

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

- DATE:** January 13, 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 Blue; Johanna Coleman; Hon. William Krebs; Richard Lipsitz; Brenda W. McDuffie; Hon. Glenn Nellis; Laura Smith; Lavon Stephens; Paul Vukelic and Maria Whyte
- EXCUSED:** Hon. Bryon W. Brown; Colleen DiPirro and David State
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O'Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiq Abidi, Assistant Treasurer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Robbie Ann McPherson, Director, Marketing & Communications; Brian Krygier, Director of Operations Technology; Carrie Hocieniec, Operations Assistant; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Peter Krog and Scott Fairbrother on behalf of 791 Washington Street LLC; Joan Gredys, Jeanette Foote on behalf of Arbor Multifamily Lending, LLC; Dr. Uzo Ihenko, Kelechi Chillis Ihenko on behalf of Broadway Development & Management Group, LLC; Suzanne Risman on behalf of Lactalis American Group, Inc.; Seth Piccirillo on behalf of Buffalo Niagara Partnership and Alex Carducci on behalf of the City of Buffalo

There being a quorum present at 9:03 a.m., the Meeting of the Policy Committee was called to order by Mr. Lipsitz.

MINUTES

The minutes of the November 18, 2021 Policy Committee meeting were presented. Upon motion made by Mr. Blue to approve of the minutes, and seconded by Mr. Vukelic, the aforementioned Policy Committee meeting minutes were unanimously approved.

The minutes of the December 2, 2021 Policy Committee meeting were presented. Upon motion made by Ms. McDuffie to approve of the minutes, and seconded by Mr. Nellis, the aforementioned Policy Committee meeting minutes were unanimously approved.

PROJECT MATRIX

Mr. Cappellino reviewed the Agency’s 2021 Project Matrix, noting 22 projects were induced. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATIONS

At this point in time, April Baskin and Johanna Coleman joined the meeting.

791 Washington Street LLC, 791 Washington Street, Buffalo, New York 14203. Mr. Cappellino presented this proposed sales tax and mortgage recording tax benefits project involving substantial renovation to convert the site into mixed-use including market rate housing addressing growth demands of medical campus employees, students and those interested in the community. The developer intends to create 243 housing units with 10% (25 units) committed to workforce housing at 80% AMI. In addition, 60,000 sq. ft. will be available to businesses looking to locate on the Buffalo Niagara Medical Campus.

Mr. Cappellino confirmed that 791 Washington Street LLC is seeking \$3.7M in incentives including sales tax exemption and mortgage tax exemption benefits. Total payroll is projected at \$70.7M for the direct and indirect jobs created including 571 construction jobs. The resulting cost benefit is 1:20 so for every \$1 of incentives the community benefit is \$20 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$38 in community benefits.

General discussion ensued. Ms. Whyte expressed her support for the project. Ms. McDuffie also expressed her support for the project. Ms. Baskin expressed support for the project and thanked the company for work-force housing component piece of the project and for committing to MWBE commitments.

Mr. Cappellino stated that in exchange for providing the sales and use tax and mortgage recording tax exemption 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 = \$107,950,000 85% = \$91,800,000

Employment	2 years following project completion	Create 85% of Projected Jobs Projected = 5 85% = 4 Recapture Employment = 4
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	2 years following project completion	Adherence to policy
Unpaid Tax	2 years following project completion	Adherence to policy
Recapture Period	2 years following project completion	Recapture of state and local sales taxes and mortgage recording tax

Ms. Whyte moved and Ms. Baskin 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.

Arbor Multifamily Housing LLC, 500 Colvin Woods, Tonawanda, New York 14150. Mr. Cappellino presented this proposed sales tax benefits project involving the purchase of equipment and furnishings associated with an inter-municipal move of the applicant from the Town of Lancaster to the Town of Tonawanda, and confirmed and described the Agency's compliance with both statutory intermunicipal move requirements and the Agency's Uniform Tax Exemption Policy Uniform intermunicipal move requirements.

Mr. Cappellino confirmed that Arbor Multifamily Housing LLC is seeking \$183,750 in incentives including sales tax exemption benefits. Total payroll is projected at \$12.8M for the direct and indirect jobs created including 0 construction jobs. The resulting cost benefit is 1:304 so for every \$1 of incentives the community benefit is \$304 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$533 in community benefits.

General discussion ensued. Ms. Whyte confirmed Arbor's efforts to find suitable office space in Lancaster. Ms. Gredys spoke on behalf of the company to review its efforts that were undertaken to secure new office space in Lancaster and elsewhere. Ms. Whyte confirmed her belief that here, incentives are being appropriately offered to grow jobs in the region and not to simply facilitate a move of the facility. Ms. Smith spoke in favor of the project and confirmed the value of utilizing a regional approach as opposed to a "municipal geographic line approach" for incentivizing economic growth. Mr. Krebs and Ms. Coleman also spoke in favor of the project.

