



**Erie County Industrial Development Agency
ECIDA Board Meeting
March 26, 2025
At 12:00 p.m.
ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203**

1.0 Call to Order

- 1.1 Call to Order Meeting of the Membership
- 1.2 Welcome New Board Members
 - a) Hon. Taisha St. Jean Tard - Chair, Economic Development Committee of the Erie County Legislature
 - b) Dr. LaVonne Ansari - Interim Chair - NFTA

2.0 Approval of Minutes:

- 2.1 Approval of Minutes of December 18, 2024 Meeting of the Membership (Action Item) (Pages 2-5)
- 2.2 Policy Committee Update (Informational) (Pages 6-9)

3.0 Inducement Resolution(s):

		ECIDA Incentives	Private Investment	Municipality
3.1	Deckorators, Inc/UFP Industries (Pages 10-51)	\$1,822,635	\$77,225,524	Lackawanna
3.2	Rosina Food Products (Pages 52-98)	\$2,693,039	\$30,000,000	West Seneca

4.0 Reports / Action Items / Information Items:

- 4.1 Financial Report (Informational) (Pages 99-102)
- 4.2 Finance & Audit Committee Update (Informational) (Page 103)
 - a) Committee Self-Evaluation (Informational) (Pages 104-108)
- 4.3 Audited Financial Statements (Action Item) (Pages 109-135)
- 4.4 2024 – Investment Report (Action Item) (Pages 136-138)
- 4.5 Governance Committee Report (Informational) (Pages 139-140)
 - a) Committee Self-Evaluation (Informational) (Pages 141-144)
 - b) Board of Directors Evaluation/Survey (Informational) (Page 145-147)
- 4.6 2024 Tax Incentives Induced/Closing Schedule (Informational) (Pages 148-149)
- 4.7 5-Year Tax Incentive Project Report 2020-2024 (Informational) (Pages 150-151)
- 4.8 Approval of Board Certification of Loan Administration Plan-CARES ACT RLF (Action Item) (Page 151- 154)
- 4.9 Compliance Assessment 2022 – 2023 (Informational) (Pages 155-162)
- 4.10 Tonawanda Towers Modification of Repayment Schedule (Action Item) (Pages 163-172)

5.0 Annual Reports & Policies (Separate Package)

- a 2024 - Mission Statement, Performance Measures and Results (Pages 2-16)
- b 2025 - Mission Statement and Performance Measures (Pages 17-25)
- c 2024 - Public Authorities Report (Pages 26-80)
- d Airborne Infectious Disease Policy (Action Items) (Pages 81-89)
- e Freedom of Information Law (FOIL) Policy (Action Items) (Pages 90-94)
- f Investment and Deposit Policy (Action Item) (Pages 95-102)
- g Property Disposition Guidelines (Action Items) (Pages 103-109)
- h Record Retention and Disposition Policy (Action Items) (Page 110)
- i Sexual Harassment Policy (Action Items) (Pages 111-121)



6.0 Management Team Reports:

- 6.1 2024 Year in Review
- 6.2 RCP Brownfield Cleanup Program Gen. 1 extension legislation update

7.0 Adjournment- Next Meeting - April 23, 2025

**MINUTES OF THE MEETING
OF THE
MEMBERSHIP OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(ECIDA or AGENCY)**

- DATE AND PLACE:** December 18, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Denise Abbott, Rev. Mark Blue, Patrick Boyle, Thomas R. Emmerling, Hon. Joseph H. Emminger, Michael P. Hughes, Tyra Johnson, Hon. Brian Kulpa, Richard Lipsitz, Jr., Brenda McDuffie, Glenn R. Nellis, Hon. Mark C. Poloncarz, and Kenneth A. Schoetz
- EXCUSED:** James Doherty, Dottie Gallagher, Hon. John J. Gilmour, Hon. Brian Nowak and Hon. Christopher P. Scanlon
- OTHERS PRESENT:** John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Accounting Manager; Grant Lesswing, Director of Business Development; Gerald Manhard, Chief Lending Officer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Michelle Moore, Compliance Associate; Robbie McPherson, Director, Marketing & Communications; Lori Szewczyk, Director of Grants and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of Erie County; Yessica Vasquez on behalf of City of Buffalo; Robert Goshgarian on behalf of Spectrum News and Robert Kapilevich on behalf of Pfannenberger.

There being a quorum present at 12:06 p.m., the meeting of the members of the Erie County Industrial Development Agency (the “ECIDA” or “Agency”), was called to order by the Chair, Ms. McDuffie.

Ms. McDuffie noted Mr. Hughes tenure as Chair of the Niagara Frontier Transportation Authority is ending, and as such, this will be Mr. Hughes’ last meeting as a member of the ECIDA. Ms. McDuffie thanked Mr. Hughes for his dedication and service.

MINUTES

The minutes of the October 23, 2024, meeting of the members were presented. Mr. Blue moved, and Mr. Emminger seconded to approve of the minutes. Ms. McDuffie called for the vote and the minutes were unanimously approved.

At this point in time, Ms. Johnson joined the meeting.

REPORTS/ACTION ITEMS/INFORMATION ITEMS

Financial Report. Ms. Profic presented the November financial reports. The balance sheet shows that the IDA finished the month with total assets of \$36.4M and net assets of \$19.6M. Overall assets decreased slightly during the month due to a decrease in cash, and liabilities increased due to an increase in funds held on behalf of others. Operating revenue of \$60,000 was below the monthly budget by \$147,000, due to no administrative fees received during the month. There have been \$132,000 of admin fees received so far in December. Operating expenses of \$244,000 were \$12,000 below our monthly budget. The variance in salaries & benefits is mostly due to a few minor differences in benefit costs from budget. After net non-operating revenue of \$40,000, there was a net loss of \$168,414 for the month. The year-to-date income statement shows operating revenues of \$2.3M, including administrative fee revenue of \$1.5M. We are at 83% of our annual budget through November. Other revenue lines are in line with the YTD budget. Operating expenses of \$2.8M are \$110,000 below budget. The negative \$94,000 variance on the salaries & benefits line is mostly due to the budget including room for performance incentives. Professional services are about \$35,000 below budget, due to lower than expected legal and consulting costs. Public Hearings & Marketing is \$21,000 above budget due to additional marketing costs for RCP. Net special project grant expenses are \$20,000, and strategic initiatives year to date total \$377,000. After net non-operating revenue of \$435,000, there is currently a net loss of \$486,629 for the year. Ms. McDuffie directed that the report be received and filed.

2024 Tax Incentives Induced/Closing Schedule. Mr. Cappellino provided this report. Ms. McDuffie directed that the report be received and filed.

Policy Committee Update: No update as there was no policy committee meeting held in December.

INDUCEMENT RESOLUTION

Pfannenbergl US Realty LLC, 13595 Broadway, Alden, New York. Ms. O'Keefe reviewed this proposed sales and use tax only project consisting of the renovation of a 143,000 square-foot manufacturing space for operations, testing lab purposes, and to accommodate operations and future growth as well as upgrades to loading docks and the creation of quality warehousing space

General discussion ensued. The Project's cost benefit ratio was reviewed, and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

Ms. O'Keefe stated that in exchange for providing the sales and use tax benefit, 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:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$9,775,000 (which represents the product of 85% multiplied by \$11,500,000, being the total project cost as stated in the Company's Application, as amended).
- (ii) Employment Commitment – that there are at least 123 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's Application, as amended (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 142 FTE employees [representing the sum of (x) 123 Baseline FTE and (y) 19 FTE employees, being the product of 85% multiplied by 23 (being the 23 new FTE employee positions proposed to be created by the Company as stated in its Application, as amended)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Mr. Emmerling moved and Mr. Emminger seconded to recommend the project as proposed be forwarded to the members of the ECIDA Board for approval. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF PFANNENBERG US REALTY LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (iii) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION BENEFIT FOR

PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT; AND (iv) AUTHORIZING THE NEGOTIATION AND EXECUTION OF AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

MANAGEMENT TEAM REPORT:

Mr. Cappellino advised the Board that at the end of each year several PILOT benefit terms for various projects run their course, such that the PILOT then automatically terminates. At that point, the PILOT schedule ends and the project no longer receives any property tax abatement and the real property is returned to the tax rolls. This year there are 14 projects for which their PILOTs will terminate at the end of the year, representing approximately \$56M of assessed property value being returned to the tax rolls as fully taxable, representing about \$1.86M of tax revenue for local taxing jurisdictions.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:24 p.m.

Dated: December 18, 2024

Elizabeth A. O'Keefe, Secretary

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

DATE AND PLACE: March 13, 2025 at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, A.J. Baynes, Rev. Mark E. Blue, Zachary Evans, Gregory R. Inglut, Richard Lipsitz, Jr., Dr. Susan McCartney, Brenda W. McDuffie¹, Hon. Glenn R. Nellis, Laura Smith, David State and Lavon Stephens

EXCUSED: None.

OTHERS PRESENT: John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O'Keefe, Vice President of Operations; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/ Assistant Secretary; Soma Hawramee, Compliance Portfolio Manager, Robbie Ann McPherson, Director, Marketing & Communications; and Robert G. Murray, Esq., as General Counsel/Harris Beach Murtha

GUESTS: Yessica Vasquez on behalf of the City of Buffalo; Nathan Hayes on behalf of Deckorators Inc.; Randy Bernick, Greg Setter and Mike Driscoll on behalf of Rosina and Chuck Clark on behalf of the City of Lackawanna

There being a quorum present at 9:02 a.m., the Meeting of the Policy Committee was called to order by Chair Lipsitz.

MINUTES

The minutes of the October 3, 2024 Policy Committee meeting were presented. Upon motion made by Mr. Evans to approve of the minutes, and seconded by Mr. State, the Policy Committee meeting minutes were unanimously approved.

¹ Ms. McDuffie participated via video conference pursuant to Section 103-A of the New York State Public Officer's Law and the Agency's Videoconferencing Participation Policy.

PROJECT MATRIX

Mr. Cappellino presented the project matrix to the Committee. Mr. Lipsitz directed that the report be received and filed.

5-YEAR APPROVAL HISTORY REPORTS: TAX INCENTIVE PROJECTS/ADAPTIVE RE-USE PROJECTS

Ms. O'Keefe presented the 5-Year Approval History Report to the Committee. Mr. Lipsitz directed that the report be received and filed.

PROJECT PRESENTATION

Deckorators, Inc. / UFP Industries, Inc., 300 Commerce Drive, Lackawanna, New York 14218. Ms. O'Keefe presented this proposed sales and use tax and real property tax abatement benefits project consisting of the expansion of the company's manufacturing facilities which will consist of two buildings on approximately 31 acres. The main building is 168,310 SF of manufacturing space and 19,000 SF addition is planned for future manufacturing. A secondary 85,000 SF open wall warehouse building on site is considered for future development.

At this point in time, Rev. Blue joined the meeting.

Ms. O'Keefe confirmed that Deckorators is seeking approximately \$1,822,636 in assistance including sales tax exemption and real property tax exemption. Annual payroll at the site upon project completion is projected at \$3,600,000. The resulting cost benefit is 64:1 so for every \$1 of incentives the community benefit is \$64 in payroll & tax revenue. For Erie County, for every \$1 of incentives the community benefit is \$112 in benefits to the community.

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 = \$77,225,524 85% = \$65,641,695
Employment	Coincides with 10-Year PILOT	Create 85% of Projected Projected = 50 FTE 85% = 42 FTE Recapture Employment = 42 FTE
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 tax

Mr. Hayes spoke on behalf of the company and described the business expansion plan and new investment.

Rev. Blue queried as to the percentage of employees who are minority and women. Mr. Hayes responded he will follow-up and get that information to the Agency.

Ms. Abbott queried as to the average wage figures and salary ranges. Mr. Cappellino referred to the wage figures as contained in the application.

Mr. Stephens queried as to the company's recruiting processes. Mr. Hayes expressed that the company is receptive to obtaining local hiring assistance.

Mr. Baynes expressed support for the 50 new manufacturing jobs and queried as to how they chose Lackawanna. Mr. Hayes stated the geographic location for distribution and workforce quality were big factors in choosing this site.

Rev. Blue asked about education background for employees. Mr. Hayes replied that chemistry and engineering degrees are desirable but the Company is also looking for people who can flourish with on-the-job training and who have no formal trainings and backgrounds.

Mr. Evans spoke in support of the project.

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

Rosina Food Products, Inc., 3100 Clinton Street, West Seneca, New York 14224. Ms. O'Keefe presented this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project involving the 32,000 SF expansion to its 105,000 SF existing manufacturing facility to allow the company to relocate out-of-state production from existing co-packers.

Ms. O'Keefe confirmed that Rosina Food Products is seeking approximately \$2,693,039 in assistance including sales tax exemption, mortgage tax exemption and real property tax exemption. Total payroll is projected at \$11,942,000 which includes the direct and indirect jobs for both the temporary and ongoing positions over the life of the PILOT. Created jobs include 118 construction jobs. The resulting cost benefit is 1:105 so for every \$1 of incentives the community benefit is \$105 in payroll & tax revenue. Erie County, for every \$1 of incentives the community benefit is \$138 in benefits to the community.

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 = \$30,000,000 85% = \$25,500,000
Employment	Coincides with 10-Year PILOT	Maintain Base = 184 Create 85% of Projected Projected = 53 FTE 85% = 45 FTE Recapture Employment = 45 FTE
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

Mr. Bernick spoke on behalf of the company and described the business and the expansion project.

General discussion ensued.

Mr. Baynes and Mr. Evans both spoke in favor of the project.

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

There being no further business to discuss, Mr. Lipsitz adjourned the meeting.

Dated: March 13, 2025

Elizabeth A. O’Keefe, Secretary

Deckorators, Inc / UFP Industries, Inc

\$ 77,225,524

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 326199

COMPANY INCENTIVES

- Approximately \$291,385 in real property tax savings
- Up to \$ 1,531,250 in sales tax savings

JOBS & ANNUAL PAYROLL

- Annual Payroll: \$ 3,600,000
- Projected new jobs: 50 FT
- Est. salary/yr. of jobs created: \$90,000
- Total jobs after project completion: 50 FT
- Construction Jobs: 248

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
- NET Community Benefits: \$125,393,094
- Spillover Jobs: 282
- Total Payroll: \$118,191,807

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

Incentives: \$1,794,576

Community Benefit: \$115,780,066

Cost: Benefit Ratio

- 1:65

Project Title: PROJECTGONY2025

Project Address 300 Commerce Dr., Lackawanna, NY 14218
Lackawanna City School District

Agency Request

A sales and real property tax abatement related to the renovation of an existing 168,310 SF building and a 19,000 SF addition allowing for additional manufacturing capacity.

Acquisition of Land & Building	\$ 6,750,000
Building Addition	\$ 2,678,013
Building Renovations	\$ 6,225,299
Infrastructure	\$ 7,572,212
Manufacturing Equipment	\$45,000,000
Non- Manufacturing Equipment	\$ 7,500,000
Soft Costs/Other	\$ 1,500,000
Total Project Cost	\$77,225,524

85% \$65,641,695

Company Description

Deckorators, Inc. founded in 1998, is a well-established company within the building materials industry, specializing in decking and railing products. The company was acquired by UFP Industries in 2005. Deckorators, Inc offers a wide variety of products designed to enhance outdoor living spaces and has built a reputation for innovation and quality, making them a trusted name in the decking and railing industry. Their product lineup includes decking, railing, post caps, porch flooring, fasteners, deck balusters, outdoor lighting, and plastic lattice. Their customers include contractors, builders, retailers and distributors.

Project Description

Deckorators, Inc is seeking to expand its manufacturing facilities into the northeast U.S. The applicant's affiliate , UFP Real Estate LLC will purchase the proposed project facility which consists of 2 buildings on approximately 31 acres. The main building is 168,310 SF of manufacturing space and a 19,000 SF addition is planned to handle future manufacturing needs. A secondary 85,000 SF open wall space warehouse building is on the site and will be considered for future development including additional capacity and growth opportunities. The applicant's processes require high quantities of rail cars for inbound raw materials while outbound truck freight is the primary method for distribution of finished goods. The applicant will install a multi branch rail spur with additional plans to significantly enhance the driveways that support inbound / outbound traffic. Outdoor storage is planned on the site. The manufacturing process will require large volumes of natural gas and electricity and therefore, electrical and gas upgrades are needed. This project will need 50 FT workers including highly skilled production, administrative, professional and management employees.

