



Policy Committee

May 13, 2021
9:00 a.m.

Via Conference Call & Live Streaming

1. Call Meeting to Order
2. Approval of the April 15, 2021 Policy Committee Minutes (Pages 2-6)
3. Project Matrix (Page 7)
4. Project Presentation (Staff – Company Q&A)
 - a) 283 Ship Canal Parkway (Pages 8-41)
 - b) MCG Real Estate Holdings, LLC (Pages 42-80)
5. Local Labor Waiver Steel Winds, LLC. (Pages)
6. Solar PILOTS (Pages 81-88)
7. MWBE Update
8. Adjournment – Next Meeting **June 3, 2021 at 9:00 a.m.**

**MINUTES OF A MEETING OF THE
POLICY COMMITTEE OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

- MEETING:** April 15, 2021, at Erie County Industrial Development Agency (the “ECIDA” or “Agency”), meeting held via phone conference. Governor Cuomo’s Executive Order 202.1, as amended from time to time, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency’s website at www.ecidany.com.
- PRESENT:** April Baskin; Rev. Mark Blue; Colleen DiPirro; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Glenn Nellis; Laura Smith; David State; Lavon Stephens and Maria Whyte
- EXCUSED:** Denise Abbott; Bryon W. Brown; Johanna Coleman and Richard Cummings
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Karen M. Fiala, Vice President/Secretary; Atiqah Abidi, Assistant Treasurer; Jamee Lanthier, Compliance Officer; Grant Lesswing, Business Development Officer; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Beth O’Keefe, Business Development Officer; Robbie Ann McPherson, Director of Marketing and Communications; and Pietra G. Zaffram, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Andrew Federick, Erie County Senior Economic Development Specialist; Lisa Hicks on behalf of the City of Buffalo; Alex Carducci on behalf of the City of Buffalo; Benjamin Harp on behalf of Polymer Conversions; Marc Wzykowski, Kellena Kane, Peter Sayadoff, and Michael Montante on behalf of Uniland Development

There being a quorum present at 2:20 p.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the March 4, 2021 Policy Committee meeting and the minutes of the March 26, 2021 Special Policy Committee meeting were presented. Upon motion made by Mr. Blue and seconded by Mr. State, the aforementioned Policy Committee meeting minutes were then unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency's Project Matrix. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

BLD VII, LLC, 8 Dona Street, Lackawanna, New York 14218. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a 151,200 sq. ft. industrial spec building. The building would be offered as a multi-tenant facility as there presently exists a demand for this type of space.

Uniland representatives presented renderings and further discussed the project.

Mr. Cappellino stated that in exchange for providing the sales and use tax, mortgage recording tax exemption and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

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 = \$14,570,786 85% = \$12,385,168
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 41 85% = 35
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	10-year PILOT term	Recapture of state and local sales taxes, mortgage recording tax and real property taxes

Ms. DiPirro stated given Uniland’s outstanding history and reputation as a developer, the demonstrated need in the market and redevelopment of Brownfield areas is indication of improvement of the economy. She is in favor of the project.

Mr. Blue stated interest in redevelopment of the former Bethlehem Steel site is a great opportunity.

Mr. Blue moved and Ms. McDuffie seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

Ms. Whyte is in favor of the project and thanked Mr. Cappellino and the Uniland team for their terrific work. She appreciated Uniland working with us on workforce goals that serve the community. Mr. State stated the project is enhancing area growth and was honored to support the project. Mr. Lipsitz thanked Uniland for their presentation noted upon completed there will be an estimated 350-400 workers on the entire site. Ms. Smith echoed everyone’s sentiment and stated Uniland is a great partner.

At this point in time, Mr. Krebs joined the meeting.

Polymer Conversions, Inc., 5732 Big Tree Road, Orchard Park, New York. Mr. Cappellino presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of an approximately 41,500+/- square foot expansion to the existing building for the purpose of expanding and consolidating the Company’s cleanroom manufacturing space, warehouse space, engineering offices, tool room space, and meeting space.

Mr. Hart from the company made a presentation to the members.

Ms. Smith stated she was in support of the project. Ms. McDuffie has followed this company for a very long time and is happy it has grown and is competitive in our region. She also supports the project.

Mr. Cappellino stated that in exchange for providing the sales and use tax, mortgage recording tax exemption and real property tax abatement benefits, the approval of this project will be conditioned upon adherence to certain material terms and conditions with respect to the potential modification, recapture and/or termination of financial assistance as follows:

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 = \$14,250,000 85% = \$12,112,500

Employment	Coincides with 10-year PILOT	Maintain Base = 125 Create 85% of Projected Projected = 15 85% = 13 Recapture Employment = 138
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	Recapture of state and local sales taxes, mortgage recording tax and real property taxes

Ms. McDuffie moved and Ms. Whyte seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval. Mr. Lipsitz called for the vote and the project was then unanimously approved.

EMPLOYMENT IMPACT COVID-10 PANDEMIC

Mr. Cappellino provided members with an update regarding the impact of the COVID-19 pandemic on employment Mr. Cappellino recommended adoption of special COVID-19 waiver to the Agency’s Recapture Policy 2020, noting any company who applies for the waiver must document the reasons for its request.

Ms. Smith queried if there was a trend as to type of industry or size of company seeing impacts from the pandemic. Mr. Cappellino noted certain back office employers have been impacted, and acknowledged the Agency’s project population steered to manufacturers.

Ms. Smith then queried as to how the Agency will know when the waiver is not needed. Mr. Cappellino replied that there will probably be conversation on this topic until 2022 or when the disaster order expires. Mr. Krebs stated it is a great idea and makes sense.

Ms. McDuffie noted this recommendation is indicative of Agency staff being responsive to community needs. It shows flexibility given the circumstances and she endorses this recommendation.

Mr. Lipsitz noted the thoughtful review because some businesses have increased productivity. The recommendation was well written and thoughtful and he supports the recommendation.

Ms. DiPirro moved and Ms. Whyte seconded to recommend the approval of the amendment to the Recapture Policy.

Ms. Whyte stated commended the thoughtful discussion and creativity in part of staff, noting it reduces to writing logic applied to earlier projects.

Mr. Lipsitz called for the vote and the project was then unanimously approved.

MWBE UPDATE

Ms. Whyte provided members with an update on the MWBE working committee.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 2:50 p.m.

Dated: April 15, 2021

Karen M. Fiala, Secretary

Project Matrix/Material Factors/Clawbacks

Count	Project Name	Approval Date	Project Amount	Investment	Jobs Retained	Job Creation	Jobs Created	Clawback	Local Labor	Length of Term	Additional Findings	*Incentive Amount	Adaptive Reuse	Pay Equity
1	172 East Niagara, LLC	Jan-21	\$2,836,736	85% threshold \$2,411,225	17	85% -New 2 jobs	3	Yes	Yes	Period of PILOT 7 Years		\$146,000	Adaptive Reuse	Yes
1	Calspan Corporation	Jan-21	\$13,500,000	85% threshold \$11,475,000	143	85% -New 17 jobs	20	Yes	Yes	Period of PILOT 10 Years		\$599,000		Yes
1	Thermo Fisher - North Expansion	Jan-21	\$85,000,000	85% threshold	807	85% -New 51 jobs	60	Yes	Yes	Period of PILOT 10 Years		\$2,912,000		Yes
1	Pine Pharmaceuticals, LLC	Jan-21	\$8,615,000	85% threshold \$7,322,750	76	85% -New 34 jobs	40	Yes	Yes	Period of PILOT 10 Years		\$1,376,937		Yes
1	Suero Real Estate	Jan-21	\$19,000,000	85% threshold \$16,150,000	5	85% -New 38 jobs	45	Yes	Yes	Period of PILOT 10 Years		\$3,392,250		Yes
1	Eastman Machine	Feb-21	\$1,665,000	85% threshold \$1,415,250	126	85% -New 2 jobs	3	Yes	Yes	Period of PILOT 7 Years		\$124,588		Yes
1	Time Release Science	Feb-21	\$30,500,000	85% threshold \$25,925,000	103	85% -New 17 jobs	20	Yes	Yes	Period of PILOT 10 Years	Amendatory Inducement	\$4,591,400		Yes
1	Surmet Ceramics Corp.	Mar-21	\$11,500,000	85% threshold \$9,775,000	13	85% -New 15 jobs	18	Yes	Yes	2 Years after Project Completion		\$65,625		Yes
1	Terzo Development	Mar-21	\$3,050,000	85% threshold \$2,592,000	0	85% -New 1 jobs	1	Yes	Yes	Period of PILOT 7 Years		\$304,125	Adaptive Reuse	Yes
1	BLD VII, LLC	Apr-21	\$14,570,786	85% threshold \$12,385,168	0	85% -New 35 jobs	41	Yes	Yes	Period of PILOT 10 Years		\$4,435,879		Yes
Count			Project Amount	Investment	Jobs Retained	Job Creation	Jobs Created					Incentive Amount		
Adaptive Reuse														
2020 Sub Total			\$5,886,736		17		4					\$450,125		
2020 Total			\$190,237,522		1,290		251					\$17,947,804		

Adaptive Reuse														
2020 Sub Total			\$5,886,736		17		4					\$450,125		
2020 Total			\$190,237,522		1,290		251					\$17,947,804		

283 Ship Canal Parkway, LLC
\$52,284,244
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$1,721,000 in real property tax savings.
- Approximately \$3,085,592 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$337,381

EMPLOYMENT

- New Jobs Projected: 76
- Annual payroll: \$4,410,500
- Estimated salary of jobs to be created: \$55,000

PROJECT HISTORY

- 04/26/2021 - Public hearing held.
- 05/26/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 05/26/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: 283 Ship Canal Parkway, LLC

Project Address: 283 Ship Canal Parkway
 Buffalo, New York 14218
 (Buffalo City School District)

Agency Request

A sales tax, mortgage tax and real property tax exemption in connection with the construction of a 335,000 sq. ft. warehouse/distribution facility in the Buffalo Lakeside Commerce Park.

New Building Construction	\$30,500,000
Infrastructure	\$ 6,211,855
Non-Manufacturing Equipment	\$15,072,389
Soft Costs	\$ 500,000

Total Project Cost \$52,284,244

85% \$44,441,607

Company Description

The applicant is an affiliate of Sonwil Distribution Center, Inc. an independent real estate developer, public warehouse provider, and asset and non-asset-based transportation provider. Sonwil's headquarters are located in West Seneca.

Project Description

The proposed project consists of the construction of a 335,000 warehouse/distribution facility in the Lakeside Commerce Park in the City of Buffalo. The new facility will allow Sonwil to competitively price their warehouse/distribution services and not only accommodate current customer demand, but also grow such current customers' presence in the region while growing the amount of logistical services to prospective customers and industries.

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
	\$10,000,000	\$106,000	\$351,000	\$218,000
Combined Tax Rate: \$22				

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 = \$52,284,244 85% = \$44,441,607
Employment	Coincides with 10-year PILOT	Projected = 76 85% = 64 Recapture Employment = 64
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	10-year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording 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 76 jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-: 283 Ship Canal Parkway, LLC 2021

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$36,711,855	\$10,000,000	\$5.04	\$16.75	NA

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$5,040	\$16,750	\$21,790	\$217,900	\$196,110
2	10%	\$5,040	\$16,750	\$21,790	\$217,900	\$196,110
3	10%	\$5,040	\$16,750	\$21,790	\$217,900	\$196,110
4	20%	\$10,080	\$33,500	\$43,580	\$217,900	\$174,320
5	20%	\$10,080	\$33,500	\$43,580	\$217,900	\$174,320
6	20%	\$10,080	\$33,500	\$43,580	\$217,900	\$174,320
7	30%	\$15,120	\$50,250	\$65,370	\$217,900	\$152,530
8	30%	\$15,120	\$50,250	\$65,370	\$217,900	\$152,530
9	30%	\$15,120	\$50,250	\$65,370	\$217,900	\$152,530
10	30%	\$15,120	\$50,250	\$65,370	\$217,900	\$152,530
Total		\$105,840	\$351,750	\$457,590	\$2,179,000	\$1,721,410

***** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$52,284,244	\$1,721,410	\$3,085,592	\$337,381	

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 9.8 %

ADDENDUM TO PROJECT LOG
 Sonwil/283 Ship Canal Parkway, LLC

Evaluative Criteria	Notes
Wage Rate (above median wage for area)	Erie County per capita income: \$33,598 Estimated salary of jobs to be created: \$55,000
Regional Wealth Creation (% sales/customers outside area)	The majority of company sales are to companies located in Erie County: 85%
In Region Purchases (% of overall purchases)	Sonwil estimates 90% of its total annual supplies, raw materials and vendor services being sourced from Erie County vendors. .
Research & Development Activities	Not applicable
Investment in Energy Efficiency	Not applicable
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	The property is on a brownfield site and is within a designated redevelopment area.
LEED/Renewable Resources	Not applicable
Retention/Flight Risk	Not applicable
MBE/WBE Utilization	See attached statement.
Workforce Access – Proximity to Public Transportation	Facility on bus route 42.

May 26, 2021

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization:

Sonwil Distribution is an equal opportunity employer. We will extend equal opportunity to all individuals without regard to race, religion, color, sex (including pregnancy, sexual orientation and gender identity), national origin, disability, age, genetic information, or any other status protected under applicable federal, state or local laws. Our policy reflects and affirms Sonwil's commitment to the principles of fair employment and the elimination of all discriminatory practices.

