



Policy Committee

July 7, 2022

At 9:00 a.m.

Via Conference Call and Livestreaming

1. Call Meeting to Order
2. Approval of the June 2, 2022 Policy Committee Meeting Minutes (Pages 2-5)
3. Project Matrix (Page 6)
4. Project Presentation (Staff – Company Q&A)
 - a) 380 Vulcan/Carrier Terminal Services (Pages 7-43)
 - b) Perry's Ice Cream Company (Pages 44-74)
5. Pandemic Impact 2021 Recapture Waiver (Pages 75-76)
6. June Board Meeting Update
 - a) A&A Union Road (Pages 77-79)
7. Post Pandemic Policy Strategy Discussion (Pages 80-93)
 - a) Commercial Office Space Impacts
 - b) Workforce Disruption
 - c) Employment Reporting/Recapture Policy
8. MWBE Update
9. Adjournment - Next Meeting **August 4, 2022 at 9:00 a.m.**

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

- DATE:** June 2, 2022
- LIVE STREAMED:** This meeting is being live-audio streamed and made accessible on the Agency's website at www.ecidany.com.
- PRESENT:** Denise Abbott; Hon. April Baskin; Rev. Mark E. Blue; Johanna Coleman; Richard Lipsitz, Jr.; Brenda W. McDuffie; Hon. Glenn R. Nellis; Laura Smith; David J. State; Lavon Stephens; Hon. John Tobia; Paul Vukelic and Hon. Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown and Colleen DiPirro;
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Andrew Federick, Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications; Pat Smith, Senior Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Alex Carducci on behalf of the City of Buffalo; Zachary Evans on behalf of the County; Joseph Paolini and Molly Penale on behalf of Spaulding Business Park, LLC and Julius Aebly on behalf of Aebly & Associates Insurance Services, Inc.

There being a quorum present at 9:32 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the April 7, 2022 Policy Committee meeting were presented. Upon motion made by Mr. Blue to approve of the minutes, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

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

TAX INCENTIVE REPORT

Mr. Cappellino reviewed this report. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

Aebly and Associates Insurance Services a/k/a A&A Union Road, LLC, 1471 Union Road, West Seneca, New York 14224. Ms. O’Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a 6,160 sq. ft. 2-story professional office building.

Ms. O’Keefe confirmed that A&A Union Road, LLC is seeking approximately \$498,062 in assistance including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$15,430,020 for the direct and indirect jobs created including 13 construction jobs. The resulting cost benefit is 1:31 so for every \$1 of incentives the community benefit is \$31 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$36 in community benefits.

Ms. Baskin expressed support for the company’s MWBE utilization plan. Ms. Whyte and the applicant confirmed that project construction costs have increased by about 23% due to COVID-19 disruption.

Ms. O’Keefe 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 = \$3,110,729 85% = \$2,644,119
Employment	Coincides with 7-year PILOT	Maintain Base – 12 FTE Create 85% of Projected Jobs Projected = 2 85% = 1 Recapture Employment = 13
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	Coincides with 7-year PILOT	Recapture of state and local sales taxes, mortgage recording tax and real property tax abatement

Ms. McDuffie moved and Mr. Vukelic seconded to recommend the project as proposed be forwarded to the members of the ECIDA for approval.

Mr. Tobia queried about plan for existing buildings. Mr. Aebly, on behalf of the company, stated he will be selling the buildings and may have the buildings re-zoned for residential use.

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

Spaulding Business Park, LLC, Gibson Street (corner of Gibson and Hackett Drive), Tonawanda, New York 14150. Ms. O’Keefe presented this proposed sales tax, mortgage recording tax and real property tax abatement benefits project involving the construction of a business park in the City of Tonawanda consisting of five approximately 9,000 sq. ft. buildings for light manufacturing and/or warehouse use.

Ms. Whyte asked the Company if they have estimates of job commitment with respect to its project. Mr. Paolini, on behalf of the company, stated he relied on prior, similar spec building projects to estimate job numbers.

Ms. O’Keefe confirmed that Spaulding Business Park, LLC is seeking \$382,448 in incentives including sales tax exemption, mortgage tax exemption and real property tax abatement benefits. Total payroll is projected at \$10,526,239 for the direct and indirect jobs created including 8 construction jobs. The resulting cost benefit is 1:27 so for every \$1 of incentives the community benefit is \$27 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$30 in community benefits.

Ms. O’Keefe 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 = \$2,055,000 85% = \$1,746,750

Employment	Coincides with 10-year PILOT	Maintain Base – 0 Create 85% of Projected Jobs Projected = 20 85% = 17 Recapture Employment = 17
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 tax abatement

Ms. Abbott moved and Mr. Tobia 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.

MWBE UPDATE

Mr. Cappellino provided an update to Committee members.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:13 a.m.

Dated: June 2, 2022

Elizabeth A. O’Keefe, Secretary

Tax Incentives Approved - 2022

Approval Date	Project Name	Project City/Town	Private Investment/ Project Amount	Minimum Investment Commitment	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Job Creation	Const. Jobs	Spillover Jobs	Length of Term	Incentive Amount
1	Jan-22 791 Washington Street, LLC ¹ Arbor Multifamily Lending, LLC	Buffalo	\$107,950,000	85% threshold \$91,800,000	0	0	5	0	85%-New 4 jobs	571	433	Period of PILOT 10 Years	\$3,719,000
1	Jan-22 Broadway Development & Management ¹	Tonawanda	\$2,100,000	85% threshold \$1,785,000	168	0	25	0	85%-New 21 jobs	0	158	project completion date + 2 yrs	\$183,750
1	Jan-22 Management ¹	Buffalo	\$12,500,000	85% threshold \$10,625,000	2	0	8	0	85%-New 7 jobs	56	55	project completion date + 2 yrs	\$693,750
1	Jan-22 Lactalis American Group, Inc.	Buffalo	\$1,436,697	85% threshold \$1,221,192	334	0	27	0	85%-New 22 jobs	5	1390	project completion date + 2 yrs	\$121,441
1	Mar-22 471 Elmwood, LLC ¹	Buffalo	\$3,590,000	85% threshold \$3,051,500	0	0	1	0	85%-New 1 job	20	10	project completion date + 2 yrs	\$122,500
1	Apr-22 Workspport, Ltd.	West Seneca	\$15,006,887	85% threshold \$12,755,854	0	0	6	10	85%-New 9 jobs	30	33	project completion date + 2 yrs	\$103,562

Totals:	Private Investment/ Project Amount	FT Jobs Retained	PT Jobs Retained	FT Jobs Created	PT Jobs Created	Incentive Amount
Adaptive Reuse Subtotal	\$124,040,000	2	0	14	0	\$4,535,250
2022 Total	\$142,583,584	504	-	72	10	\$4,944,003

¹ Adaptive Reuse

Carrier Terminal Services, Inc / Speed Global Services
\$ 7,145,000
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 493110

COMPANY INCENTIVES

- Approximately \$ 302,750 in sales tax savings
- Approximately \$ 1,267,468 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$40,481

JOBS & ANNUAL PAYROLL

- Current Jobs: 4 FT, 2 PT
- Annual Payroll: \$ 240,000
- Projected new jobs: 3 FT, 2 PT
- Est. salary/yr. of jobs created: \$48,000 FT/ 40,000 PT
- Projected retained jobs: 4 FT, 2 PT
- Est. salary/yr. of jobs retained: \$ 45,000 FT, 40,000 PT
- Total jobs after project completion: 7 FT, 4 PT
- Construction Jobs: 25

PROJECTED COMMUNITY BENEFITS*

- Term: 7 YEARS
- NET Community Benefits: \$ 9,238,839
- Spillover Jobs: 26
- Total Payroll: \$ 8,401,745

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

Incentives: \$ 1,520,894
 Community Benefit: \$ 8,809,490
 Cost: Benefit Ratio
 • 1:6

Project Title: 380 Vulcan
 Project Address 380, 400, 408, 416 Vulcan St. Tonawanda, NY 14207
 Kenmore Tonawanda Union Free School District

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the renovation of 170,399 sq ft of vacant space needing major repairs for future warehouse and distribution use.

Land / Building Acquisition	\$ 1,350,000
Reconstruction / Renovation	\$ 5,300,000
Non- Manufacturing Equipment	\$ 460,000
Soft Costs/Other	\$ 35,000
Total Project Cost	\$ 7,145,000
85%	\$ 6,073,250

Company Description

Carrier Terminal Services, Inc is a real estate holding company owned by Carl T. Savarino with Speed Global Services as its operator. Speed Global Services (SGS) has a long history in Buffalo that was started by Carmelo Savarino who immigrated to Buffalo in 1913. Savarino began using the spare space on his grocery truck to pick up and deliver goods for other businesses. Carmelo & Sons Trucking was formed in 1946 which transformed the business from a grocery store to a trucking company. As the business expanded they changed their name to Speed Motor Express eventually bringing on larger customers such as General Motors, E. I DuPont, Scott's Lawn Care, Moore Business Forms, and Sherwin-Williams Paint. Through growth and acquisition, SGS with its HQ in Buffalo, continues its success in international freight forwarding, warehousing, U.S. Customs services and North American distribution. This 4th generation logistics company has become a premier provider of supply chain solutions.

Project Description

The company is looking to purchase and repurpose 170,399 sq ft (or 98% of the 176,399 sq ft) of space within the 21 buildings located at 380, 400, 408 and 416 Vulcan St in the Town of Tonawanda. Upon completing the renovation, which will be done in phases targeting a completion date of January, 2024 – the property will be used by Speed Global Services for warehouse and distribution uses. Nineteen of these buildings have been unoccupied and vacant for more than 6 years and are in need of major repair and updates in order to meet code.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	1,267,468
	Sales	302,750
	Mortgage Recording	40,481
	Total	1,610,699
	Discounted at 2%	1,520,894

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction	3,713,852	
			Payroll Permanent	4,687,893	
		Public	Property Taxes	316,870	
			Sales Taxes	69,839	
			Other Muni Revenue (NFTA)	13,494	
	New York State	Public	Income Taxes	378,078	
			Sales Taxes	58,812	
				Total Benefits to EC + NYS***	9,238,839
				Discounted at 2%	8,809,409

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

Discounted Cost \$ 1,520,894
 Discounted Benefit \$ 8,809,490
 Ratio 1:6

Conclusion: The Cost Benefit for this project is: 1:. For every \$1 in costs (incentives), this project provides \$6 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$6 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 10,134	\$ 2,211,000	\$ 42,825	\$ 274,043	\$ 236,468
Combined Tax Rate: \$ 102.36725				

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 = \$7,145,000 85% = \$ 6,073,250
Employment	Coincides with 7-year PILOT	Maintain Base = 4 FT, 2 PT Create 85% of Projected Projected = 3 FT, 2 PT 85% = 3 FTE Recapture Employment = 8 FTE
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
<u>Recapture Period</u>	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

- State and Local Sales Taxes
- Real Property Tax
- Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 4 FT, 2 PT jobs and created 3 FT, 2 PT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 6/27/22: Public hearing held.
- 7/27/22: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 7/27/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

**EVALUATIVE CRITERIA
MANUFACTURING/WAREHOUSE/DISTRIBUTION**

Wage Rate (above median wage for area)	The median wage for FT jobs retained = \$45,000 and FT jobs created = \$48,000
Regional Wealth Creation (% sales/customers outside area)	100% of sales/customers are w/in Erie County.
In Region Purchases (% of overall purchases)	Company estimates that 80% of annual supplies, raw materials and vendor services are purchased from firms in Erie County.
Research & Development Activities	N/A
Investment in Energy Efficiency	Investments in energy efficiency include LED lighting, heating and building insulation.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Property is adjacent to a highly distressed census tract per the 2020 Census Map.
LEED/Renewable Resources	N/A
Retention/Flight Risk	N/A
MBE/WBE Utilization	Speed Global's workforce currently consists of 41% being minorities. Speed includes and encourages MBE / WBE contractors to bid on all company projects. See application for details of minority and women owned businesses utilized for other projects. Company has bids from WBE and MBE totaling roughly \$700,000 to \$1M of this project.
Workforce Access – Proximity to Public Transportation	Metro Bus Route 3 has a bus turn around ½ mil from the location. Route 5 closest stop is 6/10 of a mile away from this location.
Additional Criteria of Notes:	<p>Many of the structures on these properties have been vacant for 6+ years. This project promotes the elimination of slum and blight</p> <p>Letter of Support for project received from Town of Tonawanda Supervisor Joseph Emminger.</p>

DATE OF INDUCEMENT: July 27, 2022

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-Carrier Terminal Services – 380 Vulcan

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
\$ 5,300,000	2,310,000	13.835	34.235	54.297

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$1,529	\$3,785	\$6,003	\$11,317	\$226,334	\$215,017
2	0.1	\$3,059	\$7,569	\$12,005	\$22,633	\$226,334	\$203,701
3	0.15	\$4,588	\$11,354	\$18,008	\$33,950	\$226,334	\$192,384
4	0.2	\$6,118	\$15,139	\$24,010	\$45,267	\$226,334	\$181,067
5	0.25	\$7,647	\$18,924	\$30,013	\$56,583	\$226,334	\$169,750
6	0.3	\$9,177	\$22,708	\$36,015	\$67,900	\$226,334	\$158,434
7	0.35	\$10,706	\$26,493	\$42,018	\$79,217	\$226,334	\$147,117
TOTAL		\$42,825	\$105,972	\$168,071	\$316,868	\$1,584,338	\$1,267,470
8	100%	\$30,589	\$75,694	\$120,051	\$226,334	\$226,334	\$0

***** 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.)
\$ 7,145,000	\$1,267,470	302,750	\$40,481	

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 23 %

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:

Speed Global Services is an equal opportunity employer, currently consisting of a 41% minority workforce. Speed includes and encourages MBE/WBE contractors to bid on all company projects. Speed has in the past and for this project will utilize several WBE and MBE companies. Currently for this project Speed has acquired the services of Advance Contracting Services, Inc. Advance Contracting Services is an MBE. Speed has used the services of EJ Militello Concrete Inc., a WBE, for a previous project at another Speed location and plan to have EJ Militello bid on this new project. Hausrath Landscaping Maintenance, Inc., an MBE and WBE company has a long-standing relationship with Speed and is our go to option for dump trucking services needed for this project. As Speed will require temporary construction labor for the demo work and clean up on this site; Active Workforce, Inc., a WBE, will be the provider of this additional workforce. Brown Electric, a WBE, has bid on the electrical and R.H. Fire LLC, a MBE, has bid on the fire protection (sprinkler system) which combined will be roughly \$700,000 to \$1,000,000 of the project.

