Bank Financing:** \$0

Tax Exempt Bond Issuance (if applicable): \$0

Taxable Bond Issuance (if applicable): \$0

Public Sources (Include sum total of all state and federal grants \$0

and tax credits):

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program,

ESD, other public sources)

Total Sources of Funds for Project Costs: \$5,300,055

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of 27,000,000

^{**} Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

construction/permanent/bridge financing).

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by ¾ of 1%):

\$202,500

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, 485-b, other):

<u>IDA PILOT Benefit</u>: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

<u>Percentage of Project Costs financed from Public Sector sources</u>: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization

Iskalo Development Corp. is an equal opportunity employer. In the course of bidding and awarding contracts as the Construction Manager for all Iskalo affiliate projects, it does not discriminate. With respect to its internal practices, Iskalo Development Corp. first seeks to obtain quotes from, and to award contracts to, qualified companies that will employ workers that are residents in the Western New York region. Companies are deemed to be qualified if they have (a) been in business for at least three years, (b) have relevant experience to what is being sought, (c) have a proven track record of successful completion of projects/work for other clients, (d) are price competitive. In preparation for bidding construction work, Iskalo Development Corp actively promotes that it will be seeking bids for a particular project and actively solicits bidding interest from contractors and subcontractors of all types including, union, open shop, MBE, WBE and DVOCs. In this regard, the list of NYS certified MWBE firms will be consulted by Iskalo in the assemblage of a prospective bidders list.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

You must include a copy of the most recent NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return.

Full Aires	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	13	0	90	101
Part time	0	0	156	156

Estimate number of

246

Part time 13

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or 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	18	\$65,000	\$5,050	\$0	\$0
Professional	5	\$60,000	\$5,050	\$0	\$0
Administrative	0	\$0	\$0	\$0	\$0
Production	7	\$55,000	\$2,400	\$0	\$0
Independent Contractor	0	\$0	\$0	\$0	\$0
Other	216	\$28,000	\$3,400	\$15,600	\$0

0

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

Address	55 East Huron Buffalo		
Full time	47	0	0
Part time	44	0	0
Total	91	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

6,000,000

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)

37,000

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

15,600

Estimated salary range of jobs to be created

From (Full Time)	25,000	To (Full Time)	100,000
From (Part Time)	14,000	To (Part Time)	28,000

^{**} Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

6700, 6704 and 00 Transit Road, Cheektowaga, NY

Name and Address of Owner of Premises

Iskalo 6700 Transit LLC, c/o 5166 Main Street, Williamsville, NY 14221

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

Project site is relatively flat, somewhat trapezoidal-shaped property assemblage located on the west side of Transit Road along the north side of the I-90. The assemblage is approximately 9.1 acres in size and located in the Town of Cheektowaga. The property is mostly improved with two buildings including an existing, non-operating hotel building and vacant former gas station/used car dealership. The westernmost 3.5 +/- acres of the property assemblage are unimproved of which 3.0 +/- acres would be improved with parking and storm water detention facilities as part of the proposed project. There is a small (.713) federally jurisdictional wetland located on the westernmost part of the assemblage. Applicant submitted a joint application to NYSDEC and US Army Corps. of Engineers in February 2020 seeking a permit to impact to .33 acres of this wetland.

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

The premises consists of a 9.1 +/- acre site improved with non-operating hotel constructed around 1972 and a former gas station constructed around 1967 that was used for the last 20 +/- years for used car sales until it ceased operation in 2018. The existing buildings and site improvements are obsolete and would be demolished as part of the project. The proposed improvements include construction of a new destination brewery of approximately 105,315 square feet in size that will be used for brewery production, office space and restaurant/event space together with related parking and site infrastructure (landscaping, drainage etc.).

Describe all known former uses of the Premises

6700 Transit - hotel 6704 Transit - used car sales, gas station 00 Transit - portion unimproved, portion paved for parking related to former hotel

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?

Νo

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

none

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

Anticipated non-hazardous wastewater discharges will occur from the production of beer. Though not required, the project will include installation of a tank for collection of these non-hazardous wastewater "solids" produced in the brewing process. The wastewater "solids" collected in this tank will be periodically extracted by a private contractor and taken off-site for disposal.

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

Project will involve discharge of storm water from run-off from the building roof, parking lot and any hardscapes which will be engineered and constructed in accordance with Town of Cheektowaga and NYSDEC storm water requirements. Project will involve discharge of sanitary waste from brewery production and restaurant/events space. As previously stated, to reduce sanitary discharge into public sewer systems, the project will include installation of a collection tank to capture non-hazardous wastewater solids from brewery process which solids will be extracted and disposed of off-site via private contract.

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

No .

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

<BLANK>

If yes, attach a copy of each permit.

Storage Tanks

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

There is a small (750 gal +/-) oil water separator located along the rear of the building at 6704 Transit Road. Applicant had the separator emptied of its contents upon acquisition of the property. Investigations were conducted to confirm there have been no leaks from this separator. Separator will be removed as part of building demolition.

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?