* 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	\$ 291,386
	Sales	\$1,531,250
	Mortgage Recording	\$ 0
	Total	\$1,822,636
	Discounted at 2%	\$1,794,576

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 38,060,465
			Payroll Permanent	\$ 80,131,342
		Public	Property Taxes	\$ 72,844
			Sales Taxes	\$ 982,470
			Other Muni Revenue (NFTA)	\$ 0
	New York State	Public	Income Taxes	\$ 5,318,631
			Sales Taxes	\$ 827,342
			Total Benefits to EC + NYS***	\$125,393,094
			Discounted at 2%	\$115,780,066

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

Discounted Cost \$ 1,794,576
Discounted Benefit \$115,780,066
Ratio 1:65

Conclusion: The Cost Benefit for this project is: 65:1. For every \$1 in costs (incentives), this project provides \$65 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$101 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional City Revenue Over abatement period	Additional School Revenue Over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$163,817	\$5,745,000	\$ 9,763	\$ 36,626	\$ 26,457	\$ 200,240
Combined Tax Rate: \$ 34.85					

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 = \$77,225,524 85% = \$65,641,695
Employment	Coincides with 10-year PILOT	Create 85% of Projected Projected = 50 FTE 85% = 42 FTE Recapture Employment = 42 FTE
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax and local sales taxes

Recapture applies to:

State and Local Sales Taxes
Real Property Tax

Recapture

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

At completion of the project company must certify i) total investment amount is equal to or greater than 85% of the anticipated project amount; ii) company has created 50 FTE 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

- 3/14/25 and 3/25/25: Public hearings held.
- 3/26/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 3/26/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

EVALUATIVE CRITERIA MANUFACTURING/WAREHOUSE/DISTRIBUTION

Project: Deckorators, Inc. / UFP

CRITERIA	COMMENTS
Wage Rate (above median wage for area) Per capita income* = \$41,560	The average wage for the 50 new jobs to be created is \$90,000
Regional Wealth Creation (% sales / customers outside area)	Sales outside of Erie County are estimated at 99% with: <ul style="list-style-type: none"> • 10% in NYS (excluding EC) • 79% in the U.S. (excluding NYS) and • 10% outside the U.S.
In Region Purchases (% of overall purchases)	Approx 8% of total annual supplies, raw materials and vendor purchases are from Erie County based firms.
Research & Development Activities	N/A
Investment in Energy Efficiency	State-of-the-art equipment is being purchased however the demonstrable energy benefits of this equipment are unknown currently.
Locational Land Use Factors, Brownfields or Locally Designated Development Areas	Property is located within NYS Empire Zone.
LEED/Renewable Resources	N/A
Retention/Flight Risk	N/A
DEI Questionnaire	See attached.
Workforce Access – Proximity to Public Transportation	Public transportation options include: 1) Lackawanna Victory Transit Center connects to downtown Buffalo. 2) Hamburg Turnpike & Lake Ave. 3) Metro Bus Route #42 Mohawk & Ellicott to Southgate Plaza via Route 5 & Ridge Rd.
Onsite child daycare facilities on the project site	N/A

*U.S. Census Bureau

DATE OF INDUCEMENT: March 26, 2025

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-UFP Deckorators 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
\$8,903,312	\$1,045,000	4.671262	17.524432	12.658937

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	City PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1	0.05	\$22,199	\$83,280	\$60,158	\$165,638	\$200,240	\$34,602
2	0.1	\$22,443	\$84,196	\$60,820	\$167,459	\$200,240	\$32,781
3	0.15	\$22,687	\$85,112	\$61,481	\$169,280	\$200,240	\$30,960
4	0.15	\$22,687	\$85,112	\$61,481	\$169,280	\$200,240	\$30,960
5	0.2	\$22,931	\$86,027	\$62,143	\$171,101	\$200,240	\$29,138
6	0.2	\$22,931	\$86,027	\$62,143	\$171,101	\$200,240	\$29,138
7	0.25	\$23,175	\$86,943	\$62,804	\$172,923	\$200,240	\$27,317
8	0.25	\$23,175	\$86,943	\$62,804	\$172,923	\$200,240	\$27,317
9	0.3	\$23,419	\$87,859	\$63,466	\$174,744	\$200,240	\$25,496
10	0.35	\$23,663	\$88,774	\$64,127	\$176,565	\$200,240	\$23,675
TOTAL		\$229,312	\$860,274	\$621,427	\$1,711,014	\$2,002,399	\$291,385

***** 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.)
\$77,225,524	291,385	1,531,250	n/a	724,000

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 3.3%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator

Date February 24, 2025
Project Title UFP/Deckorators, Inc.
Project Location 300 Commerce Drive, Lackawaana, NY 14218

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

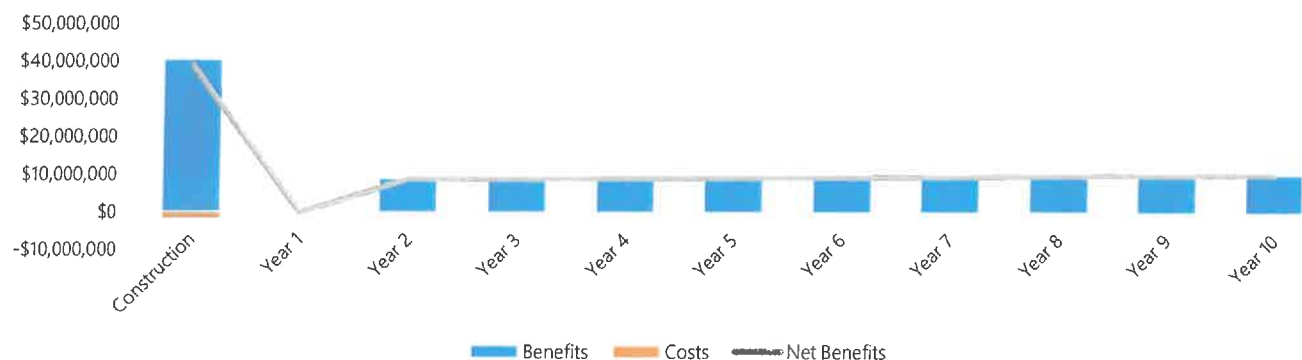
\$77,225,524

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	248	223	471
Earnings	\$24,051,843	\$14,008,621	\$38,060,465
Local Spend	\$62,975,524	\$43,499,654	\$106,475,178

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	50	59	109
Earnings	\$43,123,361	\$37,007,982	\$80,131,342

Figure 1

Net Benefits

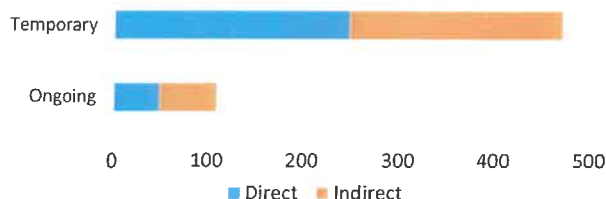


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

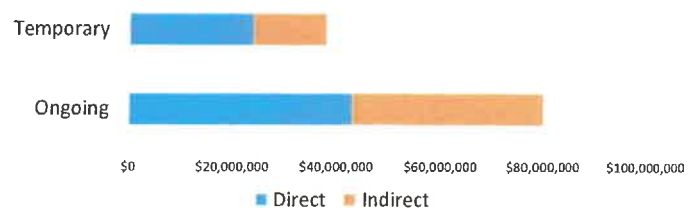
Figure 2

Figure 3

Total Jobs



Total Earnings



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$291,386	\$263,326
Sales Tax Exemption	\$1,531,250	\$1,531,250
Local Sales Tax Exemption	\$831,250	\$831,250
State Sales Tax Exemption	\$700,000	\$700,000
Mortgage Recording Tax Exemption	\$0	\$0
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$0	\$0
Total Costs	\$1,822,636	\$1,794,576

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$119,247,120	\$110,105,095
To Private Individuals	<u>\$118,191,807</u>	<u>\$109,134,071</u>
Temporary Payroll	\$38,060,465	\$38,060,465
Ongoing Payroll	\$80,131,342	\$71,073,607
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$1,055,313</u>	<u>\$971,023</u>
Increase in Property Tax Revenue	\$72,844	\$63,846
Temporary Jobs - Sales Tax Revenue	\$316,378	\$316,378
Ongoing Jobs - Sales Tax Revenue	\$666,092	\$590,799
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$6,145,974	\$5,674,972
To the Public	<u>\$6,145,974</u>	<u>\$5,674,972</u>
Temporary Income Tax Revenue	\$1,712,721	\$1,712,721
Ongoing Income Tax Revenue	\$3,605,910	\$3,198,312
Temporary Jobs - Sales Tax Revenue	\$266,423	\$266,423
Ongoing Jobs - Sales Tax Revenue	\$560,919	\$497,515
Total Benefits to State & Region	\$125,393,094	\$115,780,066

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$110,105,095	\$1,094,576	101:1
State	\$5,674,972	\$700,000	8:1
Grand Total	\$115,780,066	\$1,794,576	65:1

*Discounted at 2%

Additional Comments from IDA

0

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



Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://ny.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eo/mbe-wbe-resource-list>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

As a publically traded company, Applicant will solicit competitive bids for the construction of this project. Applicant supports and EEO policy (please see below).

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center: <https://northlandwtc.org/employers/>

- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eeo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

While not minority or women owned, the Applicant has a company policy to recruit, hire, train, and promote the best qualified employees and applicants for employment without regard to race, religion, color, age, sex, pregnancy, disability, veteran status, national origin, genetic information, or sexual orientation, gender identity, or any other legally protected characteristics, including any additional characteristics protected by state laws. The Applicant will administer personnel policies, including hiring, promotions, transfers, treatment during employment, wage, training, layoffs, and terminations on the same non-discriminatory basis.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

☒ Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

☐ Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.

PUBLIC HEARING SCRIPT

**Deckorators, 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 March 14, 2025, at 9:00 a.m.
at Lackawanna City Hall, City Council Chambers (2nd Floor)
at 714 Ridge Road, Lackawanna, New York 14218

ATTENDANCE:

Nate Hayes – Deckorators, Inc.
Charles Clark – City of Lackawanna
Hon. Annette Iafallo – Mayor, City of Lackawanna
Gene Olivieri III – City of Lackawanna
Kenny Mitzhell – Spectrum News
Robbie Ann McPherson – ECIDA

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

Hearing Officer: Welcome. This public hearing is now open; it is 9:00 a.m. My name is Beth O’Keefe I am the President of Operations for 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.ecidanv.com.

☒ 2. PURPOSE: Purpose of the Hearing.

Hearing Officer: We are here to hold the public hearing on the Deckorators, 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 Tuesday, March 4, 2025.

☒ 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 at 300 Commerce Drive in the City of Lackawanna, Erie County, New York, and all other lands in the City of Lackawanna where, by license or easement or other agreement, the Company or its designees are making improvements

that benefit the Project (the "Land") and the existing improvements located thereon consisting of an approximately 168,310 square foot building (the "Existing Improvements"); (ii) the construction of an approximately 19,000 square-foot addition to the Existing Improvements to accommodate manufacturing capacity (the Improvements"); and (iii) the acquisition by the Company in and around the Improvements and Existing Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements 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 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 March 25, 2025. 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.

Nate Hayes, Operations Vice President for Deckorators. I would like to thank the Erie County Industrial Development Association (ECIDA) for this opportunity to present before the public on the project we hope to kick off in the City of Lackawanna with the ECIDA's help along with working with Chuck and the City of Lackawanna. Founded in 1998, Deckorators, Inc. is a well-established company in the outdoor living space, specializing in decking and railing products. Our pioneering spirit keeps us at the forefront of deck and backyard design innovation. We offer a range of products, including traditional composite and mineral-based composite decking, railing, post caps, and accessories. Our company serves a diverse customer base of contractors, builders, retailers, and distributors. With the help of the Erie County Industrial Development Association (ECIDA), we hope to become a member of the community here in Lackawanna. We are proposing a project that would represent a \$70 million investment and create 50 good-paying jobs in Lackawanna. We will be putting our facility at an existing site, but with significant improvements, such as outdoor storage, utility infrastructure, stormwater retention, and enhanced driveways for truck traffic. When it is complete, we anticipate the project will encompass two buildings totaling 253,310 square feet on a 31-acre site. Right now, we are working with two local construction management companies, who would help us kick off development for this site, CPL Architects and Buffalo Construction

Consultants. We know that working with local companies not only has a positive impact on the community but also ensures local knowledge can be brought to bear on this project. We also look forward to working with the community to source local talent that will meet our needs. Our direct investment only tells part of the story. Manufacturing plays a crucial role in creating strong economies. It does more to generate broad economic growth—and higher living standards—than any other sector. In other words, manufacturing is great bang for the buck. The National Association of Manufacturers estimates that for every \$1.00 spent on manufacturing, there is a total impact of \$2.69 to the overall U.S. economy, and for every manufacturing worker, 4.8 workers are added to the overall U.S. economy, including indirect and induced impacts. As a national company, we consider many different communities when we decide to site our facilities. The tax incentive being considered by the ECIDA will help us prioritize making our investment here.

These incentives are crucial to balance our investment in the Lackawanna community with our need to maintain competitiveness and long-term sustainability. These incentives allow us to allocate resources efficiently, supporting our manufacturing operations and workforce for the long-term. This project is important to Deckorators. We plan to manufacture one of our most promising new product lines at this facility. Our Surestone technology, which is our mineral composite decking made with a version of crushed limestone, represents a significant innovation in the decking industry. By expanding our manufacturing capabilities, we are positioning ourselves to meet current and growing market demands with this relatively new product line.

Our company values innovation. We also value being a positive presence in the communities we call home. It's not unusual for our plant employees to volunteer their time during holidays to support local nonprofits in the community, sponsor little leagues or work with our local communities on holiday events. We encourage our plant leadership to build a culture with a strong commitment to safety, environmental stewardship, employee well-being and openness to diverse experiences and backgrounds. 2024 was the second year our Selma, Alabama plant organized a back-to-school supply and backpack giveaway, working together with our employees and community organizations. We are a company focused on hiring and fostering talent and creating important opportunities for advancement regardless of background, socioeconomic status or any other traits. We seek to promote from within wherever possible. We believe the Buffalo community is a good fit for us because of its talent, culture and strong history in manufacturing.

In conclusion, we appreciate the partnership of the ECIDA as well as the Lackawanna City Council. We are excited to take the next step to make this project a reality for the Buffalo area community.

Charles Clark, Director of Development for the City of Lackawanna. I'd also like to acknowledge Mayor Annette Iafallo, who is in attendance. We're here to express the city's support for the Deckorators project planned for 300 Commerce Drive, a 31-acre privately-owned manufacturing campus located in an industrial zone within Lackawanna's First Ward. The city's support is based on two primary factors: First, being the project's focus on creating sustainable manufacturing activity, well-paying jobs and infrastructure investments, which were original goals for the campus when constructed 25 years ago, but none of which ever materialized in a meaningful way in the years since. Secondly, Lackawanna views a renewed Commerce Drive campus as a perfect complement to the multi-government effort led by Erie County to develop Renaissance Commerce Park on the former Bethlehem Steel Plant site less than a quarter mile away. To help advance this high impact project, Lackawanna worked closely with the applicant to secure approval of a requested zoning area variance and site plan by the city's Zoning and Planning Boards, respectively, on January 29, 2025. We're currently working with them to secure permits for construction and other related activity planned for after sale closing, which is anticipated in the coming weeks. Based on these factors, the City of Lackawanna requests the ECIDA give full consideration to approving Deckorators' financing application.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 9:08 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

Public Hearing to be held March 14, 2025, at 9:00 a.m.
at Lackawanna City Hall, City Council Chambers (2nd Floor)
at 714 Ridge Road, Lackawanna, New York 14218, regarding:

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

Project Location: 300 Commerce Drive in the City of Lackawanna, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
Nate Hayes	Deckorators, Inc. 38596 US 131 White Pigeon, Michigan 49099	X
Charles Clark	City of Lackawanna 714 Ridge Road Lackawanna, New York 14218	X
Hon. Annette Iafallo	City of Lackawanna 714 Ridge Road Lackawanna, New York 14218	
Gene Olivieri III	City of Lackawanna 714 Ridge Road Lackawanna, New York 14218	
Kenny Mitzhell	Spectrum News 425 Michigan Ave., 5th Floor Buffalo, NY 14203	
Robbie Ann McPherson	ECIDA 95 Perry Street, Suite 403 Buffalo, New York 14203	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**DECKORATORS, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, March 26, 2025 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF DECKORATORS, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT AND (B) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, DECKORATORS, INC. or on behalf of an affiliated entity formed or to be formed (the "Company") has submitted an application to the Agency (the "Application") requesting the Agency's assistance with a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located at 300 Commerce

Drive in the City of Lackawanna, Erie County, New York, and all other lands in the City of Lackawanna where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land") and the existing improvements located thereon consisting of an approximately 168,310 square foot building (the "Existing Improvements"); (ii) the construction of an approximately 19,000 square-foot addition to the Existing Improvements to accommodate manufacturing capacity (the Improvements"); and (iii) the acquisition by the Company in and around the Improvements and Existing Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment"; and, together with the Land, the Existing Improvements and the Improvements, the "Facility"). The Facility will be initially owned and operated by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on March 25, 2025 at 9:00 a.m., at Lackawanna City Hall, City Council Chambers (2nd Floor), 714 Ridge Road, Lackawanna, New York 14218, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement") and related leaseback agreement (the "Leaseback Agreement") with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, and (b) a partial abatement from real property taxes benefit through a ten (10) year "payment in lieu of tax agreement" (the "PILOT Agreement") with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the "Financial Assistance"); and

WHEREAS, the City of Lackawanna Planning and Development Board (the "Planning Board") in accordance with Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereto in 6 N.Y.C.R.R. Part 617 (collectively referred to as the "State Environmental Quality Review Act" and/or "SEQR"), undertook coordinated review with respect to the Project, established itself as Lead Agency as defined in SEQR, determined that the Project was an Unlisted Action, and issued a negative declaration ("Negative Declaration") under SEQR on February 26, 2025 with respect to the Project; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its March 13, 2025 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project's cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis satisfactorily identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or

likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions of the Act; and

(I) Based upon a thorough and complete review of the Application and its accompanying materials and information, the Environmental Assessment Form submitted by the Company, and the proceedings conducted by the Agency and the Planning Board, to date, pursuant to SEQR, the Agency hereby:

(i) consents to and affirms the status of the Planning Board as “Lead Agency” within the meaning of and for all purposes of complying with SEQR and determines that the proceedings undertaken by the Planning Board under SEQR with respect to the undertaking of the Project by the Company (as agent of the Agency) satisfy the requirements of SEQR;

(ii) affirms that the Project involves an “Unlisted Action” as that term is defined under SEQR;

(iii) reviews, considers, ratifies, and adopts such proceedings by the Planning Board, including the “Negative Declaration”;

(iv) determines that the Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment, that the Project will not have a “significant effect on the environment” as such quoted terms are defined in SEQR, and that no “environmental impact statement” as such quoted term is defined in SEQR need be prepared for this action; and

(v) determines that all the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project, and the participation by the Agency in undertaking the Project, have been satisfied. This determination constitutes a “negative declaration” (as such quoted terms are defined under SEQR) for purposes of SEQR.