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: June 9, 2022
 Project Title: 380 Vulcan
 Project Location: 380, 400, 408, 416 Vulcan St., Tonawanda, NY 14207

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

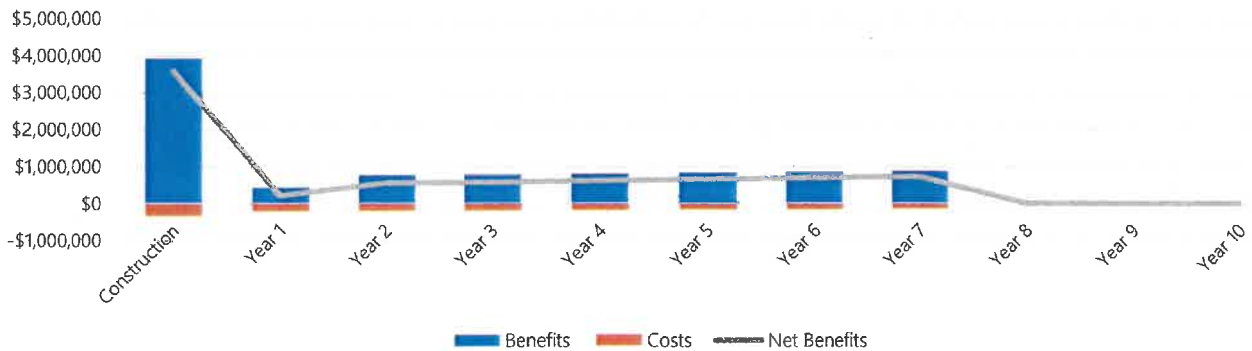
Project Total Investment
 \$7,145,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	25	23	48
Earnings	\$2,393,323	\$1,320,528	\$3,713,852
Local Spend	\$5,787,450	\$4,097,493	\$9,884,943

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	9	3	12
Earnings	\$2,812,085	\$1,875,809	\$4,687,893

Figure 1

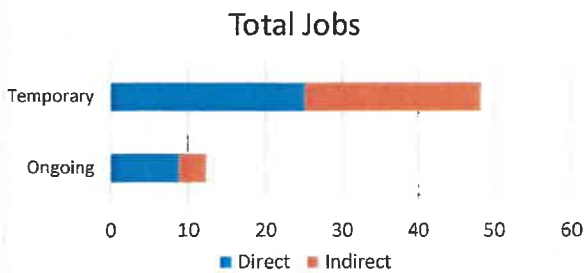
Net Benefits



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,267,468	\$1,177,663
Sales Tax Exemption	\$302,750	\$302,750
Local Sales Tax Exemption	\$164,350	\$164,350
State Sales Tax Exemption	\$138,400	\$138,400
Mortgage Recording Tax Exemption	\$40,481	\$40,481
Local Mortgage Recording Tax Exemption	\$13,494	\$13,494
State Mortgage Recording Tax Exemption	\$26,987	\$26,987
Total Costs	\$1,610,699	\$1,520,894

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$8,801,948	\$8,392,186
To Private Individuals	\$8,401,745	\$8,025,079
Temporary Payroll	\$3,713,852	\$3,713,852
Ongoing Payroll	\$4,687,893	\$4,311,228
Other Payments to Private Individuals	\$0	\$0
To the Public	\$400,203	\$367,107
Increase in Property Tax Revenue	\$316,870	\$287,169
Temporary Jobs - Sales Tax Revenue	\$30,871	\$30,871
Ongoing Jobs - Sales Tax Revenue	\$38,968	\$35,837
Other Local Municipal Revenue	\$13,494	\$13,229
State Benefits	\$436,891	\$417,304
To the Public	\$436,891	\$417,304
Temporary Income Tax Revenue	\$167,123	\$167,123
Ongoing Income Tax Revenue	\$210,955	\$194,005
Temporary Jobs - Sales Tax Revenue	\$25,997	\$25,997
Ongoing Jobs - Sales Tax Revenue	\$32,815	\$30,179
Total Benefits to State & Region	\$9,238,839	\$8,809,490

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$8,392,186	\$1,355,506	6:1
State	\$417,304	\$165,387	3:1
Grand Total	\$8,809,490	\$1,520,894	6:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

DIDONATO
ENGINEERING &
ARCHITECTURAL
PROFESSIONALS

881 New Park Buffalo, NY 14203
P: 716 835 9900 F: 716 835 9887
www.didonato.com

NOT: UNDERSTAND: ALL WORK IS TO BE DONE BY THE OCCUPANT.
DATE: 10/20/2021

AUSTIN DEVELOPMENT I, LLC
13600 RAILROAD STREET
ALDEN, NY 14004

388 VULCAN STREET
BUFFALO, NY 14207

10/20/21	FINAL REVISIONS
10/20/21	DRAW REVISIONS
10/20/21	PLANNING BOARD COMMENTS
11/14/21	SITE PLAN SUBMISSION
DATE	DESCRIPTION
PROJECT NO.	20-3128
DESIGNER PROJECT NO.	CP-101RMS
DATE FILED	10/20/21
SCALE	AS SHOWN
CHECKED BY	MS
DRAWN BY	MS
COPYRIGHT	AS NOTED
SHEET TITLE	OVERALL SITE PLAN

CP-101
X OF X
SHEET

BUILDINGS	AREA(SQ FT)
A	26,250
B	1,240
C	12,152
D	4,720
E-1	69,450
E-2	7,475
E-3	7,475
F	7,502
G	2,052
H	1,750
I	7,680
K	697
L	2,680
M	7,644
N	1,760
O	4,032
P	600
R	6,232
S	1,000

Total Industrial Use
Parking Required
(1 space per 4000-sf) 42 spaces

Total Office Use
Parking Required
(1 space per 300-sf) 9 spaces

LEGEND

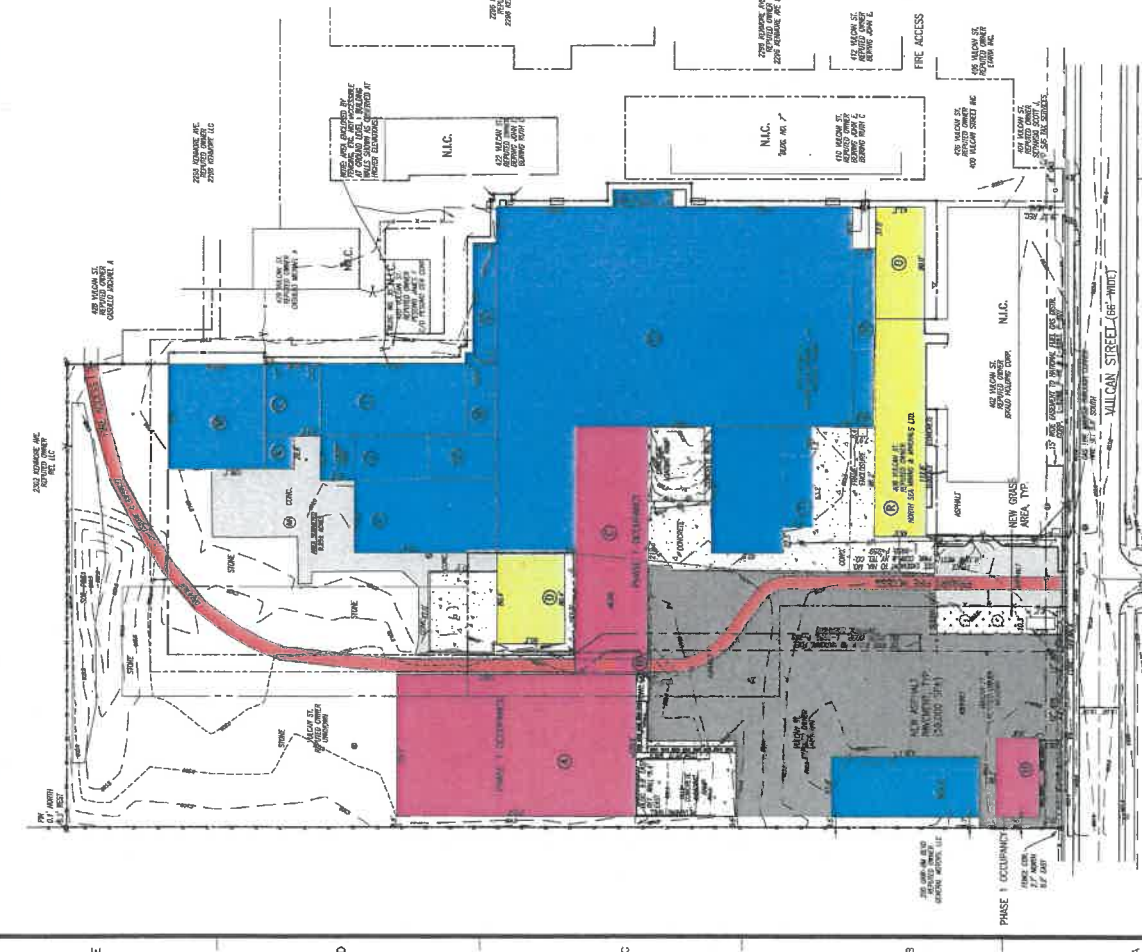
- + SET MAG NAIL (ONLES AND CONCRETE SURFACE) UNLESS NOTED OTHERWISE
- + EXISTING IRON PIN
- CHAIN LINK FENCE
- FENCE GATE
- WOOD UTILITY POLE
- GALV WIRE
- OVERHEAD UTILITY WIRES
- BUILDING DESIGNATION
- PHASE 1 OCCUPANCY
- SURVEYED BOUNDARY
- PERMANENT NON-CYCLING EAST/WEST AREA FOR INGRESS, EGRESS & UTILITIES. SEE AGREEMENT CONTAINED IN MORTGAGE L-11899, P-8889 & VARIOUS OTHER INSTRUMENTS.
- COMBINED PROPERTY LINE 380, 400, 420, 440, 460, 480, 500, 520, 540, 560, 580, 600
- TRUCK DRIVE STREET: 388 VULCAN ST
- PRIMARY FIRE ACCESS ROUTE

LEGEND

- PHASE 1
- PHASE 2
- PHASE 3

NOTES:

- THE ZONING CLASSIFICATION FOR THIS SITE IS CI = GENERAL INDUSTRIAL DISTRICT.



General Note:
1. Partial Station based on information received from Client/Owner.
2. General Note: Information is for informational purposes only. It is not intended to be used for any other purpose.
3. 2021/10/20/21 for Austin Development I, LLC, owner of record.
4. Information shown on this plan is based on information provided by the client/owner. The engineer is not responsible for the accuracy of the information provided. Additional underground utilities may exist.

ZONING CLASSIFICATION CI = GENERAL INDUSTRIAL DISTRICT

SCALE (FEET)
0 50 100

DIDONATO
ENGINEERING &
ARCHITECTURAL
PROFESSIONALS

481 HALL STREET, BUFFALO, NY 14203
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AUSTIN DEVELOPMENT I, LLC
13600 RAILROAD STREET
ALDEN, NY 14004

388 VOLCANO STREET
BUFFALO, NY 14207

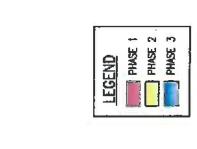
MARK	DATE	DESCRIPTION
A	10/16/2011	PLANNING BOARD COMMENTS
A	11/07/2011	PLANNING BOARD COMMENTS
A	11/17/2011	SITE PLAN SUBMISSION

WPA PROJECT NO.: 08-3138
ZONING PROJECT NO.: CP-102-10
DESIGNED BY: MFT
CHECKED BY: MFT
SCALE: AS NOTED
CITY/TOWNSHIP: AS NOTED

SHEET TITLE
SITE PLAN AND EXISTING GRADES
CP-102

ZONING INFORMATION

REQUIRED
BUILDING SETBACKS
FRONT YARD 20'
REAR YARD 10'
SIDE YARD 10'
365'±
N/A
5.8'
31' (NOTE: EXISTING BLDGS)
90' (NOTE: EXISTING BLDGS)
SEE DRAWING CP-101SK FOR PARKING SUMMARY



ZONING CLASSIFICATION IS GENERAL INDUSTRIAL DISTRICT

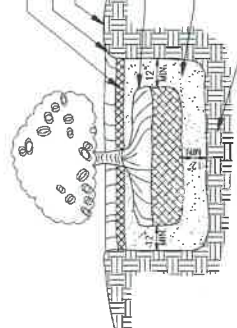
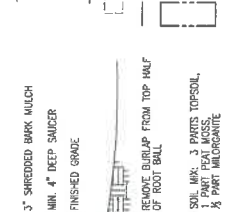
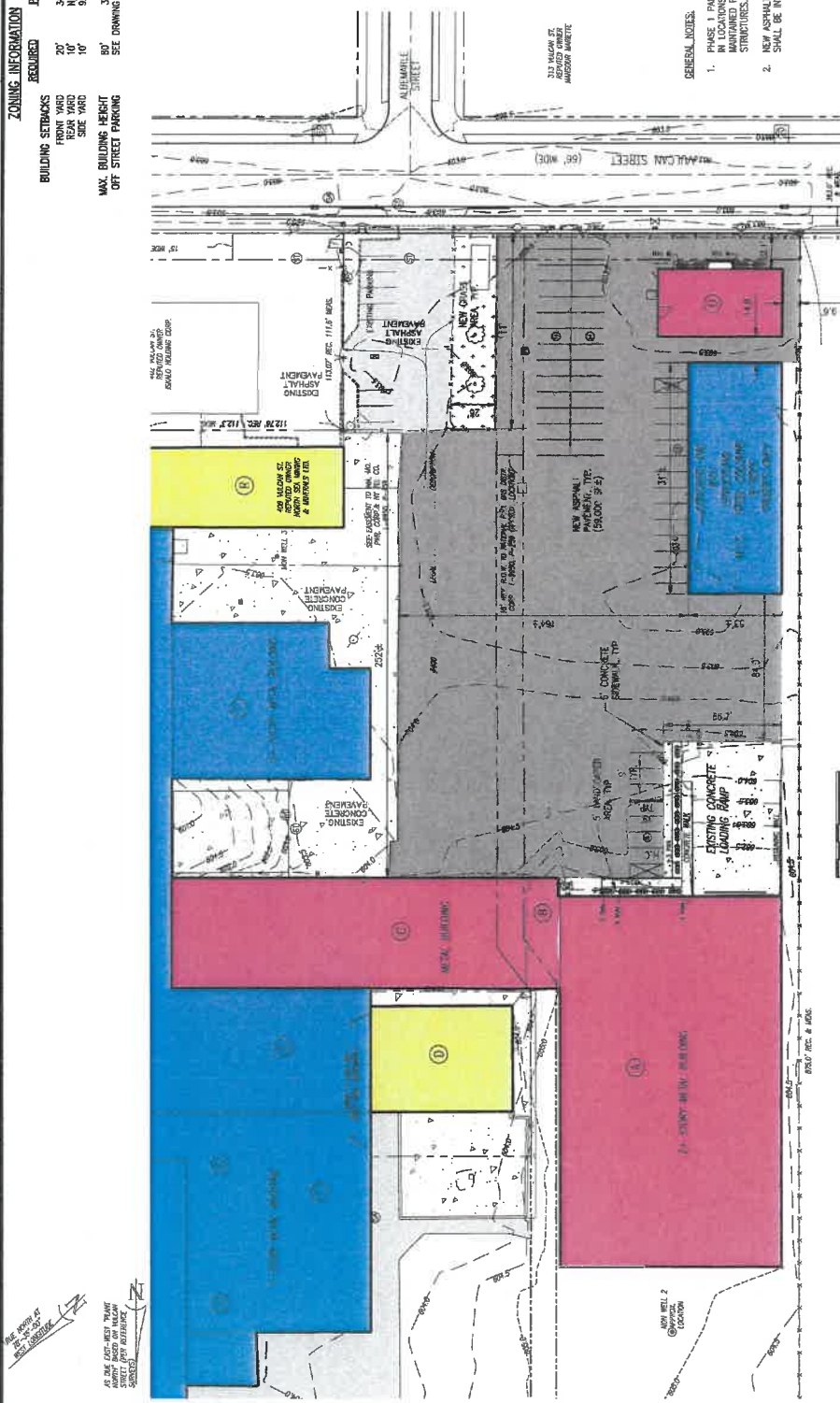
THE NOTED OWNER OF ALL RIGHTS RESERVED BY THIS PLAN IS: 313 RAILROAD ST. AUSTIN DEVELOPMENT I, LLC. UNLESS NOTED OTHERWISE.