Any employees with questions or concerns about any type of discrimination in workplace are encouraged to bring these issues to the attention of their immediate Supervisor and/or the Human Resources Department. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Sonwil's equal employment opportunity policies do not exempt individuals from meeting their responsibilities from productivity standards and use their own initiative and skills to achieve performance results.

Cost-Benefit Analysis for 283 Ship Canal Parkway, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

INVESTOR
283 Ship Canal Parkway, LLC

TOTAL INVESTED
\$52.3 Million

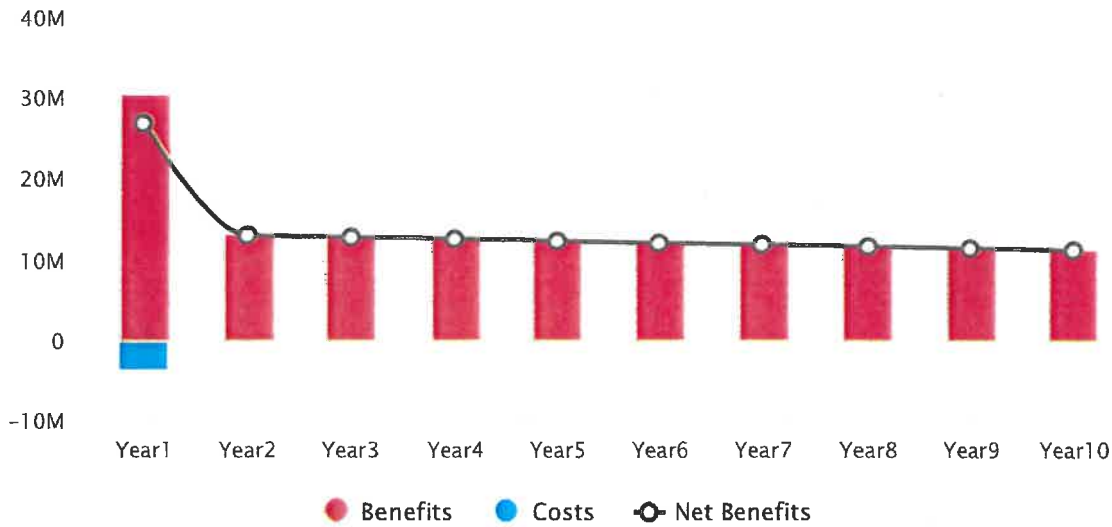
LOCATION
283 Ship Canal Parkway, Buffalo, NY 14218

TIMELINE
10 Years

FIGURE 1

Discounted* Net Benefits for 283 Ship Canal Parkway, LLC by Year

Total Net Benefits: \$136,504,000



Discounted at 2%

FIGURE 2

Total Jobs

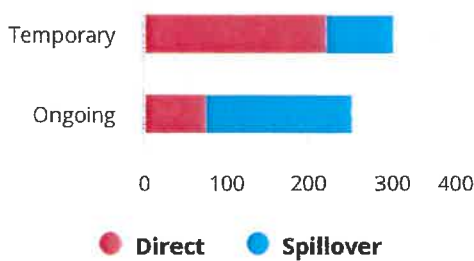
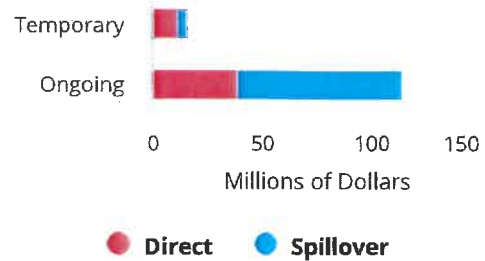


FIGURE 3

Total Payroll



Proposed Investment

283 Ship Canal Parkway, LLC proposes to invest \$52.3 million at 283 Ship Canal Parkway, Buffalo, NY 14218 over 10 years.

TABLE 1

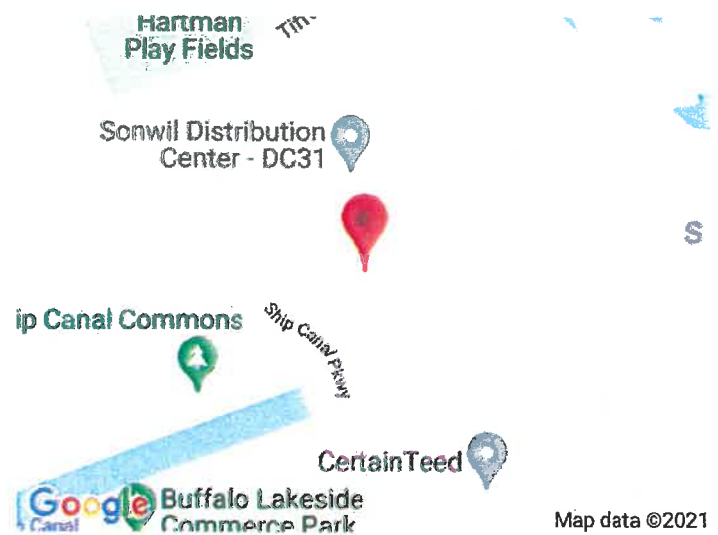
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$30,500,000
OTHER SPENDING	
Infrastructure	\$6,212,000
Non Manufacturing Equipment	\$15,072,000
Soft Costs	\$500,000
Total Investments	\$52,284,000
Discounted Total (2%)	\$52,284,000

May not sum to total due to rounding.

FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for 283 Ship Canal Parkway, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,720,000	\$1,585,000
Sales Tax Exemption	\$3,097,000	\$3,097,000
Mortgage Recording Tax Exemption	\$337,000	\$337,000
Total Costs	\$5,154,000	\$5,019,000

May not sum to total due to rounding.

* Discounted at 2%

TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$54,852,000	\$89,468,000	\$144,319,000
To Private Individuals	\$53,522,000	\$88,032,000	\$141,554,000
Temporary Payroll	\$11,722,000	\$4,068,000	\$15,790,000
Ongoing Payroll	\$41,800,000	\$83,964,000	\$125,764,000
To the Public	\$1,330,000	\$1,435,000	\$2,765,000
Property Tax Revenue	\$457,000	N/A	\$457,000
Temporary Sales Tax Revenue	\$191,000	\$66,000	\$257,000
Ongoing Sales Tax Revenue	\$682,000	\$1,369,000	\$2,051,000
STATE BENEFITS	\$3,372,000	\$5,172,000	\$8,544,000
To the Public	\$3,372,000	\$5,172,000	\$8,544,000
Temporary Income Tax Revenue	\$573,000	\$199,000	\$772,000
Ongoing Income Tax Revenue	\$2,043,000	\$3,731,000	\$5,774,000
Temporary Sales Tax Revenue	\$165,000	\$57,000	\$223,000
Ongoing Sales Tax Revenue	\$590,000	\$1,185,000	\$1,775,000
Total Benefits to State & Region	\$58,223,000	\$94,640,000	\$152,863,000
Discounted Total Benefits (2%)	\$54,444,000	\$87,079,000	\$141,523,000

May not sum to total due to rounding.

 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$133,612,000	\$3,469,000	39:1
State	\$7,912,000	\$1,549,000	5:1
Grand Total	\$141,523,000	\$5,019,000	28:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.

VIRTUAL PUBLIC HEARING SCRIPT

**283 Ship Canal Parkway, LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on April 26, 2021 at 9:00 a.m.
via Virtual Conference Software

ATTENDANCE:

Peter Wilson – Sonwil Distribution Center
Adrienne Schreier – Sonwil Distribution Center
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

☒ 1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: Welcome. This public hearing is now open; it is 9:00 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the 283 Ship Canal Parkway, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, April 16, 2021.

☒ 3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 283 Ship Canal Parkway, City of Buffalo, Erie County, New York (the "Land"), (ii) the development and construction on the Land of an approximately

335,000+/- square-foot warehousing and distribution center within the Buffalo Lakeside Commerce Park (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: All those who have joined this conference call were required to pre-register through our website (www.ecidany.com). Everyone who has pre-registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on May 25, 2021. There are no limitations on written statements or comments.

5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: Those interested in making a statement or comment will be called upon by Brian in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

Good morning my name is Peter Wilson. I am the Chairman & CEO of Sonwil Distribution Center. This project that we are proposing as Grant mentioned is about 305,035 sq. ft. and about \$50-\$52M in expenses. Sonwil if you do not know is a third-party logistics company and this is going to be for the benefit of this area. We are proposing about 76 jobs in 18 months.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:03 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on April 26, 2021 at 9:00 a.m.
via Virtual Conference Software

**283 Ship Canal Parkway, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 283 Ship Canal Parkway, Buffalo, New York 14218

Name	Company and/or Address	X box to speak/ comment
Peter Wilson	Sonwil Distribution Center 2732 Transit Road West Seneca, New York 14224	X
Adrienne Schreier	Sonwil Distribution Center 2732 Transit Road West Seneca, New York 14224	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

Statement of SEQRA Compliance

Project Location: 283 Ship Canal Parkway, Buffalo, NY

The proposed action involves the construction of a new one-story (329,405 square foot) distribution/storage facility (including supporting office and employee facilities), with 30 truck and 12 freight car docks, on a 21.3 acre parcel at 283 Ship Canal Parkway which is adjacent to an existing Sonwil facility in the Buffalo Lakeside Commerce Park. The project will utilize an existing driveway connection to Ship Canal Parkway and will have a total of 216 parking spaces. The project will also incorporate new pervious surfaces/green infrastructure and will treat stormwater on-site in accordance with Buffalo Sewer Authority (BSA) requirements for stormwater management.

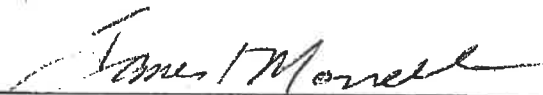
The site of the proposed project has been the subject of a Generic Environmental Impact Statement (GEIS) for the Development of the Union Ship Canal District and a Positive Findings Statement was issued by the City of Buffalo Common Council on June 21, 2002. For development of the site and development projects that have occurred in the area surrounding the Union Ship Canal (Buffalo Lakeside Commerce Park) since the GEIS, the City has referred to the GEIS and other studies completed at the site when undertaking any environmental review under the State Environmental Quality Review Act (SEQRA). In accordance with 6NYCRR Part 617.10 of SEQRA, a project that is proposed in an area that has been the subject of a GEIS, can have one of four decisions made; one being no further SEQRA compliance is required if a subsequent proposed action will be carried out in conformance with the conditions and thresholds established for such actions in the generic EIS or its findings statement. Based on the proposed project and the conditions and thresholds established in the GEIS and findings statement, no further SEQRA compliance is necessary in accordance with Section 617.10(d)(1).

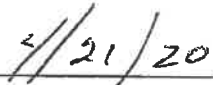
The Findings Statement considered the relevant environmental impacts, facts and conclusions disclosed in the GEIS, weighing and balancing the relevant environmental impacts with social, economic and other relevant considerations, which provides a rationale for the Planning Board's decisions regarding these issues and certifying that the requirements of N.Y.C.R.R. Part 617 have been met. As the proposed distribution/storage facility was reviewed as part of the overall development considered under the Union Ship Canal District FGEIS and as no established thresholds are exceeded by the project as proposed, no new significant adverse impacts to the environment are anticipated. Therefore, no further environmental review is required for the proposed action.

For further information relative to this project, contact Ms. Nadine Marrero, AICP, Director of Planning, Room 901 City Hall, Buffalo, New York 14202, (716) 851-5029.

Dated: January 11, 2021

James Morrell, Chair


Signature


Date

CC: Applicants



Sonwil 283 Ship Canal Parkway

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name	Sonwil 283 Ship Canal Parkway
Project Summary	Development and construction of a new warehousing and distribution center within the Buffalo Lakeside Commerce Park to be located at 283 Ship Canal Parkway, Buffalo, New York.
Applicant Name	283 Ship Canal Parkway, LLC
Applicant Address	2732 Transit Road
Applicant Address 2	
Applicant City	West Seneca
Applicant State	New York
Applicant Zip	14224
Phone	(716) 206-1800
Fax	(716) 684-6996
E-mail	pwilson@sonwil.com
Website	sonwil.com
NAICS Code	531120

Business Organization

Type of Business	Limited Liability Company
Year Established	2019
State in which Organization is established	New York

Individual Completing Application

Name	Peter G. Wilson
Title	Operating Manager
Address	2732 Transit Road
Address 2	
City	West Seneca
State	New York
Zip	14224
Phone	(716) 206-1800

Fax (716) 684-6996
E-Mail pwilson@zsa.cc

Company Contact (if different from individual completing application)

Name Peter G. Wilson
Title Operating Manager
Address 2732 Transit Road
Address 2
City West Seneca
State New York
Zip 14224
Phone (716) 206-1800
Fax (716) 684-6996
E-Mail pwilson@sonwil.com

Company Counsel

Name of Attorney THOMAS FITCH
Firm Name Zdarsky, Sawicki & Agostinelli LLP
Address 1600 Main Place Tower
Address 2 350 Main Street
City Buffalo
State New York
Zip 14202
Phone (716) 853-3200
Fax (716) 855-3101
E-Mail tfitch@zsa.cc

Benefits Requested (select all that apply)

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	Yes
Exemption from Real Property Tax	Yes
Tax Exempt Financing*	No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

Sonwil Distribution Center is a family-owned business which has been based in Western New York and in operation for over 70 years. Sonwil provides various logistical services, from storage, handling and distribution to a wide variety of value added programs for its regional, national and international clients. Sonwil has been successful in attracting national accounts to the Buffalo area, such as Dyson, General Mills, Georgia Pacific, Stanislaus and Nestle Purina. Many local Companies rely exclusively on Sonwil for Food Grade, BRC Certified, cost competitive, local 3rd party distribution services. Sonwil's new facility will allow the Company to continue to grow with our existing customers and allow for additional capacity.

