

**11580 Walden Ave LLC / North Eastern Alliance Redevelopment Project
\$ 33,068,293**

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 111419

COMPANY INCENTIVES

- Approximately \$ 2,718,020 in real property tax savings
- Up to \$ 976,100 in sales tax savings
- 3/4 of 1% of the final mortgage amount up to \$ 112,500

JOBS & ANNUAL PAYROLL

- Current Jobs : 0
- Projected new jobs: 80 FT, 10 PT
- Est. salary/yr. of jobs created: \$ 59,500 FT, \$23,000 PT
- Total jobs after project completion (85% new jobs): 72 FTE
- Annual Payroll at site upon project completion: \$4,800,000
- Construction Jobs: 129

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$110,282,625
 - Spillover Jobs: 228
- Total Payroll: \$103,333,143

INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*

Incentives: \$3,544,880
Community Benefit: \$100,234,166
Cost: Benefit Ratio

- 1:28

Project Title: North Eastern Alliance Redevelopment Project

Project Address 11580 Walden Avenue, Alden NY 14004
(Alden Central School District)

Agency Request

A property tax, sales tax, and a mortgage recording tax abatement in connection with the redevelopment of the former Erie County Home and Infirmary (abandoned 2013) into a 58,000 SF cannabis cultivation, processing and distribution facility.

Building Construction	\$ 22,868,293
Manufacturing Equipment	\$ 8,500,000
Non- Manufacturing Equipment	\$ 1,000,000
Soft Costs/Other	\$ 700,000
Total Project Cost	\$ 33,068,293
85%	\$ 28,108,049

Company Description

11580 Walden Ave LLC is wholly owned by North Eastern Alliance LLC. North Eastern Alliance LLC is owned by 8586 Partners LLC (30%) and North Mill NY LLC (70%). 8586 Partners is 50%/50% owned by Ryan Rich and Luke Rich. North Mill NY LLC is wholly owned by Dante Domenichelli. The applicant is a group of seasoned industry professionals focused on delivering best in class products and operational excellence.

Project Description

The construction and equipping of a one-story 57,933 SF cannabis cultivation, processing and distribution facility on approximately 5 acres of land. The facility will be leased by the applicant, 11580 Walden Ave LLC to its sole member and tenant- North Eastern Alliance LLC. By combining deep expertise with efficient, scalable systems, the tenant will create product of superior value and quality that flows through the supply chain to the end consumer.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

The Erie County Industrial Development Agency uses the Cost Benefit Analysis Tool powered by MRB Group to assess the economic impact of a project applying for incentives. A Cost-Benefit Analysis is required by Section 859-a (5)(b) of General Municipal Law. For the complete Cost Benefit Analysis – please see the attached MRB Cost Benefit Calculator.

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	\$2,718,020
	Sales	\$ 976,100
	Mortgage Recording	\$ 112,500
	Total	\$3,806,618
	Discounted at 2%	\$3,544,880

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 20,200,287
			Payroll Permanent	\$ 83,132,855
		Public	Property Taxes	\$ 679,702
			Sales Taxes	\$ 858,957
			Other Muni Revenue (NFTA)	\$ 37,500
	New York State	Public	Income Taxes	\$ 4,649,991
			Sales Taxes	\$ 723,332
			Total Benefits to EC + NYS***	\$110,282,625
			Discounted at 2%	\$100,234,166

* Cost Benefit Analysis Tool powered by MRB Group **includes direct & indirect \$ over project period ***may not sum to total due to rounding

Discounted Cost \$3,544,880
 Discounted Benefit \$100,234,166
 Ratio 1:28

Conclusion: The Cost Benefit for this project is: 28:1. For every \$1 in costs (incentives), this project provides \$28 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$32 in benefits to the community.**

New Tax Revenue Estimated

PILOT Type	Current Yearly Taxes (land only)	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Town Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
10 Year Standard PILOT	\$14,664	\$12,558,000	\$ 147,156	\$ 45,029	\$ 487,321	\$ 354,416
			<u>\$ 73,578*</u>	<u>\$ 22,514*</u>	<u>\$ 243,660</u>	
			\$ 220,734	\$ 67,543	\$ 730,981	
10 Year EIP PILOT (Tier 1): has a 11 yr benefit period			\$ 167,372	\$ 51,215	\$ 554,268	

*added 1 years at full property taxes – for comparison purposes

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 = \$33,068,293 85% = \$ 28,108,049
Employment	Coincides with 10-year PILOT	Maintain Base = 0 Create 85% of Projected Projected = 80 FT, 10 PT = 85 FTE 85% = 72 FTE Recapture Employment = 72 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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording 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 72 FTE jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 1/29/26: Public hearing held.
- 2/25/26 Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 2/25/26: Lease/Leaseback Inducement Resolution presented to the Board of Directors