GENERAL NOTES:

- PHASE 1 PARKING SHALL CONSIST OF 70 SPACES IN LOCATIONS INDICATED. EXISTING DRIVEWAYS SHALL BE MAINTAINED FOR STORMWATER RUNOFF TO EXISTING STRUCTURES.
- NEW ASPHALT PAVEMENT, PARKING, AND LANDSCAPING SHALL BE INSTALLED IN PHASE 3.

LEGEND

- SET 1/2" MAIL (SEE NOTES) UNLESS NOTED OTHERWISE
- EXISTING IRON PIN
- CHAIN LINK FENCE
- FENCE ONE
- GUIDEWALL
- WOOD UTILITY POLE
- 6" GUY WIRE
- OVERHEAD UTILITY WIRES
- BUILDING TO BE DEMOLISHED
- SHUTTERED BOUNDARY
- REMAINING NON-EXCLUSIVE EXISTING AREA FOR INGRESS, EGRESS & UTILITIES. SEE AGREEMENT CONTAINED IN MORTGAGE INSTRUMENTS, 6889 & VARIOUS OTHER INSTRUMENTS.
- PHASE 1 OCCUPANCY - EXISTING STRUCTURE TO REMAIN



PLANT LIST

QTY	ITEM	BOTANICAL NAME	COMMON NAME	MIN SIZE HT
24	PAK	PICEA ABIES 'NIDIFORMIS'	BIRD'S NEST SPRUCE	24"
27	VON	VIBURNUM OPULIS NANUM	DWARF EUROPEAN CRANEBERRUSH	24"



0 20 40 60
SCALE (FEET)

THE NORTH IS THE WAY UP THE DRAWING

AS THE USE-NEST THAT AVIARY BUILT ON VULCAN STREET

MARK	DATE	SITE PLAN SUBMISSION	DESCRIPTION
A	10/06/2021	SITE PLAN COMMENTS	
B	11/17/2021	SITE PLAN SUBMISSION	

PHASE 1 BUILDING	GROSS AREA	Parking Required	Source
A	28,250 SF	7 Spaces	Town of Tonawanda Zoning Section 215-80 Industrial use, 1 space per 4,000 SF
C	12,153 SF	3 Spaces	Town of Tonawanda Zoning Section 215-80 Industrial use, 1 space per 4,000 SF
U	2,660 SF	9 Spaces	Town of Tonawanda Zoning Section 215-80 Office use - Other, 1 space per 300 SF of GFA
TOTAL SPACES REQUIRED - PHASE 1		19 Spaces	
TOTAL ACCESSIBLE SPACES REQUIRED - PHASE 1		1 Space	2020 Building Code of NYS Table 1106.1 Total Parking Spaces Provided - 1 to 25 = 1 Space Required
TOTAL SPACES PROVIDED - PHASE 1		Up to 45 Spaces	Plus 7 existing parking spaces at entrance
TOTAL ACCESSIBLE SPACES PROVIDED - PHASE 1		3 Spaces	
FUTURE PHASES			
PHASE 2 Buildings R, D, B, O	Gross Area 16,884 SF	Parking Required 5 Spaces	Source Town of Tonawanda Zoning Section 215-80 Industrial use, 1 space per 4,000 SF
PHASE 3 Buildings E, J, K, N, P, S	Gross Area 106,535 SF	Parking Required 28 Spaces	Source Town of Tonawanda Zoning Section 215-80 Industrial use, 1 space per 4,000 SF
FULL BUILD-OUT		Parking Required	
		42 Spaces	1 space per 4,000 SF
		9 Spaces	1 space per 300 SF of GFA
		3 Spaces	Total Parking Spaces Provided - 51 to 75 = 3 Spaces Required
		52 Spaces	45 Plus 7 existing parking spaces at entrance
TOTAL ACCESSIBLE SPACES PROVIDED - FINAL		3 Spaces	

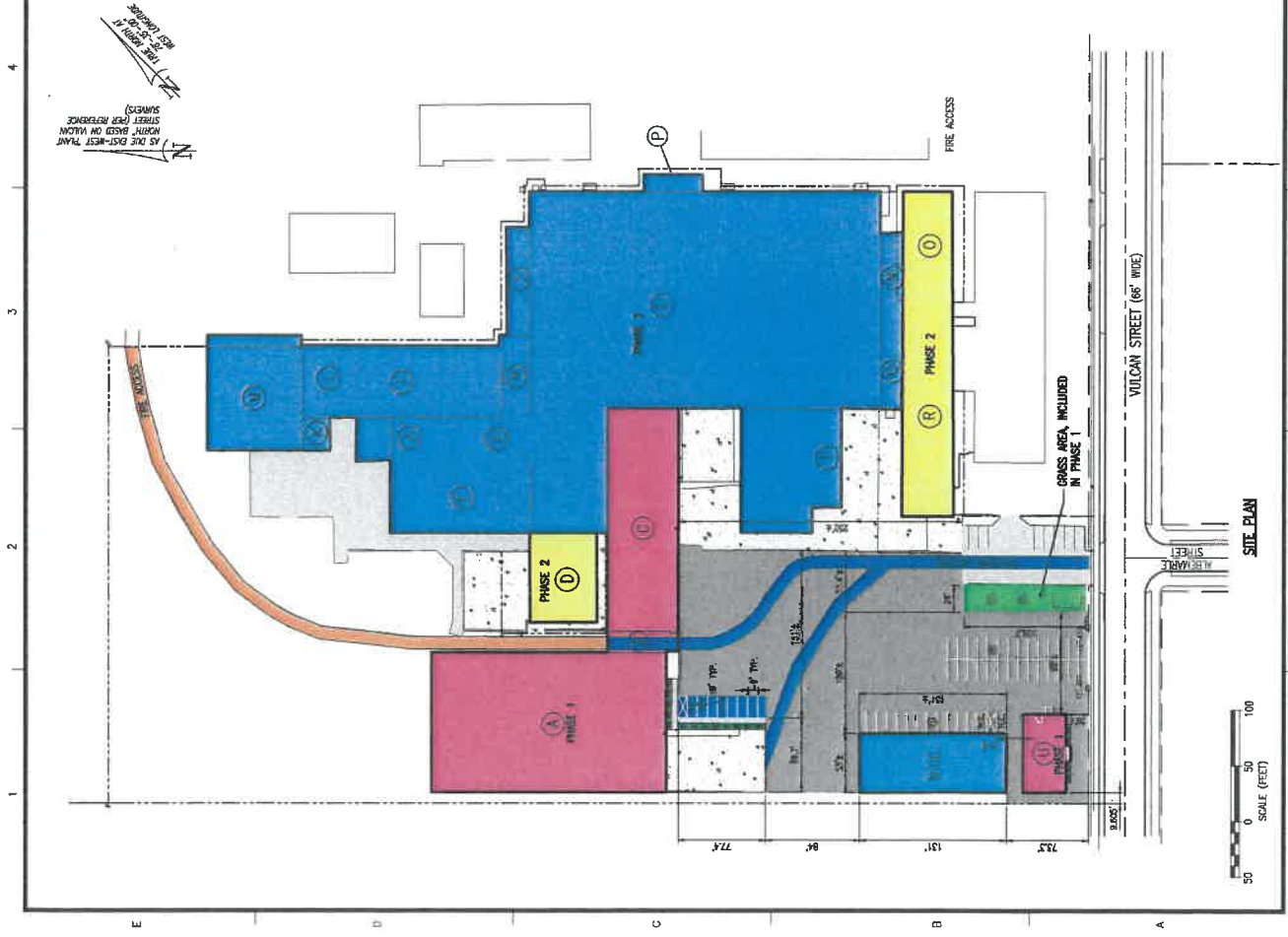
NOTE
 EXISTING ASPHALT AREAS TO REMAIN DURING CONSTRUCTION. NEW ASPHALT AREAS SHALL BE CONSTRUCTED AS PART OF PHASE 3.

LEGEND

- PROPOSED GRASS AREA
- PROPOSED ASPHALT AREA
- PROPOSED MILLING AREA
- EXISTING CONCRETE AREA
- EXISTING ASPHALT AREA
- CONSTRUCTION PHASE LIMITS

LEGEND

- PHASE 1
- PHASE 2
- PHASE 3





June 28, 2022

Mr. John Cappellino
Chief Executive Officer
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14203

RE: Support for Carrier Terminal Services, Inc.

Dear Mr. Cappellino,

The Town of Tonawanda is in full support of the application by Carrier Terminal Services, Inc. to the Erie County Industrial Development Agency requesting the Agency to undertake a project consisting of the acquisition of the Agency of a leasehold interest at property located on 380, 400, 408 and 416 Vulcan Street, Town of Tonawanda, Erie County, New York. The renovation of the Land consists of approximately 21 buildings, consisting of approximately 176,399 square feet, to be utilized for warehousing and distribution, and the acquisition by Carrier Terminal Services in and around the Improvements of certain items of machinery, equipment and other tangible personal property, and together with the land and the Improvements, will initially be operated and/or managed by the Company.

As the property has been vacant for six years, the project is a welcome addition to the continued development of Tonawanda's commercial properties. The repurposing of 98% the building will create new jobs, add tax revenue to the Town as well as add to the success of Carrier Terminal Services, a small local trucking business formed in 1946 that has today expanded its operations to an International business with international freight forwarding.

The Town of Tonawanda is a great place to do business and is happy to support the expansion of a long standing locally owned company. Additionally, Carrier Terminal Services, Inc. is an equal opportunity employer, currently consisting of a 41% minority workforce and will also utilize several local contractors for all the company projects.

The Town of Tonawanda is a great place to do business and is looking forward to the addition of Carrier Terminal Services as one of the many companies choosing to business in our Town.

Sincerely,

Joseph H. Emminger, Supervisor
Town of Tonawanda

JHE/js

PUBLIC HEARING SCRIPT

**Carrier Terminal Services, Inc. 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 June 27, 2022 at 9:00 a.m.,
at the Town of Tonawanda, Town Board Conference Room #20, located at 2919 Delaware
Avenue, Kenmore, 14217

ATTENDANCE:

Joey Casullo - Speed Global Services/Carrier Terminal Services, Inc.

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 Andrew Federick. 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 public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Carrier Terminal Services, Inc. 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 Thursday, June 9, 2022.

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 380, 400, 408 and 416 Vulcan Street, Town of Tonawanda, Erie County, New York (the "Land"), (ii) the renovation on the Land of approximately 21 buildings consisting of approximately 176,399 square-feet to be utilized for warehousing and distribution (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 Facility will be initially operated and/or managed by the Company.

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 in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has 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, you may leave it at this public hearing, submit it on the Agency’s website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on July 26, 2022. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state 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.

Joey Casullo - Speed Global Services/Carrier Terminal Services, Inc. We are the proposed company to do work on this property. It’s approximately 176,000 sq.ft. which currently only about 30,00 sq.ft. have active co’s (certificate of occupancy). The property has been vacant for over 5 years and is in quite disarray. It needs quite a bit of work. Between the current state of the supply chain & building products available, lead time and condition of the building deteriorating more and more daily, the use and the help of the ECIDA would be very beneficial to keep this project moving forward and allow us to make the changes and get these properties overtime back on the tax rolls and create some jobs for them.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:05 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

June 27, 2022 at 9:00 a.m. at the Town of Tonawanda, Town Board Conference Room #20,
located at 2919 Delaware Avenue, Kenmore, 14217
regarding:

**Carrier Terminal Services, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 380, 400, 408 and 416 Vulcan Street, Town of Tonawanda, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Joey Casullo	Speed Global Services/Carrier Terminal Services, Inc. 2299 Kenmore Avenue Buffalo, New York 14207	X



380 Vulcan

[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	380 Vulcan Street
Project Summary	Repurpose old vacant buildings on the property to bring them back to life and back to the tax rolls by doing major repair and investment. Obtaining CO's and use for warehousing and distribution to have the opportunity to grow our business into the space for our company.
Applicant Name	Carrier Terminal Services, Inc.
Applicant Address	2299 Kenmore Ave
Applicant Address 2	
Applicant City	Buffalo
Applicant State	New York
Applicant Zip	14207
Phone	(716) 876-2235
Fax	
E-mail	jcasullo@speedgs.com
Website	speedgs.com
NAICS Code	493110

Business Organization

Type of Business	Corporation
Year Established	1982
State in which Organization is established	New York

Individual Completing Application

Name	Joey Casullo
Title	
Address	2299 Kenmore Ave
Address 2	
City	Buffalo
State	New York
Zip	14207

Phone (716) 245-9844
Fax
E-Mail jcasullo@speedgs.com

Company Contact - Authorized Signer for Applicant

Contact is same as individual completing application No

Name

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney Robert E. Knoer
Firm Name THE KNOER GROUP, PLLC
Address 424 Main Street, Suite 1820
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 332-0032
Fax
E-Mail rknoer@knoergroup.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%.

How It All Began Leaving Sicily, Italy for the United States, Carmelo Savarino immigrated to Buffalo, New York in 1913. Savarino began using the extra room in his grocery truck to pick up and deliver goods for other businesses in the Italian section of Buffalo. He quickly became a linchpin for the community's distribution and hauling needs. Carmelo Savarino & Sons Trucking was formed in 1946 (CSST): The transition from a grocery store to a trucking company was made easier with the help of Carmelo's sons. Vincent (the eldest) who returned from World War II and his younger brother, Joseph, started working alongside Carmelo. In the Early Days The business grew from modest means. In the beginning, CSST covered Buffalo and Niagara Falls, about a 25-mile radius, with two 'straight' trucks. The majority of the business involved shipping general commodities - commercial and industrial freight - to serve the primarily industrial region. In 1949, as the business expanded, Carmelo decided to change the name to Speed Motor Express (SME). He retired in 1952, leaving the business to Vincent and Joseph. Small as it was with just two drivers, SME was beginning to forge a key relationship with General Motors that would eventually account for a large part of SME's business. The 1960s were a period of growth as SME diversified its customer base and began handling customers such as El. DuPont, Scott's Lawn Care, Moore Business Forms, and Sherwin-Williams Paints. In 1969, Joseph's son and current CEO, Carl Savarino, began working for SME. Expansion In 1972 the company reached beyond Buffalo and Niagara Falls to encompass all of Western New York, including Rochester, Jamestown, and Erie, Pennsylvania. In the 1980s, the company became more competitive and diversified. They expanded operations into New England, along the East Coast, and south to the Carolinas. A New Generation In 1987, with the retirement of both Joseph and Vincent, Carl Savarino takes over as President of SME. SME is officially passed into the hands of the third generation. How We've Grown In 1994, General Motors was looking for warehousing to support its manufacturing business in Western New York. SME jumped at the opportunity, purchasing a 180,000-square-foot facility. Today warehousing has grown close to 2,000,000 square feet of warehousing space in Buffalo. Going Global The need to diversify and embrace the globalization of business allowed Carl to rethink the company's business model. He found that globalization itself offered an opportunity and expanded into domestic and international airfreight. "We had to diversify and change the nature of our business," Carl explains, "not only nationally, but also internationally and globally." As a result, in 2000 the company entered the airfreight business. From there, SME was able to make the natural leap into the international business with international freight forwarding. In 2005, SME solidified its international business by purchasing a local company called G&W International Freight Forwarding. "That acquisition put us in the global arena," said Carl. "At that point, we changed our name from Speed Motor Express to Speed Global Services (SGS), which better reflects the type of business we are today." What's in our Future? Speed Global Services looks to continue expanding its operations around the globe. Today SGS's strives to continue its success in international freight forwarding, warehousing, U.S. Customs services and North American distribution. SGS focuses on strengthening relationships with current clients, and continue to attract new business while sticking to the core values that began with Carl's grandfather Carmelo. Both companies are 100% owned by Carl T Savarino, Carrier Terminal Services is our real estate holding company that Speed Global Services (Operations Company) pays rent to and has all the employees.