(J) The Project qualifies for Agency Financial Assistance as it meets the Agency’s evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Wage Rate (above median wage for area):* Per capita income = \$41,560. The average wage for the 50 new jobs to be created is \$90,000.

(ii) *Regional Wealth Creation (% sales/customers outside area):* Sales outside of Erie County are estimated at 99% with 10% in NYS (excluding Erie County); 79% in the U.S. (excluding NYS) and 10% outside the U.S.

(iii) *In Region Purchases (% of overall purchases)*: Approximately 8% of total annual supplies, raw materials and vendor purchases are from Erie County based firms.

(iv) *Research & Development Activities*: N/A.

(v) *Investment in Energy Efficiency*: State-of-the-art equipment is being purchased.

(vi) *Locational Land Use Factors, Brownfields or Locally Designated Development Areas*: Property is located within a NYS Empire Zone.

(vii) *LEED/Renewable Resources*: Not Applicable.

(viii) *Retention/Flight Risk*: N/A.

(ix) *Workforce Access-Proximity to Public Transportation*: Public transportation options include: (1) Lackawanna Victory Transit Center connects to downtown Buffalo; (2) Hamburg Turnpike & Lake Avenue; (3) Metro Bus Route #42 Mohawk & Ellicott to Southgate Plaza via Route 5 & Ridge Road.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$17,500,000, and, therefore, the value of the sales and use tax exemption benefits ("sales and use tax

exemption benefits”) authorized and approved by the Agency cannot exceed \$1,531,250, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the real property tax abatement benefits (“PILOT benefits”) to be provided over the term of the PILOT Agreement are estimated to be approximately \$291,385, resulting in estimated total PILOT payments of \$1,711,014 over the term of the PILOT Agreement.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and

maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$65,641,695 (which represents the product of 85% multiplied by \$77,225,524, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 42 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 42 FTE employees [being the product of 85% multiplied by 50 (being the 50 new FTE employee positions proposed to be created by the Company as stated in its Application)]. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT

Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: March 26, 2025



NY

[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	ProjectGoNY2025
Project Summary	The Applicant, a well-established company in the building materials industry specializing in decking and railing products, plans to open a new manufacturing facility in Erie County. This facility will encompass two buildings totaling 253,310 square feet on a 31-acre site. The project includes substantial improvements for outdoor storage, utility infrastructure, stormwater retention, enhanced driveways to support inbound and outbound truck traffic, and a multibranch rail spur. This initiative will introduce state-of-the-art machinery, resulting in 50 new highly trained employees in the community and representing a financial investment of over \$70,000,000.
Applicant Name	Deckorators, Inc.
Applicant Address	38596 US 131
Applicant Address 2	
Applicant City	White Pigeon
Applicant State	Michigan
Applicant Zip	49099
Phone	(210) 540-9234
Fax	
E-mail	nhayes@ufpi.com
Website	www.deckorators.com
NAICS Code	326199

Business Organization

Type of Business

Corporation

Year Established

1998

State

Michigan

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Nathan Hayes
Title Operational Vice
President
Address 5 Meadowcraft Parkway
Address 2
City Selma
State Alabama
Zip 36701
Phone (210) 540-9234
Fax
E-Mail nhayes@ufpi.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Landon Tarvin
Title President of UFP Retail, LLC
Address 2801 E Beltline Ave NE
Address 2
City Grand Rapids
State Michigan
Zip 49525
Phone (970) 686-9651
Fax
E-Mail ltarvin@ufpi.com

Company Counsel

Name of Attorney Brent Scott
Firm Name UFP Industries, Inc.
Address 2801 E Beltline Ave NE
Address 2
City Grand Rapids
State Michigan
Zip 49525
Phone (616) 365-1525
Fax
E-Mail brent.scott@ufpi.com

Benefits Requested (select all that apply)

Exemption from Sales Tax	Yes
Exemption from Mortgage Tax	No
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%.

Background/History: Applicant is a well-established company in the building materials industry, specializing in decking and railing products. Applicant was founded in 1998 and was acquired by UFP Industries, Inc. in 2005. Applicant is a wholly owned subsidiary of UFP Retail, LLC and UFP Retail, LLC is a wholly owned subsidiary of UFP Industries, Inc. Applicant is known for pioneering the low-maintenance aluminum balusters category with their Classic Series. Products: Applicant offers a wide range of products designed to enhance outdoor living spaces. Their product lineup includes: * Decking: Composite and mineral-based composite decking options. * Railing: Aluminum, cable, and glass railing systems. * Post Caps: Decorative post caps in various styles and materials. * Porch Flooring: High-performance porch flooring solutions. * Fasteners: Hidden fasteners and other deck installation accessories. * Deck Balusters: Aluminum and glass balusters. * Outdoor Lighting: LED lighting solutions for decks and railings. * Plastic Lattice: Decorative lattice panels for added privacy and aesthetics. Customers: Applicant serves a diverse customer base, including contractors, builders, retailers and distributors. Applicant has built a reputation for innovation and quality, making them a trusted name in the decking and railing industry.

Estimated % of sales within Erie County	1 %
Estimated % of sales outside Erie County but within New York State	10 %
Estimated % of sales outside New York State but within the U.S.	79 %
Estimated % of sales outside the U.S.	10 %

(*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?

8

Describe vendors within Erie County for major purchases

Applicant will use a construction company and architecture firm located in Erie County for this project. Additionally, although not yet identified, local cost-effective vendors will be used throughout the Project and operation

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

300 Commerce Dr., Lackawanna, NY 14218

Town/City/Village of Project Site

Lackawanna

School District of Project Site

Lackawanna City School District

Current Address (if different)

N/A

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

N/A

SBL Number(s) for proposed Project

141.080-1-13.121

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

\$146,782.79

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

Lackawanna Realty, LLC

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.)

Applicant's affiliate, UFP Real Estate, LLC, has executed a Purchase and Sale Agreement to purchase the Proposed Project site. UFP Real Estate, LLC is currently performing its Due Diligence with an expected closed in Q1 2025.

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)

Applicant intends to expand its manufacturing facilities into the NE United States. This would be a new facility as Applicant does not have an operation in the state of NY. (Applicant does have 1 salesperson on its payroll that resides in the state of NY). With this anticipated project, Applicant would a minimum of 50 new full-time employees, which include high-skilled production, administrative, professional and management employees. In addition, Applicant would invest approximately \$70,000,000 into this project. The monetary investment falls into the following categories and will be deployed over multiple years as the renovations are completed in phases. Building and Property: * Applicant's affiliate, UFP Real Estate, LLC, will purchase the Proposed Project Facility which consists of: Two (2) Buildings on ~31 acres. The main building is 168,310 SF of enclosed manufacturing space, including 7,700 SF of office ("Main Building"). The secondary building, which is not part of the first phase of the project, consists of ~ 85,000 SF of covered, open-wall warehouse space ("Secondary Building"). The Applicant intends to immediately construct an addition of 19,000 SF to the Main Building for additional manufacturing capacity. Future plans include enclosing the Secondary Building for additional capacity and growth opportunities. Infrastructure: * Freight/Rail: Applicant's processes require high quantities of rail cars for inbound raw materials, while outbound truck freight is the primary method for finished goods distribution. As a result, Applicant will install a multi-branch rail spur with additional plans to significantly enhance the driveways that support inbound/outbound truck traffic. * Outdoor Storage: Applicant will require a substantial amount of outdoor storage and intend to add a significant amount of both concrete and asphalt laydown yards to this project site. * Utility: Applicant's manufacturing process requires large volumes of natural gas and electricity. Electrical infrastructure upgrades include (3) additional high-capacity transformers along with the required main distribution and sub-panels. Natural gas improvements, as necessary from the existing high pressure main line located on-site. * Stormwater: Existing stormwater retention pond will be relocated to allow more efficient finished goods storage, trucking and shipping. The fully engineered stormwater management system will ensure all site water is properly captured and retained per State and local regulations. Machinery and Equipment: * The project will include significant investment in state-of-the-art machinery, which will result in highly trained employees. The machinery will be installed in phases over multiple years. Tenants and End Users: * The Applicant is the End User of the Proposed Project Facility and will be a Tenant of UFP Real Estate, LLC

Municipality or Municipalities of current operations

Applicant does not have any current operations in the state of NY. Current operations are in the states of Alabama, Wisconsin, Michigan and Iowa.

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

No

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

Applicant has been in contact with the NYPA and Empire State Development. The anticipated amount that is to be received from the NYPA is unknown at this time. The incentive proposal received and accepted from Empire State Development is the Excelsior Job Program Award amount up to \$724,000.

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:

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)

Applicant is seeking both the Real Estate Tax and the Sales Tax Incentives. Effect of the Project on the Erie County Community: 1. The Project will (a) introduce a minimum of 50 highly-skilled jobs into the community, (b) renovate an otherwise under-utilized industrial site, (c) introduce an income tax revenue stream into Erie County, (d) create indirect employment opportunities to support the local community, (e) attract other businesses to Erie County, and (f) support the community through various volunteer efforts. 2. The Project will include a modern and efficient facility with state-of-the-art equipment, which will be operated by a high-skilled work force. Reasons for the Agency's Financial Assistance: 1. Competitiveness Issues: a. Market Position and Resource Constraints: The Applicant has competition from many other companies. Financial Assistance from the Agency will enable the Applicant to invest in advanced technologies, innovative processes, and training for its highly-skilled labor force, which collectively help to enhance its market position. 2. Project Shortfalls: a. Operational Efficiency: Without the Financial Assistance from the Agency, the Applicant may struggle to implement essential operational improvements in the initial stages of operations. The Agency's assistance will facilitate the adoption of new technologies and processes, leading to increased efficiency and reduced operational costs. Effect of the Project on the Applicant's Business or Operations: 1. Enhanced Competitiveness: a. Innovation and Growth: The Project will enable the Applicant to develop and launch new products, thereby attracting a broader customer base and increasing market share. In addition, the Project will enable the Applicant to continue to invest in its highly-skilled labor force. b. Cost Reduction: By streamlining operations and reducing production costs, the Applicant will be able to offer competitive pricing. 2. Operational Improvements: a. Efficiency Gains: The Project will introduce advanced project management practices and tools, leading to more efficient workflows and better resource allocation. b. Risk Mitigation: Applicant intends to make this Project a permanent production facility. With improved operational processes, the Applicant will be better equipped to manage risks and avoid potential project failures.

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

Yes

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

If the Real Estate Tax and the Sales Tax Incentives requested herein are not granted, Applicant will need to re-consider the size of the project and its monetary investment along with phasing of the project. This would impact the number of jobs immediately required for this Project and would result in a lower initial investment into the Erie County community.

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

The Applicant may lease a few forklifts and will lease a scissor lift (or similar) one time per year for annual maintenance. The leases have not been secured and therefore lease terms are not available at this time.

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)

There are several public transportation options near 300 Commerce Dr in Lackawanna, NY: 1. Lackawanna Victory Transit Center (NFTA-METRO): Located at 2691 South Park Ave, this transit hub offers various services and connections to key destinations, including downtown Buffalo 2. Hamburg Turnpike & Lake Avenue: This transit station at 3175 Lakeshore Rd provides easy access to public transit options 3. Metro Bus Route #42: This route operates between Mohawk & Ellicott to Southgate Plaza via Route 5 and Ridge Road

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

January 29, 2025

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

A variance as to the silo height was granted on 1/29/2025.

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

A variance as to the silo height was granted on 1/29/2025.

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

Applicant will be purchasing new state of the art equipment for this Project. The demonstrable energy efficiency benefits of this equipment are unknown at this time.

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	Yes Other	
	B2B Sales	

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	187,310 square feet	\$	16,209,710	98%
Warehouse	square feet	\$	0	0%
Research & Development	0 square feet	\$	0	0%
Commercial	0 square feet	\$	0	0%
Retail	0 square feet	\$	0	0%
Office	7,700 square feet	\$	265,814	2%
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 Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

4/1/2025

End date : Estimated completion date of project

1/1/2026

Project occupancy : estimated starting date of occupancy

1/1/2026

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 6,750,000 250,810 square feet 31 acres

2.) New Building Construction

\$ 0 0 square feet

3.) New Building addition(s)

\$ 2,678,013 19,000 square feet

4.) Reconstruction/Renovation

\$ 6,225,299 168,310 square feet

5.) Manufacturing Equipment

\$ 45,000,000

6.) Infrastructure Work

\$ 7,572,212

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

\$ 7,500,000

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

\$ 1,500,000

9.) Other Cost

\$ 0

**Explain Other
Costs****Total Cost** \$ 77,225,524Construction Cost Breakdown:

Total Cost of Construction	\$ 16,475,524 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 10,000,000
% sourced in Erie County	8%

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 \$ 17,500,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 1,531,250

** 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: Applicant has paid \$85,000 to Architect for conceptual drawings.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 0

Bank Financing: \$ 0

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) ESD award not to exceed \$724,000 (Excelsior Job Program)

Total Sources of Funds for Project Costs: \$0

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). 0

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$0

Real Property Tax Benefit:

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

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.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

Yes

If yes, please describe equipment and lease terms.

The Applicant may lease a few forklifts and will lease a scissor lift (or similar) one time per year for annual maintenance. The leases have not been secured and therefore lease terms are not available at this time.

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	0	0	50	50
Part time	0	0	0	0
Total	0	0	50	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	5	\$ 110,000	\$ 8,000	0	\$ 0	\$ 0
Professional	5	\$ 85,000	\$ 8,000	0	\$ 0	\$ 0
Administrative	5	\$ 60,000	\$ 8,000	0	\$ 0	\$ 0
Production	35	\$ 55,000	\$ 8,000	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	50			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	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information**Annual Payroll at Proposed Project Site upon completion**

3,600,000

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

0

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

0

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

90,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	35,000	To (Full Time)	135,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

300 Commerce Dr., Lackawanna, NY 14218

Name and Address of Owner of Premises

Lackawanna Realty, LLC, 4 Centre Drive, Orchard Park, NY 14127

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

The Premises does not have any wetlands, rivers or streams. It is moderately well drained and has a slope at 0-10%.

Describe the Premises (including the age and date of construction of any improvements) and each of the operations or processes carried out on or intended to be carried on at the Premises

The Premises includes 31 Acres and two (2) Buildings that were constructed in approximately 2000. The main building is 168,310 SF of enclosed manufacturing space which includes 7,700 SF of office ("Main Building"), while the secondary building consists of ~ 85,000 SF of covered, open-wall warehouse space ("Secondary Building"). The intended use of the Premises is for manufacturing industry-leading building materials utilizes its patented Surestone technology.

Describe all known former uses of the Premises

Prior known uses of the Premises include Medium Density Fiberboard Production and Glove production.

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

At this time, Owner has a tenant occupying a portion of the Second Building for equipment storage. That is a short term lease that Applicant does not intend to renew.

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

Yes

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

Yes, please see below and reports attached: Spill Number: 0205083 Spill Date Open: 8/14/2002 Material Spilled: Hydraulic Oil Spill Date Closed: 8/29/2002 Spill Number: 0205717 Spill Date Open: 9/03/2002 Material Spilled: Hydraulic Oil Spill Date Closed: 9/17/2002 Spill Number: 0211307 Spill Date Open: 2/12/2003 Material Spilled: Thermal Oil Spill Date Closed: 3/11/2003 Spill Number: 0314190 Spill Date Open: 3/28/2004 Material Spilled: Hydraulic Oil Spill Date Closed: 5/14/2004 Spill Number: 0400583 Spill Date Open: 4/19/2004 Material Spilled: Other Spill Date Closed: 7/15/2004 Spill Number: 0403109 Spill Date Open: 6/22/2004 Material Spilled: Hydraulic Oil Spill Date Closed: 7/30/2004

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

Current property owner filed a tenant eviction proceeding (Index No: 812964/2023). An Eviction Order was granted on August 22, 2024 awarding legal and physical possession of the leased premises to property Owner.

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?

Yes

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

Yes, used oil (hydraulic, motor, and various other types consistent with machinery use). Current Property Owners EPA Number is: NYD986903904. Applicant does not have an EPA Number yet as operations have not commenced.