Estimated % of sales within Erie County 85 %

Estimated % of sales outside Erie County but within New York State 0 %

Estimated % of sales outside New York State but within the U.S. 15 %

Estimated % of sales outside the U.S. 0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

90

Describe vendors within Erie County for major purchases

Kimil Construction, NCS Electric, Alp Steel, Clarence Wall & Ceiling, Neth & Sons

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

283 Ship Canal Parkway, Buffalo, New York 14218

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

132.16-2-2.000

What are the current real estate taxes on the proposed Project Site

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 495,800.

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

No

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Vacant land

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

The proposed project is to build a 335,000 sq. ft. warehouse and distribution facility in Lakeside Park due to increase in customer demand and business.

Municipality or Municipalities of current operations

Buffalo NY

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

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, type of assistance offered and provide supporting documentation available

Our customers are always looking at the logistics costs and if there is a cost savings they will move out of state, if required. SDC has lost opportunity with new accounts to Customers have gone to Mechanicsburg, PA as well as Miami Florida.

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

Yes

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

Empire State Development

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Financial Assistance provided by the Agency is important to this project as it would make this project more attractive to the Bank who will be financing this project.

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Approving this application is crucial to our ability to continue expansion at this site. Due to various current factors beyond our control, including the COVID-19 pandemic, we are presently subject to escalating construction and operating costs. In addition extended lead times of building materials and supplies have also added challenges to this project. Many of our customers have a national presence and have the ability to grow their business and allocate their resources in other regions of the country. Our customer's continuously evaluate alternate opportunities. The financial assistance to be provided by the Agency as contemplated hereunder is essential to our ability to proceed with this Project. Undertaking this Project will enable us to improve efficiency resulting in lower storage and distribution costs, allowing us to competitively price our warehousing and distribution services and not only accommodate current customer demand, but also grow such current customers' presence in the region while growing our overall package of logistical services to prospective customers and industries.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

The Applicant will lose significant opportunities to grow our operation and the operations of our customers in Erie County resulting in lost job opportunities for the residents of Erie County.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Bus Line

Has a project related site plan approval application been submitted to the appropriate planning department?

Yes

If Yes, include the applicable municipality's and/or planning department's approval resolution, the related State Environmental Quality Review Act ("SEQR") "negative declaration" resolution, if applicable, and the related Environmental Assessment Form (EAF), if applicable.

If No, list the ECIDA as an "Involved Agency" on the related EAF that will be submitted to the appropriate municipality and/or planning department for site plan approval.

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

Yes

If yes, please explain

Prior use of the site includes use as a foundry, which is a former NYSDEC Inactive Hazardous Waste Site that was remediated in 2006. Former use also included railroad tracks. The site is surrounded by current and former heavy industrial sites, NYSDEC Inactive Hazardous Waste Sites, NYSDEC Petroleum Spill Sites, and other Brownfield Cleanup Program Sites. Adjacent sites (e.g., Buffalo Lakeside Commerce Park Brownfield Site, Shenango Steel and Mold NYSDEC Superfund Site, CertainTeed Brownfield Site, Cobey, LLC Brownfield Site) have encountered industrial fill materials and/or impacted soil and groundwater during investigation, remediation and/or site redevelopment activities. Historic limited investigations have identified groundwater impacted with heavy metals and elevated pH and slag fill up to eight feet below ground surface within those portions. The site provides some significant development challenges; being a brownfield reclamation site and its adjacency to wetlands.

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

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?

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

HVAC units for warehouse

You may also attach additional information about the machinery and equipment at the end of the application.

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

No

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

Select Project Type for all end users at project site (you may check more than one)

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales No

Services No

Please check any and all end uses as identified below.

- | | | |
|--|---------------------------|-------------------------------------|
| No Acquisition of Existing Facility | No Assisted Living | No Back Office |
| No Civic Facility (not for profit) | Yes Commercial | No Equipment Purchase |
| No Facility for the Aging | No Industrial | No Life Care Facility (CCRC) |
| No Market Rate Housing | No Mixed Use | No Multi-Tenant |
| No Retail | No Senior Housing | No Manufacturing |
- Yes Other**
- Warehousing & Distribution**

For proposed facility please include the square footage for each of the uses outlined below
 If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	square feet	\$	0	0%
Warehouse	323,260 square feet	\$	27,978,400	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	10,108 square feet	\$	2,502,831	0%
Specify Other	2,500 square feet	\$	18,769	0%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?
 No

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

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities
 6/1/2021

End date : Estimated completion date of project
 9/15/2021

Project occupancy : estimated starting date of occupancy
 10/1/2021

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 30,500,000 335,868 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 0 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 6,211,855

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 15,072,389

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 500,000

9.) Other Cost

\$ 0

Explain Other Costs

Total Cost \$ 52,284,244

Construction Cost Breakdown:

Total Cost of Construction	\$ 36,711,855 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$
% sourced in Erie County	%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 35,263,909
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 3,085,592

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 7,300,000
Bank Financing:	\$ 44,984,244
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants)	\$ 0

and tax credits):

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) 0

Total Sources of Funds for Project Costs: \$52,284,244

Have you secured financing for the project? Yes

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing). 44,984,244

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$337,381

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other): None. PILOT will be utilized

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

Yes

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

You must include a copy of the most recent NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return. The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

Current # of jobs at proposed project location or to be	If financial assistance is granted – project the	If financial assistance is granted – project the number of FT and PT	Estimate number of residents of the Labor Market Area in which
---	--	--	--

	relocated at project location	number of FT and PT jobs to be retained	jobs to be created upon 24 months (2 years) after Project completion	the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	76	76
Part time	0	0	0	0
Total	0	0	76	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	1	\$ 98,000	\$ 12,500	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	7	\$ 40,000	\$ 12,500	\$ 0	\$ 0
Production	68	\$ 38,000	\$ 10,000	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	\$ 0	\$ 0

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

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

Address	See attached excel file for all locations.		
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

4,140,500

Estimated average annual salary of jobs to be retained (Full Time)

55,000

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

55,000

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time)	29,000	To (Full Time)	98,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

283 Ship Canal Parkway, Buffalo, New York 14218

Name and Address of Owner of Premises

283 Ship Canal Parkway, LLC 2732 Transit Road West Seneca, New York 14224

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

See attached Project Narrative

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

See attached Project Narrative

Describe all known former uses of the Premises

The land was previously vacant land.

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

N/A

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

N/A

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

n/a

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?

No

If yes, please identify the materials

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Single Use Facility

For Single Use Facility

Occupant Name Sonwil Distribution Center, Inc.

Address 2732 Transit Road

Contact Person Peter G. Wilson

Phone (716) 206-1800

Fax (716) 684-6996

E-Mail pwilson@sonwil.com

Federal ID # 16-0911273

SIC/NAICS Code

SS

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below.

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

No

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

315 Ship Canal Parkway

City/Town

Buffalo

State

New York

Zip Code

14218

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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 out of the City of Buffalo (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.)

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

<BLANK>

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

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

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.

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

MCG Real Estate Holdings, LLC
\$8,258,268
INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section - 531110

COMPANY INCENTIVES

- Approximately \$323,000 in real property tax savings.
- Approximately \$262,500 in sales tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$33,750

EMPLOYMENT

- New Jobs Projected: 1 PT
- Annual payroll: \$20,000
- Estimated salary of jobs to be created: \$20,000

PROJECT HISTORY

- 04/26/2021 - Public hearing held.
- 05/26/2021 - Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA.
- 05/26/2021 - Lease/Leaseback Inducement Resolution presented to the Board of Directors

Project Title: MCG Real Estate Holdings, LLC

Project Address: 293 Grote Street
 Buffalo, New York 14207
 (Buffalo City School District)

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the adaptive reuse of a 31,665 sq. ft. building.

Building Acquisition	\$ 794,054
Renovations	\$6,164,214
Soft Costs	\$1,300,000
Total Project Cost	\$8,258,268
85%	\$7,019,527

Company Description

MCG Real Estate Holdings, LLC was formed to undertake the project. It is owned by members of McGuire, Gurney and Dentinger families.

McGuire Development will oversee the project. Most recently McGuire worked with the Buffalo School District on the successful completion of the Emerson School of Hospitality and Management as well as the Buffalo City Mission.

Project Description

The project consists of the adaptive reuse of the former Buerk Tool facility on Grote Street in the City of Buffalo. The building has been vacant for 2 years and underutilized a total of 18 years.

The building, once redeveloped, will house 33 apartments. The developer has indicated 12 of the 1-bedroom units will be offered at 80% of the adjusted median income ("AMI")

The following table offers the unit mix, square feet and rent ranges:

Units	Square Feet	Rent Range
24-1 bedroom	496-838	\$925-\$1,400
9-2 bedroom	903-1,131	\$1,100-\$1,800

Since 100% of the project is devoted to housing, there is no employment impact other than a part time building manager.

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over 7-Year Abatement Period	Additional Local Revenue over 7-Year Abatement Period	New Yearly Taxes Upon Expiration of Abatement Period
\$6,900	\$2,700,000	\$20,000	\$68,000	\$59,000
Combined Tax Rate: \$22				

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 = \$8,258,268 85% = \$7,019,527
Employment	Coincides with 7-year PILOT	Create 85% of Projected Projected = 1 PT 85% = 1 PT Recapture Employment = 1PT
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with 7-year PILOT	Adherence to Policy
Unpaid Tax	Coincides with 7-year PILOT	Adherence to Policy
Recapture Period	7-year PILOT term	Real Property Taxes State and Local Sales Taxes Mortgage Recording 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 1 PT job, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

PILOT Worksheet: Estimate of Real Property Tax Abatement Benefits* and Percentage of Project Costs financed from Public Sector sources**

**** The PILOT Worksheet will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.**

PILOT Estimate Table Worksheet-MCG Real Estate Holdings, LLC- 2020

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000
\$6,164,214	\$2,700,000	\$5.04	\$16.75	N/A

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	10%	\$1,361	\$4,523	\$5,883	\$58,833	\$52,950
2	10%	\$1,361	\$4,523	\$5,883	\$58,833	\$52,950
3	20%	\$2,722	\$9,045	\$11,767	\$58,833	\$47,066
4	20%	\$2,722	\$9,045	\$11,767	\$58,833	\$47,066
5	30%	\$4,082	\$13,568	\$17,650	\$58,833	\$41,183
6	30%	\$4,082	\$13,568	\$17,650	\$58,833	\$41,183
7	30%	\$4,082	\$13,568	\$17,650	\$58,833	\$41,183
TOTAL		\$20,412	\$67,838	\$88,250	\$411,831	\$323,582

***** Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated by IDA staff**

Percentage of Project Costs financed from Public Sector Table Worksheet:

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$8,258,268	\$323,582	\$262,500	\$33,750	N/A

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 7.5%

ADAPTIVE REUSE REPORT AND EVALUATIVE CRITERIA
MCG Real Estate Holdings, LLC

Evaluative Criteria	Notes
Distressed Census Tracts	The property is located in census tract 56 which is considered highly distressed under the State statute.
Age of Structure (must be at least 20 years old and present functional challenges to redevelopment)	The building was constructed in the early 1900's.
Structure has been vacant or underutilized for a minimum of 3 years (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). Project promotes elimination of slum and blight	<p>The building has been vacant for approximately 2 years but underutilized for 18 years. Prior to closing the business, only 5 people were employed at the facility. Since 2002, the entire 2nd story of the building was not utilized.</p> <p>The investment of over \$6,000,000 will serve to eliminate slum and blight and enhance this neighborhood which is in a highly distressed census tract.</p>
Structure is not generating significant rental income (defined as 50% or less than the market rate income average for that property class.	Since the facility is vacant, no income is being generated.
Redevelopment Supports or aligns with Regional or Local Development Plans	The project complies with the investment and growth criteria of the Framework for Regional Growth.
Environmental or Safety Issues.	The building is eligible for certain brownfield credits. Extensive site work is needed along with the ground floor slab replacement. New utility connections and updates to all safety features is needed to comply with current code standards.
LEED/Renewable resources	NA
Building or site has historic designation	The building was constructed in the early 1900's and has a historical designation.
Site or structure has delinquent or other local taxes	Taxes are current.
MBE/WBE utilization	The developer is committed to successfully implementing a plan to ensure that certified MWBE's are encouraged to participate in the project. McGuire currently serves the MWBE business community through proactive and comprehensive monitoring, training, and outreach activity on a number of current and past projects. Kulback's, acting as the general contractor, has a solid reputation utilizing MWBE contractors on their projects.

Demonstrated support of local gov't.	North District Councilmember Joseph Golombeck in his letter to the Common Council dated February 26, 2021 has expressed support for this project.
Project/developer's return on investment	The developer has supplied an ROI which indicates a below average rate of return on the investment.
Impediments to conventionally financing project.	The savings from sales tax, mortgage tax and real property taxes will provide a level of comfort to the lender. The developer has stated without these benefits, it would be difficult to finance the project.
Transit Oriented Development	The facility is accessible on 20 bus line.

May 26, 2021

Return on Investment – MCG Real Estate Holdings, LLC

Regional Return on Investment (ROI) numbers vary depending on the interest rate environment, investor availability and risk associated with a project.

The National Development Council, which has experience financing projects in higher risk urban areas across the Northeast, uses 10% - 12% as a benchmark rate of return for urban high-risk projects.