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?

80

Describe vendors within Erie County for major purchases

Roofing, Fire Sprinkler and building materials, Painting, Racking, Fork Lifts ect...

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

380,400,408,416 Vulcan Street

Town/City/Village of Project Site

Tonawanda

School District of Project Site

Kenmore Tonawanda Union Free School District

Current Address (if different)

2299 Kenmore Ave

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

Buffalo

SBL Number(s) for proposed Project

65.19-1-2.5, 65.19-1-1.23, 65.19-1-1.25, 65.19-1-2.11

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

13,532

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

Land

\$ 182,133

Building(s)

\$ 559,779

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.)

176,399 sq ft on premises which consist of 21 buildings, when we started on this site there were no CO's we currently have obtain 2 CO's for 2 buildings which is 38,402 sq ft. This leaving 137,997 unoccupied vacant for ~6 years buildings needing major repair and updates to meet code.

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)

NARRATIVE SUPPLEMENT TO THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY APPLICATION FOR 380 VULCAN PROJECT [PROJECT CONSISTS OF 4 PROPERTIES 380,400, 402,416 VULCAN] Speed Global Services is a 4th generation Buffalo born Logistic company started in 1946. Which owns 95% of its current locations. 380 Vulcan Project Carrier Terminal Services (a Speed company) has 380, 400, 402, 416 Vulcan Ave, under contract to purchase the property. The current zoning is G-1 and is located near the GM power plant in the Town of Tonawanda. This property is 8 acres with 21 structures consisting of 176,399 sq ft. The structures were originally part of the J H Williams Tool Company Campus (now Snap-On). These buildings were erected starting in 1920 and 1952 with a newer building added in 2006. In 2016 the last company Morgan Materials vacated the property and its been vacant ever since (vacant for 6+ years). All of the Certificate of Occupancy were pulled from the abandoned property after it was vacant for a few years. In December 2021 Speed Global Services was able to obtain a current Certificate of Occupancy for 2 buildings after getting the Town of Tonawanda Planning Boards approval of a site plan and minor repairs. The proposed project involves major renovations and investments to bring the property back up to code. Our goal is to repurpose 98% of the current structures by doing the major renovations that are needed. There are structural repairs to the columns and roof of the building that will be performed. The building need to be closed in creating a water tight envelope to stop any more detrition of the current structures. This will occur by reroofing and siding existing structures that are open to the elements. All new mechanicals are needed including installing a new Fire Suppression (Sprinkler System), removing old high power electrical (480 volts) thought the old plant and installing new electrical panels and LED lighting. Our plan is to insulate most if not all buildings and install heaters for a better working environment. The entire front parking lot will be paved and green space will be added. We plan on working this project in stages but continuously moving forward. Parts of the building will be occupied by Speed as they are brought up to code. Full occupancy of the property for Speed in January 2024 and back on the tax rolls. Once the building is renovated we will need to install pallet racking and purchase fork trucks to operate the building for warehousing and distribution. Locations of current properties renovated and operated by Speed Global Services for warehousing and distribution: 1953 Kenmore Ave. built in 1971 150,000 sq ft 2299 Kenmore Ave. built in 1936 450,000 sq ft 2315 Kenmore Ave. built in 1942 172,000 sq ft 2321 Kenmore Ave. built in 1930 350,000 sq ft 2769 Broadway Ave. built 1967 110,000 sq ft 475 Ludwig Ave. built 1988 80,000 sq ft 1075 William Str. built 1957 57,000 sq ft With the project moving forward this would create 5 fulltime jobs at this location and retain at least 6 other jobs. But, it's the hidden jobs that's tough to estimate. For Speed to fill this warehouse with freight, it means a sales team has to perform their job and find customers, which then leads to the work in the warehouse. But don't forget the accounting department that pay all the invoices, the maintenance department that keeps up the building, the drivers needed to bring the freight into and out of the building, the mechanics the fix the fork trucks and trucks moving the freight. On top of all this is the construction crew/jobs to get these building back up and running from either contractors or Speed bringing on 3-4 construction team members for 2-3 years and/or possibly continue working for up keep of the property.

Municipality or Municipalities of current operations

Town of Tonawand, Erie County

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:

The additional cost to bring the property back to life in a uncertain economy and lower ROI.

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)

With the current economy and the uncertainty of the cost of building materials receiving financial assistants from the Agency would help reduce the risk of the over all cost. The amount of repairs needed to bring these building back to life is 3 times the purchase price. As well as a big undertaking of finding workers or contractors to preform the work in todays lack of skilled employee market, this will help would with the burden and control unexpected cost of higher labor or material.

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

No

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

With the current economy affecting the supply chain and cost of everything going up including interest rates not receiving the tax incentive could cause the project to either wait till cost of materials and interest rates come down or cancel the project as a whole. The tax savings could be as high as 6-7% of the total project. Which is huge when there is so much uncertainty in the materials cost right not.

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)

Metro Bus Route 3 has a bus turn around 1/2 mile from location. Route 5 closest stop is 6/10 of a mile away from location

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

G-1 General Industrial District

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?

No

If yes, please explain

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

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

LED Lighting, heating, insulating the building

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)	No Commercial	No Equipment Purchase
No Facility for the Aging	Yes Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	No Manufacturing
No Renewable Energy	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	165,399 square feet	\$	5,270,000	99%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%
Office	5,000 square feet	\$	30,000	1%
Specify Other	square feet	\$	0	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

6/1/2022

End date : Estimated completion date of project

12/31/2023

Project occupancy : estimated starting date of occupancy

1/1/2023

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 1,350,000	176,399 square feet	8 acres
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2.) New Building Construction

\$ 0	square feet
------	-------------

3.) New Building addition(s)

\$ 0	square feet
------	-------------

4.) Reconstruction/Renovation

\$ 5,300,000	137,997 square feet
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5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

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

\$ 460,000

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

\$ 35,000

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 7,145,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 5,300,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 3,000,000
% sourced in Erie County	80%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to \$ 3,460,000

State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 302,750

** 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? Yes

If Yes, describe particulars: Architectural, maintenance for Planning board approval, minor building repair

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 1,350,000

Bank Financing: \$ 5,300,000

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): \$ 0

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: \$6,650,000

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). 5,397,500

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$40,481

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):

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

Speed Global Services is an equal opportunity employer, currently consisting of a 41% minority workforce. Speed includes and encourages MBE/WBE contractors to bid on all company projects. Speed has in the past and for this project will utilize several WBE and MBE companies. Currently for this project Speed has acquired the services of Advance Contracting Services, Inc. Advance Contracting Services is an MBE. Speed has used the services of EJ Militello Concrete Inc., a WBE, for a previous project at another Speed location and plan to have EJ Militello bid on this new project. Hausrath Landscaping Maintenance, Inc., an MBE and WBE company has a long-standing relationship with Speed and is our go to option for dump trucking services needed for this project. As Speed will require temporary construction labor for the demo work and clean up on this site; Active Workforce, Inc., a WBE, will be the provider of this additional workforce. Brown Electric, a WBE, has bid on the electrical and R.H. Fire LLC, a MBE, has bid on the fire protection (sprinkler system) which combined will be roughly \$700,000 to \$1,000,000 of the project.

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)

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	4	4	3	7
Part time	2	2	2	4
Total	6	6	5	

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	\$ 60,000	\$ 0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	2	\$ 48,000	\$ 14,500	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	\$ 0	\$ 0
Other	8	\$ 45,000	\$ 14,500	\$ 40,000	\$ 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.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

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

Address	2299 Kenmore Ave, Tonawanda, Corporate location	previous includes other locations, to many to list	
Full time	165	0	0
Part time	20	0	0
Total	185	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

240,000

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

45,000

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

40,000

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

48,000

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

40,000

Estimated salary range of jobs to be created

From (Full Time)	40,000	To (Full Time)	60,000
From (Part Time)	35,000	To (Part Time)	45,000

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

380,408,416,400 Vulcan Street, Tonawanda NY 14207

Name and Address of Owner of Premises

Carrier Terminal Services 2299 Kenmore Ave, Buffalo, NY 14207

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

Old manufacturing plant, JH Williams Tool Company, next to GM Power Plant,

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

Multiple building campus, consisting of 21 buildings which were built in 1920,1950,1952 and 2006. Totaling 176,399 sq ft, on 8 acres

Describe all known former uses of the Premises

Manufacturing of JH William's hand tools Morgan Materials- warehousing and distribution

Does any person, firm or corporation other than the owner occupy the Premises or any part of it?

Yes

If yes, please identify them and describe their use of the property

Outside yard storage to HARLEEN Electical contracting

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?

Yes

If yes, describe in full detail

Buffalo Sewer Authority lien, which will be settled, ~\$40,000 owed, their is \$50,000 in escrow from current owner in our purchase contract to use to settle old debt at closing.

Solid And Hazardous Wastes And Hazardous Substances

Does any activity conducted or contemplated to be conducted at the premises generate, treat or dispose of any petroleum, petroleum-related products, solid and hazardous wastes or hazardous substances?

No

If yes, provide the Premises' applicable EPA (or State) identification number

Have any federal, state or local permits been issued to the Premises for the use, generation and/or storage of solid and hazardous wastes?

No

If yes, please provide copies of the permits.

Identify the transporter of any hazardous and/or solid wastes to or from the Premises

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

Does or is it contemplated that there will occur at the Premises any accumulation or storage of any hazardous wastes on-site for disposal for longer than 90 days?

No

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

Discharge Into Waterbodies

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

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

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

No

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

Air Pollution

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

No

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

Are any of the air emission sources permitted?

No

If yes, attach a copy of each permit.

Storage Tanks

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

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 Speed Global Services
Address 2299 Kenmore Ave
Contact Person Speed Global Services
Phone (716) 876-2235
Fax
E-Mail jcasullo@speedgs.com
Federal ID # 16-1092772
SIC/NAICS Code 493110

SS

Section V: Tenant Information

PART 1 TO BE COMPLETED BY LESSEE (DEVELOPER)

Tenant Name

Speed Global Services

Property Address:

2299 Kenmore Ave.

City/Town/Village

Tonawanda, NY 14207

The following information is an outline relative to the potential client and their proposed contract to sublease space in the above reference facility

Amount of space to be leased (square feet)

170,221

What percentage of the building does this represent?

100

Are terms of lease:

NET

If GROSS lease, please explain how Agency benefits are passed to the tenant

Estimated date of occupancy

2/1/2023

PART 2 TO BE COMPLETED BY PROPOSED TENANT

Company Name:

Speed Global Services

Local Contact Person:

Joey Casullo

Title:

Current Address:

2299 Kenmore Ave

Phone:

(716) 245-9844

Fax:

E-Mail:

jcasullo@speedgs.com

Website:

speedgs.com

Company President/General Manager:

Carl Savarino-CEO

Number of employees moving to new project location:

Full-Time:

7

Part-Time:

4

Total:

11

Please describe briefly the nature of the business in which the proposed tenant is/will be engaged. This should include NAICS Code; type of business and products or services; percent of total sales in Erie County and the United States:

493110- Warehousing and Distribution

Attach additional information as necessary.

History of Company (i.e. start-up, recent acquisition, publicly traded)

Buffalo born and raised family business that is 76 years old. Started as just a trucking company and now services customer all around the world. With over 2 million sq ft of warehousing here in Buffalo.

Please list the square footage which the proposed tenant will lease at the Project location

170,221

Please list the square footage which the proposed tenant leases at its present location(s)

38,402

Describe the economic reason for either the increase or decrease in leased space.

Warehousing and Distribution business is growing with the Supply Chain issues around the world. Being located on the border of Canada just 2 hours away from Toronto which is the largest city in Canada with 2.6 million people always has opportunity for new business.

Will the project result in a relocation and/or abandonment of other tenant/user(s) facilities in Erie County, or New York State?

No

If owned, what will happen to the existing facility once vacated?

If leased, when does lease expire?

Are any of the proposed tenant's current operations located in facilities which have received an Industrial Development Agency benefit?

Yes

If yes, please provide details as to location, and amount of leased space, how long leased?

2299 Kenmore Ave, 100% leased to Speed Global

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. **If no, proceed to the next section.**

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

2299 Kenmore Ave

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.)

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?

No

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

Perry's Ice Cream Co. Inc.