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

Applicant will use Veolia North America in Kenmore NY or US Ecology in Buffalo, NY (Location will be determined once production commences).

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

1. Chemical Solvents, Inc. 2. American Recyclers Company 3.Environmental Enterprises, Inc.

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

No discharge into waterbodies; discharge will be sanitary wastewater directed to local treatment plant.

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

Wastewater and process water will be discharged to sanitary sewer system, which is piped to local water treatment plant. Current occupants have permit; project manager for this project will obtain connection permit from appropriate sewer district, if necessary. No 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

The Premises had two (2) aboveground tanks that were converted to non-regulated use. See attached documentation.

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 Deckorators, Inc
Address 68956 Us Highway 131, White Pigeon, Mi 49099
Contact Person Nate Hayes
Phone (210) 540-9234
Fax
E-Mail nhayes@ufpi.com
Federal ID # 16-1733191
SIC/NAICS Code 326199

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

Applicant has facilities in WI, AL, IA, and MI.

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?

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

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

3100 Clinton - 2025 Expansion / Rosina
\$ 30,000,000

PRIVATE INVESTMENT INDUCEMENT RESOLUTION

ELIGIBILITY

- NAICS Section – 311612

COMPANY INCENTIVES

- Approximately \$ 1,423,539 in real property tax savings
- Up to \$ 1,137,500 in sales tax savings
- 3/4 of 1% of the final mortgage amount up to \$ 132,000

JOBS & ANNUAL PAYROLL

- Current Jobs: 184
- Annual Payroll: \$ 11,942,000
- Projected new jobs: 53 FT
- Est. salary/yr. of jobs created: \$ 49,000
- Est. salary/yr. of jobs retained: \$ 50,360
- Total jobs after project completion: 237
- Construction Jobs: 118

PROJECTED COMMUNITY BENEFITS*

- Term: 10 YEARS
 - NET Community Benefits: \$ 299,635,119
 - Spillover Jobs: 441
- Total Payroll: \$ 282,214,194

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

Incentives: \$2,555,956

Community Benefit: \$269,910,604

Cost: Benefit Ratio

- 1:106

Project Title: 3100 Clinton Expansion

Project Address 3100 Clinton Street, 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 a 32,000 SF building addition accommodating a new manufacturing line that will produce 40 million pounds of meatballs annually.

Building Addition	\$ 22,000,000
Manufacturing Equipment	\$ 7,500,000
Soft Costs/Other	\$ 500,000

Total Project Cost	\$ 30,000,000
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85%	\$ 25,500,000
-----	---------------

Company Description

Founded in 1963, Rosina began as a small store sausage business servicing neighborhood meat markets, supermarkets and restaurants. Founder James Corigliano named his business after his wife Rose. A second-generation family-owned business, Russell and Frank joined the business in the 1970s. In 1997 they assumed responsibility for day-to-day operations upon purchasing the company from their parents. Over the years, the company has grown through its numerous acquisitions – expanding its food production capabilities here in WNY. Rosina markets its products to retail and food service industries and can be found in supermarkets, supercenters, military commissaries, wholesale clubs and restaurants throughout North America and internationally.

Project Description

Rosina is considering a 32,000 SF expansion to its existing 105,000 SF manufacturing facility in West Seneca that was constructed in 2021. This expansion will allow Rosina to relocate out-of-state production from existing co-packers and to immediately produce up to 20 million pounds of product locally. It also allows the company to meet it's 2025 projected demand for 62 - 65 million pounds of product annually, to reduce their costs and to become more competitive (as costs for co-packed items is significantly higher). The company plans to create 53 new FT jobs because of this expansion.

* 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	\$1,423,539
	Sales	\$1,137,500
	Mortgage Recording	\$ 132,000
	Total	\$2,693,039
	Discounted at 2%	\$2,555,956

Benefit: Projected Community Benefit*

BENEFITS	Region	Recipient	Revenue Type	\$ Amount **
	Erie County	Individuals	Payroll Construction	\$ 18,131,075
			Payroll Permanent	\$264,083,119
		Public	Property Taxes	\$ 355,881
			Sales Taxes	\$ 2,345,906
			Other Muni Revenue (NFTA)	\$ 44,000
	New York State	Public	Income Taxes	\$ 12,699,638
			Sales Taxes	\$ 1,975,500
			Total Benefits to EC + NYS***	\$299,635,119
			Discounted at 2%	\$269,910,604

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

Discounted Cost \$ 2,555,956
Discounted Benefit \$269,910,604
Ratio 1:106

Conclusion: The Cost Benefit for this project is: 106:1. For every \$1 in costs (incentives), this project provides \$106 in benefits (payroll & tax revenue). **Note: For Erie County, every \$1 in costs (incentives) provides \$132 in benefits to the community.**

New Tax Revenue Estimated

Current Yearly Taxes*	Estimated New Assessed Value	Additional County Revenue over abatement period	Additional Town Revenue over abatement period	Additional School Revenue over abatement period	New Yearly Taxes Upon Expiration of Abatement Period
\$ 9,729	\$2,257,000	\$ 10,330	\$ 16,370	\$ 35,580	\$ 187,671
Combined Tax Rate: \$ 83.15					

*excludes existing building & 80% of land @ 3100 Clinton. Value reflects estimated tax on land associated with building expansion only

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 = \$30,000,000 85% = \$ 25,500,000
Employment	Coincides with 10-year PILOT	Maintain Base = 184 Create 85% of Projected Projected = 53 FTE 85% = 45 FTE Recapture Employment = 229 FTE
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
<u>Recapture Period</u>	Coincides with 10-year PILOT	Recapture of Real Property Tax, 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 184 FTE jobs and created 45 FTE (85% of 53) 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

- 3/18/25: Public hearing held.
- 3/26/25: Inducement Resolution presented to Board of Directors adopting a Negative Declaration in accordance with SEQRA
- 3/26/25: Lease/Leaseback Inducement Resolution presented to the Board of Directors

Company History

- 06/28/2023: 10 year PILOT - \$16 M investment, 12,000 SF expansion 75 Empire Dr (production) & renovation to office space at 130 Empire Dr (ACTIVE)
- 10/23/2019: 10 year PILOT - \$58 M investment, 105,000 sq ft construction of 3100 Clinton facility (ACTIVE)
- 1981 – 2016: various bonds, tax incentives and business loans (3) in support of business growth (INACTIVE)

EVALUATIVE CRITERIA AGRICULTURAL, FOOD PROCESSING

Project: Rosina Foods / 3100 Clinton Street Expansion 2025

CRITERIA	COMMENTS
Wage Rates (above median wage for area) Per capita income* = \$41,560.	Average salary of jobs retained = \$50,360 jobs to be created = \$49,000
Regional Wealth Creation (% of sales/customers outside area)	94% of sales are outside Erie County: 5% in NYS (excluding EC), 82% in USA (excluding NYS) with the remaining 7% outside the US
In Region Purchases (% of purchases from local growers)	10% of total annual supplies, raw material and vendor services are from Erie County firms
Research & Development Activities	N/A
Investments in Energy Efficiency	Rosina's new thermal fluid oven will provide a more efficient cooking process than using a direct fired oven.
Locational Land Use Factors, Proximity to Supporting Local Agricultural Production	N/A
LEED/Renewable Resources	N/A
Retention/Flight Risk	The additional production of this meatball line will allow the Company to be less reliant on out of state co-packers who are currently producing 20+ million pounds of product annually.
DEI Questionnaire	See Attached.
Workforce Access – Proximity to Public Transportation	This location is not accessible via public transportation.
Onsite child daycare facilities on the project site.	N/A

*U.S. Census Bureau

DATE OF INDUCEMENT: March 26, 2025

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- Rosina Foods – 2025 Expansion 3100 Clinton Street

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
22,000,000	\$2,257,000	13.792104	21.855551	47.503134

*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	\$3,089	\$4,896	\$10,641	\$18,626	\$187,671	\$169,046
2	0.1	\$4,565	\$7,234	\$15,724	\$27,523	\$187,671	\$160,148
3	0.15	\$6,041	\$9,573	\$20,806	\$36,420	\$187,671	\$151,251
4	0.15	\$6,041	\$9,573	\$20,806	\$36,420	\$187,671	\$151,251
5	0.2	\$7,517	\$11,911	\$25,889	\$45,317	\$187,671	\$142,354
6	0.2	\$7,517	\$11,911	\$25,889	\$45,317	\$187,671	\$142,354
7	0.25	\$8,992	\$14,250	\$30,972	\$54,214	\$187,671	\$133,457
8	0.25	\$8,992	\$14,250	\$30,972	\$54,214	\$187,671	\$133,457
9	0.3	\$10,468	\$16,588	\$36,055	\$63,111	\$187,671	\$124,560
10	0.35	\$11,944	\$18,927	\$41,138	\$72,009	\$187,671	\$115,663
TOTAL		\$75,167	\$119,113	\$258,892	\$453,172	\$1,876,713	\$1,423,542

***** 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.)
30,000,000	\$1,423,542	1,137,500	132,000	N/A

Note: special district taxes are not subject to PILOT abatement

Calculate % = Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)/Total Project Costs: 9%

Erie County Industrial Development Agency

MRB Cost Benefit Calculator

Date February 20, 2025
Project Title Rosina Food Products, Inc.
Project Location 3100 Clinton Street, West Seneca, NY 14224

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

Project Total Investment

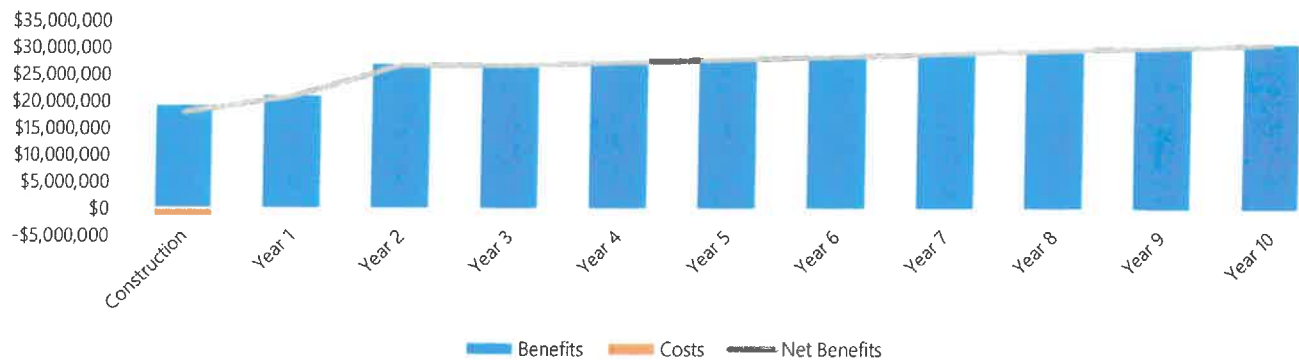
\$30,000,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	118	106	225
Earnings	\$11,457,710	\$6,673,365	\$18,131,075
Local Spend	\$30,000,000	\$20,722,172	\$50,722,172

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	237	335	572
Earnings	\$122,951,302	\$141,131,818	\$264,083,119

Figure 1

Net Benefits

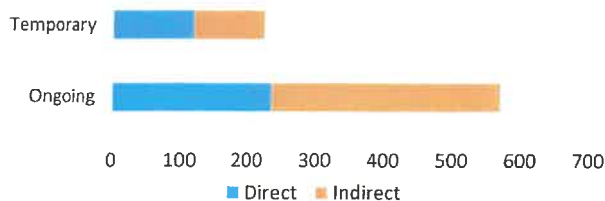


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

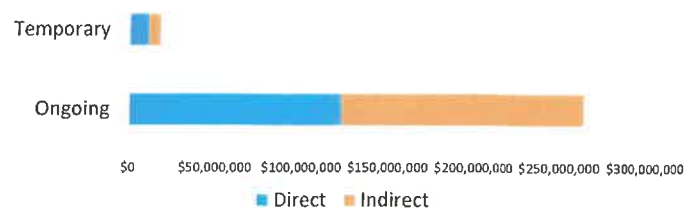
Figure 2

Figure 3

Total Jobs



Total Earnings



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,423,539	\$1,286,456
Sales Tax Exemption	\$1,137,500	\$1,137,500
Local Sales Tax Exemption	\$617,500	\$617,500
State Sales Tax Exemption	\$520,000	\$520,000
Mortgage Recording Tax Exemption	\$132,000	\$132,000
Local Mortgage Recording Tax Exemption	\$44,000	\$44,000
State Mortgage Recording Tax Exemption	\$88,000	\$88,000
Total Costs	\$2,693,039	\$2,555,956

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$284,959,981	\$256,691,022
To Private Individuals	<u>\$282,214,194</u>	<u>\$254,222,735</u>
Temporary Payroll	\$18,131,075	\$18,131,075
Ongoing Payroll	\$264,083,119	\$236,091,660
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$2,745,786</u>	<u>\$2,468,287</u>
Increase in Property Tax Revenue	\$355,881	\$311,923
Temporary Jobs - Sales Tax Revenue	\$150,715	\$150,715
Ongoing Jobs - Sales Tax Revenue	\$2,195,191	\$1,962,512
Other Local Municipal Revenue	\$44,000	\$43,137
State Benefits	\$14,675,138	\$13,219,582
To the Public	<u>\$14,675,138</u>	<u>\$13,219,582</u>
Temporary Income Tax Revenue	\$815,898	\$815,898
Ongoing Income Tax Revenue	\$11,883,740	\$10,624,125
Temporary Jobs - Sales Tax Revenue	\$126,918	\$126,918
Ongoing Jobs - Sales Tax Revenue	\$1,848,582	\$1,652,642
Total Benefits to State & Region	\$299,635,119	\$269,910,604

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$256,691,022	\$1,947,956	132:1
State	\$13,219,582	\$608,000	22:1
Grand Total	\$269,910,604	\$2,555,956	106:1

*Discounted at 2%

Additional Comments from IDA

0

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

Diversity, Equity and Inclusion Questionnaire

1. MWBE Contractors - Construction

The ECIDA encourages applicants to utilize MWBE contractors and suppliers for their projects and when feasible, to set a goal for MWBE participation during the construction period of the project. Below are links to the NYS and Erie County certified MWBE lists, including contractors, that can assist you with your utilization goals:

- New York State MWBE Certified List: <https://ny.newnycontracts.com/>
- Erie County MWBE Certified List: <https://www3.erie.gov/eeo/mbe-wbe-resource-list>

Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

Please see Rosina's response in attached Addendum.

2. Minority & Women Employment - Current Workforce & Hiring Practices

The ECIDA encourages the hiring of a diverse workforce, especially for jobs created and retained as part of an ECIDA induced project. Below are some links to sites and organizations that will be helpful in achieving a diverse workforce:

- Northland Workforce Training Center: <https://northlandwtc.org/employers/>

- Workforce Buffalo: <https://www.workforcebuffalo.org/business-services/employer-services>
- New York State Job Bank: <https://myjobsny.usnlx.com/>
- Local Minority Newspapers: <https://www3.erie.gov/eeo/minority-newspaper>

Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals, any strategic partnerships the company has with educational and/or workforce development entities, and company strategies regarding outreach to minorities and women with the dissemination of job openings to the public:

Please see Rosina's response in attached Addendum.

3. Economic Inclusion Program

The ECIDA's Economic Inclusion Program (EIP) is a voluntary "opt in" program providing an enhanced real property tax abatement to applicants who commit to implementing and meeting MWBE utilization and minority and women employment goals. The mission of the EIP is to enhance the beneficial public impact of projects receiving ECIDA assistance and to further the ECIDA's goal of advancing opportunities for MWBE businesses and minorities and women, in general, in the Erie County workforce. Please note, for a company to be considered an MWBE under the EIP it must be certified as an MWBE by New York State or Erie County.

Under the EIP, the standard ECIDA PILOT Agreement real property tax abatement schedules are enhanced by extending both the term and abatement percentages of the PILOT Agreement.

Please note the EIP is a *voluntary opt-in program* providing enhanced incentives in exchange for meeting MWBE utilization and minority and women employment goals. The applicant shall not engage in any unlawful discrimination against any employee or applicant by reason of race, creed, religion, color, age, disability, national origin, sex, gender, or any other characteristic protected by law, including, but not limited to, Title VII of the Civil Rights Act, the Americans with Disabilities Act, the Age Discrimination in

Employment Act, the Genetic Information Nondiscrimination Act, the New York State Human Rights Law, and any other similar laws, rules, or regulations. Applicants may bypass the EIP while still pursuing the ECIDA's standard PILOT Agreement.

☒ Please check the box indicating that you have read the Economic Inclusion Program summary above and the attached FAQ document that can be found at the end of the questionnaire.

☐ Please check the box if you are interested in tentatively opting into the Economic Inclusion Program (nonbinding) and would like further, detailed information on the program and process from your ECIDA business development officer.

Rosina Supplement to ECIDA DEI Questionnaire

ECIDA Question 1 MWBE Contractors – Construction: Please provide detailed information regarding your company's plan to utilize MWBE contractors and suppliers for your project. Please include your project's MWBE utilization goals, what process and resources you plan to use or have utilized in the past to find and hire MWBEs, a list of the specific MWBE firms used on previous projects and/or firms you plan to use on the current project, and any history the company has of setting and meeting MWBE goals on past projects. The company may also include details with respect to the foregoing related to any MWBE policy and utilization goals that its general contractor has committed to implementing for the project.

