

Application Title

Tax Incentive Application

Section I: Applicant Background Information

Applicant Information - Company Receiving Benefit

Total Project Cost 10000000
Applicant Name 4455 Genesee Street LLC
Applicant Address 4455 Genesee Street, Buffalo, NY 14225
Phone 716-632-7500
Fax 716-631-6969
E-mail scott.schuler@calspan.com
Website www.calspan.com
Fed ID#

Individual Completing Application

Name Scott Schuler
Title Property Manager
Address 4455 Genesee Street, Buffalo, NY 14225
Phone 716-631-6982
Fax 716-631-6981
E-Mail scott.schuler@calspan.com

Company Contact (if different from individual completing application)

Name Peter Sauer
Title Chief Financial Officer
Address 4455 Genesee Street, Buffalo, NY 14225
Phone 716-631-6850
Fax 716-631-6852
E-Mail peter.sauer@calspan.com

Company Counsel

Name of Attorney Brian Pleban
Firm Name Calspan Corporation
Address 4455 Genesee Street, Buffalo, NY 14225
Phone 716-631-6956
 716-631-6969

Fax

E-Mail

brian.pleban@calspan.com

Identify the assistance being requested of the Agency

Exemption from Sales Tax	Yes
Tax Exempt Financing	No
Exemption from Mortgage Tax	No
Exemption from Real Property Tax	No
Assignment/Assumption of existing PILOT benefits	No

Business Organization

Type of Business	Limited Liability Company
Year Established	2005
State of Organization	New York

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

Please include name and % of ownership.

Niagara Frontier Holdings LLC John Yurtchuk - 50%; Louis Knotts - 50%

Business Description

Describe in detail company background, products, customers, goods and services

Calspan is the innovative leader in simulation, testing, training, and technology services which improve safety for the aerospace and transportation communities. Our vision is to live in a world where every vehicle and aircraft includes capability, knowledge, or safety enhancements directly attributable to Calspan...where our very name evokes a sense of comfort and security because we have made getting from one place to another safer for everyone. From the initial investigations into occupant behavior which gave rise to the crash test dummy to the pioneering work in safety restraints which led to the seat belt, Calspan has contributed significant transportation safety advances throughout its more than seventy year history.

Estimated % of sales within Erie County	95
Estimated % of sales outside Erie County but within New York State	95
Estimated % of sales outside New York State	5
Estimated % of sales outside the U.S.	

What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County? (You may be asked to provide supporting documentation of the estimated percentage of local purchases)

95% or more

Section II: Project Description & Details

Location of proposed project facility

Address	4455 Genesee Street
City	Buffalo
State	New York
Zip Code	14225
SBL Number	
Town/City/Village	Cheektowaga
School District	Cheektowaga
Present Project Site Owner	John Yurtchuk and Louis Knotts - 4455 Genesee Street LLC

Please provide a brief narrative of the project

This is a two phase project. Phase one involves the relocation of Harper International, a 36,000SF tenant with 100 employees, to the 4455 Genesee Street location. This includes the costs of renovating the space and all facility upgrades related to the move. Phase two is the revitalization of the Calspan Safety Campus including equipment purchases and infrastructure to position Calspan to compete on a national level. Both phases include the installation of new HVAC systems, plumbing, boiler installations, roofing, security systems, window installations, computer and network infrastructure including wiring, hardware & software, structural repairs, and aesthetic improvements.

Site Characteristics

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? (If yes, please provide copy)

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?

No

If yes, please provide copies of the study.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms

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

Yes
If yes, please attach additional documentation describing the efficiencies achieved.

Does or will company perform substantial research and development activities on new products/services at the project location?

Yes
If yes, please explain
Calspan performs research and development relating to both transportation (tires, car crashes, child seat restraints, crash data research and investigations) and Aerospace (transonic wind tunnel)

What percentage of annual operating expenses are attributed to the above referenced research and development activities?

100%, this is the core Calspan business.

Explain why IDA participation is necessary for this project to proceed. Focus on competitiveness issues, project shortfalls, etc.

Harper International has agreed to move their headquarters to the 4455 Genesee Street location, creating a hub for their customer base, contingent upon receiving IDA benefits. Failure to receive these benefits will result in the voiding of this lease agreement and Harper looking to move outside of NYS. Calspan has an aging safety campus that is in dire need of updating and upkeep. Calspan has been frequently courted by non-NYS municipalities offering incentives to relocate all or a portion of our operations.

Project Information

Estimated costs in connection with project

Land and/or Building Acquisition	\$ 0
0.00 acres 0.00 square feet	
New Building Construction	\$ 0
0.00 square feet	
New Building addition(s)	\$ 0
0.00 square feet	
Renovation	\$ 5500000
41000.00 square feet	
Manufacturing Equipment	\$ 0
Non-Manufacturing Equipment: (furniture, fixtures, etc.)	\$ 4000000
Soft Costs: (professional services, etc.)	\$ 500000
Other Cost	\$ 0
Explain Other Costs	
Total Cost	10000000
Project Refinancing (est. amount)	0

Select Project Type (check all that apply)

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

SIC Code
NAICS Code

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

		Cost	% of Total Cost
Manufacturing/Processing	0 square feet	0	0
Warehouse	0 square feet	0	10
Research & Development	40000 square feet	0	10
Commercial	0 square feet	0	0
Retail	0 square feet	0	0
Office	40000 square feet	0	80
Specify Other	0 square feet	0	0

Utilities and services presently serving site. Provide name of utility provider

Gas	
Electric	Size
Water	Size
Sewer	Size

Other (Specify)

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

Yes

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

Standard

What is your project timetable (Provide dates)

Start date : acquisition of equipment

2013-08-15

End date : Estimated completion of project

2014-12-31

Project occupancy : estimated starting date of operations

2015-01-15

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

No

Have any expenditures already been made by the company?