\$ 18,000,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY	Project Title: Extruded Ice Cream Novelties												
<ul style="list-style-type: none"> • NAICS Section – 311520 	Project Address: 1 Ice Cream Plaza, Akron, NY 14001												
COMPANY INCENTIVES	Akron Central School District												
<ul style="list-style-type: none"> • Approximately \$428,750 in sales tax savings • Approximately \$ 211,141 in real property tax savings • Up to 3/4 of 1% of the final mortgage amt, estimate = \$45,000 	<p align="center">Agency Request</p> <p>A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of an approx. 23,000 sq ft building and to allow for upgrades to the site's engine room and pump room.</p> <table border="0"> <tr> <td>Building Addition</td> <td align="right">\$ 8,420,000</td> </tr> <tr> <td>Building Renovation</td> <td align="right">\$ 1,400,000</td> </tr> <tr> <td>Manufacturing Equipment</td> <td align="right">\$ 7,230,000</td> </tr> <tr> <td>Soft Costs/Other</td> <td align="right">\$ 950,000</td> </tr> <tr> <td>Total Project Cost</td> <td align="right">\$ 18,000,000</td> </tr> <tr> <td>85%</td> <td align="right">\$ 15,300,000</td> </tr> </table>	Building Addition	\$ 8,420,000	Building Renovation	\$ 1,400,000	Manufacturing Equipment	\$ 7,230,000	Soft Costs/Other	\$ 950,000	Total Project Cost	\$ 18,000,000	85%	\$ 15,300,000
Building Addition	\$ 8,420,000												
Building Renovation	\$ 1,400,000												
Manufacturing Equipment	\$ 7,230,000												
Soft Costs/Other	\$ 950,000												
Total Project Cost	\$ 18,000,000												
85%	\$ 15,300,000												
JOBS & ANNUAL PAYROLL													
<ul style="list-style-type: none"> • Current Jobs: 356 FT, 14 PT • Annual Payroll: \$ 22,131,663 • Projected new jobs: 15 FT • Est. salary/yr. of jobs created: \$52,700 • Est. salary/yr. of jobs retained: \$59,107 • Total jobs after project completion: 385 FT, 14 PT • Construction Jobs: 79 	<p align="center">Company Description</p> <p>Perry's Ice Cream was founded in 1918 by H. Morton Perry who purchased a milk route that became known as Perry's Dairy. In 1932 the Akron High School cafeteria manager asked Morton to supply ice cream to the school. Using a family recipe, Perry's Ice Cream was born. Today Perry's Ice Cream continues to be slow cooked with nearly 100% of the milk used in production coming from farms in the communities surrounding Akron. This 4th generation business continues growing employing over 400 team members in NY, OH and PA with products distributed throughout NY, NJ, OH, PA, MA NC, Washington, D.C., MD and VA. Perry's 3 business segments include: the Perry's brand, contract manufacturing and our partner brands. Perry's produces 100% of the Perry's Ice Cream brand and makes some grocery and other name brand ice creams with about 50% of what they produce being sold outside NYS.</p>												
PROJECTED COMMUNITY BENEFITS*													
<ul style="list-style-type: none"> • Term: 7 year • NET Community Benefits: \$ 354,379,780 • Spillover Jobs: 690 <p>Total Payroll: \$ 334,158,086</p>	<p align="center">Project Description</p> <p>This project involves the construction of an approx. 23,000 sq ft building next to an existing structure at the Perry's facility. The new building will house a new extruded ice cream novelty machine with conveying as well as upgrading the site's engine and pumping rooms. Upon completion, 15 additional staff will be needed to run the new machinery and several existing workers will need to be upskilled in order to work on the new machinery. Products produced by this machine can be dairy or non-dairy, can include more than one base flavor, inclusions, toppings, and dipped coatings. The team at Perry's is very excited about this project - the last time they introduced a brand new line was in 2007/2008.</p>												
INCENTIVE COST / COMMUNITY BENEFIT RATIO (discounted at 2%)*													
<p>Incentives: \$ 669,933</p> <p>Community Benefit: \$ 328,109,478</p> <p>Cost: Benefit Ratio</p> <ul style="list-style-type: none"> • 1:490 													

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	211,141
	Sales	428,750
	Mortgage Recording	45,000
	Total	684,893
	Discounted at 2%	669,933

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	11,550,740
			Payroll Permanent	322,607,345
		Public	Property Taxes	52,785
			Sales Taxes	2,777,690
			Other Muni Rev (NFTA)	15,000
	New York State	Public	Income Taxes	15,037,114
			Sales Taxes	2,339,106
			Total Benefits to EC + NYS***	354,379,780
			Discounted at 2%	328,109,478

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

Discounted Cost \$ 669,933

Discounted Benefit \$ 328,109,478

Ratio 1:490

Conclusion: The Cost Benefit for this project is: 1. For every \$1 in costs (incentives), this project provides \$ 490 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$ 703 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$30,163	\$ 1,500,000	\$ 9,567	\$ 43,218	\$ 67,867
Combined Tax Rate: \$ 25.136				

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 = \$ 18,000,000 85% = \$ 15,300,000
Employment	Coincides with 7-year PILOT	Maintain Base = 356 FT, 14 PT (363 FTE) Create 85% of Projected Projected = 15 FT 85% = 12 FTE Recapture Employment = 378 FTE
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
<u>Recapture Period</u>	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

- State and Local Sales Taxes
- Real Property Tax
- Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained 356 FT, 14 PT jobs and created 15FT jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 06/22/22: Public hearing held.
- 07/27/22: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 07/27/22: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company ECIDA History

The ECIDA history with Perry’s Ice Cream goes back to at least 1981 with more recent activities as follows:

- 11/21/2011: \$ 500,000 Private Investment – Sales Tax Incentive for the purchase of equipment, expansion of refrigeration space and technology upgrades.
- 9/10/2007: \$ 5 Mil Private Investment – Property & Sales Tax Incentive associated with the construction of a 30,000 sq ft facility – 15 yr PILOT.

EVALUATIVE CRITERIA
 MANUFACTURING/WAREHOUSE/DISTRIBUTION

Perry's

Wage Rate (above median wage for area)	Salaries above median wage for the area. Avg salary for created FT = \$53,000 with \$19,000 in fringe benefits.
Regional Wealth Creation (% sales/customers outside area)	98% of sales are outside Erie County. 50% are outside NYS.
In Region Purchases (% of overall purchases)	11% of total annual supplies, raw materials and vendor services are purchased from firms in Erie County
Research & Development Activities	2021 spend on R&D = 1.7% of operating expenses.
Investment in Energy Efficiency	TBD
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	
MBE/WBE Utilization	Perry's hired a GC who has an open bidding process inclusive of MWBEs. Perry's provided listing of NYS & County/COB certified MWBEs to GC.
Workforce Access – Proximity to Public Transportation	N/A – location is not accessible via public transportation.

DATE OF INDUCEMENT: 7/27/22

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-Perry's Ice Cream Co, Inc

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
9,820,000	\$2,700,000	4.56	7.36	13.22

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Town PILOT Amount	Village PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$5,809	\$1,757	\$7,633	\$16,850	\$32,048	\$67,867	\$35,819
2	0.1	\$6,150	\$1,860	\$8,082	\$17,841	\$33,933	\$67,867	\$33,933
3	0.15	\$6,492	\$1,964	\$8,530	\$18,832	\$35,819	\$67,867	\$32,048
4	0.2	\$6,834	\$2,067	\$8,979	\$19,824	\$37,704	\$67,867	\$30,163
5	0.25	\$7,176	\$2,170	\$9,428	\$20,815	\$39,589	\$67,867	\$28,278
6	0.3	\$7,517	\$2,274	\$9,877	\$21,806	\$41,474	\$67,867	\$26,393
7	0.35	\$7,859	\$2,377	\$10,326	\$22,797	\$43,359	\$67,867	\$24,507
TOTAL		\$47,837	\$14,469	\$62,856	\$138,765	\$263,927	\$475,068	\$211,141

***** 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	Estimated Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
\$18,000,000	\$211,141	\$428,750	\$37,500	\$54,000

Calculate %

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 4.1 %

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:

An excerpt from Perry's Ice Cream EEO hiring policy:

"Perry's Ice Cream rejects all forms of unlawful discrimination and not only because it is against the law, but because it is wrong. This includes unlawful discrimination because of a person's sex, sexual orientation, race, creed, color, religion, military status, gender, national origin, age, disability, arrest record, marital status, familial status, and domestic violence victim status, status as an ex-offender, predisposing genetic characteristics or genetic information, or any other legally protected category by state, federal, and where applicable, local law."

We do not have a policy for contractors & suppliers but we are planning to adopt one.

We have appointed FoodTech as General Contractor. Food Tech (foodtech.com) specializes in designing facilities in the food and dairy industries. Food Tech does not discriminate in selection of suppliers for projects. In no particular order, price, quality, expertise, and ability to meet the schedule are leading determinants of contract award.

Erie County Industrial Development Agency

MRB Cost Benefit Calculator



Date: June 9, 2022
 Project Title: Extruded Ice Cream Novelties
 Project Location: 1 Ice Cream Plaza, Akron, NY 14001

Economic Impacts

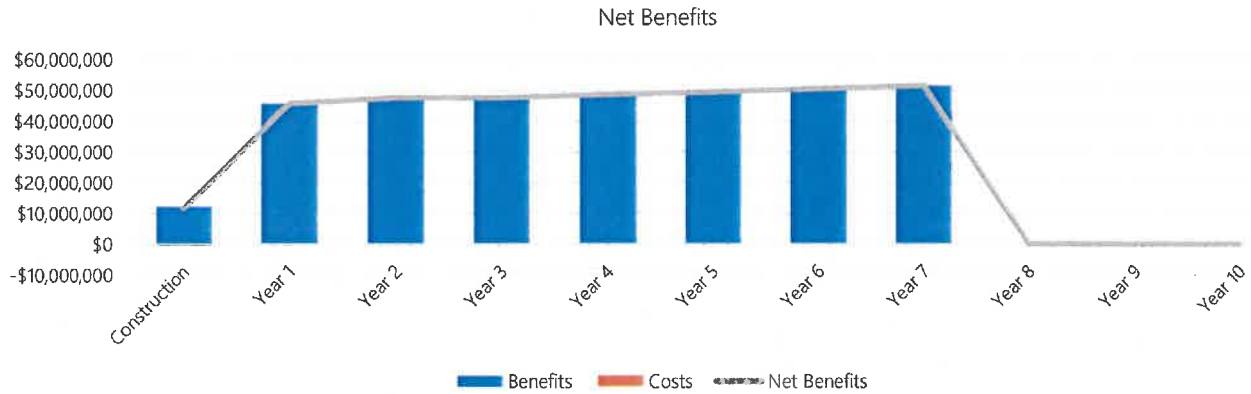
Summary of Economic Impacts over the Life of the PILOT

Project Total Investment
 \$18,000,000

		Temporary (Construction)		
		Direct	Indirect	Total
Jobs		79	72	150
Earnings		\$7,443,662	\$4,107,078	\$11,550,740
Local Spend		\$18,000,000	\$12,743,933	\$30,743,933

		Ongoing (Operations)		
		Direct	Indirect	Total
Jobs		336	618	954
Earnings		\$141,589,048	\$181,018,298	\$322,607,345

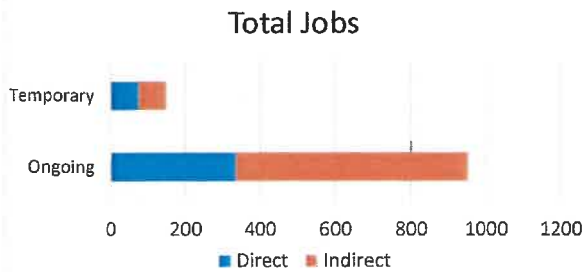
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$211,143	\$196,183
Sales Tax Exemption	\$428,750	\$428,750
Local Sales Tax Exemption	\$232,750	\$232,750
State Sales Tax Exemption	\$196,000	\$196,000
Mortgage Recording Tax Exemption	\$45,000	\$45,000
Local Mortgage Recording Tax Exemption	\$15,000	\$15,000
State Mortgage Recording Tax Exemption	\$30,000	\$30,000
Total Costs	\$684,893	\$669,933

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$337,003,560	\$312,021,352
To Private Individuals	\$334,158,086	\$309,387,029
Temporary Payroll	\$11,550,740	\$11,550,740
Ongoing Payroll	\$322,607,345	\$297,836,289
Other Payments to Private Individuals	\$0	\$0
To the Public	\$2,845,474	\$2,634,323
Increase in Property Tax Revenue	\$52,785	\$47,837
Temporary Jobs - Sales Tax Revenue	\$96,016	\$96,016
Ongoing Jobs - Sales Tax Revenue	\$2,681,674	\$2,475,764
Other Local Municipal Revenue	\$15,000	\$14,706
State Benefits	\$17,376,220	\$16,088,126
To the Public	\$17,376,220	\$16,088,126
Temporary Income Tax Revenue	\$579,783	\$579,783
Ongoing Income Tax Revenue	\$14,517,331	\$13,402,633
Temporary Jobs - Sales Tax Revenue	\$80,855	\$80,855
Ongoing Jobs - Sales Tax Revenue	\$2,258,251	\$2,084,854
Total Benefits to State & Region	\$354,379,780	\$328,109,478

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$312,021,352	\$443,933	703:1
State	\$16,088,126	\$226,000	71:1
Grand Total	\$328,109,478	\$669,933	490:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

PUBLIC HEARING SCRIPT

**Perry's Ice Cream Company Inc. 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 June 22, 2022 at 9:00 a.m.,
at the Village of Akron, Village Hall Board Room, located at 21 Main Street,
Akron, NY 14001

ATTENDANCE:

Steve Helms – Perry's Ice Cream

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 Andrew Federick. 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 public hearing. This public hearing is being live-streamed and made accessible on the Agency's website at www.ecidany.com.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Perry's Ice Cream 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 Thursday, June 9, 2022.

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 1 Ice Cream Plaza, Town of Newstead, Village of Akron, Erie County, New York (the "Land"); (ii) improving the land adjacent to the current building and construction on the Land of a new approximately 20,000 square-foot building next to the existing structure which will house a new extruded ice cream novelty machine and conveying as well as upgrading the site's engine room and pump room (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 Facility will be initially operated and/or managed by the Company.

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 in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. Everyone who has 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, you may leave it at this public hearing, submit it on the Agency's website or deliver it to the Agency at 95 Perry Street, Suite 403, Buffalo, New York 14203. The comment period closes on July 26, 2022. There are no limitations on written statements or comments.

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

Hearing Officer: If anyone is interested in making a statement or comment, please raise your hand, state 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.

Steve Helms -Chief Financial Officer. I would like to speak a little bit about the company, the project and why we are asking assistance from the ECIDA. Perry's Ice Cream is a 4th generation owned and operated business her in Akron, NY. Using the same recipe passed down for generations, Perry's Ice Cream is still slow cooked, and delivered throughout Akron, NY and beyond. Staying true to our roots, nearly 100% of our milk and cream comes from farms in the surrounding Akron communities. What started as a small milk route now employs over 400 team members throughout New York, Ohio, and Pennsylvania. The fourth generation continues building on the history of Perry's ensuring we support what matters most: the people, our employee's, and our community. Customers are mostly in New York, and we are proud of being the #1 ice cream brand in Western New York. But half of what we produce ends up beyond the New York State borders. We have co-pack and private label customers that sell outside the USA, and in many corners of the country. Customers include grocery stores, convenience stores, national brand companies, to the local schools and sports arenas.

Now I would like to tell you a little bit about the project. As Andy briefed the project will improve the land adjacent to the current building and construction on the land of a new approximately 20,000 square-foot building next to the existing structure which will house a new

extruded ice cream novelty machine and conveying. We are also in need of upgrading the site's engine room and pump room. The total project budget is about \$18M. About \$7M of that is production equipment and the remaining \$11M is building and other ancillary equipment. After completion the staffing that will be needed to run the equipment is about 15 incremental hires above our existing employment. We also need to upskill the current employees who will be involved with working this new equipment. Much of the dairy needed to run this line, we need to buy more ingredients to produce these extruded novelties will be purchased from local farms. Products to be produced by this machine are right now over sold in this industry. Sometimes you go to the grocery store, and you cannot find some stick novelties and whether those novelties are dairy or non-dairy and they include toppings, different flavors, dip coatings. Needless to say, we are very excited about this project. The last time we introduced a brand-new line at Perry's was about 14th years ago back in 2007-2008. This project brings the capability to create a very relevant and in-demand ice cream product not only to Western New York but beyond our borders here.

Why are we asking for financial assistance from ECIDA? We are asking for financial assistance to lower the costs of our project, to improve the competitiveness of Perry's Ice Cream company compared to the National and International ice cream companies and to improve and modernize the product offerings and capabilities of an important local brand. For our employees it brings new training, new skills and technology that does not exist here in Western New York.