Rosina Response: Rosina, through its Design/Builder Stellar Group Inc. ("Stellar") elicits bids from MWBEs in addition to non-MWBEs as part of the bidding process. Additionally, Stellar works closely with local subcontractors in various trades to ensure that known and highly regarded MWBEs are included in the bidding process and, where possible and the lowest bidder, are awarded project work. For example, on the original construction of Rosina's 3100 Clinton St. protein plant, Stellar contracted with two key MWBE contractors: (1) Dyno Group, Inc., a NYS Certified MBE, who served as a subcontractor supplying electrical materials and fixtures; and (2) Upstate Steel, Inc., a NYS Certified WBE, which served as a subcontractor supplying steel pilings used in the construction. Rosina and Stellar, its general contractor, intend to solicit bids from a wide variety of subcontractors, including MBEs and WBEs, during the bidding process for this expansion project.

Rosina has set MWBE goals on past projects, including construction of Rosina's Customer Focus Center and R&D Kitchen in 2018-19 and construction of its 3100 Clinton St. protein facility in 2020-21. As noted above, Rosina, through its Design/Builder Stellar Group Inc. ("Stellar") elicits bids from MWBEs in addition to non-MWBEs as part of the bidding process. Additionally, Stellar works closely with local subcontractors in various trades to ensure that known and highly regarded MWBEs are included in the bidding process and, where possible and the lowest bidder, are awarded project work.

ECIDA Question 2 Minority & Women Employment – Current Work Force: Please provide detailed information regarding your company's current workforce and hiring practices as it relates to minority and women employees, including, if applicable, the company's Diversity, Equity and Inclusion plan and goals.

Rosina Response: Rosina has a very diverse workforce, consisting of many difference constituencies: female, male and numerous ethnic groups, including Asian, African American, Hispanic, bi-racial, white and American Indian. Attached as Exhibit A to this addendum is a report providing detailed information on Rosina's employee breakdown as of December 24, 2024 by gender and ethnicity. Additionally, Rosina has employed a number of legal status immigrants who have emigrated to the United States from Africa, southeast Asia and other Countries. Rosina

seeks to attract employees from many different races, ethnic groups and perspectives. The following Rosina's Diversity and Inclusion statement is set forth in Rosina's Employee Handbook:

DIVERSITY AND INCLUSION MISSION STATEMENT

At Rosina Food Products Inc., diversity and inclusion on a global basis is a core value. We are committed to providing and promoting a diverse and inclusive environment for all, within which each person can succeed professionally regardless of race, ethnicity, culture, nationality, gender, religious beliefs, sexual orientation, gender identity and gender expression, age, marital status or disability or any other protected class under federal, state, or local law. Rosina Food Products Inc. works to foster understanding, communication, and respect among all people in the Company to create an inclusive workplace.

The diversity of our workforce is essential, and we are committed to diversity and inclusion throughout our company to ensure a wide range of experiences, perspectives, and skills to provide better solutions, drive innovation and creativity, and enhance decision making.

Diversity is a mission imperative, and we are continuously focusing on creating a culture of inclusion that values each individual and promotes collaboration and fairness. Our diversity plan includes the following objectives:

- Secure a high-performing workforce drawn from diverse locations and backgrounds.
- Create a culture that encourages collaboration, flexibility, and fairness to enable individuals to contribute to their full potential, feel valued, and supported.
- Make diversity and inclusion one of our strategic priorities, through continued leadership commitment, accountability, and total workforce engagement.

Ensuring a diverse and inclusive workforce enables our company to be more responsive to our customers and better equipped to fulfill our mission.

Achieving diversity and inclusion at our Company is a team effort and we expect and encourage Associates to contribute to this goal. Together, we support a workplace that offers every individual the opportunity to attain professional goals and contribute to accomplishing our mission.

Rosina engaged in a number of strategic partnerships with educational and/or workforce development entities including: (1) Northland Workforce Training Center

(<https://northlandwtc.org/>), (2) Erie BOCES, (3) local high schools trade programs, (4) Niagara County Community College and the (5) Center for Employment Opportunities (<https://www.ceoworks.org/>). Additionally, Rosina engages in the following outreach strategies to minorities and women with the disseminations of job openings its partnerships with and posting of jobs through (1) NYS Department of Labor, (2) Job Fairs through the Erie County Public Library, (3) working with Center for Employment Opportunities and (4) working with well-regarded staffing agencies with experience working with minorities and women to attract temporary employees with the goal of making temporary associates permanent Rosina employees.

Employee Breakdown By Gender and Ethnicity

10/1/24 - 12/31/24

Employee Count														
Active														
Female					Male					Summary				
Asian	Black or African American	Hispanic or Latino	Not specified	White	Two or more races	Female	American Indian/Alaskan Native	Asian	Black or African American	Hispanic or Latino	Not specified	Two or more races	White	Male
Administrative Support Workers														
Craft workers														
		3		35		38	1		1				17	57
				1		1				3			14	21
				2		2							15	18
Executive/Senior-Level Officials and Managers														
First/Mid-Level Officials and Managers														
		1	1	17	1	20			4			1	56	86
Laborers and helpers	1	35	9	6	1	55			6			3	13	83
Operatives	3	12	7	11		34	1		20	62	30	4	45	165
Professionals				2		3							6	9
Service workers		1		1		2			2				7	12
Technicians				1		1			1				4	7
Rosalia Food Products														
4	52	18	4	76	2	156	2	26	103	49	8		177	371
Feb 11, 2025														
527														

PUBLIC HEARING SCRIPT

**Rosina Food Products, 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 March 18, 2025, at 11:00 a.m. at
the Town of West Seneca Community Center and Library (Small Conference Room),
at 1300 Union Road, West Seneca, New York 14224

ATTENDANCE:

John Connolly – Rosina Food Products, Inc.
Michael Driscoll – Rosina Food Products, Inc.
Michael Smolen – West Seneca Resident
Lora Smolen – West Seneca Resident
Susan Kims – West Seneca Resident

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

Hearing Officer: Welcome. This public hearing is now open; it is 11:00 a.m. My name is Grant Lesswing. I am the Director of Business Development for 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 Rosina Food Products, 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 Wednesday, March 5, 2025.

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

Hearing Officer: The proposed project (the "Project") consists of: The Facility will be initially operated and/or managed by the Company. (i) the acquisition by the Agency of a leasehold interest in certain property located at 3100 Clinton Street, in the Town of West Seneca, Erie County, New York, and all other lands in the Town of West Seneca where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the "Land"), and the existing

improvements located thereon, consisting principally of the Company's existing approximately 105,000 square-foot meatball production facility (the "Existing Improvements"); (ii) the construction on the Land of approximately 32,000 square feet of additional space to accommodate a new meatball processing line (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, the Improvements and the Existing Improvements, the "Facility"). The Facility will be initially owned and operated 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 March 25, 2025. 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.

Michael Driscoll - Senior Vice President and General Counsel at Rosina Food Products. I'm here with my colleague, John Connolly, Rosina's Controller. We are here today to respectfully request that the ECIDA grant financial assistance to Rosina to complete a 32,000 square foot expansion of our protein plant located at 3100 Clinton Street in West Seneca to accommodate a new manufacturing line that will produce 40 million pounds of meatballs annually and will allow the company to become less reliant on out of state co-packers who currently manufacture approximately 20 million pounds of our product annually and move those jobs from other states back to Buffalo, the Buffalo area, to West Seneca. This will create at least 53 manufacturing and related supporting jobs with an average salary of \$86,000 a year for management and \$46,000 for production workers. Just by way of context, in 2021, Rosina constructed 105,000 square foot plant at 3100 Clinton. That was designed to include this phase II expansion that was done to prudently use the company's growth and monies to grow and also to ensure that our growth was consistent with our projections. The cost of that construction was \$51 million which was

invested in Western New York. In addition, we purchased \$22 million in equipment to produce a capacity increase of 40 million pounds of meatballs. We originally projected 40 additional jobs at the plant and retained 100 jobs at another plant that was old and needed to be replaced. To date we have 52 full-time jobs, so 12 more than the 40 projected. We've retained 100 jobs and we have temp labor for the current workforce of 184 tax paying citizens here in Western New York. Additionally, we have currently pending project at 75 Empire Drive to expand our pasta facility which produces frozen filled pasta products. That's a 12,000 square foot expansion with an investment of \$8 million in construction costs and at least \$6 million in equipment and an estimated 15 jobs.

This project, phase II will be as I mentioned, 32,000 square feet with a construction cost of \$22 million and an investment of \$7.5 million. And I mentioned the jobs and salaries. Rosina has invested significantly in New York, and we need to complete this expansion to stay competitive and retain the jobs that we currently have here in the Western New York area. Between 2021 and 2026 with these investments that I mentioned in the three investments as well as attracting a frozen store storage company called Agile to Western New York who is currently completing a \$50 million construction for 132,000 square foot cold storage facility. Rosina will have invested or attracted investment totaling \$168 million to Western New York in the last five years creating 165 jobs and creating stability for a total of 650 citizens in Western New York. With that, I would like to thank the IDA for considering this application and thank you for your time.

☒ 6. ADJOURNMENT:

As there were no further statements and/or comments, the Hearing Officer closed the public hearing at 11:08 a.m.

**SIGN IN SHEET
PUBLIC HEARING**

Public Hearing to be held March 18, 2025, at 11:00 a.m. at
the Town of West Seneca Community Center and Library (Small Conference Room),
at 1300 Union Road, West Seneca, New York 14224, regarding:

**Rosina Food Products, Inc. and/or Individual(s) or Affiliate(s),
Subsidiary(ies), or Entity(ies) formed or to be formed on its behalf**

Project Location: 3100 Clinton Street, in the Town of West Seneca, Erie County, New York

Name	Company and/or Address	X box to speak/ comment
John Connolly	Rosina Food Products, Inc. 130 Empire Drive West Seneca, New York 14224	
Michael Driscoll	Rosina Food Products, Inc. 130 Empire Drive West Seneca, New York 14224	X
Michael Smolen	West Seneca Citizen	
Lora Smolen	West Seneca Citizen	
Susan Kims	West Seneca Citizen	

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INDUCEMENT RESOLUTION**

**ROSINA FOOD PRODUCTS, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S),
SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS
BEHALF**

A regular meeting of the Erie County Industrial Development Agency was convened on Wednesday, March 26, 2025 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF ROSINA FOOD PRODUCTS, INC., AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 293 of the Laws of 1970 of the State of New York, as amended (collectively, the "Act"), the ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing, commercial and other facilities as authorized by the Act; and

WHEREAS, ROSINA FOOD PRODUCTS, INC. or on behalf of an affiliated entity formed or to be formed (the "Company") has submitted an application to the Agency (the

“Application”) requesting the Agency’s assistance with a certain project (the “Project”) consisting of: (i) the acquisition by the Agency of a leasehold interest in certain property located at 3100 Clinton Street, in the Town of West Seneca, Erie County, New York, and all other lands in the Town of West Seneca where, by license or easement or other agreement, the Company or its designees are making improvements that benefit the Project (the “Land”), and the existing improvements located thereon, consisting principally of the Company’s existing approximately 105,000 square-foot meatball production facility (the “Existing Improvements”); (ii) the construction on the Land of approximately 32,000 square feet of additional space to accommodate a new meatball processing line (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, the Improvements and the Existing Improvements, the “Facility”). The Facility will be initially owned and operated by the Company; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on March 18, 2025 at 11:00 a.m., at the Town of West Seneca Community Center and Library (Small Conference Room) at 1300 Union Road, West Seneca, New York 14224, the Agency held a public hearing with respect to the Project and the proposed Financial Assistance (as hereinafter defined) being contemplated by the Agency (the “Public Hearing”) whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of undertaking the Project pursuant to an Agent and Financial Assistance Project Agreement (the “Agent Agreement”), (ii) negotiate and enter into a lease agreement (the “Lease Agreement”) and related leaseback agreement (the “Leaseback Agreement”) with the Company, pursuant to which the Agency will retain a leasehold interest in the Land, the Existing Improvements, the Improvements, the Equipment and personal property constituting the Facility; and (iii) provide Financial Assistance to the Company in the form of (a) an exemption benefit from all New York State and local sales and use taxes for purchases and rentals related to the Project with respect to the qualifying personal property included in or incorporated into the Facility or used in the acquisition, construction, reconstruction and/or renovation, rehabilitation or equipping of the Facility, (b) a mortgage recording tax exemption benefit for the financing related to the Project, and (c) a partial abatement from real property taxes benefit through a ten (10) year “payment in lieu of tax agreement” (the “PILOT Agreement”) with the Company for the benefit of each municipality and school district having taxing jurisdiction over the Project, (collectively, the sales and use tax exemption benefit, the mortgage recording tax exemption benefit, and the partial abatement from real property taxes benefit, are hereinafter collectively referred to as the “Financial Assistance”); and

WHEREAS, the Agency must comply with Article 8 of the New York Environmental Conservation Law and the regulations adopted thereto (collectively referred to as “SEQR”), and determine whether or not the Project presents a potential significant adverse environmental impact requiring the preparation of an environmental impact statement pursuant to SEQR; and

WHEREAS, the Company has submitted an Environmental Assessment Form to the Agency (the “EAF”) to assist in undertaking the required SEQR review; and

WHEREAS, pursuant to Article 18-A of the Act, the Agency desires to adopt a resolution describing the Project and the Financial Assistance that the Agency is contemplating with respect to the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and any other correspondence submitted by the Company to the Agency, public hearing comments, if any, Agency Policy Committee review of and recommendations related to the Project and its March 13, 2025 resolution to recommend Agency approval of the Project subject to the terms and conditions as described herein, the Policy Committee and Agency board member review of the Project's cost benefit ratio, the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits, and Agency board member review, discussion, and consideration of same, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and/or renovating and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing and/or retaining employment opportunities in Erie County, New York and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries, and, to the extent occupants are relocating from one plant or facility to another in another area of the State, the Agency has complied with the Intermunicipal Movement procedures as required in the Countywide Industrial Development Agency Uniform Tax Exemption Policy; and

(F) The Agency has assessed all material information included in connection with the Application necessary to afford a reasonable basis for the decision by the Agency to provide Financial Assistance for the Project as described herein; and

(G) The Agency has prepared a written cost-benefit analysis satisfactorily identifying the extent to which the Project will create or retain permanent, private sector jobs, the estimated value of any tax exemption to be provided, the amount of private sector investment generated or likely to be generated by the Project, the likelihood of accomplishing the Project in a timely fashion, and the extent to which the Project will provide additional sources of revenue for municipalities and school districts, and any other public benefits that might occur as a result of the Project; and

(H) The Company has provided a written statement confirming that the Project as of the date of the Application is in substantial compliance with all provisions of the Act.

(I) The Project involves an “Unlisted Action” as said term is defined pursuant to 6 N.Y.C.R.R. Section 617.2(al) of the SEQRR regulations. The Agency has conducted an uncoordinated review of the Project pursuant to 6 N.Y.C.R.R. Section 617.6(b)(4)(i). Based upon a comprehensive and thorough review by the Agency of the EAF and related documents delivered by the Company to the Agency, the Town of West Seneca Planning Board (“Planning Board”) Negative Declaration issued with respect to the Project on October 10, 2019, the criteria set forth in 6 N.Y.C.R.R. Section 617.7 of the SEQRR regulations, and the additional representations made by the Company to the Agency in connection with the Project, the Agency hereby finds that the Project will not have a potential significant adverse environmental impact warranting the preparation of an environmental impact statement. The Agency thus issues a “negative declaration” as that term is defined pursuant 6 N.Y.C.R.R. Section 617.2(z); and

(J) The Project qualifies for Agency Financial Assistance as it meets the Agency’s evaluative criteria established by the Agency as required under General Municipal Law Section 859-a(5), as evidenced by the following:

(i) *Wage Rate (above median wage for area):* Per capita income = \$41,560; Average salary of jobs to be created is \$49,000.

(ii) *Regional Wealth Creation (% sales/customers outside area):* 94% of sales are outside Erie County: 5% in NYS (excluding Erie County), 82% in USA (excluding NYS) with the remaining 7% outside the US.

(iii) *In Region Purchases (% of overall purchases):* 10% of total annual supplies, raw material and vendor services are from Erie County firms.

(iv) *Research & Development Activities:* N/A.

(v) *Investment in Energy Efficiency:* Rosina’s new thermal fluid oven will provide a more efficient cooking process than using a direct fired oven.

(vi) *Locational Land Use Factors, Brownfields or Locally Designated Development Areas:* N/A.

(vii) *LEED/Renewable Resources*: N/A.

(viii) *Retention/Flight Risk*: The additional production of this meatball line will allow the Company to be less reliant on out-of-state co-packers who are currently producing 20+ million pounds of product annually.

(ix) *Workforce Access-Proximity to Public Transportation*: This location is not accessible via public transportation.

Section 2. The Agency hereby authorizes the undertaking of the Project and the provision of the Financial Assistance to the Company as described herein.

Section 3. Subject to the Company executing an Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of insurance for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and/or renovate and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the authority to appoint the Company to act as agent of the Agency, if said appointment is not duly made, as herein expressed, shall expire one year from the date of this resolution (unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, and/or the Assistant Treasurer).