Empire State Development financing officials when reviewing similar projects in the City of Buffalo have used 12% as an acceptable ROI for development projects.

Adaptive Reuse Projects

Many Adaptive Reuse Projects are hampered by upfront development costs that are not typical in new build green field development projects. These upfront costs can hinder the ability of the projects to attract financing and provide cash flow. The upfront costs associated with site contamination, asbestos removal, code compliance, structural deficiencies can make Adaptive Reuse projects difficult to undertake and attract private investment and financing, particularly in real estate markets where rental values are relatively low. Historically real estate projects in the region are difficult to undertake, local real estate developers have indicated that the typical ROI investors and developers seek to achieve in mixed use development projects are in the 10% - 12% range, although they can run higher for projects with significant risk.

Public Incentives Requested

- ECIDA Real Property Tax Abatement in an approximate value of \$323,000
- Sales Tax Savings in the amount of \$262,500
- Mortgage Tax Savings in the estimated amount of \$33,750

ROI

MCG has submitted a proforma documenting the expenses and revenues and ROI for the project.

Stated ROI for the project with ECIDA assistance is 5.8%

Stated ROI for the project without ECIDA assistance is 4.8%

MBE/WBE Utilization



ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization:

We support the need to create healthy community involvement in the development and construction of this important project. We are committed to successfully implementing a plan to ensure that certified minority and women-owned businesses (MWBEs) are encouraged to participate in this exciting project. Our team currently services the MWBE business community through proactive and comprehensive monitoring, training, and outreach activity on a number of current and past projects.

We're proud of our record in achieving diversity on our projects and we are committed to continuing that success on this project via our proven strategy. The strategy involves outreach and assistance efforts that take place during the design and preconstruction phases.

Furthermore, Kulbacks has always met or exceeded any MWBE requirements for any project it is involved in.

Cost-Benefit Analysis for MCG Real Estate Holdings, LLC

Prepared by Erie County IDA using InformAnalytics

3

Executive Summary

INVESTOR
MCG Real Estate Holdings, LLC

TOTAL INVESTED
\$8.3 Million

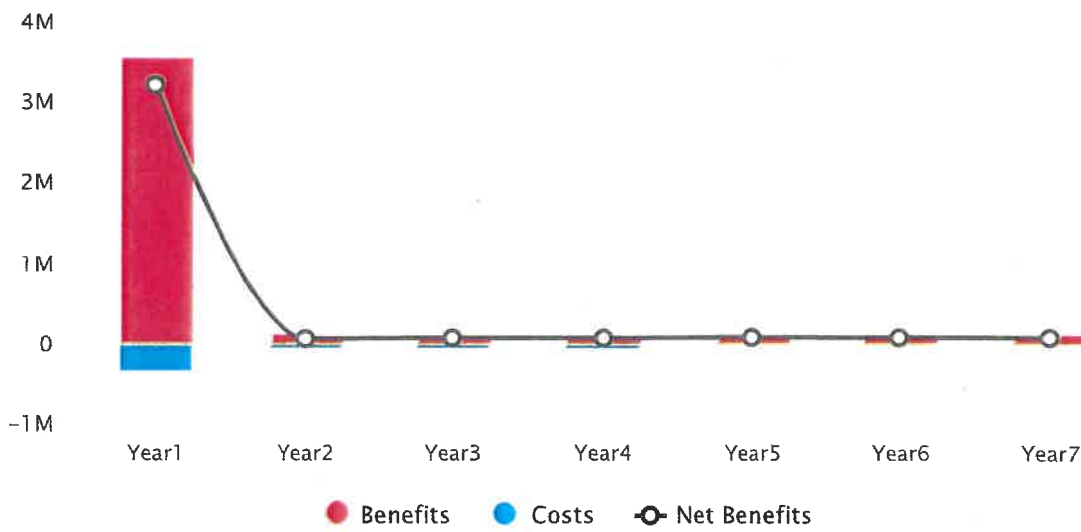
LOCATION
293 Grote Street,
Buffalo, New York
14207

TIMELINE
7 Years

FIGURE 1

Discounted* Net Benefits for MCG Real Estate Holdings, LLC by Year

Total Net Benefits: \$3,648,000



Discounted at 2%

FIGURE 2

Total Jobs

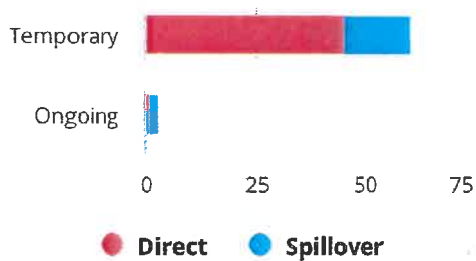


FIGURE 3

Total Payroll



Proposed Investment

MCG Real Estate Holdings, LLC proposes to invest \$8.3 million at 293 Grote Street, Buffalo, New York 14207 over 7 years.

TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$6,164,000
OTHER SPENDING	
Soft Costs	\$1,300,000
Building Acquisition	\$794,000
Total Investments	\$8,258,000
Discounted Total (2%)	\$8,258,000

May not sum to total due to rounding.

FIGURE 4

Location of Investment

Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Erie County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 7 years, with future returns discounted at a 2% rate.

TABLE 2

Estimated Costs or Incentives

Erie County IDA is considering the following incentive package for MCG Real Estate Holdings, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$322,000	\$305,000
Sales Tax Exemption	\$261,000	\$261,000
Mortgage Recording Tax Exemption	\$34,000	\$34,000
Total Costs	\$617,000	\$600,000

May not sum to total due to rounding.

* Discounted at 2%

TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$2,638,000	\$1,413,000	\$4,051,000
To Private Individuals	\$2,509,000	\$1,391,000	\$3,900,000
Temporary Payroll	\$2,369,000	\$822,000	\$3,191,000
Ongoing Payroll	\$140,000	\$568,000	\$708,000
To the Public	\$129,000	\$23,000	\$151,000
Property Tax Revenue	\$88,000	N/A	\$88,000
Temporary Sales Tax Revenue	\$39,000	\$13,000	\$52,000
Ongoing Sales Tax Revenue	\$2,000	\$9,000	\$12,000
STATE BENEFITS	\$154,000	\$86,000	\$240,000
To the Public	\$154,000	\$86,000	\$240,000
Temporary Income Tax Revenue	\$116,000	\$40,000	\$156,000
Ongoing Income Tax Revenue	\$2,000	\$27,000	\$29,000
Temporary Sales Tax Revenue	\$33,000	\$12,000	\$45,000
Ongoing Sales Tax Revenue	\$2,000	\$8,000	\$10,000
Total Benefits to State & Region	\$2,791,000	\$1,500,000	\$4,291,000
Discounted Total Benefits (2%)	\$2,783,000	\$1,465,000	\$4,248,000

May not sum to total due to rounding.

 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$4,010,000	\$467,000	9:1
State	\$238,000	\$132,000	2:1
Grand Total	\$4,248,000	\$600,000	7:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.



Common Council

CITY OF BUFFALO

COMMITTEES

Claims
Community Development, Chair
Legislation

SPECIAL COMMITTEES

Budget
BURA
Education
Waterfront Development
SENIOR LEGISLATIVE ASSISTANT
Sandra Frieday-Lewis
ASSISTANT LEGISLATIVE AIDE
Evelyn Vossler

Joseph Golombek, Jr.
North District Council Member
65 Niagara Square, 1502 City Hall
Buffalo, NY 14202-3318

Phone: (716) 851-5116 • Fax: (716) 851-5648
E-mail: jgolombek@ch.ci.buffalo.ny.us

February 26, 2021

Dear Members of the Board:

I am submitting this letter in support of the applicant, MCG Real Estate Holdings, LLC ("MCG") and its redevelopment plans for 293 Grote Street. MCG's plans to turn this vacant and blighted former machine shop into apartment units will aid in the continued development of the City of Buffalo. I met with MCG's development team in early November to discuss the redevelopment plans, and have since spoken with my constituents regarding the project. As a result of these conversations, I feel confident that this project will be a positive addition to the neighborhood and an appropriate reuse of the building.

Based on my November meeting with the development team and subsequent conversations, MCG's redevelopment of this building will celebrate the former use and history of this building through its attention to detail and inclusion of historic elements within the building through reuse of cranes, belt line systems, and fire doors, as well as re-establishing historic window openings and installing brand new historically accurate windows. With a keen attention to detail every possible square foot of space has efficiently been used, making this project truly an adaptive reuse of the building. This project will also result in extensive site improvements, transforming the current gravel parking area into a uniformly paved parking lot and transforming the current forecourt into an inviting and attractive courtyard. In addition, MCG's units, although market rate, will be priced below the area average, making these units more affordable than area competitors.

With that being said, even though this project has been creatively designed to maximize efficiency, and preserve historic materials when possible, this project will not be successful without the assistance available through the ECIDA in the form of a PILOT. To put it simply, should a PILOT not be awarded to the applicant, it will need to completely re-assess its plans for this parcel and indefinitely hold off on beginning construction.

Sincerely:

Joseph Golombek, Jr.
City of Buffalo
North District Councilmember

JG/sfl

VIRTUAL PUBLIC HEARING SCRIPT

**MCG Real Estate Holdings, LLC and/or
Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or
to be formed on its behalf Project**

Public Hearing to be held on April 26, 2021 at 9:30 a.m.
via Virtual Conference Software

ATTENDANCE:

Eric Ekman – McGuire Development
Maria Owens – McGuire Development
Carrie Hocieniec – ECIDA
Brian Krygier – ECIDA

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: Welcome. This public hearing is now open; it is 9:30 a.m. My name is Grant Lesswing. I am the Business Development Officer of the Erie County Industrial Development Agency, and I have been designated by the Agency to be the hearing officer to conduct this virtual public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com. Pre-registration for anyone wishing to speak at today's public hearing was required through our website. Today I am joined by Brian Krygier, ECIDA Systems Analyst who will be the Hearing Moderator and he will be managing the public comment portion of this hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the MCG Real Estate Holdings, LLC and/or Individual(s) or Affiliate(s), Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Friday, April 16, 2021.

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: The proposed project (the "Project") consists of: (i) the acquisition by the Agency of a leasehold interest in certain property located on 293 Grote Street, City of Buffalo, Erie County, New York (the "Land"), (ii) the historic adaptive reuse of the vacant Buerk Tool Machine Shop which consists of a 0.74 acre lot with a 31,665+/- sq. ft. two-story building and

approximately 11,000+/- sq. ft. gravel parking area to be converted into 33 market rate apartments with 12 of the one-bedroom units to be below 80% AMI (the "Improvements"), and (iii) the acquisition by the Company in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land and the Improvements, the "Facility").

The proposed financial assistance contemplated by the Agency includes New York State and local sales and use tax exemption benefits, mortgage recording tax exemption benefits, and real property tax abatement benefits (in compliance with Agency's uniform tax exemption policy).

4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: All those who have joined this conference call were required to pre-register through our website (www.ecidany.com). Everyone who has pre-registered will be given an opportunity to make statements and/or comments on the Project.

If you have a written statement or comment to submit for the record, please submit it on the Agency's website or mail to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on May 25, 2021. There are no limitations on written statements or comments.

5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: Those interested in making a statement or comment will be called upon by Brian in the order that they registered for this meeting. Please begin by stating your name and address; if you are representing a company, please identify the company. I request that speakers keep statements and/or comments to 5 minutes, and if possible, 3 minutes.

The Hearing Moderator introduces each participant in the order they registered for this meeting.

Good morning. My name is Eric Eckman. I am Vice President of Development and Acquisitions at McGuire Development Company. I am representing MCG Real Estate Holdings the owner of 293 Grote Street. We are very excited to be here today to talk about our project. The project at 293 Grote Street which we are proposing is for the conversion into 33 apartments. The building was first constructed in 1921 by Visco Meter Company associated with Pierce Arrow Factory not too far away from here and later accommodated Buerk Tool Machine Shop. Buerk was operated as a manufacturing facility and tool shop for its entire life since 1921. This has offered some interesting features for us to work with. It has lots of historic character which we are going to embrace. We are going to adaptively re-use this complex and historically rehabilitate. It is a complicated project. There is a lot of work that needs to be done. There is the smell of oil and a lot of reconfiguring required. Windows need to be replaced, roof needs to be replaced, a full gutted renovated project.

Moving forward on this project would not be possible without the incentives offered by the ECIDA. Our objective in this project was to create apartments that are at market averages or below market averages with respect to rents and we were successful in having 12 of the 1-bedroom apartments that will have rents that are below the 80% area medium income level. Our hope with the ability to work with these incentives from the ECIDA is to start construction this summer and deliver the following summer. Thank you.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:35 a.m.

**SIGN IN SHEET
VIRTUAL PUBLIC HEARING**

Public Hearing to be held on April 26, 2021 at 9:30 a.m.
via Virtual Conference Software

**MCG Real Estate Holdings, LLC and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 293 Grote Street, City of Buffalo, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Eric Ekman	455 Cayuga Road, Suite 100 Buffalo, New York 14225	X
Maria Owens	455 Cayuga Road, Suite 100 Buffalo, New York 14225	
Carrie Hocieniec	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	
Brian Krygier	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	



293 Grote Street

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information - Company Receiving Benefit

Project Name 293 Grote Street

Project Summary Adaptive reuse of former Visco Meter Factory/Buerk Tool Factory Building in the Black Rock neighborhood. The Building will be converted into 33 apartments.