6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:09 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

June 22, 2022 at 9:00 a.m.,
at the Village of Akron, Village Hall Board Room, located at 21 Main Street,
Akron, NY 14001
regarding:

**Perry's Ice Cream Company Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 1 Ice Cream Plaza, Town of Newstead, Village of Akron, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Steve Helms	Perry's Ice Cream Company 1 Ice Cream Plaza Akron, New York 14001	X



Extruded Ice Cream Novelties

[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	Extruded Ice Cream Novelties
Project Summary	Building expansion and new ice cream manufacturing equipment in 2022-23 including job creation
Applicant Name	Perry's Ice Cream Co Inc
Applicant Address	1 Ice Cream Plaza
Applicant Address 2	
Applicant City	Akron
Applicant State	New York
Applicant Zip	14001
Phone	(716) 560-4548
Fax	
E-mail	steve.helms@perrysicecream.com
Website	www.perrysicecream.com
NAICS Code	311520

Business Organization

Type of Business	Corporation
Year Established	1918
State in which Organization is established	New York

Individual Completing Application

Name	Steve Helms
Title	CFO
Address	1 Ice Cream Plaza
Address 2	
City	Akron
State	New York
Zip	14001
Phone	(716) 560-4548

Fax

E-Mail steve.helms@perrysicecream.com

Company Contact - Authorized Signer for Applicant

Contact is same as individual completing application No

Title

Address

Address 2

City

State

Zip

Phone

Fax

E-Mail

Company Counsel

Name of Attorney David R. Pfalzgraf, Jr.

Firm Name Rupp Baase Pfalzgraf Cunningham LLC

Address 1600 Liberty Building

Address 2

City Buffalo

State New York

Zip 14202

Phone (716) 854-3400

Fax

E-Mail pfalzgraf@ruppbaase.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%.

Perry's Ice Cream was founded in 1918 when H. Morton Perry purchased a milk route in Akron, NY - a small suburb just east of Buffalo. The business, known as Perry's Dairy at the time, operated as a home delivery and wholesale dairy business until 1932 when the Akron High School cafeteria manager asked Morton if he could supply ice cream to the school. Using a family recipe for ice cream given to him by his mother, Morton began mixing small batches of ice cream on the kitchen stove with his son, Marlo. As demand increased, the Perry family began delivering bulk ice cream to local stores and restaurants around Akron, and thus began Perry's Ice Cream as we know it today! Flash forward to present day, Perry's Ice Cream is a 4th generation owned and operated business. Using the same recipe passed down for generations, Perry's Ice Cream is still slow cooked, and delivered throughout Akron, NY and beyond. Staying true to our roots, nearly 100% of our milk comes from farms in the surrounding Akron communities. Now that's the good stuff. What started as a small milk route now employs over 400 team members throughout New York, Ohio, and Pennsylvania, and our products are distributed across New York, New Jersey, Ohio, Pennsylvania, Massachusetts, North Carolina, Washington DC, Maryland, and Virginia. The fourth generation continues building on the history of Perry's through growing our three business segments: the Perry's brand, contract manufacturing, and our partner brands, while ensuring we support what matters most: the people and our community. Products include ice cream and frozen treats in all shapes and sizes: we create amazing flavors in 3 gallon tubs, half gallons, family sizes, quarts, pints, ice cream sandwiches, and stick/bar novelties. We product 100% of the Perry's Ice Cream brand, and we make some grocery and other name brand ice creams as well. As mentioned above, we also buy and resell other ice cream brands, pizzas, and frozen foods while we are out delivering to our customers. Customers are mostly in New York and we are proud of being the #1 ice cream brand in Western New York. But half of what we produce ends up beyond the New York State borders. We have co-pack customers that sell outside the USA, and in many corners of the country. Customers include grocery stores, convenience stores, national brand companies, to the local schools and sports arenas. Our fourth generation owners are Brian Perry, Gayle Perry-Denning, and Bob Denning, who is our President & CEO. Brian and Gayle each own 49% and Bob owns 2%. These three are actively involved in the business every day and leading this expansion project.

Estimated % of sales within Erie County	12 %
Estimated % of sales outside Erie County but within New York State	38 %
Estimated % of sales outside New York State but within the U.S.	39 %
Estimated % of sales outside the U.S.	11 %

(*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?

11

Describe vendors within Erie County for major purchases

Allied/Lineage, TransGlobe Logistics, Village of Akron, Blue Cross & Blue Shield, Mollenberg Betz, Rich Products, Mod-Pac, Lactalis Dairy, Adecco, The Martin Group, M.J. Mechanical, Mico Welding, Lehigh Construction, Casilio, Buffalo Bills, OMEC, Sitzman Supply, CAM Trenching, Jet Action, Cintas

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

1 Ice Cream Plaza

Town/City/Village of Project Site

Akron

School District of Project Site

Akron

Current Address (if different)

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

SBL Number(s) for proposed Project

47.07-1-6.31

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

\$105,700

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

Land

\$ 0

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.)

Existing building for offices, manufacturing, and warehousing. We currently own the land that the project is being constructed on.

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 project will improve the land adjacent to the current building and add a new building next to the existing structure. The new building, about 20,000 square feet, will house a new extruded ice cream novelty machine and conveying, as well as upgrading the site's engine room and pump room. The project budget is \$18.0 million. Although \$7.0 million of production equipment will be built mostly in the Netherlands, much of the remaining \$11.0 million spend is building and will be local dollars spent. After completion, the staffing needed to run the equipment is expected to be about 15 incremental hires above existing employment. We also need to upskill the current employees who will be involved in this new equipment. Much of the dairy needed to run the line to produce the extruded novelties will be purchased from local farms. Products to be produced by this machine in this new building are over-sold in the industry, can be dairy or non-dairy, can include more than one base flavor, inclusions, toppings, and dipped coatings. We are very excited about this project - the last time we introduced a brand new line at Perry's was in 2007-2008 - this new project brings the capability to create relevant and in-demand ice cream products to Western New York. Application for a building permit will begin on June 20, 2022 at a village meeting.

Municipality or Municipalities of current operations

Akron

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?

Yes

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

We spoke with Empire State Development, We intend to apply to ESD but have not applied yet for a \$2,000,000 loan. The annual Job Tax Credit could be worth ~\$54,000 annually

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:

Perry's is seeking Financial Assistance to lower the cost of the project, to improve the competitiveness of Perry's Ice Cream compared to national and international ice cream companies, and improve and modernize the product offerings and capabilities of an important local brand. For our employees, it brings new training, new skills, and technology that does not exist in Western New York.

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)

Financial assistance is necessary to lower the cost of the project, improve the competitiveness of Perry's Ice Cream compared to national and international ice cream companies, and improve, modernize, and make more relevant the product offerings and capabilities of an important local brand. For our employees, it brings new training, new skills, and technology that does not exist in Western New York.

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

No

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

This will slow the project implementation schedule as additional financing will need to be solicited and approved and funded.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

No

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

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

No

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

Industrial

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?

No

If yes, please explain

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

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

We will have details when final proposals are acknowledged and reviewed by each Supplier.

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?

Yes

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

Current R&D staff will work on new product development products and processes to create new items for Perry's and other brands. Our 2021 R&D spend was about 1.7% of operating expenses.

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)	No Commercial	Yes Equipment Purchase

No Facility for the Aging	Yes Industrial	No Life Care Facility (CCRC)
No Market Rate Housing	No Mixed Use	No Multi-Tenant
No Retail	No Senior Housing	Yes Manufacturing
No Renewable Energy	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	22,875 square feet	\$ 9,820,000	100%
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	square feet	\$ 0	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)

Standard

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 Yes

What is the estimated project timetable (provide dates)

Start date : acquisition of equipment or construction of facilities

11/1/2022

End date : Estimated completion date of project

9/30/2023

Project occupancy : estimated starting date of occupancy

9/30/2023

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 0 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 8,420,000 20,000 square feet

4.) Reconstruction/Renovation

\$ 1,400,000

2,875 square feet

5.) Manufacturing Equipment

\$ 7,230,000

6.) Infrastructure Work

\$ 0

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

\$ 0

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

\$ 0

9.) Other Cost

\$ 950,000

Explain Other Costs	Contingency
Total Cost	\$ 18,000,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 9,820,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 4,900,000
% sourced in Erie County	25%

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	\$ 4,900,000
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 428,750

** 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):	\$ 1,800,000
Bank Financing:	\$ 14,200,000
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):	\$ 2,000,000
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program,	0

ESD, other public sources)**Total Sources of Funds for Project Costs:** \$18,000,000**Have you secured financing for the project?** NoMortgage 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). 6,000,000**Lender Name, if Known****Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):** \$45,000Real 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):**

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

An excerpt from Perry's Ice Cream EEO hiring policy: "Perry's Ice Cream rejects all forms of unlawful discrimination and not only because it is against the law, but because it is wrong. This includes unlawful discrimination because of a person's sex, sexual orientation, race, creed, color, religion, military status, gender, national origin, age, disability, arrest record, marital status, familial status, and domestic violence victim status, status as an ex-offender, predisposing genetic characteristics or genetic information, or any other legally protected category by state, federal, and where applicable, local law." We do not have a policy for contractors but we are planning to adopt one. We have appointed FoodTech as General Contractor. Food Tech (foodtech.com) specializes in designing facilities in the food and dairy industries. Food Tech does not discriminate in selection of suppliers for projects. In no particular order, price, quality, expertise, and ability to meet the schedule are leading determinants of contract award.

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)

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	356	356	15	15
Part time	14	14	0	0
Total	370	370	15	

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	93	\$ 80,602	\$ 23,756	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	\$ 0	\$ 0
Administrative	27	\$ 40,814	\$ 10,384	\$ 23,276	\$ 4,951
Production	250	\$ 52,245	\$ 16,901	\$ 16,603	\$ 3,317
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.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

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

22,131,663

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

59,107

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

21,369

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

52,700

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

0

Estimated salary range of jobs to be created

From (Full Time) 42,640

To (Full Time) 70,720

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

1 Ice Cream Plaza, Akron, New York

Name and Address of Owner of Premises

Perry's Ice Cream Co

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

Zoned Industrial

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

Buildings are dated from 1971 through 2008 with a new proposed addition in 2022-2023

Describe all known former uses of the Premises

Ice cream manufacturing, warehousing, truck garage, waste water treatment facility

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

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

Nothing other than mentioned in next question/answer

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

We have a SPDES permit for non-contact cooling with water pulled from the ground (via well) and discharged into a ditch; we are permitted for 2.5 million gallons per day

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?

<BLANK>

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

We have two above-ground Fiberglass tanks that store waste slurry from dairy production which is picked up by a local farm for animal feed. A third tank, called the equalization tank, holds slightly acidic dairy waste and wash water and is used to bring to pH neutrality.

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

Address

Contact Person

Phone

Fax

E-Mail

Federal ID #

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. **If no, proceed to the next section.**

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

City/Town

State

Zip Code

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



Memorandum

To: ECIDA Board of Directors
Re: COVID 19 Pandemic Impact Status Update

July 7, 2022

Background

On March 7, 2020, NYS declared a public health emergency due to the emergence and public health threat of COVID-19. The impacts of the global pandemic have been truly historic resulting in a public health and economic crisis not seen in over 100 years. Throughout 2020 and 2021, the pandemic has taken a terrible toll on our region resulting in a horrific loss of life and an unprecedented economic disruption.

Throughout 2020 the Buffalo Niagara region experienced severe economic disruptions with unemployment reaching over 19% as the economy was shut down. The economic impacts were unprecedented and far reaching. The new realities of the pandemic and post pandemic economy included, supply chain disruption, commodity shortages, rising prices, and workforce disruption.

By the beginning 2021 the region began to recover as employment levels began to rise, companies continued to struggle with commodity and supply issues which hampered their ability to meet production and or sales goals. Additionally, workforce issues continued to hamper business recover efforts with many local businesses being unable to find workers to fill open positions. The regions tourism, restaurant and hospitality sectors continued to be the most challenged and slowest to recover.

The public health and economic disruptions continued through much of 2021 as the region saw varying waves of infection. Case numbers continued to be significant through the winter and spring months and most notably the Delta variant caused rising infection rates through the fall of 2021. NYS and the region continued to be in a public health state of emergency as declared by the Governor throughout 2021.

Job retention/creation requirements continued to be monitored throughout 2021 utilizing the Agency's quarterly employment reporting procedures. Of the 93 Companies that are subject to the Agency's recapture policy 89% continued to meet job goals as required. Ten companies reported employment shortfalls. The Companies which did not maintain or meet employment goals were contacted by Agency staff to document and determine the reasons for missing their job creation/retention

requirements. Several companies were in the heavily impacted tourism and hospitality sectors, several others indicated continuing decline in sales, supply chain impacts, and difficulty in finding workers. Some of the companies indicated that they had open positions and have been unable or struggled to fill them. Several of the companies did show positive gains in reaching employment goals through the first quarter of 2022, although some are still experiencing business disruptions.

Recommendation

The impacts of the COVID-19 pandemic continued to cause significant business disruption to Erie County businesses throughout 2021. It is recommended that the Agency continue the "Special COVID Waiver" with respect to the potential recapture of Agency financial assistance for the 2021 calendar year. The agency should continue to monitor business employment impacts and disruptions throughout 2023 as the region continues to see recovery but still faces challenges as a result of long-term economic disruptions caused by the pandemic.

The Special COVID Waiver would waive implementation of recapture procedures for companies that suffered employment losses or that were unable to meet required job creation goals due to documented COVID-19 impacts. Job retention/creation shortfalls will continue to be verified utilizing the Agency's quarterly employment reporting procedures. Companies which did not maintain or meet employment goals would continue to be monitored by Agency staff to document and determine that reasons for missing such job creation/retention requirements were related to COVID-19 impacts. Company specific and overall industry impacts would be taken into consideration and upon a determination by the Agency's President/CEO, in consultation with the Chair, that 2021 job retention/creation requirements were not met due to documented COVID-19 impacts, implementation of Agency recapture protocols would continue to be waived for the 2021 calendar year.

A&A Union Road LLC
\$ 3,110,729
PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 524210

COMPANY INCENTIVES

- Approximately \$ 166,250 in sales tax savings
- Approximately \$ 334,915 in real property tax savings
- Up to 3/4 of 1% of the final mortgage amount estimated at \$20,625

JOBS & ANNUAL PAYROLL

- Current Jobs: 12 FT, 1 PT
- Annual Payroll: \$ 775,464
- Projected new jobs: 2 FT
- Est. salary/yr. of jobs created: \$40,000
- Projected retained jobs: 12 FT, 1 PT
- Est. salary/yr. of jobs retained: \$ 61,587
- Total jobs after project completion: 14 FT, 1 PT
- Construction Jobs: 13

PROJECTED COMMUNITY BENEFITS*

- Term: 7 YEARS
- NET Community Benefits: \$ 16,451,250
- Spillover Jobs: 33
- Total Payroll: \$ 15,430,020

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

Incentives: \$ 498,062
 Community Benefit: \$ 15,329,511
 Cost: Benefit Ratio
 • 1: 31

Project Title: Aebly and Associates Insurance Services
 Project Address: 1471 Union Road, West Seneca, NY 14224
 West Seneca Central School District

Agency Request

A sales tax, mortgage recording tax and real property tax abatement in connection with the construction of a 6,160 sq ft 2 story professional office building.

Land / Building Acquisition	\$ 214,000
New Building Construction	\$ 2,594,729
Infrastructure	\$ 42,000
Manufacturing Equipment	\$ 0
Non- Manufacturing Equipment	\$ 150,000
Soft Costs/Other	\$ 110,000
Total Project Cost	\$ 3,110,729
 85%	 \$ 2,644,119

Company Description

Aebly and Associates Insurance Services, Inc is a diversified insurance firm that has been serving the insurance needs of their clients since 1913. They cover a wide area of insurance-related back-office operations and policy holder services. Aebly & Assoc clients include policy holders of individual types of insurance such as auto, home and life: business client who have property, liability, worker compensation, employee benefits, payroll services and other employ-based insurances for employees. Aebly & Assoc also provides third party administrative services through the processing of claims and management of healthcare account such as Flexible Spending Accounts (FSAs), Health Reimbursement Arrangements (HRAs) and Health Savings Accounts (HSAs). Aebly and Associates Insurance Services, Inc., and A&A Union Road, LLC are 100% owned by Julius W. Aebly Jr.