A. Financial Assistance. With respect to the foregoing, and based upon the representations and warranties made by the Company in its application for Financial Assistance, the Agency hereby:

(i) authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project and that would otherwise be subject to New York State and local sales and use tax in an amount estimated up to \$13,000,000, and, therefore, the value of the sales and use tax exemption benefits ("sales and use tax exemption benefits") authorized and approved by the Agency cannot exceed \$1,137,500, however, the Agency may consider any requests by the Company for increases to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services; and

(ii) authorizes and approves that the value of the mortgage recording tax exemption benefit ("mortgage recording tax exemption benefits") shall not exceed \$132,000; and

(iii) authorizes and approves that the real property tax abatement benefits (“PILOT benefits”) to be provided over the term of the PILOT Agreement are estimated to be approximately \$1,423,542, resulting in estimated total PILOT payments of \$453,172 over the term of the PILOT Agreement.

B. Terms and Conditions of Financial Assistance. Pursuant to Section 875(3) of the New York General Municipal Law, and per the policies of the Agency, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or partial abatements from real property taxes benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the New York State and local sales and use tax exemption benefits; (ii) the New York State and local sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the New York State and local sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; (iv) the Company has made a material false statement on its application for Financial Assistance; (v) the New York State and local sales and use tax exemption benefits and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with the Investment Commitment, the Employment Commitment, and/or the Local Labor Commitment, said commitments, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project; and/or (vi) the New York State and local sales and use tax exemption benefits, and/or mortgage recording tax exemption benefits, and/or the partial abatement from real property taxes benefits are taken in cases where the Company fails to comply with the Equal Pay Commitment and/or the Unpaid Real Property Tax Policy Commitment, as described below, being a material term or condition to use property or services in the manner approved by the Agency in connection with the Project.

As a condition precedent of receiving Financial Assistance, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, must cooperate with the Agency in its efforts to recover or recapture any Financial Assistance, and promptly pay over any such amounts to the Agency that the Agency demands.

C. Commitments. As an additional condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$25,500,000 (which represents the product of 85% multiplied by \$30,000,000, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 184 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
 - the number of current FTE employees in the then current year at the Facility; and
 - that within two (2) years of Project completion, the Company has maintained employment at the Facility equal to 229 FTE employees [representing the sum of (x) 184 Baseline FTE and (y) 45 FTE employees, being the product of 85% multiplied by 53, (being the 53 new FTE employee positions proposed to be created by the Company as stated in its Application)]. To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

Section 4. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver (A) an Agent Agreement, (B) the Lease Agreement whereby the Company leases the Project to the Agency, (C) the related Leaseback Agreement whereby the Agency leases the Project back to the Company, and (D) the PILOT Agreement and (E) related documents; provided, however, that (i) the rental payments under the Leaseback Agreement to the Company include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy, or procedures for deviation have been complied with accordingly.

Section 5. Subject to the terms of this Inducement Resolution, the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer, are hereby authorized, on behalf of the Agency, to negotiate, execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance acquisition and Project costs or equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement, and related documents, collectively called the "Agency Documents"); and, where appropriate, the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency shall approve, the execution thereof by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer and/or the Assistant Treasurer of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. The provision by the Agency of Financial Assistance with respect to the Project as described herein is subject to the execution and delivery of the Agency's Administrative Fee Agreement (the "Fee Agreement") and payment by the Company of an administrative fee calculated in accordance with the Fee Agreement, all within sixty (60) days of the date of this resolution. In the event the Agency has not received the executed Fee Agreement and the appropriate fee within such sixty (60) day period, this resolution shall become automatically null and void and of no further effect and the Agency shall have no liability to the Company hereunder or otherwise, unless extended in the discretion of the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer for good cause shown.

Section 8. This resolution shall take effect immediately, and shall expire one (1) year from the date hereof unless extended for good cause by the Chair, the Vice Chair, the President/Chief Executive Officer, the Vice President, the Chief Financial Officer/Treasurer, or the Assistant Treasurer.

Dated: March 26, 2025



Rosina

[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	3100 Clinton Street, LLC- Expansion
Project Summary	Rosina Food Products, Inc. is requesting financial assistance to complete a 32,000 square foot expansion of its Protein Plant located at 3100 Clinton St, West Seneca, NY 14224 to accommodate a new additional manufacturing line that will produce 40 million pounds of meatballs annually. This will allow the Company to be less reliant on out of state co-packers who are currently producing 20+ million pounds of product annually and create approximately 53 manufacturing and related support jobs.
Applicant Name	Rosina Food Products, Inc.
Applicant Address	130 Empire Drive
Applicant Address 2	
Applicant City	West Seneca
Applicant State	New York
Applicant Zip	14224
Phone	(716) 608-8503
Fax	
E-mail	rbernick@rosina.com
Website	www.rosina.com
NAICS Code	311612

Business Organization

Type of Business

Corporation

Year Established

1963

State

New York

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name Randy Bernick
Title Vice President- Finance &
Administration
Address 130 Empire Drive
Address 2
City West Seneca
State New York
Zip 14224
Phone (716) 608-8503
Fax
E-Mail rbernick@rosina.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application No
Name Greg Setter
Title Chief Operating Officer
Address 130 Empire Drive
Address 2
City West Seneca
State New York
Zip 14224
Phone (716) 608-8524
Fax
E-Mail gsetter@rosina.com

Company Counsel

Name of Attorney Michael Driscoll
Firm Name Rosina Food Products, Inc.
Address 130 Empire Drive
Address 2
City West Seneca
State New York
Zip 14224
Phone (716) 608-8627
Fax (716) 651-0548
E-Mail mdriscoll@rosina.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%.

Rosina began in 1963 as a small store sausage business servicing neighborhood meat markets, supermarkets and restaurants. Founded by James Corigliano, he named this family-owned business after his wife Rose, which in Italian translates to Rosina. In the mid 1970's as the business grew, sons Russell and Frank joined the Company. In 1981 a larger facility was purchased allowing Rosina to expand into new markets and make its products, primarily frozen meatballs, toppings, and sausage, available across the country. In 1997, sons Russell Corigliano (50% ownership) and Frank Corigliano (50% ownership) assumed responsibility for day-to-day operations upon purchasing the Company from their parents. In March 2000, Rosina acquired Celentano Brothers of Verona, NJ which added frozen Italian entrees, filled pasta, and eggplant products to its portfolio. In late 2002, Rosina purchased and renovated a 90,000 square foot plant in West Seneca, NY, expanding its Buffalo based operations, to support production of its Celentano ravioli, specialty pasta, and entrees. Production from Celentano Brothers' New Jersey facilities was moved to this new West Seneca location in 2003, resulting in the creation of approximately 100+ jobs and Rosina's renovation of the former Lenders Bagel facility, which had been sold by its prior owners. In July 2006, Rosina acquired 2 more frozen pasta brands, Italian Village and Floresta, adding more flavors and formats to its existing pasta portfolios servicing both retail and foodservice markets and moving all production to West Seneca, NY. In 2010, Rosina expanded internationally creating an international sales division. In December 2011, Rosina acquired the San Rallo Pasta Company which features specialty ravioli and eggplant products available in the foodservice channel. In December 2021, Rosina acquired the Mama Lucia brand of frozen meatballs which are predominantly found in the Northeast, Southeast, and Midwest within the supermarket, military commissaries, and dollar store channels. In both cases, manufacturing of all acquired product lines were moved to West Seneca or Cheektowaga, NY. Also in 2021, Rosina opened its brand-new state-of-the art meatball manufacturing plant at 3100 Clinton St. in West Seneca, NY to meet demand of its growing customer base and bring back approximately 20 million pounds of meatball production from out of state co-packers. In February 2023, we merged meatball production at our antiquated Cheektowaga facility into the West Seneca plant but continue to package and label product at the Cheektowaga location. During 2024, Rosina has had a large spike in demand for its meatball products and was required to purchase 20+ million pounds from out of state co-packers to produce. Fortunately, when designing and constructing the West Seneca plant in 2021, the plant was designed in such a way that it can be expanded without interrupting existing production and had all utilities sized to accommodate an expansion. Rosina markets its products to retail and foodservice industries and can be found in supermarkets, supercenters, military commissaries, wholesale clubs and restaurants throughout North America and Internationally. Our retail customers include Tops, Wegmans, Aldi, Walmart, Publix, Target, Kroger, Food Lion, Giant Eagle, etc. Our Foodservice customers include many distributors such as Performance Food Group (Reinhart & Shamrock), Sysco, Gordon Foodservice, US Foods, Costas provisions, Cheney Brothers, etc. as well as restaurant business such as Olive Garden (Darden), Restaurant depot, and Denny's. The Ingredients Division customers include Conagra and Heinz. Additionally, our International Division customers include Boston Pizza and Jose Santiago.

Estimated % of sales within Erie County	6 %
Estimated % of sales outside Erie County but within New York State	5 %
Estimated % of sales outside New York State but within the U.S.	82 %
Estimated % of sales outside the U.S.	7 %

(*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?

10

Describe vendors within Erie County for major purchases

(1) Lehigh Construction Group, Inc- building materials & construction services; (2) Bison Bag, Inc- printed laminated film for primarily retail bags for product storage ; (3) Jamestown Container, Inc- corrugated boxes and packaging for foodservice cases and shipping containers; (4) TLW Transport, Inc- transportation of finished product, ingredients and supplies; (5) Westrock CP, LLC- corrugated boxes and packaging for foodservice cases and shipping containers; (6) Mollenberg-Betz, Inc- ammonia refrigeration services; (7) Adawn Express Inc- transportation of finished product, ingredients, and supplies; (8) Millington Lockwood- furniture & fixtures; (9) Elliott Services, Inc- janitorial services; (10) WS Empire LLC- warehouse rental of dry goods & maintenance parts; (11) Independent Health Corp- health care & medical service plan offered to Associates; (12) Prolift Inc- services and purchases of fork trucks and pallet trucks; (13) Barclay Damon, LLP - legal services; (14) CTBK- accounting services; (15) Pooley, Inc- supplies industrial conveyor belting, hose, casters, and material handling equipment; (16) Lineage Cold Storage- frozen and cold storage. Additionally, Rosina has partnered with Allied Cold Storage to construct a 100,000 sq. ft. cold storage warehouse, creating approximately 30 jobs, at 160 Empire Dr. in West Seneca.

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

3100 Clinton Street

Town/City/Village of Project Site

West Seneca

School District of Project Site

West Seneca

Current Address (if different)

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

West Seneca

SBL Number(s) for proposed Project

124.15-2-10.2 and 124.15-2-10.2

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

New York

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

Land

\$ 7,991

Building(s)

\$ 243,953

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 protein manufacturing plant that opened in December 2021. The expansion will be to this facility.

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

The purpose of this project is to expand our 105,000 square foot meatball manufacturing facility, constructed in 2021, by: (a) adding 32,000 square feet of space at a cost of approximately \$22 million; and (b) adding a new meatball processing line at a cost of approximately \$7.5 million, with a 40-million-pound annual capacity. This expansion will allow Rosina to relocate out-of-state production from existing co-packers and to immediately produce up to 20 million pounds of product in West Seneca, along with additional capacity to remain competitive. The existing meatball line at 3100 Clinton St. only produces approximately 45 million pounds annually. This expansion will meet Rosina's projected demand for 2025 of 62- 65 million pounds. The production costs for co-packed items is significantly higher, making Rosina less competitive and impacting our ability to retain and grow our business. This expansion will also benefit the WNY area economically, by using local construction labor and suppliers, and adding 53 new jobs.

Municipality or Municipalities of current operations

Erie County and West Seneca, NY

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

Yes

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

No

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

No

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

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

Yes

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

If unable to expand our existing facility in an economically viable way, Rosina will be forced to explore construction of a new facility in an area that is more economically favorable.

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 have been contacted by several states including Ohio, Texas, North Carolina, and Tennessee, and have received documentation on programs offered, incentives available, logistics and labor markets.

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

N/A

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

ECIDA's financial assistance is imperative in moving forward with this project. The Company currently outsources 20 million pounds of meat ball manufacturing and that will grow to at least another 5 million pounds needing to be outsourced during 2025. The additional cost to have our products produced by other manufacturers is approximately \$0.40- \$0.50 per pound and makes it very difficult to stay competitive and not lose any current business. It also stifles any growth opportunities as well. The additional cost of outsourcing 25 million pounds puts additional stress on paying competitive wages in an ever-tightening labor market. Being a privately held business and committing to this additional expansion while we are in the middle of renovating our new Corporate Headquarters and moving forward with our commitment to expand our Pasta manufacturing facility at the same time, also limits our ability to source the required level of financing to complete all of these projects that add jobs and benefit both the town and county. Without any assistance from ECIDA, this project cannot move forward, and we will be forced to shed business and reduce employment. Rosina Food Products has invested heavily in WNY by building a \$75 million meatball processing plant that opened in December 2021. Since then, we have opened Rosina University as a commitment to train and develop our Associates to maximize their performance and provide the opportunity for career advancement. Attached to the University we are leasing warehouse space on either side for both dry goods and maintenance parts. We have also contributed a parcel of land at 160 Empire Dr in West Seneca to partner Agile Cold Storage on the construction of a 130,000 sq. ft. frozen storage facility which adds approximately 30 jobs and millions in construction and related economic benefits to WNY. In 2023 and 2024, we purchased and began a phased renovation of an abandoned office building at 130 Empire into Rosina's new Corporate Headquarters at a committed cost to date exceeding \$8 million, which will allow for the relocation of administrative staff from our Pasta manufacturing. Also, we will be expanding our Pasta facility at 75 Empire Dr in West Seneca by approximately 20,000 sq. ft., at a cost of \$15 million, to increase manufacturing capacity by approximately 30 million pounds. Being a locally owned and privately held low margin business, we need the continued financial support through state and local incentive programs to reduce the cost of expansion, remain operationally competitive, and provide steady employment, fair wages and good benefits to our Associates, while assisting in the economic growth of the surrounding community. Finally, Rosina is a model corporate citizen and has a proven track record in meeting ongoing incentive commitments for job creation and successfully completing large projects. This expansion will be a "win-win" for all of the parties involved.

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

Yes

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

Given current interest rates, increasing cost of materials which may rise further affected by tariffs, and supply chain issues, Rosina may not be able to complete a financially viable expansion and may continue to be required to use out-of-state co-packers or explore constructing a manufacturing in a state other than New York. It will also delay the ability to grow the business in a very competitive industry/marketplace and adversely affect the Company and its Associates financially. The timing of this expansion is critical not only to grow the business, but also to protect its current book of business. Additionally, Erie County, West Seneca, and NYS could miss out on this \$30 million investment, the 53 new jobs it will create, and the residual economic benefits it will provide such as higher wages, increased support of local businesses and establishments, and additional tax revenue for provide public services.

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 your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

Yes

If YES indicate in the box below the date the SEQR determination was made. Also, please provide us with a copy of the approval resolution and the related Environmental Assessment Form (EAF) if applicable.

If NO indicate in the box below the date you anticipate receiving a SEQR determination for your project. Also, please insure that the ECIDA has been listed as an "involved agency" on the related EAF submitted to the appropriate municipality and/or planning department.

SEQR for this site was approved in October 2019 and included future plans to expand the facility another 32,000 square feet. In fact, some of the site preparation, foundation work, and sizing of the utilities was done at the time the initial structure was

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

Yes

Describe the present zoning/land use

M-1 Manufacturing District

Describe required zoning/land use, if different

N/A

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

N/A

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?

Yes

If yes, please provide copies of the study.

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

Yes

If yes, describe the efficiencies achieved

The new thermal fluid oven will provide a more efficient cooking process than using a direct fired oven.
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	No 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	32,000 square feet	\$	22,000,000	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)

<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 Yes

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

4/1/2025

End date : Estimated completion date of project

12/31/2025

Project occupancy : estimated starting date of occupancy

12/15/2025

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)

\$ 22,000,000

32,000 square feet

4.) Reconstruction/Renovation

\$ 0

square feet

5.) Manufacturing Equipment

\$ 7,500,000

6.) Infrastructure Work

\$ 0

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

\$ 0

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

\$ 500,000

9.) Other Cost

\$ 0

**Explain Other
Costs**

Total Cost \$ 30,000,000

Construction Cost Breakdown:

Total Cost of Construction	\$ 22,000,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 13,000,000
% sourced in Erie County	100%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit \$ 13,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above): \$ 1,137,500

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

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

Have any of the above costs been paid or incurred as of the date of this Application? Yes

If Yes, describe particulars: Some design costs have been incurred.

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits): \$ 5,000,000

Bank Financing: \$ 25,000,000

Tax Exempt Bond Issuance (if applicable): \$ 0

Taxable Bond Issuance (if applicable): \$ 0

Public Sources (Include sum total of all state and federal grants and tax credits): \$ 0

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

Total Sources of Funds for Project Costs: \$30,000,000

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). 17,600,000

Lender Name, if Known

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%): \$132,000

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): N/A

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.

Is project necessary to expand project employment?

Yes

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location)

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genesee.

