

2019 ECIDA Progress Assessment Report

Agenda

- Compliance Monitoring - Material Terms
- Compliance Summary
- Local Labor Results
- Sales Tax Compliance
- Compliance Meetings

Compliance Monitoring - Material Terms

- Investment
 - Requires a private investment equal to at least 85% of the project cost
 - Clients submit an investment certification and a copy of their project budget after construction is complete
- Job Retention
 - Clients are required to maintain 90 or 95% of their jobs at application (150 or less retain 90%; 150+ retain 95%)
 - Monitored by quarterly employment surveys and NYS-45 form (or other supporting documentation)
- Job Creation
 - Clients are required to create 85% of their job projections
 - Monitored by quarterly employment surveys and NYS-45 form (or other supporting documentation)
- Local Labor Policy
 - Requires that 90% of all contractors/sub-contractors to reside within the 8 counties of WNY (Erie, Niagara, Cattaragus, Chautaugua, Allegany, Wyoming, Genesee, Orleans)
 - Monitored by quarterly local labor reports
- Pay Equity Policy
 - Requires clients to pay male and female employees the same wages for similar work
 - Monitored by random pay equity audits; audits are performed by the Erie County Division of Equal Employment Opportunity
 - 3 audits in 2019 - Column Development, 570 Associates, Iroquois Bar; no issues
- Unpaid Real Property Tax Policy
 - Requires individuals who hold at least a 25% ownership interest in the applicant (entity receiving benefits) to pay all taxes on all properties located within Erie County
 - ECIDA staff monitors by requesting a list of all properties in which the applicant has a 25% or more ownership interest. The property list is forwarded to the Erie County Commissioner of Real Property Services for confirmation that all real property taxes, special district charges and/or PILOT payments are current.

Compliance Summary

- In 2019, 76 projects were obligated under the recapture policy
- These companies fulfilled their agreements with the ECIDA in 2019 and are no longer active:
 - 432 Abbott Road/PAMS Properties
 - 4455 Genesee Street/Calspan Corp.
 - Curtiss Buffalo
 - Fisher-Price
 - Latina Boulevard Foods
 - Lazarus Properties
 - Rosina Food Products
 - Sodexo
- 100% compliance with the Local Labor Policy
- 100% compliance with the Pay Equity Policy
- 100% compliance with the Unpaid Tax Policy
- 92.1% compliance with job retention/job creation requirements
 - 5 clients are subject to benefit adjustments in 2019
 - Custom Sheet Metal repaid \$1,956.02 in benefits & terminated its PILOT
- 98.7% compliance with investment requirement documentation requests
 - ECIDA staff is in the process of obtaining the outstanding investment verification

2019 Local Labor Results

➤ 1st Quarter

- 1,116 total construction workers
- 98.75% resided within the 8 counties of WNY
- 1.25% resided outside the 8 counties of WNY
- 74.4% resided in Erie County

➤ 2nd Quarter

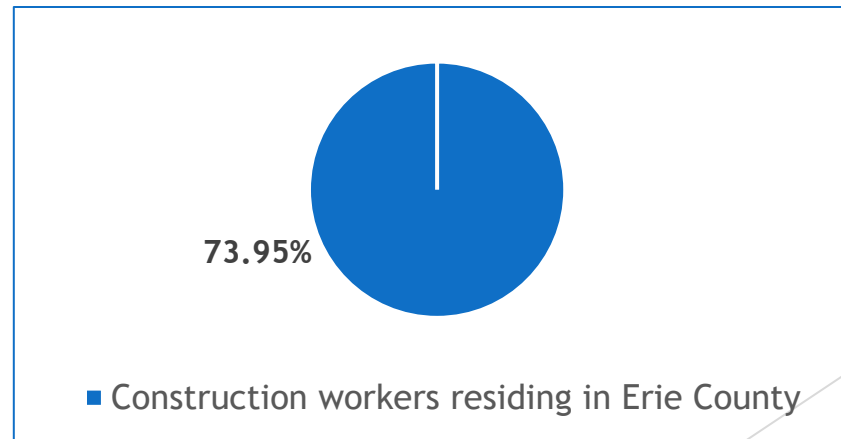
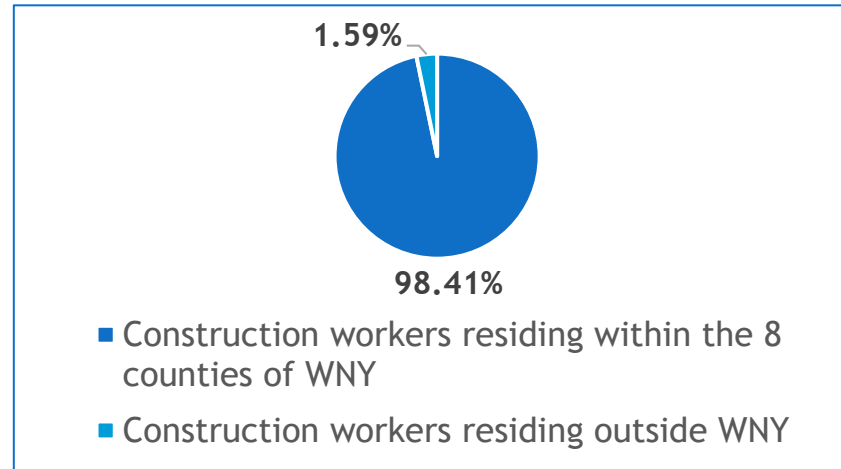
- 1,053 total construction workers on-site
- 99.05% resided within the 8 counties of WNY
- .95% resided outside the 8 counties of WNY
- 71.6% resided in Erie County

➤ 3rd Quarter

- 1,430 total construction workers on-site
- 98.32% resided within the 8 counties of WNY
- 1.68% resided outside the 8 counties of WNY
- 76.3% resided in Erie County

➤ 4th Quarter

- 1,289 total construction workers on-site
- 97.52% resided within the 8 counties of WNY
- 2.48% resided outside the 8 counties of WNY
- 73.5% resided within Erie County



Sales Tax Compliance

- ▶ The Board approves the amount that a company can receive in sales tax savings
- ▶ When a company reports more than the approved amount, it must repay the overage
- ▶ Sales tax savings are monitored through the ST-340 forms that companies submit to the NYS Tax Dept.; ECIDA requests a copy of the form
- ▶ Staff compares the sales tax savings amount approved by the Board with the ST-340 forms that clients submit; if a client exceeds the approved amount, staff informs the client that they must pay the overage
- ▶ Client sends a check to the ECIDA; ECIDA staff completes the ST-65 form and forwards the check to the NYS Tax Dept.
 - ▶ In 2019, one company repaid the NYS Tax Dept. for sales tax overages (Group V Real Estate, Inc./Athenex)
 - ▶ Total amount repaid \$13,991.28 (paid in March 2020 for the 2019 year)

Compliance Meetings

- ▶ ECIDA Client Meeting
 - ▶ Overview of all compliance requirements, material terms & recapture policy
 - ▶ Meeting held on September 18, 2019
 - ▶ 8 attendees from 6 companies
- ▶ Individual compliance meeting
 - ▶ 467 Richmond/REVPAC project on April 16, 2019