Applicant Name MCG Real Estate Holdings, LLC

Applicant Address 455 Cayuga Road, Suite 100

Applicant Address 2

Applicant City Buffalo

Applicant State New York

Applicant Zip 14225

Phone (716) 341-6238

Fax

E-mail mowens@mcguiredevelopment.com

Website

NAICS Code

Business Organization

Type of Business Limited Liability Company

Year Established 2008

State in which Organization is established New York

Individual Completing Application

Name Maria Owens

Title Senior Project Manager

Address 455 Cayuga Road Suite 100

Address 2

City Buffalo

State New York

Zip 14225

Phone (716) 829-1900

Fax

E-Mail mowens@mcguireddevelopment.com

Company Contact (if different from individual completing application)

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney Danielle E. Shainbrown

Firm Name

Address 455 Cayuga Road Suite 100

Address 2

City Buffalo

State New York

Zip 14225

Phone (716) 829-1900

Fax

E-Mail dshainbrown@mcguireddevelopment.com

Benefits Requested (select all that apply)

Exemption from Sales Tax Yes

Exemption from Mortgage Tax Yes

Exemption from Real Property Tax Yes

Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

The Applicant of this project is MCG Real Estate Holdings, LLC. The ownership structure of this entity is as follows: F. James McGuire 1% Jenna McGuire 7% Ryan McGuire 7% Jackie Gurney 15% Kelly McGuire 15% Jeannie Marie McGuire 15% Michael McGuire 15% Kathleen McGuire 15% James F. Dentinger 10% While the applicant is the owner of the parcel, McGuire Development Company will be overseeing the work on this project. Since beginning operations in 2007, McGuire Development Company has been committed to offering a level of service that is above and beyond the industry standard. We have spent the last decade creating a first-in-class program for development services and are excited to tackle this new project in Buffalo. We recently worked with the Buffalo School district on the successful completion of the Emerson School of Hospitality and Management as well as the Buffalo City Mission. Both of the previously mentioned projects aligned with our core values of projects that will make a positive impact on the community. We believe that this project at 293 Grote street will also accomplish the same goal.

Estimated % of sales within Erie County	100 %
Estimated % of sales outside Erie County but within New York State	0 %
Estimated % of sales outside New York State but within the U.S.	0 %
Estimated % of sales outside the U.S.	0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

100

Describe vendors within Erie County for major purchases

Guys Lumber, 84 Lumber, Irr Supply, Greybar Electric, Quambek Electric, Fancher Supply, Best Tile, Advantage Flooring, County Limestone.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

293 Grote Stree

Town/City/Village of Project Site

Buffalo

School District of Project Site

Buffalo

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

89.21.-1-1

What are the current real estate taxes on the proposed Project Site

\$6,934.78

If amount of current taxes is not available, provide assessed value for each.

Land

\$

Building(s)

\$

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

*The ECIDA has an unpaid tax policy and you will be required to certify all taxes and PILOTS are current.

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

This is an existing, but vacant, building.

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

This is a historic adaptive reuse project. The vacant Buerk Tool machine shop will be transformed into 33 apartments. The Site consists of a 0.74-acre lot with a 31,665 SF two-story building and approximately 11,000 SF gravel parking area. The Building consists of a main U-shaped portion constructed in 1925 and a one-story, high-bay garage addition on the east side. The Building operated as a machine shop up until early 2020. This building will be transformed into 33 market rate apartments that celebrate the historic elements of the building's former use. The project will consist of a full gutted rehabilitation of the Building, and involve extensive site work, ground floor slab replacement, new utility connections, complete window and door replacement, masonry repair, roof replacement, new MEP/FP systems, conveyance system, and finishes. We have focused on maximizing efficiency within the units to celebrate the historic character of the complex. Through this creative design process, and in an effort to better serve the community, 12 of our one bedroom units are below 80% AMI.

Municipality or Municipalities of current operations

Buffalo

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

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

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

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

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

N/A

Describe the reasons why the Agency’s financial assistance is necessary, and the effect the Project will have on the Applicant’s business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

The Agency's financial assistance is necessary to successfully complete this historic rehabilitation of this vacant building. Without the incentives available through the Agency, this type of investment in a project of this nature is not feasible and will result in significant shortfalls that prevent the project from moving forward. This incentive is necessary to address shortfalls that result from a project of this nature with a relatively small number of units, and the inefficiency associated with the adaptive reuse plan for this historic building. Furthermore, it is this company's goal to continue aiding in the renaissance and revitalization of Buffalo and this Project will allow for the furtherance of this goal by transforming this currently blighted and abandoned building.

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

If Financial Assistance for the Project is not granted by the Agency, then the Applicant will not be able to move forward with its plans to redevelop this vacant and blighted building. The Building would likely remain vacant until a commercial user or users were found, but the market does not support the commercial rent levels needed to undertake significant improvements with this Building. The end result would likely be a warehouse or partial space usage without the Applicant being able to improve the site or exterior appearance of the building.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Bus line #20 (Elmwood)

Has a project related site plan approval application been submitted to the appropriate planning department?

Yes

If Yes, include the applicable municipality's and/or planning department's approval resolution, the related State Environmental Quality Review Act ("SEQR") "negative declaration" resolution, if applicable, and the related Environmental Assessment Form (EAF), if applicable.

If No, list the ECIDA as an "Involved Agency" on the related EAF that will be submitted to the appropriate municipality and/or planning department for site plan approval.

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

Present zoning/land use is N-1S, which allows for the proposed multifamily use.

Describe required zoning/land use, if different

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

Yes

If yes, please explain

There are PCBs on the site and inside of the building as well as an underground storage tank that needs removal and remediation. We have engaged Benchmark Turnkey to address any and all environmental concerns as we work our way through the Brownfield Cleanup Program requirements.

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

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?

Yes

If yes, please provide copies of the study.

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

No

If yes, describe the efficiencies achieved

You may also attach additional information about the machinery and equipment at the end of the application.

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

No

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
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Please check any and all end uses as identified below.

No Acquisition of Existing Facility No Assisted Living No Back Office

No Civic Facility (not for profit)	No Commercial	No Equipment Purchase
No Facility for the Aging	No Industrial	No Life Care Facility (CCRC)
Yes Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	No Manufacturing
No Other		

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	square feet	\$	0	0%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	square feet	\$	0	0%
Specify Other	31,665 square feet	\$	6,164,214	100%

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

No

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

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

6/1/2021

End date : Estimated completion date of project

9/1/2022

Project occupancy : estimated starting date of occupancy

9/1/2022

Project Information

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 794,054 31,665 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0

square feet

4.) Reconstruction/Renovation

\$ 6,164,214

31,665 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 1,300,000

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 8,258,268

Construction Cost Breakdown:

Total Cost of Construction	\$ 6,164,214 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 3,000,000.00
% sourced in Erie County	100%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 3,000,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 262,500

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only) \$ 0

Have any of the above costs been paid or incurred as of the date of this Application? No

If Yes, describe particulars:

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 2,981,415
Bank Financing:	\$ 4,000,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (include sum total of all state and federal grants and tax credits):	\$ 2,852,976

Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources) 0

Total Sources of Funds for Project Costs: \$9,834,391

Have you secured financing for the project? No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing). 4,500,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$33,750

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other): No real property tax exemption benefit will be utilized other than the Agency's PILOT.

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

ECIDA encourages applicants to utilize MBE/WBE contractors for their projects. Describe your company's internal practices that promote MBE/WBE hiring and utilization

We support the need to create healthy community involvement in the development and construction of this important project. We are committed to successfully implementing a plan to ensure that certified minority and women-owned businesses (MWBEs) are encouraged to participate in this exciting project. Our team currently services the MWBE business community through proactive and comprehensive monitoring, training, and outreach activity on a number of current and past projects. We're proud of our record in achieving diversity on our projects and we are committed to continuing that success on this project via our proven strategy. The strategy involves outreach and assistance efforts that take place during the design and preconstruction phases. Furthermore, Kulbacks has always met or exceeded any MWBE requirements for any project it is involved in.

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

You must include a copy of the most recent NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return. The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into

FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	0	0
Part time	0	0	1	1
Total	0	0	1	

Salary and Fringe Benefits for Jobs to be Retained and Created

Category of Jobs to be Retained and/or Created	# of Employees Retained and/or Created	Average Salary for Full Time	Average Fringe Benefits for Full Time	Average Salary for Part Time (if applicable)	Average Fringe Benefits for Part Time (if applicable)
Management	0	\$ 0	\$ 0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	1	\$ 0	\$ 0	\$ 20,000	\$ 5,000

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

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

Address	Full time	Part time	Total
	0	0	0
	0	0	0
	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

20,000

Estimated average annual salary of jobs to be retained (Full Time)

0

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

0

Estimated average annual salary of jobs to be created (Part Time)

20,000

Estimated salary range of jobs to be created

From (Full Time) 0 **To (Full Time)** 0

From (Part Time) 20,000

To (Part Time) 25,000

Section III: Environmental Questionnaire

INSTRUCTIONS: Please complete the following questionnaire as completely as possible. If you need additional space to fully answer any question, please attach additional page(s).

General Background Information

Address of Premises

293 Grote Street Buffalo, NY

Name and Address of Owner of Premises

MCG Real Estate Holdings, LLC 455 Cayuga Road Suite 100, Buffalo NY 14225

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

Industrial space, location of former machine shop. There are no wetlands, rivers, or streams.

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

The building was constructed in 1921. Check with Part 1 application.

Describe all known former uses of the Premises

The building was formerly a machine shop.

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?

Yes

If yes, describe and attach any incident reports and the results of any investigations

PCBs were discovered, see attached reports.

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

N/A

Identify the solid and hazardous waste disposal or treatment facilities which have received wastes from the Premises for the past two (2) years

N/A

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

N/A

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

N/A

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

There is a registered underground storage tank at the Premises. This tank will be removed as a part of our remediation efforts per the plan submitted for the Brownfield Cleanup Program.

Have there been any leaks, spills, releases or other discharges (including loss of inventory) associated with any of these tanks?

Yes

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?

Yes

If yes, relate all the circumstances

See attached reports.

Do the Premises have any asbestos containing materials?

Yes

If yes, please identify the materials

See attached reports.

Section IV: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Multi-Tenant Facility

Multi-Tenant Facility (to be filled out by developer)

Please explain what market conditions support the construction of this multi-tenant facility

Per the market study conducted as a part of our due diligence for this project, recent developments in the area, including Houk Lofts, ARCO Lofts, and The Foundry Lofts are at 97% occupancy, which strongly supports our plan for the site.

Have any tenant leases been entered into for this project?

No

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

Tenant Name	Current Address (city, state, zip)	# of sq ft and % of total to be occupied at new project site	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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*fill out table for each tenant and known future tenants

Section VI: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below.

Section VII: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

Yes

What is the age of the structure (in years)? 100

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)

Yes

If vacant, number of years vacant.

2

If underutilized, number of years underutilized.

18

Describe the use of the building during the time it has been underutilized:

In 2002 Buerk Tool Works was sold to Buerk Tool LLC. The business started having problems due to poor management around 2008. At that time, employment was cut down to 5 employees from an average employment of 40. During the war years employment was much higher. In 2019 the company filed for bankruptcy. During the Buerk Tool LLC, the company that took ownership after the bankruptcy, the entire second floor was abandoned and a quarter of the first floor operations were consolidated into a smaller space.

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

If yes, please provide dollar amount of income being generated, if any

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	24	496 - 838	\$925 - \$1,400
2 Bedroom	9	903 - 1,131	\$1,100 - \$1,800
3 Bedroom	0	-	\$ - \$
Other	0	-	\$ - \$

Does the site have historical significance?

Yes

If yes, please indicate historical designation

The building was determined to be SR/NR eligible by the Commissioner of the Office of Parks, Recreation and Historic Preservation on 10/29/2020. We received Part I approval on 3/12/2021.

Are you applying for either State/Federal Historical Tax Credit Programs?

Yes

If yes, provide estimated value of tax credits

\$2,258,686

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 (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

To put it simply, without the assistance of the ECIDA, this project is not feasible. The efficiency of the building makes unit layout challenging and, without the historic and Brownfields tax credits, as well as the ECIDA assistance, there is just no possible way to get an appropriate return on investment in this market.

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

We have met with both Councilmember Golombek and Brendan Mehaffy from the Mayor's Office of Strategic Planning. Both the Councilmember and Mr. Mehaffy are supportive of this project and what it will mean to the continued growth and development of the City of Buffalo.

Indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, structure presents significant costs associated with building code compliance

Currently, the site is vacant and blighted. Our plans for development will allow for much needed historic rehabilitation to an area and building that has been underutilized for many years.

Indicate census tract of project location

56

Indicate how project will eliminate slum and blight

We will transform a this currently vacant building into 33 market rate apartments while honoring the historic and industrial elements of the building's prior use.

If project will be constructed to LEED standards indicate renewable resources utilized

N/A

Section VIII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

293 Grote Street

City/Town

Buffalo

State

New York

Zip Code

14207

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

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 out of the City of Buffalo (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.)

N/A

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

<BLANK>

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

N/A

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

N/A

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.

N/A

Section IX: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No



MEMORANDUM

May 13, 2021

To: Members of the Erie County Industrial Development Agency Policy Committee

Re: Amendments to NY IDA Statute and NY Real Property Tax Law affecting taxation of Solar and Wind Farms¹

Sections 854, 858, and 859-a of the New York General Municipal Law (GML) and Sections 487 of the New York Real Property Tax Law (RPTL) were recently amended, and a new Section 575-b was added to the RPTL, all such changes impacting how solar and wind farms can be assessed and confirming that Industrial Development Agencies (IDA) can provide financial assistance to such projects.