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	184	184	53	53
Part time	0	0	0	0
Total	184	184	53	

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	26	\$ 86,000	\$ 17,800	0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Production	211	\$ 46,000	\$ 14,000	0	\$ 0	\$ 0
Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	237			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	75 Industrial Pkwy, Cheektowaga	70 & 75 Empire Dr, West Seneca, NY 14224	130 Empire Dr, West Seneca & 109 Industrial Pkwy, Cheektowaga
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Full time	20	223	106
Part time	0	0	4
Total	20	223	110

Payroll Information**Annual Payroll at Proposed Project Site upon completion**

11,942,000

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

50,360

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

0

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

49,000

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

0

Estimated salary range of jobs to be created

From (Full Time)	46,000	To (Full Time)	86,000
From (Part Time)	0	To (Part Time)	0

Section III: Environmental Questionnaire

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

General Background Information

Address of Premises

3100 Clinton St, West Seneca, NY 14224

Name and Address of Owner of Premises

3100 Clinton Street, LLC 170 French Rd, Buffalo, NY 14227

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

Brownfield site that was remediated and has some surrounding wetlands

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

Constructed in 2021 and began operations in mid-December 2021. Cooked & Frozen meatball processing plant.

Describe all known former uses of the Premises

Railroad yard from 1850's- 1960's.

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

Rosina Food Products, Inc. leases and operates the premises.

Have there been any spills, releases or unpermitted discharges of petroleum, hazardous substances, chemicals or hazardous wastes at or near the Premises?

Yes

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

NYS DEC- There was a release of CO2 emissions into the atmosphere.

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?

Yes

If yes, please state the results of the enforcement action (consent order, penalties, no action, etc.) and describe the circumstances

NYS DEC- Air Quality Emissions. Corrective action was taken and has been resolved.

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

None

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

None

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

At 3100 Clinton Street, West Seneca, NY- approximately 30 million gallons annually of process discharge from one source. Wastewater is treated prior to discharge to the municipalities.

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

At 3100 Clinton Street, West Seneca, NY- one domestic sanitary discharge and one process discharge including wastewater generated during equipment cleaning and sanitation. Included in this discharge is condensate from evaporate refrigeration and process wastewater.

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?

Yes

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

There is one emission point from a high-capacity cooking oven and one emission point for a gas fired steam boiler.

Are any of the air emission sources permitted?

Yes

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

Yes- one 50,000 gallon above ground wastewater tank

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 Rosina Food Products, Inc.
Address 170 FRENCH RD
Contact Person Rosina Food Products, Inc.
Phone (716) 608-8503
Fax
E-Mail rbernick@rosina.com
Federal ID # 16-0876738
SIC/NAICS Code 311612

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

N/A

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:

N/A

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

Section X: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

Erie County Industrial Development Agency

Financial Statements

As of February 28, 2025

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Balance Sheet

February 28, 2025

	February 2025	January 2025	December 2024
ASSETS:			
Cash and Equivalents *	\$ 6,610,085	\$ 6,257,520	\$ 6,751,035
Restricted Cash & Investments *	20,475,084	18,192,298	18,075,648
Due from Affiliates	1,964,216	4,611,815	4,571,775
Due from Buffalo Urban Development Corp.	20,799	135,963	131,503
Other Receivables	168,369	176,206	173,195
Total Current Assets	<u>29,238,554</u>	<u>29,373,802</u>	<u>29,703,154</u>
Grants Receivable	5,127,560	5,127,560	5,214,764
Lease Receivable	572,299	590,830	609,283
Venture Capital Investments, net of reserves	406,247	406,247	406,247
Capital Assets	1,415,935	1,430,942	1,450,212
Total Long-Term Assets	<u>7,522,042</u>	<u>7,555,579</u>	<u>7,680,506</u>
TOTAL ASSETS	<u><u>\$ 36,760,596</u></u>	<u><u>\$ 36,929,381</u></u>	<u><u>\$ 37,383,661</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable & Accrued Exp.	\$ 188,624	\$ 223,798	\$ 577,336
Lease Payable	361,932	373,651	385,321
Deferred Revenues	4,460,831	4,498,758	4,498,758
Funds Held on Behalf of Others	11,342,736	11,312,389	11,287,296
Total Liabilities	<u>16,354,124</u>	<u>16,408,596</u>	<u>16,748,711</u>
Deferred Inflows of Resources Related to Leases	572,299	590,830	609,283
Net Assets	<u>19,834,172</u>	<u>19,929,955</u>	<u>20,025,667</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 36,760,596</u></u>	<u><u>\$ 36,929,381</u></u>	<u><u>\$ 37,383,661</u></u>

- * Cash and restricted cash is invested in interest bearing accounts at M&T Bank and obligations of the United States of America at Wilmington Trust. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution. Collateral is not required for U.S. government obligations.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Month of February 2025

Actual vs. Budget			
	Actual	Budget	Variance
REVENUES:			
Administrative Fees	\$ 135,947	\$ 150,000	\$ (14,053)
Management Fees - Affiliates and Others	48,600	48,667	(67)
Rental Income	18,600	19,532	(931)
Other Income	-	250	(250)
Total Revenues	203,147	218,448	(15,301)
EXPENSES:			
Salaries & Benefits	\$ 173,406	\$ 193,287	\$ (19,882)
General Office Expenses	21,381	22,583	(1,203)
Building Operating Costs	8,869	6,707	2,162
Professional Services	7,500	12,500	(5,000)
Public Hearings & Marketing	4,559	10,000	(5,441)
Travel, Mileage & Meeting Expenses	1,201	2,958	(1,757)
Depreciation and amortization	19,607	19,607	-
Other Expenses	893	1,250	(357)
Total Expenses	237,416	268,894	(31,478)
SPECIAL PROJECT GRANTS:			
Revenues	\$ 41,427	\$ 433,190	\$ (391,764)
Expenses	(41,427)	(407,024)	365,597
	-	26,167	(26,167)
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS :	(34,268)	(24,279)	(9,989)
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:			
Renaissance Commerce Park Grant	\$ (94,684)	\$ (8,333)	\$ (86,351)
Angola Ag Park Grant	(5,483)	(2,083)	(3,400)
	(100,167)	(10,417)	(89,751)
NET OPERATING INCOME/(LOSS) :	(134,435)	(34,695)	(99,740)
NON-OPERATING REVENUE:			
Interest Income	\$ 40,209	\$ 33,360	\$ 6,849
Interest Expense	(1,557)	(2,669)	1,112
	38,652	30,691	7,961
NET INCOME/(LOSS):	\$ (95,783)	\$ (4,004)	\$ (91,779)

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")

Income Statement

Year to Date: February 28, 2025

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Administrative Fees	\$ 136,947	\$ 300,000	\$ (163,053)	\$ 136,947	\$ 112,581	\$ 24,366
Affiliate Management Fees	97,200	97,333	(133)	97,200	78,067	19,133
Rental Income	37,124	39,064	(1,940)	37,124	35,616	1,508
Other Income	6,520	6,500	20	6,520	6,130	390
Total Revenues	277,791	442,897	(165,106)	277,791	232,394	45,397
EXPENSES:						
Salaries & Benefits	367,617	386,575	(18,958)	367,617	367,237	380
General Office Expenses	43,898	45,167	(1,269)	43,898	39,922	3,976
Building Operating Costs	10,189	15,998	(5,809)	10,189	8,765	1,424
Professional Services	8,250	17,500	(9,250)	8,250	-	8,250
Public Hearings & Marketing	6,498	20,000	(13,502)	6,498	11,865	(5,367)
Travel, Mileage & Meeting Expenses	2,712	5,917	(3,204)	2,712	4,338	(1,625)
Depreciation and amortization	39,215	39,215	-	39,215	44,215	(5,000)
Other Expenses	3,190	3,750	(560)	3,190	2,911	279
Total Expenses	481,569	534,121	(52,552)	481,569	479,253	2,316
SPECIAL PROJECT GRANTS:						
Revenues	75,489	866,381	(790,892)	75,489	20,655	54,834
Expenses	(41,427)	(814,048)	772,621	(41,427)	(46,413)	4,986
	34,062	52,333	(18,271)	34,062	(25,758)	59,821
NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS:	\$ (169,715)	\$ (38,891)	\$ (130,824)	\$ (169,715)	\$ (272,617)	\$ 102,902
OTHER STRATEGIC INVESTMENTS AND INITIATIVES:						
Renaissance Commerce Park Grant	\$ (94,684)	\$ (100,000)	\$ 5,316	\$ (94,684)	\$ (79,963)	\$ (14,721)
Angola Ag Park Grant	(5,483)	(25,000)	19,517	(5,483)	-	(5,483)
	(100,167)	(125,000)	24,833	(100,167)	(79,963)	(20,204)
NET OPERATING INCOME/(LOSS):	(269,883)	(163,891)	(105,992)	(269,883)	(352,581)	82,698
NON-OPERATING REVENUE:						
Interest Income	81,550	66,720	14,830	81,550	\$ 73,442	8,108
Interest Expense	(3,162)	(2,669)	(494)	(3,162)	(4,301)	1,138
	78,388	64,051	14,337	78,388	69,141	9,247
NET INCOME/(LOSS):	\$ (191,495)	\$ (99,840)	\$ (91,655)	\$ (191,495)	\$ (283,440)	\$ 91,945

To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: March 26, 2025
Re: Finance & Audit Committee Report



In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on March 20, 2025. Committee members present were: Michael Szukala, Chair, Penny Beckwith, Patrick Boyle, Glenn Nellis, and Brian Nowak. The following items were reviewed:

1) Lumsden McCormick CPAs Report including Draft 2024 Audited Financial Statements

The Agency’s auditors presented Draft 2024 Audited Financial Statements for ECIDA, RDC, and ILDC (copies of which are included in respective Board packages).

- The independent auditors expressed an unmodified (clean) opinion on the financial statements of all entities. This type of opinion indicates that the financial statements present fairly, in all material respects, the financial position of the entities as of December 31, 2024 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
- No uncorrected audit adjustments were noted.
- No significant deficiencies or material weaknesses in internal controls noted.

The Committee recommended that the draft statements be approved by the respective boards.

2) Public Authorities Accountability Act (PAAA) 2024 Annual Report

The Committee reviewed the PAAA 2024 Annual Report required under the Public Authorities Law and recommended that it be approved by their respective Boards.

3) 2024 Investment Reports

The Committee reviewed the 2024 Investment Reports, which are required under the Public Authorities Law and recommended that they be approved by their respective Boards.

4) Investment and Deposit Policy

The Committee reviewed Investment and Deposit Policy and recommended it be readopted by the Boards.

5) Finance & Audit Committee Self-Evaluation

The Committee approved a report that documents the Committee’s activities for 2024 as required under the Public Authorities Law.

6) The Committee reviewed Management’s Assessment of the Effectiveness of Internal Controls, a document prepared by management based on internal control processes and procedures of the organization. The document will be posted on the website as required by the ABO.

7) The Committee reviewed a summary of the corporate credit card usage in accordance with the Corporate Credit Card Policy.

8) The Committee reviewed a document entitled “On the Audit Committee’s Agenda: Looking Ahead to 2025” from Deloitte’s Center for Board Effectiveness to satisfy the educational requirements set forth in the Finance & Audit Committee Charter.

**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County
Regional Development Corporation (RDC), and Buffalo and Erie County
Industrial Land Development Corporation (ILDC)**

2024 Finance & Audit Committee Self-Evaluation

Responsibilities of the Finance & Audit Committee:

The core responsibilities of the Finance & Audit Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting, and regulatory compliance practices; (ii) maintaining, through regular meetings, direct communication between the members of the Agency and the Agency's independent accountants and auditors; (iii) maintaining direct communication between members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an "independent member" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 1/9/24, 2/22/24, 3/21/24, 8/20/24, and 9/17/24.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
4. Were meeting notices and agendas prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Did the Finance & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.
6. Did the Finance & Audit Committee: (a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor? (b) Establish procedures for the engagement of the independent auditors to provide permitted audited services? (c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications? (d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency? (e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit? (f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	In March 2024, Lumsden McCormick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/23. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the 3/21/24 meeting. The March 2024 audit reports did not identify any internal controls or material weaknesses.
8. Did the Finance & Audit Committee: (a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency? (b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing? (c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/27/24.
9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	On 3/21/24, the Committee received an article entitled, "Audit Committees: So Much More Than Financial Statement Oversight" published by the Deloitte Center for Board Effectiveness.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reported its actions and recommendations to the Board following each meeting. On 3/27/24, the Audit & Finance Committee reported on its activities to the ECIDA Board of Directors. These activities included the: (1) Audit & Finance Committee self-evaluation; (2) Audit & Finance Committee Charter; (3) draft 2023 financial statements audited by Lumsden McCormick; (4) Corporate Credit Card Policy; (5) 2023 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2023 Investment Report.</p>

Finance & Audit Committee Self-Evaluation

Other Self-Evaluation Notes

In addition to the above:

- During its 1/9/24 meeting, the Committee discussed the 2023 audit plan with Lumsden McCormick.
- During its 2/22/24 meeting, the Committee recommended a taxable bond issuance for D'Youville University.
- During its 3/21/24 meeting, the Committee reviewed drafts of the 2023 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2023 PAAA Annual Report, 2023 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, the 2023 Finance & Audit Self-Evaluation, 2023 Management's Assessment of Internal Controls, and Corporate Credit Card Usage Report.
- During its 8/20/24 meeting, ECIDA staff discussed the ECIDA, RDC, and ILDC budget review process and the timelines for obtaining approval for those budgets. The Committee also reviewed drafts of the 2025 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts.
- During the 9/17/24 meeting, the Committee reviewed updated drafts of the 2025 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee approved a motion to forward the respective budgets to the Boards of each entity for approval.

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 20, 2025

Members of the Finance & Audit Committees and Boards of Directors
Erie County Industrial Development Agency and related entities

We have audited the separate financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC), business-type activities (collectively, the Organizations) for the year ended December 31, 2024. Professional standards require that we advise you the following matters related to our audits.

Our Responsibility in Relation to the Financial Statement Audits

As communicated in our engagement letter dated January 6, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether each entity's financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audits of each entity's financial statements do not relieve you or management of their respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each entity's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of each entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible to communicate significant matters related to the audits that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audits

We conducted our audits consistent with the planned scope and timing we previously communicated to you in the engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

Our audit planning and risk assessment identified management override of controls and improper revenue recognition as significant audit risks, both of which are presumptive risks in financial statement audits. Our audit procedures were designed to address these risks and no matters of concern were identified as a result of our procedures.

Qualitative Aspects of the Organizations' Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organizations are included in Note 1 to each entity's financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting each entity's financial statements are:

- Establishing allowances for uncollectible loans
- Depreciable lives and methods
- Valuation of other assets
- Valuation of leases receivable and payable

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to each entity's financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We evaluated all disclosures in relation to each entity's financial statements as a whole and determined that they are reasonable.

Significant Difficulties Encountered During the Audits

We encountered no significant difficulties in dealing with management relating to the performance of the audits.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We discovered no such misstatements during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No audit adjustments were made for the year ended December 31, 2024.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to each entity's financial statements or the auditors' report. No such disagreements arose during the course of the audits.

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' reports. There were no modifications to the audit opinions.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matter.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our appointment as the Organizations' auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis that supplements the basic financial statements for each entity. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to each of the supplementary information accompanying the financial statements of each entity, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedules to determine that the information complies with accounting principles generally accepted in the United States of America, the methods of preparing them has not changed from the prior period, and the schedules are appropriate and complete in relation to our audits of the Organizations' financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance & Audit Committees, Board of Directors, and management of the Organizations. It is not intended to be and should not be used by anyone other than these specified parties.

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MANAGEMENT LETTER

March 20, 2025

The Finance & Audit Committees, Boards of Directors, and Management
Erie County Industrial Development Agency and related entities

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, the Organizations), business-type activities, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Finance & Audit Committees, Boards of Directors, and others within the Organizations. It is not intended to be, and should not be, used by anyone other than these specified parties.

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**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Erie County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECIDA as of December 31, 2024 and 2023, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ECIDA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ECIDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise ECIDA's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025 on our consideration of ECIDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control over financial reporting and compliance.

March 20, 2025

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (unaudited)

December 31, 2024

Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, international trade assistance, land development, and other economic development services to the City of Buffalo (the City) and Erie County, New York (the County). In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County, or local sources. Instead, ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

As a public benefit corporation, ECIDA is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, ECIDA is required to present management's discussion and analysis (MD&A) to assist readers in understanding ECIDA's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2024, 2023, and 2022. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Balance Sheets** - The balance sheets show the reader what ECIDA owns (assets and deferred outflows of resources) and what ECIDA owes (liabilities and deferred inflows of resources). ECIDA's assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) can be one way to measure ECIDA's financial position. Over time, increases or decreases in ECIDA's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** - This statement reports ECIDA's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ECIDA's operating results for the year.
- 3) **Statements of Cash Flows** - This statement reports ECIDA's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- ECIDA's net position decreased by 1% from \$20,140,000 in 2023 to \$20,026,000 in 2024.
- ECIDA experienced a decrease in net position of \$114,000 in 2024 compared to a decrease of \$498,000 in 2023.
- Administrative fees, a key source of revenue for ECIDA, increased 6% from \$1,750,000 in 2023 to \$1,862,000 in 2024.
- Operating expenses increased marginally from \$3,077,000 in 2023 to \$3,083,000 in 2024.