Project Description

Aebly and Associates Insurance Services has outgrown their current facilities located at 3638 and 3640 Seneca Street and plans to construct a 6,000+ sq ft professional office building to improve operating efficiencies and offer an updated office environment. The new building will be state of the art, paperless and highly visible allowing the company to not only retain, but also to attract hard to find educated new employees looking to be part of a growing professional insurance business.

* Cost Benefit Analysis Tool powered by MRB Group

Economic Impact: Inform Analytics Cost-Benefit Analysis

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

Cost: Incentives

COSTS	Tax Exemption	Amount
	Property	334,915
	Sales	166,250
	Mortgage Recording	20,625
	Total	521,790
	Discounted at 2%	498,062

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **	
	Erie County	Individuals	Payroll Construction	1,832,207	
			Payroll Permanent	13,597,812	
		Public	Property Taxes	83,732	
			Sales Taxes	128,262	
			Local Muni (NFTA)	6,875	
	New York State	Public	Income Taxes	694,351	
			Sales Taxes	108,010	
				Total Benefits to EC + NYS***	16,451,250
				Discounted at 2%	15,329,511

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

Discounted Cost \$ 498,062
 Discounted Benefit \$ 15,329,511
 Ratio 1:31

Conclusion: The Cost Benefit for this project is: 1:31. For every \$1 in costs (incentives), this project provides \$31 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$36 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Local Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$5,941	\$ 2,174,118	\$ 13,802	\$ 69,927	\$ 65,648
Combined Tax Rate: \$ 80.91				

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 = \$ 3,110,729 85% = \$2,644,119
Employment	Coincides with 7-year PILOT	Maintain Base = 12FTE Create 85% of Projected Projected = 2 85% = 1 Recapture Employment = 13
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
<u>Recapture Period</u>	Coincides with 7-year PILOT	Recapture of Mortgage recording tax, state and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax
Mortgage Recording Tax

Recapture

Pursuant to New York State General Municipal Law, the agency shall modify, recover, recapture or terminate any financial assistance taken by the company that is in violation of the GML.

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has maintained jobs and created jobs, iii) confirm adherence to local labor policy during construction and iv) its adherence to unpaid tax/pay equity policies for recapture term.

Project ECIDA History

- 5/31/22 Public hearing held.
- 7/27/22 Inducement Resolution presented to Board of Directors – Type II action and therefor no further action is required under SEQRA
- 7/27/22 Lease/Leaseback Inducement Resolution presented to the Board of Directors

FIGURES | BUFFALO OFFICE | Q4-2021

Extended work from home policies continue to cast shadow on true office recovery

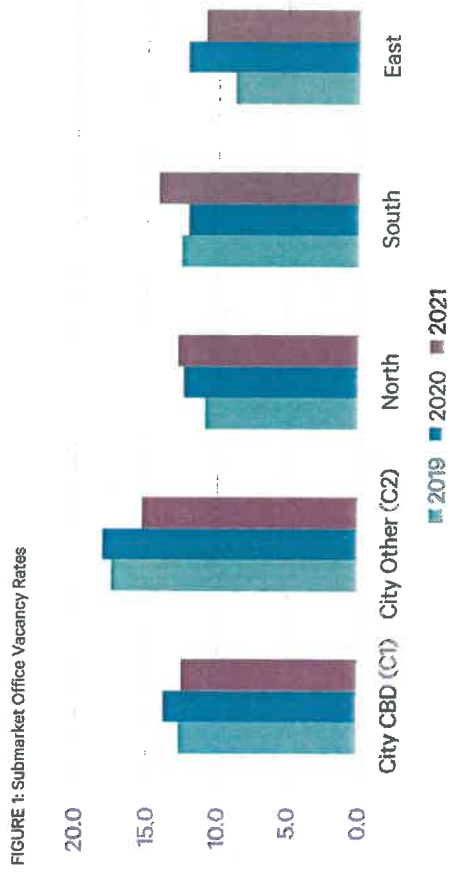
▼ 34,985,174 Sq. Ft. Total Market Inventory ▼ 12.8% Vacancy Rate ▲ 323,139 Sq. Ft. Net Absorption ▼ 886,236 Sq. Ft. Projected Construction

Note: Arrows indicate change year-over-year.

Despite the ongoing pandemic and uncertainty around COVID-19, the Buffalo office market finished stronger than the previous year with overall vacancy posting a decrease from 13.5% to 12.8%. The vacancy reflects the positive activity felt throughout the sector despite concerns with office fundamentals changing behind the scenes. This appears to be good news; however, with multiple empty spaces technically under lease, the future of the office market remains unclear as we await true demand post-pandemic.

2021 saw momentum building with a gradual reopening, as many occupiers who were out to market before the pandemic were able to pick things back up. Many users shifted their requirements to account for work-from-home models, while those in sectors that experienced growth and/or pandemic demand were able to take advantage of a "tenant's market" landing deals with strong concessions.

There were several occupiers who never returned to the office taking a wait-and-see approach. CBRE reported in its 2021 U.S. Occupier Sentiment Survey that "87% of large companies plan to adopt a hybrid work approach." It is this fundamental change that has kept everyone guessing the long-term effects on the office market and whether this shift is here to stay.



Source: CBRE Buffalo, Q4-2021

The Buffalo market benefited from its tertiary size as many occupiers were able to return to work far easier than denser cities. Locally, national groups and some of the largest employers have remained in hybrid mode with corporate mandates stretching across the United States. M&T Bank, one of the region's largest employers, has pushed back its return to the office multiple times amid variant concerns. The same can be said for numerous office users throughout the submarkets in which space remains spoken for, yet desks sit empty.

Sublease space remains a challenge as the office market deals with surplus spaces that have been on the market pre-Covid along with those shedding space because of hybrid work. While this space is not accounted for in the overall vacancy data, it is apparent that sublease space is placing downward pressure on the overall market conditions. Sublease activity has seen an uptick in those seeking short-term solutions to accommodate future unknowns.

Lease rates remained stable throughout the year despite market perceptions. High quality Class A office space has seen new highs over the past two years with high-end, amenity-rich office buildings in the central business district now achieving \$27.00 per sq. ft. and higher rental rates. Despite the expense, much of this product has remained largely leased and speaks to what occupiers are favoring in today's market.

Most occupiers have been pushing for shorter lease lengths, but inflationary conditions have only increased landlords' frustrations amid increased tenant improvements and rising construction costs. Tenants have had to take on their own share of significant costs retrofitting second-generation spaces to meet today's office standards. Corporate Class A tenants have been more willing to sign longer lease terms, and those in the government, health, and tech sectors have been active.

The trend of flight-to-quality has been reported by CBRE across many U.S. markets and is no different in Buffalo. Each submarket has a large amount of traditional aging inventory which has not only increased tenant shifting but has also forced landlords to invest in upgrades. Renovations alone are not enough, equally important to incentivize return to work is the shift towards highly amenitized space, which also aids in attracting talent.

The next couple of years will be telling for the office market. Upcoming lease expirations coupled with flexible work models will determine the next chapter for the office environment.

The move towards healthier buildings and a desire for increased collaboration will fuel positive changes. Outcomes will be a result of how each individual occupier views the workplace and what it means to their business. Flexibility, productivity, and work-place culture will diverge in hopes of carving out an evolved office landscape.

Construction

After a year of paused construction activity, 2021 saw the addition of 321,977 sq. ft. of office completions. The market is gaining confidence specifically seen through medical and tech-driven projects, while a cautious sentiment remains surrounding COVID concerns.

Some office projects with speculative components did not move forward due to the current market environment or changed direction to be marketed as general commercial space. The Buffalo market has been experiencing more of this, especially as we see both medical and office occupiers considering buildings outside of general office use, such as retail product.

466,236 SF is currently under construction with another 420,000 sq. ft. proposed. Significant delays for some projects unrelated to the pandemic have been seen and it is unknown if some of the planned construction will see fruition. Many projects will call for phased construction and will slowly enter the market.

Absorption & Vacancy

Buffalo posted an overall positive 323,139 sq. ft. of net absorption in 2021. Most notably, the Central Business District and City Other submarkets drove the activity with multiple leases signed in buildings such as Ellicott Developments 478 Main Street, Seneca One Tower and Waterfront Village.

Flex space also performed well with positive absorption seen in the downtown submarkets along with 83,160 sq. ft. absorbed in the East submarket. Conversely, flex product in the North submarket saw a negative absorption for flex office product of -88,366 sq. ft. Despite both Class A and Class B office space delivering positive absorption, overall, the North submarket finished in the red with -30,728 sq. ft. The South submarket also saw negative absorption with -54,100 sq. ft. largely by way of Class B and Flex office product.

Transactions were heavily focused on quality product and flight to quality, even if those were triggered by a downsized. Users shedding space were allowed to increase their real estate budget and many times that included an upgrade.

Overall office vacancy is now 12.8%, a reduction from the previous years 13.5%. The CBD and City Other submarkets saw the largest drops in vacancy with the CBD down from 13.9% to now 12.5% and the City Other Submarket down 2.7% to 15.3%. The suburban East Submarket followed suit dropping to 10.9%.

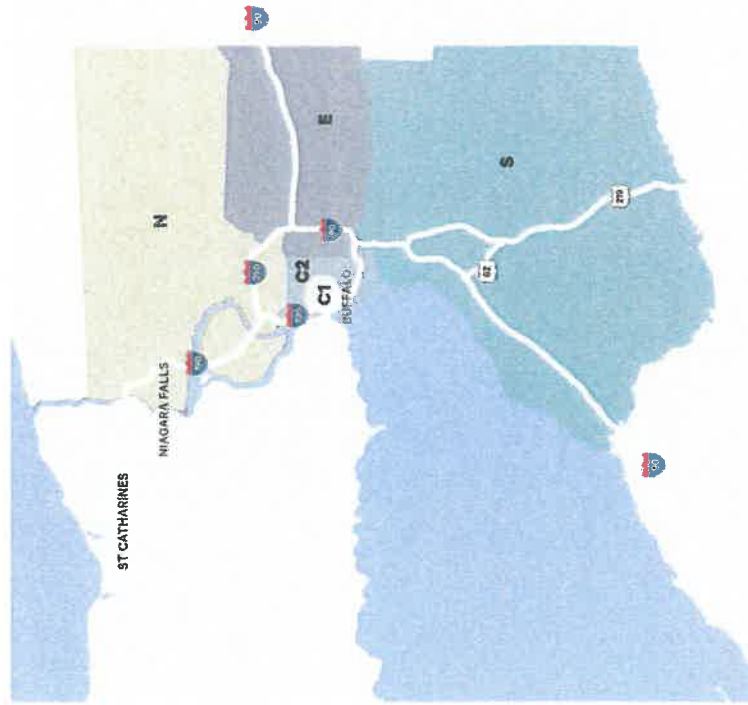
The South Submarket, featuring the smallest amount of inventory, posted an increase in overall vacancy to 14.2% from 12.1%. The North Submarket saw a minor increase of 0.4% to an overall 12.8% vacancy. Generally, the suburban submarkets are seeing an uptick in interest which is needed due to the large amount of office inventory and previous years of activity centered in the city.

FIGURE 2- 2021 WNY Submarket Office Statistics

Submarket	Total Inventory Sq. Ft.	Change in Supply Sq. Ft.	Available Inventory Sq. Ft.	Vacancy Rate %	Change in Vacancy Rate %	Net Absorption Sq. Ft.	Quoted Lease Rate Range (\$/sq.ft.)
City CBD (C1)							
Class A	4,709,841	100,000	434,349	9.2	(2.3)	194,667	22-27
Class B	4,863,448	28,679	777,398	16.0	(0.7)	12,024	16-20
Class C	3,117,870	(263,016)	NA	NA	NA	NA	NA
Flex Office	278,636	87,481	21,062	7.6	7.6	25,000	-
City Other (C2)							
Class A	1,093,842	-	111,083	10.2	(0.3)	3,712	21-25
Class B	1,600,978	20,425	384,204	24.0	(1.3)	23,882	16-19
Class C	955,062	(205,320)	NA	NA	NA	NA	NA
Flex Office	921,507	-	58,523	6.4	(8.1)	75,056	-
North (N)							
Class A	2,102,838	(78,640)	339,388	16.1	(1.2)	39,948	19-24
Class B	3,592,833	7,892	416,402	11.6	(0.8)	17,640	16-19
Class C	377,424	-	NA	NA	NA	NA	NA
Flex Office	2,648,131	-	297,940	11.7	3.5	(88,366)	-
South (S)							
Class A	371,062	-	39,851	10.7	0.0	-	20-24
Class B	1,457,030	-9,434	194,950	13.4	1.6	(31,900)	15-19
Class C	461,891	-	NA	NA	NA	NA	NA
Flex Office	321,327	-	70,312	21.9	6.9	(22,200)	-
East (E)							
Class A	1,137,329	(61,516)	50,846	4.5	1.6	(16,781)	19-24
Class B	2,824,422	73,456	350,624	12.4	(0.5)	7,247	16-19
Class C	648,974	-	NA	NA	NA	NA	NA
Flex Office	1,600,829	-	206,811	12.9	(5.2)	83,160	-

Source: CBRE Buffalo, Q4 2021

Market Area Overview



Definitions

Available Sq. Ft. Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the "drip line" of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Represented by a Modified Gross Lease Rate, net of utilities and cleaning. Occupied Sq. Ft. Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft. Space that can be occupied within 30 days.

Survey Criteria

CBRE Buffalo's Office Figures report provides statistics based on a revised set of inventory. All properties are class A, B, or flex and are greater than 10,000 square feet. Historical data in all figures is reflective of the current set of inventory rather than previously published report figures.

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Buffalo Office Market

Market Trends

By year-end 2019, the information, financial activities, and professional and business services sectors accounted for 20.3 percent of the Buffalo MSA employment base, totaling 115,800 jobs. As a result of the pandemic, during April 2020 the Buffalo MSA lost 80,000 jobs, or 15.5% of the employment base. The information, financial activities, and professional and business services sectors lost 12,800 jobs, or 11.3%.

By year-end 2020, employment in the information, financial activities, and professional and business services sectors began to recover adding 8,300 jobs. Through November 2021, these sectors grew by 1.9 percent, adding another 2,100 new jobs.

Overall Market Overview

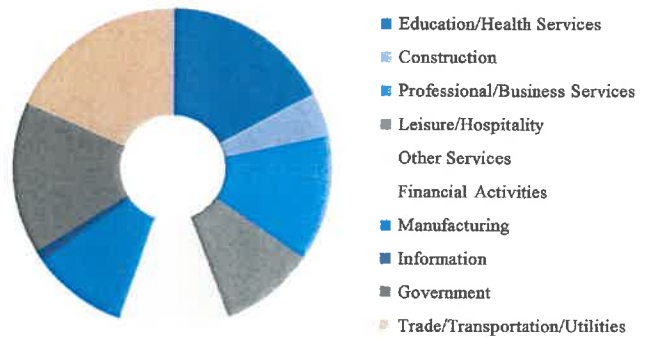
By the fourth quarter of 2021, the Buffalo MSA office market supported 24.6 million square feet of space concentrated in the Buffalo CBD and the Northtowns suburban market.