In general, this legislation does three things. First, it tightens the notice requirements that local taxing jurisdictions must receive under the RPTL section 487 real property tax exemption for certain energy systems, such as wind and solar. Secondly, it standardizes the methodology for the assessment of solar and wind projects. Lastly, it makes clear that renewable energy is among the types of economic development that IDAs have the authority to support.

This legislation appears to be a clear attempt to assist incentivizing solar and wind projects in order to meet New York State's established goal of 70% renewable electricity by 2030, which will require substantial development of both large and small-scale renewable energy projects.

RPTL Section 487 amendments.

- Section 487 of the RPTL provides a 100% real property tax exemption, for a 15-year benefit term, for certain renewable energy system projects, including solar and wind. Local taxing jurisdictions, namely a County, City, Town, Village and School District, can opt-out of the exemption. If the local jurisdictions do not opt-out, then the 15-year exemption applies to the value of the solar or wind improvements. However, the local jurisdictions may require a municipal PILOT and must respond within 60 days to a notice from a developer stating that the developer intends to require a PILOT or the jurisdiction will be foreclosed from being able to require a PILOT during the 15-year exemption period. The amendment explicitly requires written notice be sent to the chief official of each taxing jurisdiction with specific references to Section 487.

¹ Article 7 Revenue Bill Part X (S2509-C/A3009-C). Signed 4/19/21 Chapter 59 L. of 2021.

New RPTL Section 575-b

- The second set of amendments adds a new Section 575-b to the RPTL to standardize the wind and solar project assessment method. Wind and solar projects face inconsistent local taxation methods, which directly ties to the PILOT negotiations under both a 487 PILOT and an IDA PILOT. Without having a consistent and appropriate assessment method, there is uncertainty to what the limits of a PILOT can be given that PILOTS cannot exceed what the property taxes would have been but for the PILOT, under both 487 PILOTS and IDA PILOTS. The new section requires the use of a discounted cash flow method for assessment purposes. The New York State Tax Department must establish the specific methodology and discount rate to be used. In general, standard assessment methods employed by assessors are (i) comparables, (ii) cost basis and (iii) discounted cash flow. This amendment to the RPTL mandates that discounted cash flow be used and requires the New York State Tax Department to publish a specific method for how such a discounted cash flow method will be used, including the discount rate.

GML Amendments

- The last set of amendments are to the IDA Act in the GML. There are several reasons why a solar and wind project would want to seek a real property tax exemption from an IDA rather than from a taxing jurisdiction under RPTL 487 such as opt outs, the ability for IDA PILOTS to be longer than 15 years, negotiating with one body (a single IDA) versus at least 3 taxing jurisdictions, IDA facilitated mortgage recording tax exemption availability, and to a limited extent sales tax exemption. To date, approximately 20% of the local taxing jurisdictions have opted-out of the 487-exemption program. This amendment specifically adds solar and wind renewable energy projects to the definition of the defined term “Project” in the IDA statute, ending any ambiguity as to whether an IDA can assist such projects. This amendment also provides that “green” attributes of a renewable energy system project can be considered in the required cost benefit analysis.

ECIDA Policy Considerations

- ECIDA should discuss its role in promoting renewable energy projects and determine whether we should establish a Renewable Energy System policy to standardize its approach to such projects, and if so:
 - ECIDA should consider the role of “decommissioning bonding” in its approval process
 - ECIDA should consider requiring evidence of “host-community” support as a condition of application submission
 - ECIDA should consider the impact that renewal energy system projects can have on prime agricultural land
 - ECIDA should determine standard PILOT fee based on energy production and determine standard terms and length of PILOTS

1 contrary contained in such section, the commissioner may require the
2 owner or operator of a solar or wind energy system, as defined in
3 section four hundred eighty-seven of this chapter, to annually file with
4 the commissioner, by April thirtieth, a report showing such information
5 as the commissioner may reasonably require for the development and main-
6 tenance of an appraisal model and discount rate.

7 3. The provisions of this section shall only apply to solar or wind
8 energy systems with a nameplate capacity equal to or greater than one
9 megawatt.

10 § 4. The third undesignated paragraph of section 852 of the general
11 municipal law, as amended by chapter 630 of the laws of 1977, is amended
12 to read as follows:

13 It is hereby further declared to be the policy of this state to
14 protect and promote the health of the inhabitants of this state and to
15 increase trade through promoting the development of facilities to
16 provide recreation for the citizens of the state and to attract tourists
17 from other states ~~and to promote the development of renewable energy~~
18 projects to support the state's renewable energy goals as may be estab-
19 lished or amended from time to time.

20 § 5. Subdivision 4 of section 854 of the general municipal law, as
21 amended by section 6 of part J of chapter 59 of the laws of 2013, is
22 amended and a new subdivision 21 is added to read as follows:

23 (4) "Project" - shall mean any land, any building or other improve-
24 ment, and all real and personal properties located within the state of
25 New York and within or outside or partially within and partially outside
26 the municipality for whose benefit the agency was created, including,
27 but not limited to, machinery, equipment and other facilities deemed
28 necessary or desirable in connection therewith, or incidental thereto,

1 whether or not now in existence or under construction, which shall be
2 suitable for manufacturing, warehousing, research, commercial, renewable
3 energy or industrial purposes or other economically sound purposes iden-
4 tified and called for to implement a state designated urban cultural
5 park management plan as provided in title G of the parks, recreation and
6 historic preservation law and which may include or mean an industrial
7 pollution control facility, a recreation facility, educational or
8 cultural facility, a horse racing facility, a railroad facility, ~~Ca~~
9 renewable energy project or an automobile racing facility, provided,
10 however, no agency shall use its funds or provide financial assistance
11 in respect of any project wholly or partially outside the municipality
12 for whose benefit the agency was created without the prior consent ther-
13 eto by the governing body or bodies of all the other municipalities in
14 which a part or parts of the project is, or is to be, located, and such
15 portion of the project located outside such municipality for whose bene-
16 fit the agency was created shall be contiguous with the portion of the
17 project inside such municipality.

18 ✕ (21) "Renewable energy project" shall mean any project and associated
19 real property on which the project is situated, that utilizes any system
20 or equipment as set forth in section four hundred eighty-seven of the
21 real property tax law or as defined pursuant to paragraph b of subdivi-
22 sion one of section sixty-six-p of the public service law as added by
23 chapter one hundred six of the laws of two thousand nineteen.

24 § 6. The opening paragraph of section 858 of the general municipal
25 law, as amended by chapter 478 of the laws of 2011, is amended to read
26 as follows:

27 The purposes of the agency shall be to promote, develop, encourage and
28 assist in the acquiring, constructing, reconstructing, improving, main-

of the normal heating, cooling, or insulation system of a building. It does not include insulated glazing or insulation to the extent that such materials exceed the energy efficiency standards established by law.

Or the property may contain an electric energy storage system, an arrangement or combination of equipment designed to store electrical energy in electric energy storage equipment and release electric power at a later time. Electric energy storage equipment means a set of technologies capable of storing electric energy and releasing that energy as electric power at a later time. Electric energy storage technologies may store energy as potential, kinetic, chemical or thermal energy, that can be released as electric power and include, but are not limited to, various types of batteries, flywheels, electrochemical capacitors, compressed air storage and thermal storage devices.

Or the property may contain a fuel-flexible linear generator electric generating system, an arrangement or combination of fuel-flexible linear generator electric generating equipment designed to produce electric energy from linear motion created by the reaction of gaseous or liquid fuels, including but not limited to biogas and natural gas. Fuel-flexible linear generator electric generating equipment is defined as an integrated system consisting of oscillators, cylinders, electricity conversion equipment and associated balance of plant components that directly convert the linear motion of the oscillators into electricity and which has a combined rated capacity of not more than 2000 kilowatts.

Structures that satisfy the requirements for exemption under RPTL §483-e (Anaerobic Digestion Facilities) cannot receive this exemption.

Eligibility for the optional permanent exemption requires that the energy produced, or the environmental credits or attributes created by virtue of the system's operation must be purchased by New York State or a New York State department, agency or public authority.

Certification by state or local government:

Permanent Exemption:

For the permanent exemption applicable to property owned or controlled by New York State or a New York State department, agency or public authority the agreement to purchase the energy produced or the environmental credits or attributes created by virtue of the system's operation must be in writing.

Required construction start date or other time requirement:

Partial exemption:

Solar, wind, or farm waste energy system must be (a) in existence or constructed prior to July 1, 1988, or (b) constructed after January 1, 1991 and before January 1, 2025. Micro-hydroelectric energy, fuel cell electric generating, micro-combined heat and power generating equipment, or electric energy storage equipment and electric energy storage systems must be constructed after January 1, 2018 and before January 1, 2025

Local option

Each county, city, town, village and school district (except the city school districts of New York, Buffalo, Rochester, Syracuse, and Yonkers) may choose whether to disallow the exemption with respect to solar, wind, or farm waste energy systems which began construction after January 1, 1991 and before January 1, 2025, and to micro-hydroelectric energy systems, fuel cell electric generating systems, micro-combined heat and power generating equipment systems, or electric energy storage equipment and electric energy storage systems constructed after January 1, 2018 or the effective date of the local law or resolution, whichever is later.

The option must be exercised by counties, cities, towns, and villages through adoption of a local law and by school districts by adoption of a resolution.

Each county, city, town, village and school district (except the city school districts of New York, Buffalo, Rochester, Syracuse, and Yonkers) may also choose to allow a permanent exemption for qualified real property owned or controlled by New York State or a New York State department, agency or public authority. The option must be exercised by counties, cities, towns, and villages through adoption of a local law and by school districts by adoption of a resolution.

Limitation on exemption

Limitation on exemption by amount, duration, and taxing jurisdiction

Taxing Jurisdiction	Amount	Duration	Special ad valorem levies	Special assessments
Taxing jurisdiction: county or county special district**	Exempt*	15 years	Taxable	Taxable
		Permanent***	Exempt***	Exempt***
Taxing jurisdiction: city**	Exempt*	15 years	Taxable	Taxable
		Permanent***	Exempt***	Exempt***

Taxing jurisdiction: town or town special district**	Exempt*	15 years	Taxable	Taxable
		Permanent***	Exempt***	Exempt***
Taxing jurisdiction: village**	Exempt*	15 years	Not applicable	Taxable
		Permanent***		Exempt***
Taxing jurisdiction: school district**	Exempt	15 years	Not applicable	Not applicable
		Permanent***		

*Amount is limited to any increase in assessed value that is attributable to the solar, wind, or farm waste energy system. (see [Calculation of Exemption](#)).

**If allowed by local option (see also [Payments in lieu of taxes](#)).

***Applies only to the optional permanent exemption for NYS owned or controlled properties

Payments in lieu of taxes

None required.

However, each county, city, town, village and school district (except the school districts of New York, Buffalo, Rochester, Syracuse, and Yonkers) that has **not** disallowed the exemption may require the owner of a property which includes a solar or wind energy system to enter into a contract for payments in lieu of taxes. As part of such contract, the property owner may be required to make annual payments in an amount not to exceed the amounts which would have been payable without the exemption. Such a contract may not operate more than 15 years, commencing from the date on which the benefits of this exemption first become effective.

No agreement for payment in lieu of taxes may be required of owners of properties receiving the permanent exemption applicable to NYS owned or controlled properties.

Calculation of exemption

General municipal and school district taxes:

Permanent Exemption:

RPTL 487 Renewable Energy Exemption Opt Out List (5/3/2021)

Erie County		
Towns		
Boston	07-5, 6/1/2018	6/1/2018
Marilla	1/10/2019	
Sardinia	12/14/2018	
Villages		
Angola	17-2	
School districts		
Akron	10/2/2019	
Frontier Central	3/18/2008	
Gowanda	4/23/2008	
Iroquois	12/19/2019	12/19/2019
Lackawanna	1/12/2012	
Pioneer	5/20/2008	
Silver Creek	11/19/2018	

**BUFFALO FISCAL STABILITY AUTHORITY**

July 21, 2005

Eva Hassett
Chief of Staff
City of Buffalo
201 City Hall
Buffalo, NY 14202

Fax: 851.4360

Dear Eva:

The Buffalo Fiscal Stability Authority has approved the following City contractual matter:

1. **Memorandum of Understanding to establish the Buffalo Brownfield Redevelopment Fund**

Please notify the appropriate individuals of BFSA's action on this contractual matter.

Sincerely,

Joseph V. Stefko, Ph.D.
Deputy Director

cc: Timothy E. Wanamaker (851.5016)
Dave Stebbins (856.6754)



Market Arcade Building, 617 Main Street, Suite 400
Buffalo, New York 14203
(716) 853-0907 / (716) 853-9052 (fax)
www.bfsa.state.ny.us

**CITY CLERK'S OFFICE
CITY HALL**

To Whom It May Concern:

I hereby Certify, That at a Session of the Common Council of the City of Buffalo, held
**IN THE CITY HALL, ON THE 30TH DAY OF NOVEMBER 2004 THE FOLLOWING ITEM WAS
PASSED WHICH THE FOLLOWING IS A TRUE COPY**

BUFFALO February 10, 2005

NO. 122

**Buffalo Brownfield Redevelopment Fund
(Item No. 133, C.C.P., Nov. 3, 2004)
(Item No. 121, C.C.P., Nov. 16, 2004)**

That the above item be, and the same hereby is returned to the Common Council without recommendation.

