

Iskalo 6700 Transit Road, LLC
\$32,300,055
INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Iskalo 6700 Transit Road, LLC								
<ul style="list-style-type: none"> • NAICS Section - 531110/312120 	Project Address: 6700 and 6704 Transit Road Cheektowaga, NY (Lancaster CSD)								
COMPANY INCENTIVES									
<ul style="list-style-type: none"> • Approximately \$536,156 in sales tax savings • Approximately \$1,232,000 in real property tax savings • Approximately \$115,425 in mortgage tax savings 	<table> <tr> <td>Acquisition</td><td>\$ 5,250,055</td></tr> <tr> <td>New Building Construction</td><td>\$21,500,000</td></tr> <tr> <td>Soft Costs/Other</td><td>\$ 5,550,000</td></tr> <tr> <td>Total Project Cost</td><td>\$32,300,055</td></tr> </table>	Acquisition	\$ 5,250,055	New Building Construction	\$21,500,000	Soft Costs/Other	\$ 5,550,000	Total Project Cost	\$32,300,055
Acquisition	\$ 5,250,055								
New Building Construction	\$21,500,000								
Soft Costs/Other	\$ 5,550,000								
Total Project Cost	\$32,300,055								
EMPLOYMENT									
<ul style="list-style-type: none"> • Projected New Jobs - 90 FT 156 PT • Annual payroll: \$6,000,000 • Estimated salary of jobs to be created: FT - \$37,000 • Estimated salary of jobs to be Created PT - \$15,600 	<table> <tr> <td>85%</td><td>\$27,455,046</td></tr> </table> <p style="text-align: center;">Company Description</p> <p>Iskalo 6700 Transit Road, LLC was formed by Iskalo Development for the purpose of undertaking the proposed project. Iskalo Development is involved in various types of commercial development in the Western New York area. Examples of projects undertaken by the company include the historic Electric Tower renovation, redevelopment of the former Kane Doyle Jeep Dealership in Kenmore as well as several properties along the Main Street Corridor in the Town of Amherst.</p> <p>In 2014 Iskalo converted a building located at 337 Ellicott Street, formerly occupied by Verizon, into a production brewery for Big Ditch.</p>	85%	\$27,455,046						
85%	\$27,455,046								
PROJECT HISTORY									
<ul style="list-style-type: none"> • 04/29/2020 - Town of Cheektowaga as lead agency adopts negative declaration in accordance with SEQRA • 05/18/2020 - Public hearing held. Transcript attached. • 05/27/2020 - Lease/Leaseback Inducement Resolution presented to the Board of Directors 	<p style="text-align: center;">Project Description</p> <p>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 would lease from Iskalo, would be 105,315 +/- sq. ft. of which 58,690 sq. ft. (56%) would consist of brewery production and company offices. The balance of the facility would consist of an expansive tap room, event space and related support area which according to New York State law constitute a retail operation. Agency assistance is being sought only for the non-retail component of the overall project. There will be no disruption to production at the Buffalo location.</p> <p>The proposed project is conceived to be a world-class destination brewery, serving as an anchor of the burgeoning craft beer tourism industry in WNY. The initial phase of brewery production equipment would enable production of up to 50,000 barrels of beer annually, more than 3 times the production capacity of the current Buffalo operation and ultimately lead to a production capacity of 100,000 barrels per year.</p>								

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue Over 10-year abatement period	Additional Local Revenue over 10-year abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$111,970	\$4,202,000	\$52,000	\$276,000	\$156,000
Combined Tax Rate: \$37.12				

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 = \$32,300,055 85% = \$27,455,046
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 90 FT 85% = 76 FT Create 85% of Projected Projected = 156 PT 85% = 66 FTE Recapture Employment = 142 FTE
Local Labor	Construction period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 10-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 10-year PILOT	Adherence to Policy
Recapture Period	Coincides with 10-year PILOT	State and Local Sales Taxes, Real Property Taxes, Mortgage Tax

Recapture applies to:
State and Local Sales Taxes
Real Property Tax Savings
Mortgage 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 completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) Company has created 142 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.