

2020 ECIDA Progress Assessment Report

Agenda

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

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, Cattaraugus, Chautaugus, 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
- 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 2020, 73 projects were obligated under the recapture policy (not including companies whose recapture obligation expired)
- These companies fulfilled their agreements with the ECIDA in 2020 and are no longer active:
 - 128 Pearl Street, LLC/St. Paul's Apartments
 - 1391 Hertel LLC
 - Barker Street Apartments/Glendale
 - Tomric Systems Expansion
 - R&M Leasing, LLC/Pierce Arrow Business Park
 - Curtis Niagara, LLC
 - ITT Enidine, Inc.
 - The Alexandre Apartments, LLC
 - Silos at Elk Street
- 100% compliance with the Local Labor Policy
- 100% compliance with the Pay Equity Policy
- 100% compliance with the Unpaid Tax Policy
- 100% compliance with job retention/job creation requirements
 - The ECIDA Board of Directors voted to modify its recapture policy and not impose recapture on clients that can demonstrate that its employment was reduced because of the pandemic.
 - Out of 14 companies, 19.17% of the portfolio were short of their employment goals due to COVID-19
 - 0 clients were subject to benefit adjustments in 2020.
- 100% compliance with investment requirement documentation requests

2020 Local Labor Results

➤ 1st Quarter

- 1,143 total construction workers
- 96.59% resided within the 8 counties of WNY
- 3.41% resided outside the 8 counties of WNY
- 69.55% resided in Erie County

➤ 2nd Quarter

- 801 total construction workers on-site
- 98.38% resided within the 8 counties of WNY
- 1.62% resided outside the 8 counties of WNY
- 69.54% resided in Erie County

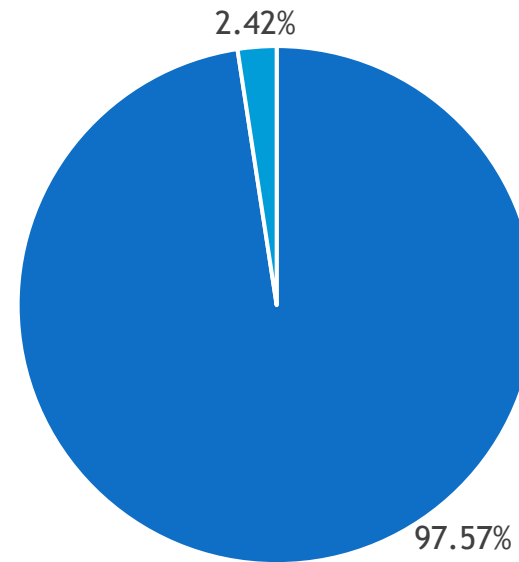
➤ 3rd Quarter

- 1,239 total construction workers on-site
- 96.85% resided within the 8 counties of WNY
- 3.15% resided outside the 8 counties of WNY
- 72.64% resided in Erie County

➤ 4th Quarter

- 1,129 total construction workers on-site
- 98.49% resided within the 8 counties of WNY
- 1.51% resided outside the 8 counties of WNY
- 77.23% resided within Erie County

2020 Local Labor Results



■ Construction workers residing within the 8 counties of WNY

■ Construction workers residing outside of WNY

72.24% of construction workers reside within Erie County

Sales Tax Compliance

- ▶ The Board approves the amount that a company can receive in sales tax savings
- ▶ If 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 2020, two companies repaid the NYS Tax Dept. for sales tax overages.
 - ▶ Total amount repaid was \$1,771.87, and \$25,501.90.

Compliance Meeting

- ▶ ECIDA Client Meeting
 - ▶ Overview of all compliance requirements, material terms & recapture policy
 - ▶ Meeting held on October 7, 2020
 - ▶ 35 attendees from 19 companies