Mr. Golombek Moved:

That the Common Council approves the creation of the Buffalo Brownfield Redevelopment Fund; and
That the Buffalo Urban Development Corporation and the Erie County Industrial Development Agency ("ECIDA") will direct and administer the Fund; and

Section 1. The City is hereby authorized to enter into the Inter-Governmental Agreement called for in the Memorandum of Understanding ("MOU"), to be known as the Buffalo Lakeside Commerce Park Development and PILOT Redistribution Agreement (the "Agreement"), which shall be consistent with the MOU, and pursuant to which (i) the City and the Council will consent to the terms of the PILOT agreements between ECIDA and any end user of park proper be pursuant to which such end user will either make as-if-owned PILOT payments (if such end user is eligible for New York State Empire Zone benefits), or standard ECIDA PILOT payments, (ii) the City and the County will direct and authorize such end users to make PILOT payments directly to ECIDA, and will confirm that receipt of each PILOT payment by ECIDA shall constitute receipt by the City or the County, as applicable, and (iii) the City and the County shall direct ECIDA to remit the Fund's Share of the PILOT payments made by end users of Park property to a dedicated fund for payment of costs incurred by BUDC (or ECIDA on behalf of BUDC) in connection with subsequent phases of the Park and, after completion of the Park, in connection with similar projects located within the City that are undertaken by BUDC, with the balance of such PILOT payments to be remitted to the applicable tax jurisdictions. Such Agreement shall also impose restrictions and limitations on BUDC's use of the Fund for eligible costs, a commitment on the part of BUDC to complete and market subsequent phases of the Park, and the agreement of ECIDA to enter into appropriate PILOT arrangements with end users of Park property.

Section 2. The Mayor is hereby authorized to execute the Agreement and such other documentation and agreements as may be necessary or appropriate to carry out the purposes of these resolutions.

Section 3. These resolutions shall take effect immediately.

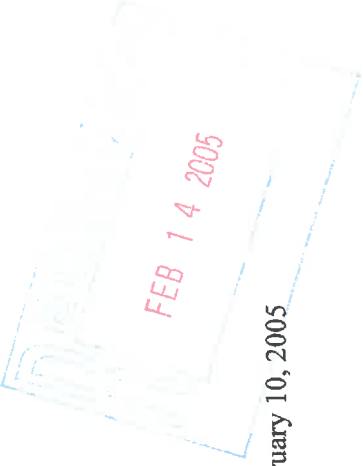
Adopted.

AYES-BONIFACIO, COPPOLA, DAVIS, FONTANA, FRAN CZYK, GOLOMBEK AND THOMPSON - 7
NOES-GRIFFIN - 1

ATTEST
City Clerk



**THE ABOVE RESOLUTION WAS SIGNED BY THE MAYOR ON 12/10/2004 AND RETURNED
TO THE CITY CLERK'S OFFICE ON 12/10/2004**



RESOLUTION

Sponsor: Mr. Griffin

RE: Buffalo Brownfield Redevelopment Fund

Whereas: It is in the best interest of the Buffalo Niagara region to redevelop “brownfield” properties within the City of Buffalo, and to establish a mechanism for funding these redevelopments costs; and

Whereas: Buffalo Urban Development Corporation (“BUDC”) has requested to take a lead role in the remediation and redevelopment of an industrial/commercial park to be known as the Buffalo Lakeside Commerce Park (“Park”), an approximate 275 acre parcel of land located in South Buffalo; and

Whereas: BUDC has expended and/or committed \$1,000,000 of its own funds in connection with the acquisition, remediation, and other development costs of the Park property; and

Whereas: BUDC does not expect to recover the full amount of its investment, and as insufficient funds remain for the development of the balance of the Park, BUDC has requested the assistance of the Erie County Industrial Development Agency (“ECIDA”), the County of Erie (the “County”) and the City of Buffalo (the “City”), in establishing the Buffalo Brownfields Redevelopment Fund (“Fund”), which would earmark a portion of the future payment in lieu of real estate tax revenue for eligible project costs; and

Whereas: The City, ECIDA and BUDC have entered into the “Buffalo Brownfield Redevelopment Fund Memorandum of Understanding (“MOU”)” (it is anticipated that the County of Erie will execute the MOU shortly) outlining the Buffalo Lakeside Commerce Park Project and the establishment of the Fund; and

Whereas: WHEREAS, as set forth in the MOU, it is proposed that the Fund is to be established by dedicating a portion of future payments in lieu of real estate taxes (“PILOT(s)”) to be paid by end users of the Park towards costs to be incurred in connection with subsequent phases of the Park (and, to the extent of any surplus, towards costs to be incurred for similar projects to be located in the City); and

Whereas: The MOU contemplates that if an end user of Park property is required to make “as if owned” PILOT payments (because such end user is eligible for New York State Empire Zone benefits), the City would receive the amount that normally would be payable pursuant to ECIDA’s standard payment in lieu of tax policy, and if such end user is required to make PILOT payments in accordance with ECIDA’s standard payment in lieu of tax policy, the City would receive 50% of such PILOT payments; and that the balance of the payments made by the end user of Park property (referred to in the MOU as the “Fund’s Share”) would be dedicated to the Fund; and

Whereas: The MOU contemplates that the parties will enter into one or more “Inter-Governmental Agreements” pursuant to which, among other things, the City and the County will agree to the dedication of such future PILOTs, BUDC will agree to develop and market the balance of the Park, and

ECIDA will agree to administer the Fund and enter into appropriate PILOT arrangements with end users of the Park.

Now Therefore Be It Resolved:

That the Common Council approves the creation of the Buffalo Brownfield Redevelopment Fund.

Be It Further Resolved:

That BUDC and ECIDA will direct and administer the Fund.

Be It Further Resolved :

Section 1. The City is hereby authorized to enter into the Inter-Governmental Agreement called for in the MOU, to be known as the Buffalo Lakeside Commerce Park Development and PILOT Redistribution Agreement (the "Agreement"), which shall be consistent with the MOU, and pursuant to which (i) the City and the County will consent to the terms of PILOT agreements between ECIDA and any end user of Park property pursuant to which such end user will either make as-if-owned PILOT payments (if such end user is eligible for New York State Empire Zone benefits), or standard ECIDA PILOT payments, (ii) the City and the County will direct and authorize such end users to make PILOT payments directly to ECIDA, and will confirm that receipt of each PILOT payment by ECIDA shall constitute receipt by the City or the County, as applicable, and (iii) the City and the County shall direct ECIDA to remit the Fund's Share of the PILOT payments made by end users of Park property to a dedicated fund for payment of costs incurred by BUDC (or ECIDA on behalf of BUDC) in connection with subsequent phases of the Park and, after completion of the Park, in connection with similar projects located within the City that are undertaken by BUDC, with the balance of such PILOT payments to be remitted to the applicable tax jurisdictions. Such Agreement shall also impose restrictions and limitations on BUDC's use of the Fund for eligible costs, a commitment on the part of BUDC to complete and market subsequent phases of the Park, and the agreement of ECIDA to enter into appropriate PILOT arrangements with end users of Park property.

Section 2. The Mayor is hereby authorized to execute the Agreement and such other documentation and agreements as may be necessary or appropriate to carry out the purposes of these resolutions.

Section 3. These resolutions shall take effect immediately.

Now, Be It Finally Resolved:

That this resolution be forwarded to an appropriate Committee of the Council for further consideration.


James D. Griffin

**BUFFALO BROWNFIELD REDEVELOPMENT FUND
MEMORANDUM OF UNDERSTANDING**

It is the purpose of this MEMORANDUM OF UNDERSTANDING ("Memorandum") entered into as of September _____, 2004, by and among the CITY OF BUFFALO, NEW YORK ("City"), the COUNTY OF ERIE, NEW YORK ("County"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA"), and BUFFALO URBAN DEVELOPMENT CORPORATION ("BUDC") (formerly known as Development Downtown, Inc.), to set forth their mutual understandings reached regarding their respective roles in the development of the Buffalo Lakeside Commerce Park Project and the establishment of the Buffalo Brownfields Redevelopment Fund.

ARTICLE I

RECITALS

1.01 All terms with initial capital letters used in this Article and in this Memorandum shall have the meanings set forth in Schedule A, attached to this Memorandum and made a part hereof.

1.02 The parties agree that it is in the best interests of the Buffalo Niagara region to redevelop "brownfield" properties within the City of Buffalo, and to establish a mechanism for funding redevelopment costs. BUDC has been requested to take a lead role in the remediation and redevelopment of such brownfield properties. Representatives of the other parties to this Memorandum are members of BUDC's board of directors.

1.03 Accordingly, the parties agree that it is in the best interests of the Buffalo Niagara region for BUDC to develop an industrial/commercial park, to be known as the Buffalo Lakeside Commerce Park, on a 275+/- acre parcel of land more particularly described on Schedule B, attached hereto and made a part hereof and as may be amended from time to time in the future (the "Park"). The property on which the Park is located is in South Buffalo on the site of the former Hanna Furnace Steel manufacturing facility and has undergone environmental remediation in conjunction with NYSDEC. The former manufacturing facility ceased operations in 1982 and remained vacant until redevelopment activities were initiated in 2003. The City obtained the property through a bankruptcy proceeding and transferred the property to BUDC in 2003, for the purpose of implementing a redevelopment plan (Union Ship Canal Redevelopment Area Urban Renewal Plan) that was approved by the City in June, 2003. The Park is to be developed in multiple phases, and the first two phases of the Park are already in progress.

1.04 ECIDA has entered into two Project Development Agreements with BUDC, pursuant to which ECIDA is providing technical assistance in connection with BUDC's development of the first two phases of the Park. It is anticipated that ECIDA and BUDC will enter into similar agreements for the development of the remaining phases of the Park.

1.05 The County has entered into two separate funding agreements with ECIDA and BUDC, pursuant to which the County has agreed to provide funds to pay for certain infrastructure costs in connection with the first two phases of the Park. NYS DOT has also entered into two separate grant agreements with ECIDA pursuant to which NYS DOT has agreed to provide funds to pay for certain infrastructure costs in connection with the first two phases of the Park.

1.06 The City has previously invested approximately \$2,000,000.00 for site demolition and site preparation for the Park.

1.07 BUDC has expended and/or committed \$1,000,000.00 of its own funds (the "BUDC Investment") in connection with the acquisition of the Park property, environmental remediation and other development costs that have not been subject to reimbursement to date from the grants obtained from the County and NYS DOT. BUDC does not expect that the sale of Lots to End Users will result in the recovery of all of the BUDC Investment, and as insufficient funds remain for the development of the balance of the Park, BUDC has requested the assistance of ECIDA, the County and the City in establishing the Buffalo Brownfields Redevelopment Fund (the "Fund"), which would earmark a portion of the future payment in lieu of real estate tax revenue (to come from End Users in connection with the Lots) for Eligible Project Costs. It is contemplated that the Fund would be comparable to tax increment financing, with BUDC and/or ECIDA being authorized to borrow money from third party sources to be secured by the Fund's Share of future PILOT Payments, with the Fund and/or the proceeds of any such financing to be available for the costs of the balance of the phases of the development of the Park and for development costs for comparable projects located within the City to be developed by BUDC.

1.08 This Memorandum is intended to provide guidance to the parties in the development of the Park and the establishment and administration of the Fund, but is not intended to be a contract or to create or recognize any legal right or duty on the part of any party.

ARTICLE II

ROLES OF THE PARTIES

2.01 Role of the County and City. The County's and City's role are to facilitate the development of the future phases of the Park by permitting a portion of the PILOT Payments to be made by End Users with regard to Lots to be retained by ECIDA for dedication to the Fund, with such proceeds of the Fund and/or the proceeds of any Fund Financing to be made available to BUDC for Eligible Project Costs.

2.02 Role of BUDC. BUDC's role is to (a) develop all future phases of the Park, and (b) develop and market additional comparable projects within the City of Buffalo, and (c) with the agreement of ECIDA, borrow monies from third party sources and cause the pledge of the Fund's Share of future PILOT Payments as security therefor, and to deposit the net proceeds of any such Fund Financing in the Fund.

2.03 Role of ECIDA. ECIDA's role is to (a) provide technical assistance to BUDC in connection with the development of the future phases of Park, (b) receive the Fund's Share of PILOT Payments for dedication to the Fund, and to administer the Fund, (c) with the agreement of BUDC, borrow monies from third party sources and pledge the Fund's Share of future PILOT Payments as security therefor, and to deposit the net proceeds of any such Fund Financing in the Fund, and (d) make the proceeds of the Fund available to BUDC for the payment of Eligible Project Costs.

ARTICLE III

METHOD FOR ESTABLISHING FUND

3.01 Restrictions on BUDC's Transfer of Lots. BUDC will only transfer Lots to End Users who are contractually obligated to develop such Lots as a manufacturing, warehousing, distribution, office or other comparable facilities within a fixed period of time, as specified in each Land Disposition Agreement. As a condition precedent to BUDC transferring Lots in the Park to End Users, BUDC shall require that such End Users apply to ECIDA for state and local tax abatements and that, if approved by ECIDA's Board, that such End Users accept such tax abatements, pursuant to ECIDA's standard requirements, and that such End Users agree that ECIDA's ownership interest in such Lots (and the obligations of such End Users to make PILOT Payments) must continue for 15 years after completion of the improvements by the End Users.

3.02 Projects Qualifying for QEZE Benefits. To maximize the amount of PILOT Payments available for the Fund and for the taxing jurisdictions, BUDC shall require that any End User that qualifies for QEZE Benefits must apply for such benefits and must accept the same. If the End User qualifies for QEZE Benefits, then ECIDA would enter into a PILOT Agreement with such End User providing for Full PILOT Payments by such End User. Such payments would be made by the End Users to ECIDA, with ECIDA to remit the City's Share to the City, the County's Share to the County, and the Fund's Share to the Fund.