No

If yes, indicate particulars (ECIDA benefits do not apply to expenses incurred prior to Board approval)

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Employment Plan (Specific to location):

	Current # of jobs at project location or to be relocated at project location	If project is to retain jobs, number of jobs to be retained	Total # of jobs 2 years after project completion
Full time	200	100	215
Part time	2	2	2
Total	0	0	0

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

Address	Full time	Part time	Total
Harper International 100 West Drullard Ave Lancaster, NY 14086-1698	75	0	0
	0	0	0
Total	0	0	0

Payroll Information

Annual payroll

13400000

Estimated average annual salary of jobs to be retained

65366

Average estimated annual salary of jobs to be created

65366

Estimated salary range of jobs to be created

From 35000 **To** 100000

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

Yes

If yes, please explain and identify out-of-state locations investigated

Phase 1 - Chairman of the Harper International board is Canadian and expressed interest in locations in Ontario. Phase 2 - Majority of Calspan Safety Campus' customers are located out of state, primarily in Michigan. Tennessee and Kentucky have contacted Calspan on multiple occasions.

Were you offered financial assistance to locate outside of New York State?

Yes

If yes, from whom and what type of assistance was offered

Low cost power and tax abatement

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

Phase 2 - There is a competitive advantage for Calspan's competitors to be located closer to the customer base which resides outside of New York State.

Have you contacted or been contacted by other economic or governmental agencies regarding this project?

Yes

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

Tennessee and Kentucky as noted above

Section III: Adaptive Reuse Projects

Are you applying for a tax incentive under the Adaptive Reuse Program?

No

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

66.00

If yes, number of years vacant?

0

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)

No

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

Does the site have historical significance?

Yes

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 (cash flow projections documenting costs, expenses and revenues indicating below average return on investment rates compared to regional industrial averages)

Our buildings, while historically significant, are very aged and expensive to maintain. The requested sales tax relief for needed upgrades will provide the needed affordability to implement. Nearly all of these costs will be expended in Erie County.

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the ECIDA with documentation of this support in the form of signed letters from these entities

None at this time.

Please indicate other factors that you would like the 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 or structure is presently delinquent in property tax payments

This site has been formally recognized as a historical site by the American Institute of Aeronautics and Astronautics (AIAA)

Section IV: Retail Determination

Will project involve the sales of goods or services to customers who personally visit the facility?

No

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.

What percentage of the cost of the project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project?

0.00

%

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).

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

<BLANK>

Is the project likely to attract a significant number of visitors from outside the economic development region in which the project will be located?

<BLANK>

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

Would the project occupant, but for the contemplated financial assistance from the industrial development agency, locate the related jobs outside the State of New York?

<BLANK>

If yes, please provide documentation regarding investigation of sites outside New York State.

Is the predominant purpose of the project to make available goods or services which would not otherwise be reasonably accessible to the residents of the project municipality?

<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>

Is the project located in a Neighborhood Redevelopment Area?

<BLANK>

Section V: Inter-Municipal Move Determination

Does this project involve relocation or consolidation of a project occupant from another municipality or abandonment of an existing facility?

Within New York State Yes

Within Erie County Yes

If EITHER IS YES, please complete the following. If BOTH ARE NO, please 'save and continue' to the next section (Section VI: Facility Type - Single or Multi Tenant).

The Agency is required by state law to make a determination that Agency assistance is required to prevent the project occupant from relocating out of the state, or to preserve the project occupant's competitive position in its respective industry.

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 (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...)

20-30 foot high ceilings in at least 5,000 SF of space. Location near a major airport. Street frontage for signage visibility.

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

Yes

Is the project reasonably necessary to preserve the project occupant's competitive position in its industry?

Yes

If yes, please explain and provide supporting documentation

The 4455 Genesee Street location provides the capacity for a central headquarters as opposed to multiple locations for their corporate support and lab engineers.

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

Harper International was founded in Erie County and values the historical impact as well as their commitment to their employees roots in that history.

What is going to happen to the current facility that project occupant is located in?

Rented out to a different tenant.

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.

Quebicore building - site layout not appropriate and cost effective.

Section VI: 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 Calspan Corporation

Address 4455 Genesee

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?

Yes

If yes, please list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business

Section VII: Environmental Questionnaire

General Background Information

Address of Premises

4455 Genesee Street Buffalo, NY 14225

Name and Address of Owner of Premises

4455 Genesee Street LLC 4455 Genesee Street Buffalo, NY 14225

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

Office and Industrial space on commercial street.

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

Mid 40's brick building construction

Describe all known former uses of the Premises

same as today

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?

No

If yes, please identify the substance, the quantity and describe how it is stored

Discharge Into Waterbodies

Briefly describe any current or contemplated industrial process discharges (including the approximate volume, source, type and number of discharge points). Please provide copies of all permits for such discharges

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

none

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

Pipe fittings, floor tiles which have either been abated or labeled properly.