Mr. Cappellino stated that in exchange for providing the sales and use tax 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 = \$2,100,000 85% = \$1,785,000
Employment	2 years following project completion	Maintain Base = 168 Create 85% of Projected Jobs Projected = 25 85% = 21 Recapture Employment = 189
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	2 years following project completion	Adherence to policy
Unpaid Tax	2 years following project completion	Adherence to policy
Recapture Period	2 years following project completion	Recapture of state and local sales taxes

Ms. McDuffie moved and Mr. Blue 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.

Broadway Development & Management Group LLC, 343-345 Broadway, Buffalo, New York 14204. Ms. O’Keefe presented this proposed sales tax and mortgage recording tax benefits project involving an adaptive reuse project of an historic 3-story 44,000 sq. ft. commercial building located within a distressed census tract in the City of Buffalo. The first floor’s 20,000 sq. ft. uses include: common areas/tenant amenities as well as office, warehouse and retail space. Anchor tenants for this space include Uzo 1 International, Ltd. And The UPS Store. The UPS Store will be the first and the only center to be located within the inner-city. The 24,000 sq. ft. on the second and third floors will be converted into workforce housing with rents based on 80% of the Area Median Income (AMI).

Ms. O’Keefe confirmed that Broadway Development & Management Group LLC is seeking \$693,500 in incentives including sales tax exemption and mortgage tax exemption benefits. Total payroll is projected at \$60,000 for the direct and indirect jobs created including 56 construction jobs. The resulting cost benefit is 1:14 so for every \$1 of incentives the community benefit is \$14 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$24 in community benefits.

General discussion ensued. Ms. Baskin spoke in favor of the project. Ms. O’Keefe stated that in exchange for providing the sales and use tax and mortgage recording tax exemption 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 = \$12,500,000 85% = \$10,625,000
Employment	Coincides with recapture period	Maintain Base = 2 Create 85% of Projected Jobs Projected = 8 85% = 7 Recapture Employment = 9
Local Labor	Construction Period	Adherence to policy including quarterly reporting
Pay Equity	Coincides with recapture period	Adherence to policy
Unpaid Tax	Coincides with recapture period	Adherence to policy
Recapture Period	2 years after project completion	Recapture of state and local sales taxes and mortgage recording tax

Ms. McDuffie moved and Ms. Baskin 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.

Lactalis American Group, Inc., 2376 South Park Avenue, Buffalo, New York 14220. Ms. O’Keefe presented this proposed sales tax and real property tax abatement benefits project involving a proposed 5,660 sq. ft. addition to the company’s existing 26,865 sq. ft. office building to provide current and future employees with the space needed to support the company’s U.S. operations from the Buffalo, New York facility.

Ms. O’Keefe confirmed that Lactalis American Group, Inc. is seeking \$126,793 in incentives including sales tax exemption and real property tax exemption benefits. Total payroll over the 10 year term of the PILOT is projected at \$33.5M for the direct and indirect jobs created including 5 construction jobs. The resulting cost benefit is 1:9994 so for every \$1 of incentives the community benefit is \$9,994 in payroll & tax revenue. For Erie County, every \$1 of incentives provides \$13,000 in community benefits.

General discussion ensued. Mr. Blue queried about the types of jobs to be created. Ms. Risman spoke on behalf of the company and confirmed new jobs are computer technology and computer science jobs. Mr. Lipsitz and Mr. Krebs spoke in favor of the project as well as Ms. Abbott.

Ms. O’Keefe stated that in exchange for providing the sales and use tax 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 = \$1,436,697 85% = \$1,221,192
Employment	Coincides with 10-year PILOT	Maintain Base = 334 Create 85% of Projected Jobs Projected = 27 85% = 22 Recapture Employment = 356
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 and real property taxes

Ms. Abbott moved and Mr. Blue 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

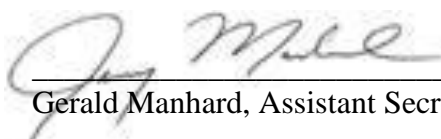
Mr. Cappellino presented members with an update on the draft MWBE Policy.

UNIFORM TAX EXEMPT POLICY AMENDMENT

Mr. Cappellino presented members with an update on the proposed Countywide Uniform Tax Exemption Policy (“UTEP”) amendments and approval process.

There being no further business to discuss, Mr. Lipsitz adjourned the meeting at 10:16 a.m.

Dated: January 13, 2022



 Gerald Manhard, Assistant Secretary