3.03 Projects not Qualifying for QEZE Benefits. If an End User does not qualify for QEZE Benefits, ECIDA would enter into a PILOT Agreement with such End User providing for Standard PILOT Payments by the End User. Such payments would be made by the End User to ECIDA, with ECIDA to remit the City's Share to the City, the County's Share to the County, and the Fund's Share to the Fund.

3.04 Fund Financing. In order to expedite the development of the Park, ECIDA and BUDC will explore the possibility of BUDC and/or ECIDA borrowing monies from third party sources and ECIDA pledging as security for such financing the Fund's Share of future PILOT Payments to be made by End Users for Lots in the Park. Any such financing would be a limited obligation, payable solely from the Fund's Share of PILOT Payments pledged as security therefor, and would not be a general obligation of ECIDA or BUDC. The net proceeds of any Fund Financing would be payable to ECIDA for deposit into the Fund, and then made available to BUDC for Eligible Project Costs.

ARTICLE IV

SUBSEQUENT ACTIONS

4.01 Inter-Governmental Agreements. The parties to this Memorandum will endeavor to negotiate and enter into one or more Inter-Governmental Agreements to govern their subsequent actions in connection with their respective roles in the development of the Park and the establishment and administration of the Fund. In connection with the Inter-Governmental Agreements, the parties will establish and approve, consistent with the provisions of this Memorandum (a) the establishment of the payment in lieu of real estate tax program described in this Memorandum for End Users of Lots located in the Park, and the consent of the City and the County to the use of the Fund's Share of such PILOT Payments for Eligible Project Costs, (b) the establishment of the Fund and the criteria and methodology of disbursement of monies from such Fund towards payment of Eligible Project Costs, and (c) such other matters as the parties may deem necessary or appropriate. The Inter-Governmental Agreements will be subject to the approval of the Erie County Legislature, the City of Buffalo Common Council, and the Boards of BUDC and ECIDA, as may be applicable.

4.02 Completion of Park. BUDC (with technical assistance from ECIDA) will complete the Park in phases, utilizing the monies from the Fund as well as any grant proceeds available from any governmental, quasi-governmental or private sources. To the extent BUDC completes the Park and does not utilize all of the monies in the Fund therefor, BUDC will undertake comparable projects within the City, and will be authorized to utilize the balance of the Fund to pay Eligible Project Costs therefor.

4.03 Marketing of Park. BUDC will market the sale of Lots in the Park to manufacturing, warehousing, distribution, office and other comparable concerns and, in connection with the transfer of Lots, BUDC will require that such End Users agree to develop such Lots within a fixed period of time, and to apply to ECIDA for state and local tax abatements and to pay PILOT Payments for a period of at least 15 years after completion of the improvements by the End Users.

4.04 Agreement with End Users. ECIDA will enter into appropriate tax abatement/leaseback documentation pursuant to which (a) the End User will be obligated to make PILOT Payments, and (b) such End Users will agree that ECIDA will not be obligated to reconvey the Lot until such PILOT Payments have been made for a period of at least 15 years.

4.05 Meetings. Representatives of the parties will meet periodically, at such times as they shall deem necessary and appropriate, to further the purposes of this Memorandum.

ARTICLE V

FURTHER CONDITIONS

5.01 Exculpatory Provisions. No provision contained in this Memorandum, nor the breach thereof, shall constitute or give rise to or impose upon any of the parties hereto a

pecuniary liability or charge upon their respective credit. The Inter-Governmental Agreements will provide that (a) no provision, covenant or agreement contained therein, and any other agreement entered into in connection therewith, nor any obligations therein imposed upon the parties, nor the breach thereof, shall constitute or give rise to or impose upon such party a pecuniary liability or a charge upon its general credit, except for gross negligence, willful misconduct, the misappropriation of funds, or the failure to make any specific monetary grant or loan contained therein, and (b) all covenants, stipulations, promises, agreements and obligations of the parties contained therein shall be deemed to be covenants, stipulations, promises, agreements and obligations of such party and not of any member, director, officer, employee or agent thereof in his or her individual capacity, and that no recourse shall be had for any claim thereunder against any member, director, officer, employee or agent of such party.

5.02 Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties to this Memorandum have signed this document as indicated below as evidence of their approval of the mutual understandings set forth herein.

COUNTY OF ERIE, NEW YORK

By: _____

CITY OF BUFFALO, NEW YORK

By: *Julie M. Marshall*

ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: *Charles E. [Signature]*

BUFFALO URBAN DEVELOPMENT
CORPORATION

By: *David [Signature]*

SCHEDULE A

The following terms as used in the attached Memorandum of Understanding shall have the meanings set forth below:

City - The City of Buffalo, New York, a New York municipal corporation.

City's Share - With regard to any Lot, shall mean (i) if the Full PILOT Payment is required to be made by the End User, an amount equal to the Standard PILOT Payment, and (ii) if the Standard PILOT Payment is required to be made by the End User, an amount equal to 50% of the Standard PILOT Payment.

County - The County of Erie, New York, a New York municipal corporation.

County's Share - With regard to any Lot, shall mean (i) if the Full PILOT Payment is required to be made by the End User, an amount equal to the Standard PILOT Payment, and (ii) if the Standard PILOT Payment is required to be made by the End User, an amount equal to 50% of the Standard PILOT Payment.

BUDC - Development Downtown, Inc., a New York not-for-profit local development corporation.

BUDC Investment - \$1,000,000.00, representing funds expended or committed by BUDC to pay for costs associated with the development of the Park.

ECIDA - Erie County Industrial Development Agency, a New York public benefit corporation.

Eligible Project Costs - All out-of-pocket third party costs incurred by BUDC (or ECIDA on behalf of BUDC) in connection with the Park, which may include, but are not limited to, site investigations, site planning, remediation, road and utility construction, and related legal costs, which costs are estimated and attached to this Memorandum as Schedule C, and shall also mean, after completion of the Park, all out-of-pocket third party costs incurred by BUDC (or ECIDA on behalf of BUDC) in connection with projects comparable to the Park located within the City of Buffalo that are undertaken by BUDC.

Empire Zone Program - Various tax benefits available under New York's Empire Zones Program Act, as amended, including, but not limited to, wage tax credits, investment tax credits, employment incentive credits, capital tax credits, sales tax refunds, credits for real property taxes, tax reduction credits and sales and use tax exemptions, for eligible business enterprises located within a specified geographic area commonly known as an "Empire Zone".

End User – The private entities which purchase and develop Lots.

Full PILOT Payment(s) – Payments in lieu of real estate taxes to be payable to ECIDA, on an as-if-owned basis, in connection with any Lot, for a term of 15 years.

Fund – The Buffalo Brownfields Redevelopment Fund, which fund is to be established pursuant to an agreement between BUDC and ECIDA from PILOT Payments to be made by End Users in connection with Lots in the Park (less the City's Share and the County's Share of such PILOT Payments), which will be used for Eligible Project Costs. The Fund will also include the net proceeds of any Fund Financing.

Fund Financing – Any financing arrangement entered into by ECIDA and/or BUDC which utilizes the Fund's Share of future PILOT Payments from End Users as security for the repayment of such financing. The net proceeds of any Fund Financing will be deposited into the Fund and made available by ECIDA to BUDC for Eligible Project Costs.

Fund's Share – To the extent the End User is required to make the Full PILOT Payment, the Full PILOT Payment less the Standard PILOT Payment and, to the extent the End User is required to make the Standard PILOT Payment, 50% of the Standard PILOT Payment. An example of how the Fund's Share would be calculated is set forth on Schedule A-1, attached hereto.

Inter-Governmental Agreements – The agreements to be entered into among the parties to this Memorandum, as described in Section 4.01 hereof.

Land Disposition Agreement(s) – The agreements to be entered into between BUDC and End Users with regard to the transfer of Lots, which will set forth the continuing obligations of such End Users with regard to the development of their Lots and their subsequent operations at such Lots.

Lot(s) – The individual lots in the Park to be made available for acquisition by End Users by BUDC.

NYSDEC – New York State Department of Environmental Conservation.

NYSDOT - New York State Department of Transportation.

Park – The Buffalo Lakeside Commerce Park Project, which consists of the redevelopment of a 275+/- acre, former iron manufacturing facility into a modern business park, including the investigation, planning, clearance, demolition, remediation, and infrastructure construction necessary to create shovel-ready development sites. The Park is located in South Buffalo on the site of the former Hanna Furnace Steel manufacturing facility, and is roughly bounded by Tift Street to the north, the Seneca rail

yard to the east, the city line of Buffalo and Lackawanna to the south and New York State Route 5 to the west.

PILOT Agreement – An agreement between ECIDA and an End User to make payments in lieu of real estate taxes in connection with the Lot owned and developed by such End User. PILOT Agreements shall require that the End User pay either Full PILOT Payments (if the End User is eligible for QEZE Benefits) or Standard PILOT Payments (if the End User is not eligible for QEZE Benefits).

PILOT Payments – Payments made by an End User under a PILOT Agreement.

QEZE Benefits – Various tax benefits that may be available to owners/developers of Lots under the Empire Zone Program.

Standard PILOT Payment(s) – The amount of payment in lieu of real estate tax payments that normally would be payable on any Lot pursuant to ECIDA's standard payment in lieu of tax policy, for a period of 15 years.

SCHEDULE A-1

The Standard PILOT Payment, for each tax fiscal year, would be equal to the Full PILOT Payment multiplied by the percentage set forth below:

Tax Fiscal Year 1	-	20%
Tax Fiscal Year 2	-	20%
Tax Fiscal Year 3	-	30%
Tax Fiscal Year 4	-	30%
Tax Fiscal Year 5	-	40%
Tax Fiscal Year 6	-	40%
Tax Fiscal Year 7	-	40%
Tax Fiscal Year 8	-	40%
Tax Fiscal Year 9	-	40%
Tax Fiscal Year 10	-	50%
Tax Fiscal Year 11	-	50%
Tax Fiscal Year 12	-	50%
Tax Fiscal Year 13	-	50%
Tax Fiscal Year 14	-	50%
Tax Fiscal Year 15	-	50%

If an End User is required to make Full PILOT Payments, ECIDA would receive such payments from the End User and remit an amount equal to the Standard PILOT Payment to the applicable taxing jurisdiction, and the difference between the Full PILOT Payment and the Standard PILOT Payment to the Fund. If an End User is required to make Standard PILOT Payments, ECIDA would receive such payments from the End User and remit 1/2 of such amount to the applicable taxing jurisdiction, and 1/2 of such amount to the Fund.

By way of example, if Full PILOT Payments are required to be made by the End User and the Full PILOT Payment for Tax Fiscal Year 1 is \$60,000.00, the Standard PILOT Payment would be \$12,000.00, and the Fund's Share would be \$48,000.00, and if the Full PILOT Payment for Tax Fiscal Year 5 is \$60,000.00, the Standard PILOT Payment would be \$24,000.00 and the Fund's Share would be \$36,000.00. If Standard PILOT Payments are required to be made by the End User and the Full PILOT Payment for Tax Fiscal Year 1 is \$60,000.00, the Standard PILOT Payment would be \$12,000.00, and the aggregate of the City Share and the County Share would be \$6,000.00, and the Fund's Share would be \$6,000.00, and if the Full PILOT Payment for Tax Fiscal Year 5 is \$60,000.00, the Standard PILOT Payment would be \$24,000.00, and the aggregate of the City Share and the County Share would be \$24,000.00, the aggregate of the City Share would be \$12,000.00, and the Fund's Share would be \$12,000.00. The actual amounts would vary, depending upon the calculation of Full PILOT Payments for each tax fiscal year, which in turn will be dependent upon the assessed valuation and the applicable tax rates.

SCHEDULE B

Legal Description of Park

SCHEDULE C

**Buffalo Lakeside Commerce Park
Anticipated/Potential Additional Costs**

PHASE I		
<u>Parcel #1</u>		\$1,125,000
Misc. Environmental	\$ 100,000	
Subsurface Conditions	\$ 25,000	
Cover & Hydro-seed	<u>\$1,000,000</u>	
 <u>Parcel #2</u>		 \$ 270,000
Misc. Environmental	\$ 100,000	
Subsurface Conditions	\$ 25,000	
Cover & Hydro-seed	<u>\$ 145,000</u>	
 PHASE II		
<u>Parcel #3 (Canal Park)</u>		\$3,400,000
Cover & Hydro-seed	\$ 500,000	
Construction	\$ 900,000	
Canal Wall Stabilization	<u>\$2,000,000</u>	
 PHASE III		
<u>Parcel #4</u>		\$3,165,000
Investigation	\$ 230,000	
Environmental Insurance	\$ 185,000	
Cover & Hydro-seed	\$ 500,000	
Site Preparation	\$ 250,000	
Road & Infrastructure	<u>\$2,000,000</u>	
 PHASE IV		
<u>Parcel #IV -</u>		\$3,685,000
Acquisition	\$ 500,000	
Environmental Insurance	\$ 185,000	
Planning, Design & Pre-development	\$ 250,000	
Investigation & Testing	\$ 250,000	
Remediation/Mitigation	\$ 500,000	
Road & Infrastructure	<u>\$2,000,000</u>	
 <u>General</u>		 \$ 525,000
Site Marketing	\$ 100,000	
Planning Consultant (5 years)	\$ 200,000	
Environmental Consultant (5 years)	\$ 200,000	
Legal (5 years)	<u>\$ 25,000</u>	
 GRAND TOTAL		 \$12,170,000