Yes

If yes, please identify the materials

ACM are present in the former hotel at 6700 Transit Road in yellow/tan joint compound located in all guest rooms, beige mottled floor tile and associated black mastic on concrete deck in first floor laundry and utility rooms, domestic hot water tank insulation, caulk on perimeter of guest entry doors, roof felt under sloped metal roof, and aluminum coated build up roofs. ACM are present in the building at 6704 Transit Road in the caulk on store front window, overhead doors and restroom doors. Pre-demolition survey has been completed and all ACM will be abated prior to demolition of buildings.

Section IV: Facility Type - Single or Multi Tenant

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

Single Use Facility

For Single Use Facility

Occupant Name Big Ditch Brewing Company LLC

Address 55 East Huron, Buffalo, NY 14203

Contact Person Matthew Kahn

Phone (716) 854-5050

Fax

E-Mail matt.kahn@bigditchbrewing.com>

Federal ID # 46-2849859

SIC/NAICS Code NAICS - 312120; SIC 2082

SS

Section V: Tenant Information

■ PART 1 TO RE

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Big Ditch Brewing Company LLC

Property Address:

current address: 55 East Huron

City/Town/Village

Buffalo, NY 14203

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)

105,315

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

Sales tax savings are passed through to the tenant in the form of lower rent. As lease is triple net, benefit of PILOT is direct to Tenant which will pay 100% of PILOT.

Estimated date of occupancy

1/1/2022

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Big Ditch Brewing Co. LLC

Local Contact Person:

Matthew Kahn

Title:

President

Current Address:

55 East Huron, Buffalo, NY 14203

Phone:

(716) 854-5050

Fax:

E-Mail:

matt.kahn@bigditchbrewing.com

Website:

www.bigditchbrewing.com

Company President/General Manager:

see above

Number of employees moving to new project location:

Full-Time:

13

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:

Big Ditch Brewing Co. LLC is a brewer of craft beer. Big Ditch Brewing also operates a tap room restaurant at its flagship location at 55 East Huron Street in Buffalo, NY. 100% of Big Ditch Brewing's sales are presently in New York State. Of this, 76% is in Erie and Niagara Counties, 20% is in Monroe and adjoining counties, and 4% is in bordering counties (Cattaraugus, Chautauqua, Genesee, Orleans, Wyoming, Allegany). NAICS code is 312120.

Attach additional information as necessary.

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

Big Ditch Brewing Co. LLC was formed in 2013 by private, local interests. Production of craft beer commenced in the fall of 2014 at its location at 55 East Huron. In the spring of 2015, Big Ditch Brewing opened its tap room at the same location. The brewery was expanded to its current (full) capacity in 2017. Big Ditch Brewing intends to remain an independent, privately owned brewery for the foreseeable future.

Please list the square footage which the proposed tenant will lease at the Project location

105,315

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

16,508

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

Big Ditch Brewing's current leased facility is brewing at full capacity, 3 shifts, 7 days a week. In order to keep pace with demand and grow its market footprint, Big Ditch must expand production. The proposed new Transit Road facility will enable Big Ditch Brewing to keep pace with growing demand for its craft beer, expand into new markets and innovate new beer products. The new facility will also provide expanded office facilities and will serve as Big Ditch Brewing's corporate headquarters. Big Ditch would retain its current location for continued craft beer production and tap room operation.

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

If owned, what will happen to the existing facility once vacated? not applicable

If leased, when does lease expire?

6/30/2025

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

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

The landlord/owner of the building that is presently home to Big Ditch Brewing received Agency assistance for the brewery portion of Big Ditch Brewing's operation in 2014. The term of Big Ditch Brewing's lease at 55 East Huron will run through June of 2025.

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

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.

Will any portion of the project consist of facilities or property that is primarily used in making sales of goods or services to customers who personally visit the project site?

<BLANK>

If the answer is yes, please continue. If no, proceed to the next section.

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?

43 %

If the answer to this is less than 33% do not complete the remainder of the page, proceed to the next section.

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

Will the project be operated by a not-for-profit corporation?

No

Is the project location or facility likely to attract a significant number of visitors from outside the economic development region (Erie, Niagara, Allegheny, Chautauqua and Cattaraugus counties) in which the project will be located?

Yes

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

Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the municipality? Are services provided at the proposed project site needed because of a lack of reasonably accessible retail trade facilities offering such goods or services?

No

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

Will the project preserve permanent, private sector jobs or increase the overall number of permanent private sector jobs in the State of New York?

Yes

If yes, explain

see jobs section of this application

Is the project located in a Highly Distressed Area?

No

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

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

No

Section VIII: 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.

Current Address

55 East Huron Street

City/Town

Buffalo

State

New York

Zip Code

14203

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?

Within New York State No

Within Erie County No

If Yes to either question, please, explain

Note - Project involves expansion of Big Ditch Brewing into the Town of Cheektowaga. The existing Big Ditch Brewing facility (in its entirety) located at 55 East Huron in the City of Buffalo facility will remain in operation after completion of the new facility.

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.)

n/a

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

<BLANK>

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

Business will NOT be relocating but rather expanding into a new facility while retaining and operating its existing City of Buffalo facility in its entirety.

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.

n/a

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multifamily housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

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

No