By year-end 2021, the Buffalo office market was operating at an overall vacancy rate of 12.4%. Despite the business disruptions caused by the pandemic, throughout 2021 the Buffalo office market supported positive net absorption of 126,000 square feet. Net office space absorption for the year totaled 106,000 SF in the Buffalo CBD and 20,000 SF in the Northtowns suburban market.

Office rents in the Buffalo market increased 2.1% in 2020 and 0.6% in 2021, now averaging \$16.55 per square foot. Class A office space commands a higher premium rent averaging \$25.00 per square foot.

Class A space totals 5.54 million square feet, with 2.4 million square feet located in the Buffalo CBD and 3.2 million square feet in the Northtowns. Net absorption of Class A space totaled -28,195 SF in 2021. As of the fourth quarter 2021, Class A was operating at a vacancy rate of 9.7 percent and an average asking rent of \$25.00/SF. The CBD Class A market is operating at an 8.9% vacancy rate and average rent of \$29.11/SF. The Northtowns Class A market is operating at a 10.3% vacancy and average rent of \$22.04/SF.

Buffalo MSA Employment by Sector November 2021



Market Analysis

ASKING RENT AND VACANCY RATE



Overall Market Summary

	2021 Q4	2020 Q4	2019 Q4	12-Month Forecast
Total Inventory (SF)	24.6M	24.6M	24.4M	→
Vacancy Rate	12.4%	12.9%	15.0%	→
Net Absorption (SF)	126K	505K	569K	←
Average Asking (Rent/SF)	\$16.50	\$16.45	\$16.10	→
Under Construction (SF)	89K	63K	70K	→

Overall Market Overview Continued...

Class B and flex space in the Buffalo office market totals 19.1 million square feet. The Buffalo CBD supports 11.0 million square feet of Class B office space with 8.0 million square feet operating in the Northtowns suburban market. During 2021, net absorption of Class B and flex space totaled 154,000 square feet. The net demand for space effectively reduced the overall vacancy rate from 14.0 percent at year-end 2020 to 13.2 percent by year-end 2021. The average rent for Class B and flex space is \$15.75 per square foot.

In recent years, new office construction in the Buffalo market has been modest, totaling approximately 578,000 square feet since 2017. During 2021, 20,000 square feet new space entered the market.

During 2019, 22 sale transactions were recorded of office properties with 10,000 square feet or more totaled \$145.8 million in proceeds at an average sales price of \$146 per square foot and capitalization rate of 8.0 percent. Throughout 2020, 21 sale transactions of office buildings of 10,000 square feet or more in the Buffalo MSA market garnered total proceeds of just over \$73.4 million. During 2021, 111 office sale transactions totaling \$90.3 million were recorded in the Buffalo MSA.

Buffalo CBD Market Overview

Over the past decade the Buffalo CBD has experienced a renaissance supporting new restaurants, entertainment venues, hotels, office buildings, and new housing. The Buffalo CBD and Buffalo-Niagara Medical Campus now collectively support a workforce exceeding 50,000. The Buffalo CBD now attracts over 7 million visitors annually.

As of the fourth quarter 2021, the Buffalo CBD supported 13.4 million square feet of office space. Throughout 2021, 106,000 square feet of space was absorbed into the market, reducing the overall vacancy rate from 14.1% at year-end 2020 to 13.3% by the fourth quarter 2021. The average asking rent is \$17.45 per square foot.

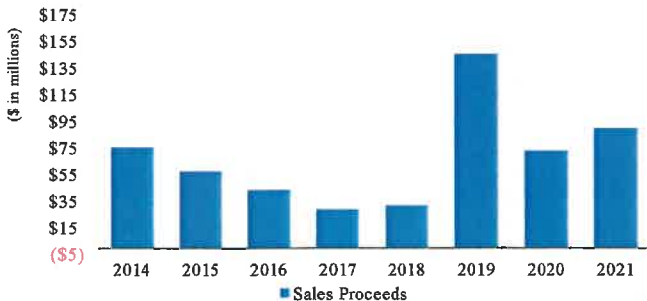
Class A office space in the Buffalo CBD totals 2.4 million square feet. By the fourth quarter 2021, Class A space was operating at a vacancy rate of 8.9 percent, up slightly from 8.5 percent at year-end 2020. For 2021, net office space absorption of Class A space was reported at -11,195 square feet. The average asking rent stands at \$29.11 per square foot.

Class B office space in the Buffalo CBD totals 11.0 million square feet. Through the fourth quarter of 2021 net absorption of Class B space totaled 117,000 square feet. By year-end 2021, Class B space was operating at a vacancy rate of 14.2 percent, down from 15.3 percent at year-end 2020. The average asking rent stands at \$16.25 per square foot.

Douglas Development is in the process of redeveloping the former 38-story HSBC Tower at the foot of Main Street. HSBC and Phillips Lytle vacated 738,000 square feet of space and the building eventually went into foreclosure. Now known as Seneca One, the once vacant building has been transformed into a mixed-use property offering retail space, event space, and luxury apartments. The occupancy by M&T Bank’s IT Department of approximately 340,000 square feet of space at Seneca One has attracted other tech firms and transformed the once vacant building into a technology hub.

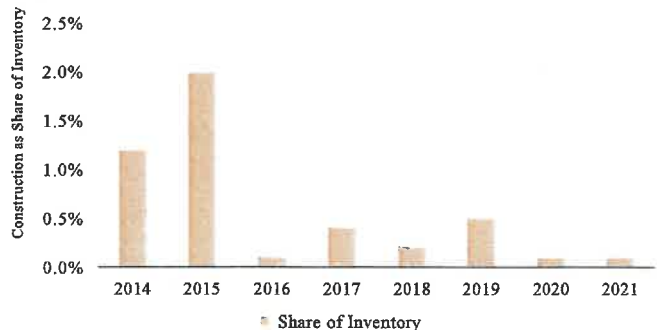
Buffalo Market Office Sales

OFFICE BUILDING SALES PROCEEDS



Office Construction

INVENTORY GROWTH



RESEARCH Q4 2021

Buffalo CBD Market Overview Continued...

Many older office properties in the CBD are no longer desirable for office use but their historical character are ideal for adaptive re-use as apartments, lodging, and banquet space. Examples of conversion projects include Priam Enterprises' Main-Seneca Building at 237 Main Street and Stanton Building 251 Main Street, Kissling Interests' Main Cathedral Building at 298 Main Street, and the conversion of the former Buffalo Police Headquarters into rental apartments by Douglas Development

Northtowns Market Overview

The Northtowns submarket consisting primarily of the affluent communities of Amherst and Williamsville represents the region's largest suburban office market supporting approximately 11.1 million square feet of space. The Northtowns as a professional office location boasts freeway access, an educated workforce, wide range of housing options, high quality of life, proximity to Buffalo-Niagara International Airport, and presence of The University at Buffalo Main Campus. Due to its attractive business location, the Northtowns is home to many institutional tenants.

Most of the Northtowns office space is located within master planned office parks and business parks. By the fourth quarter 2021, the Northtown office market was operating at an overall vacancy rate of 11.3 percent and an average rent of \$15.75 per square foot gross. Throughout 2021, net space absorption totaled 20,000 square feet.

Despite the business interruption resulting from the pandemic, Class A office space in the Northtowns remained strong throughout 2021. By the fourth quarter 2021, the 3.2 million square feet of Class A office space was operating at an overall vacancy rate of 10.3 percent, up slightly from 9.8 percent at year-end 2020. Class A office space absorption of -17,000 square feet was reported for 2021. The average rent for Class A space amounts to \$22.04 per square foot gross. As of the close of fourth quarter 2021 no new office space was under construction within the Northtowns submarket.

Class B and flex space totals 8.0 million square feet of space. By the fourth quarter of 2021 Class B and flex space was operating at an overall vacancy rate of 11.7 percent, down from 12.2 percent at year end 2020. During 2021, net space absorption totaled approximately 37,000 square feet. The average rent for Class B and flex space is \$14.75 per square foot.

Northtowns Office Market			Buffalo CBD Office Market			Buffalo MSA Office Market		
	2020 Q4	2021 Q4		2020 Q4	2021 Q4		2020 Q4	2021 Q4
Total Inventory of Space			Total Inventory of Space			Total Inventory of Space		
Space/Sf. Ft.	11,120,239	11,120,239	Space/Sf. Ft.	13,431,138	13,431,138	Space/Sf. Ft.	24,551,377	24,551,377
Vacant Space	1,280,447	1,260,671	Vacant Space	1,888,347	1,782,686	Vacant Space	3,168,794	3,043,357
Vacancy Rate	11.51%	11.34%	Vacancy Rate	14.06%	13.27%	Vacancy Rate	12.91%	12.40%
Average Rent/ Sq. Ft.	\$15.70	\$15.75	Average Rent/ Sq. Ft.	\$17.40	\$17.45	Average Rent/ Sq. Ft.	\$16.45	\$16.55
Class A Space			Class A Space			Class A Space		
Total Class A Space	3,159,669	3,159,669	Total Class A Space	2,382,835	2,382,835	Total Class A Space	5,542,507	5,542,504
Vacant Space	308,999	325,999	Vacant Space	201,917	213,112	Vacant Space	510,916	539,111
Vacancy Rate	9.78%	10.32%	Vacancy Rate	8.47%	8.94%	Vacancy Rate	9.22%	9.73%
Average Rent/ Sq. Ft.	\$22.00	\$22.04	Average Rent/ Sq. Ft.	\$27.82	\$29.11	Average Rent/ Sq. Ft.	\$24.03	\$25.00
Class B & Flex Space			Class B			Class B		
Total Class B & Flex Space	7,960,570	7,960,570	Total Class B & Flex Space	11,048,303	11,048,303	Total Class B & Flex Space	19,008,873	19,008,873
Vacant Space	971,448	934,672	Vacant Space	1,686,430	1,569,574	Vacant Space	2,657,878	2,504,246
Vacancy Rate	12.20%	11.74%	Vacancy Rate	15.26%	14.21%	Vacancy Rate	13.98%	13.17%
Average Rent/ Sq. Ft.	\$14.70	\$14.75	Average Rent/ Sq. Ft.	\$16.20	\$16.25	Average Rent/ Sq. Ft.	\$15.70	\$15.75

RESEARCH Q4 2021

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Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nglf.com/research.

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https://buffalonews.com/business/local/ahead-for-the-workplace-more-gig-workers-and-digital-nomads/article_5b436d68-f741-11ec-84a7-6b9342454e5d.html

Ahead for the workplace: more gig workers and digital nomads

Matt Glynn

Jun 29, 2022

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Ahead for the workplace: more gig workers and digital nomads

Gig workers will account for half of the U.S. workforce five years from now.

The ranks of "digital nomads" will increase to nearly 60 million by 2030.

The vast majority of employers will pay for employees' home office setups.

BUFFALO NEXT

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Those are some of the predictions about the workforce in a report released by Delaware North.

The Buffalo-based hospitality giant commissioned "**The Future of Recreation, Travel and Hospitality,**" after almost completely shutting down its operations during the pandemic. Attention Span Media produced the report.

The report takes stock of trends from the past couple of years – including widespread remote work and diminished business travel – and gazes into the crystal ball:

People are also reading...

- 1 **Buffalo Police identify victims in double shooting on Scajaquada Expressway**
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- 4 **Bills, Sabres co-owner Kim Pegula is 'progressing well,' according to statement**

- By 2027, 80 million people will be part of the gig economy, compared with 55 million last year. "This inexorable rise means that the labor force will never go back to the previous normal," the report said.

Some large, forward-thinking companies will create apps that will enable workers to pick up shifts at franchised locations where those workers travel to, the report said. "Unions will want to have a say in the creation of these internal work apps to protect seniority, pay rates and other benefits for their membership."



A report commissioned by Delaware North predicts a workforce with a rising number of "digital nomads" not anchored to one particular office for their jobs.

News file photo

The gig economy's explosion has diverted workers away from entry-level jobs in the hospitality industry, the report said. "Even though gig jobs may not supply predictable income, they provide other benefits like flexible working hours and a wider variety of work."

- The number of "digital nomads" – remote workers who are not anchored to a desk in one office to do their jobs – will rise to nearly 60 million by 2023, from 11 million in 2020.

"A growing number of people and businesses are embracing a future where the focus is on what work is getting done, and not where or when it's getting done," the report said. "This tectonic shift will not be reversed."

The report predicts even traditional work schedules are headed for a shakeup: "Constructs like nine-to-five workdays, five-day workweeks, even four-day workweeks – 'workweeks' in general – will soon come to seem like relics of an inflexible dark age."

As remote and hybrid work have gone mainstream, employers will be increasingly likely to pay for workers' home office setups, the report said. Before the pandemic, only one in 10 companies paid for those setups; the report predicts by 2030, 75% of employers will do so.



Delaware North's headquarters on Delaware Avenue.

Derek Gee / Buffalo News file

The report also envisions large corporations opening "work hubs" where employees can meet up to work together, instead of traveling to the headquarters. "This will also help companies maintain their corporate culture, a quality too easily lost through remote working but essential for retaining workers and recruiting new ones," the report said.

Delaware North said it is taking a close look at the report, which also covered the hospitality and tourism industries. "Delaware North has already begun leadership workshops to discuss how the company can use the report's findings to shape investments and business lines going forward," said Jerry Jacobs Jr., one of the company's CEOs.

Getting to know you, virtually

In the old days – before the pandemic – newly hired employees would arrive at the office and meet their new co-workers.

That's not necessarily the case anymore.

Fifty seven percent of employees in New York state who have begun a new job since March 2020 have never met their co-workers in person, according to a **new survey by Green Building Elements**.

If that percentage seems high, it's a far cry from Nebraska's 89%, which led all states. At the other end of the spectrum were Kentucky and Montana, where only 17% hadn't met their co-workers in person.

The survey's results reinforce themes that have emerged since the pandemic began: many workers prefer working from home, and are productive working that way. And with the rise of remote work, companies are more open to hiring employees who don't even live in the same region or state.

The survey also found that among respondents across all states, 58% of work-from-home employees say their relationships with co-workers had improved since not working in an in-person environment. And 17% of those who are working from home – with the option to return to the office – say they would be more likely to come back if their employer made the workspace an "eco-friendly environment."

Green Building Elements conducted the survey in May, with over 4,000 respondents.

Open to a job change

We've heard a lot about the "quit rate" and employees seizing the opportunity to change jobs during the pandemic, with so many jobs going unfilled.

That trend isn't letting up, according to Robert Half's **Job Optimism Survey**, which comes out twice a year.

Four in 10 workers said they are either looking or plan to look for a new role between now and the end of 2022, the latest survey found.

The most frequently cited reason for making a job change (65%) was a salary increase. More than half of the workers considering a job change said they planned to pursue a hybrid or fully remote job.

"In this market, even passive job seekers are flight risks, so it's crucial for companies to address employees' priorities before they even contemplate a career move," said Paul McDonald, senior executive director of Robert Half.

Want to know more? Three stories to catch you up:

- **As office work goes hybrid, firms ask how much space they really need**
- **How companies are trying to entice office workers to return**
- **As pandemic eases, office workers head back – with some staying on hybrid schedules**