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Condensed Comparative Financial Statements

Balance Sheets at December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Assets					
Cash and investments	\$ 13,340	\$ 13,704	\$ (364)	(3%)	\$ 18,401
Receivables and other assets	11,066	11,234	(168)	(1%)	2,467
Capital assets, net	1,450	1,507	(57)	(4%)	1,166
Restricted cash and investments	11,528	9,777	1,751	18%	9,524
Total assets	37,384	36,222	1,162	3%	31,558
Liabilities					
Unearned revenue and other liabilities	\$ 5,462	\$ 5,741	\$ (279)	(5%)	\$ 958
Funds held on behalf of others	11,287	9,516	1,771	19%	9,318
Total liabilities	16,749	15,257	1,492	10%	10,276
Deferred inflows of resources – leases	609	825	(216)	(26%)	644
Net position					
Net investment in capital assets	1,065	985	80	8%	1,040
Restricted	11,239	11,116	123	1%	11,332
Unrestricted	7,722	8,039	(317)	(4%)	8,266
Total net position	20,026	20,140	(114)	(1%)	20,638
Total liabilities, deferred inflows, and net position	\$ 37,384	\$ 36,222	\$ 1,162	3%	\$ 31,558

Receivables and other assets include grants receivable, affiliate receivables, leases receivable, prepaid expenses, and venture capital investments. The decrease of \$168,000 is the result of decreases in affiliate receivables and leases receivable, offset by an increase in grants receivable. Affiliate receivables decreased \$248,000 as a result of repayments and leases receivable decreased \$216,000, consistent with the decrease in the corresponding deferred inflows of resources. Grants receivable increased \$346,000 due to two new grants totaling \$550,000 in 2024, net of grant receipts of \$204,000. The increase from 2022 to 2023 was the result of significant increases in grants receivable and affiliate receivables.

Restricted cash and investments consist primarily of funds held on behalf of others including the Erie County Regional Redevelopment Fund, Buffalo Brownfields Redevelopment Fund, and PILOT Increment Financing (PIF) funds. The \$1,751,000 or 18% increase from 2023 is primarily due to PILOT and PIF receipts of \$2,773,000 and interest of \$366,000 exceeding required disbursements to municipalities of \$912,000 and eligible project funds of \$456,000. Restricted cash and investments also include \$241,000 for the Railway Trust Fund, which decreased \$20,000 from 2023. The \$253,000, or 3%, increase in 2023 over 2022 was due to receipts in excess of required disbursements to municipalities.

The \$279,000 decrease in unearned revenue and other liabilities is due to decreases in unearned revenue of \$266,000 and lease payable of \$136,000, combined with an increase in accounts payable and accrued expenses of \$122,000. Unearned revenue is offset by grants receivable and is recognized as special project revenue as eligible activities are performed. ECIDA's lease for office space is in effect through July 2027, and the lease payable represents the present value of remaining lease payments through the end of the lease. The increase from 2022 to 2023 was due to increases in unearned revenue, lease payable, and accounts payable.

ECIDA has capitalized the initial present value of future lease receipts as a lease receivable and corresponding deferred inflow of resources. The lease receivable is reduced as cash is received and the deferred inflow of resources is recognized as rental income over the term of the lease contract. The \$216,000 or 26% decrease in deferred inflows of resources related to leases is due to the reduction as monthly lease payments from leaseholders are recognized.

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Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2024	2023	\$ Change	% Change	2022
Operating revenues:					
Administrative fees	\$ 1,862	\$ 1,750	\$ 112	6%	\$ 1,656
Affiliate management fees	321	287	34	12%	466
Rental and other	493	475	18	4%	438
Total operating revenues	2,676	2,512	164	7%	2,560
Operating expenses:					
Salaries and benefits	2,230	2,035	195	10%	1,999
General and administrative	611	794	(183)	(23%)	687
Depreciation, amortization, and other	242	248	(6)	(2%)	260
Total operating expenses	3,083	3,077	6	0%	2,946
Special project grants:					
Revenues	1,130	518	612	118%	966
Expenses	(1,212)	(855)	(357)	42%	(896)
Total special project grants	(82)	(337)	255	(76%)	70
Operating loss	(489)	(902)	413	(46%)	(316)
Nonoperating revenue (expense), net	375	404	(29)	(7%)	88
Change in net position	\$ (114)	\$ (498)	\$ 384	(77%)	\$ (228)

Revenue Analysis

Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatement are based on the amount of project investment. ECIDA relies on these fees to cover its operating costs; however, the amount of fees collected in any given year is largely dependent upon the local economic climate and the timing between project approval and project commencement. Administrative fees increased \$112,000 or 6% in 2024 primarily due to an increase in the value of induced projects. Administrative fees were collected related to 11 different projects in 2024, down from 22 in 2023. In 2022, administrative fees were collected related to 25 projects.

Affiliate management fees represent salaries and overhead costs charged to ECIDA affiliates for services that ECIDA's employees provide to these organizations. ECIDA's affiliates include Buffalo & Erie County Regional Development Corporation (RDC), a lending corporation, and Buffalo & Erie County Industrial Land Development Corporation (ILDC), a land development corporation. Affiliate management fees increased \$34,000 in 2024 due to an increase in salaries and chargeable hours.

Rental and other income is primarily comprised of rental income for building leases and rental income from the Port Terminal Facility.

Expense Analysis

Salaries and benefits increased \$195,000, or 10%, in 2024 due to employee raises, increased employee benefit costs, and a staff of 18 for the entire year. In 2023, salaries and benefits increased \$36,000 from 2022 due to employee raises and an employee hired in December 2023.

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General and administrative expenses decreased \$183,000 from \$794,000 in 2023 to \$611,000 in 2024 primarily due to 2023 refunds of \$176,000 for previously recognized administrative fee revenue. No such refunds were necessary in 2024. In 2023, general and administrative expenses increased \$107,000 primarily due to the previously mentioned refunds.

The net special project grant loss of \$337,000 in 2023 decreased to a net loss of \$82,000 in 2024. In 2024, grant expenses exceeded grant revenues due to carrying costs related to ILDC properties of \$136,000 and other grants totaling \$200,000 from the Agency's Urban Development Action Grant (UDAG) fund. In 2023, grant expenses also exceeded grant revenues due to carrying costs for ILDC properties and UDAG grants for which there was no corresponding revenue.

Net nonoperating revenue decreased \$29,000 in 2024 due to a loss of \$100,000 recorded related to a prior venture capital investment. Interest income of \$499,000 was offset by \$24,000 of interest expense related to ECIDA's office lease. In 2023, net nonoperating revenue increased \$316,000.

Budget Analysis

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 25, 2023. The following table presents an analysis of ECIDA's performance compared to the approved 2024 budget.

<i>in thousands</i>	Actual	Budget	Variance \$	%
Operating revenues:				
Administrative fees	\$ 1,862	\$ 1,800	\$ 62	3%
Affiliate management fees	321	342	(21)	(6%)
Rental and other	493	492	1	0%
Total operating revenues	2,676	2,634	42	2%
Operating expenses:				
Salaries and benefits	2,230	2,328	(98)	(4%)
General and administrative	611	560	51	9%
Depreciation, amortization, and other	242	287	(45)	(16%)
Total operating expenses	3,083	3,175	(92)	(3%)
Operating loss before special project grants	(407)	(541)	134	(25%)
Special project grants:				
Revenues	1,130	2,740	(1,610)	(59%)
Expenses	(1,212)	(2,757)	1,545	(56%)
Total special project grants	(82)	(17)	(65)	382%
Nonoperating revenue, net	375	159	216	136%
Change in net position	\$ (114)	\$ (399)	\$ 285	(71%)

Budget to Actual Analysis

Overall, ECIDA's decrease in net position for 2024 was below the budgeted decrease by \$285,000. Administrative fees exceeded the budgeted amount by 3% due mainly to timing of tax incentive project closings and an increase in the value of induced projects. Total operating expenses were \$92,000 below budget mostly due to lower salaries and benefits than budgeted. Net special project grants had a negative variance of \$65,000. Nonoperating revenue includes interest income on cash deposits and was \$216,000 greater than expected.

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Economic Factors Impacting ECIDA

ECIDA relies extensively upon administrative fees to generate the majority of its annual revenue. As a result of current uncertain economic conditions and potential legislative/board actions, ECIDA's ability to generate the administrative fees necessary to support operations may be limited in the future.

Requests for Information

This financial report is designed to provide a general overview of ECIDA's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ECIDA at (716) 856-6525. General information relating to ECIDA can be found at its website, www.ecidany.com.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheets

December 31,	2024	2023
Assets		
Current assets:		
Cash	\$ 5,341,088	\$ 13,704,390
Investments	7,998,626	-
Receivables		
Affiliates	4,571,775	4,819,703
Grants	5,214,764	4,869,218
Leases	226,584	215,555
Other	185,231	134,930
Prepaid expenses	78,000	78,600
	<u>23,616,068</u>	<u>23,822,396</u>
Noncurrent assets:		
Leases receivable	382,699	609,283
Capital assets, net (Note 4)	1,450,212	1,506,504
Other assets	406,247	506,886
Restricted cash	4,988,292	9,777,101
Restricted investments	6,540,143	-
	<u>13,767,593</u>	<u>12,399,774</u>
	<u>\$ 37,383,661</u>	<u>\$ 36,222,170</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 407,694	\$ 304,991
Lease liability	143,295	136,321
Accrued expenses	169,642	150,339
Unearned revenue	4,498,758	4,764,541
	<u>5,219,389</u>	<u>5,356,192</u>
Noncurrent liabilities:		
Lease liability	242,026	385,321
Funds held on behalf of others	11,287,296	9,516,218
	<u>11,529,322</u>	<u>9,901,539</u>
Deferred inflows of resources:		
Deferred inflows of resources related to leases	609,283	824,838
Net position:		
Net investment in capital assets	1,064,891	984,862
Restricted	11,238,692	11,116,183
Unrestricted	7,722,084	8,038,556
	<u>20,025,667</u>	<u>20,139,601</u>
	<u>\$ 37,383,661</u>	<u>\$ 36,222,170</u>

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2024	2023
Operating revenues:		
Administrative fees	\$ 1,862,096	\$ 1,749,882
Affiliate management fees	320,692	286,799
Rental income	330,275	316,002
Other	162,814	159,191
Total operating revenues	2,675,877	2,511,874
Operating expenses:		
Salaries and benefits	2,229,704	2,035,058
General and administrative	611,530	794,392
Depreciation and amortization	240,534	204,228
Other	1,341	43,207
Total operating expenses	3,083,109	3,076,885
Operating loss before special project grants	(407,232)	(565,011)
Special project grants:		
Revenues	1,130,308	517,991
Expenses	(1,212,254)	(855,228)
	(81,946)	(337,237)
Operating loss	(489,178)	(902,248)
Nonoperating revenues:		
Interest income	498,869	412,432
Interest expense	(22,986)	(8,499)
Decrease in fair value of other assets	(100,639)	-
	375,244	403,933
Change in net position	(113,934)	(498,315)
Net position - beginning	20,139,601	20,637,916
Net position - ending	\$ 20,025,667	\$ 20,139,601

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Cash Flows

For the years ended December 31,

2024

2023

Operating activities:

Cash from fees and rental income	\$ 2,192,371	\$ 2,065,884
Cash from special project grants	518,979	413,850
Cash received from (paid to) other sources	681,133	(3,926,256)
Payments to employees, suppliers, and other	(2,719,969)	(2,595,467)
Payments for special project grants	(1,212,254)	(855,228)
Net operating activities	(539,740)	(4,897,217)

Capital and related financing activities:

Purchases of capital assets	(184,242)	(11,643)
Principal payments on leases	(136,321)	(137,252)
Interest payments on leases	(22,986)	(8,499)
Interest received on leases	36,347	43,976
Net capital and related financing activities	(307,202)	(113,418)

Investing activities:

Change in restricted cash, net	6,559,887	(54,284)
Purchase of investments	(14,538,769)	-
Interest received	462,522	368,456
Net investing activities	(7,516,360)	314,172

Net change in cash

(8,363,302) (4,696,463)

Cash - beginning

13,704,390 18,400,853

Cash - ending

\$ 5,341,088 \$ 13,704,390

Reconciliation of operating loss to net cash flows

from operating activities:

Operating loss	\$ (489,178)	\$ (902,248)
Adjustments to reconcile operating loss to net cash flows		
from operating activities:		
Depreciation and amortization	240,534	204,228
Changes in other assets and liabilities:		
Receivables	(147,919)	(8,597,281)
Prepaid expenses	600	10,719
Accounts payable	102,703	267,988
Accrued expenses	19,303	(1,517)
Unearned revenue	(265,783)	4,120,894

Net operating activities

\$ (539,740) \$ (4,897,217)

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Erie County Industrial Development Agency (ECIDA) was created in 1970 by an act of the Legislature of the State of New York (the State) for the purpose of encouraging financially sound companies to establish themselves and prosper in Erie County (the County).

ECIDA has related party relationships with Buffalo and Erie County Industrial Land Development Corporation (ILDC) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development, and international trade resulting in a successful business climate focused on growth, economic stability, job creation, and job retention for businesses and individuals which improves the quality of life for the residents of the region.

Basis of Presentation

The financial statements of ECIDA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

In evaluating how to define ECIDA for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in ECIDA's reporting entity is based on accounting standards which consider legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no additional entities included in ECIDA's financial statements.

Measurement Focus

ECIDA reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. ECIDA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ECIDA's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include interest and investment income, interest expense, and grants resulting from nonexchange transactions. Grants are recognized as receivable and unearned revenue at the time awarded and as revenue when all eligibility requirements imposed by the provider have been satisfied. ECIDA receives special project grants from various Federal, State, and County sources.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Investments

Cash management is governed by State laws and as established by ECIDA's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that, in the event of a bank failure, ECIDA's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2024 and 2023, ECIDA's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in ECIDA's name.

Investments consist of U.S. Treasury Bills with original maturities in excess of three months.

Capital Assets

Capital assets are recorded at cost. Financed right-to-use lease assets are recorded at the present value of the initial lease liability. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds to determine which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 1,000	5 - 40
Furniture and equipment	\$ 1,000	3 - 10

Rental Property:

In 1989, ECIDA developed a public warehouse and trans-shipment facility (the Port Terminal Facility) at the Gateway Metroport facility in the City of Lackawanna. The Port Terminal Facility provides enclosed storage facilities and materials handling services for the trans-shipment of goods by water, rail, and truck. The facility is owned by ECIDA and is operated by Gateway Trade Center, Inc. Port Terminal Facility rental property assets are fully depreciated. ECIDA receives a percentage of annual Excess Cash Flow, as defined, from the operations at the Port Terminal Facility.

ECIDA also owns its former office space at 143 Genesee Street. This property is recorded at cost and leased to a third party (Note 6).

Other Assets

Other assets include venture capital investments made by ECIDA in order to spur local economic growth. Venture capital investments are recorded at the lesser of cost or fair market value as determined by management's estimates based on available financial information.

Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities. Restrictions are imposed by the U.S. Department of Housing and Urban Development's Urban Development Action Grant (UDAG) program.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by ECIDA.

Tax Incentive Transactions

ECIDA maintains an economic development incentive program to provide sales, property, and/or mortgage recording tax benefits for qualified construction, renovation, or expansion projects or other economic development activities within Erie County. Under this program, ECIDA may take title to or a leasehold interest in the real and/or personal property involved in the project for the term of the incentive period. ECIDA simultaneously leases the property under a lease agreement to the company undertaking the project (lessee). ECIDA receives administrative fees from the lessee for providing these tax incentives which are recognized according to the terms of the fee agreement.

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ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects which meet the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ECIDA receives bond issuance fees from the borrower for providing this service which is recognized according to the terms of the fee agreement. ECIDA also has a shared services agreement with ILDC under which administrative and staffing services are provided to ILDC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by ILDC. At December 31, 2024 and 2023, previously issued bonds have an aggregate outstanding balance of \$439,614,859 and \$574,130,953, none of which is recognized as a liability of ECIDA.

ECIDA received bond administrative fees from ILDC of \$337,000 in 2024 and \$10,000 in 2023.

2. Special Project Grants

Bethlehem Shoreline Enhancement – ECIDA received a grant from New York State Department of State in the amount of \$122,825 in June 2020 to support the construction and administration of Shoreline Trail enhancements on the former Bethlehem Steel property.

Bethlehem Water and Sewer Design – ECIDA received a grant from Erie County in the amount of \$700,000 in July 2020 to support the design, engineering, construction, and administration of water and sewer utility extensions and upgrades on the former Bethlehem Steel property. The grant was increased to \$750,000 in May 2024.

Bethlehem Railroad Relocation – ECIDA received a grant from Erie County in the amount of \$600,000 in June 2023 to support the relocation of rail infrastructure at the former Bethlehem Steel Property.

Buffalo Southern Railroad – ECIDA received a \$1,703,553 grant from New York State Department of Transportation (NYSDOT) in January 2023, a \$250,000 grant from Erie County in July 2023.

Buffalo Southern Railroad Capital Improvements – ECIDA received a \$400,000 grant from Erie County in April 2024 to support the restoration of five bridges and seven miles of track on the Buffalo Southern Railroad.

DL&W Lancaster Industrial Track Improvement – ECIDA received a \$1,616,470 grant from NYSDOT in April 2023 and a \$250,000 grant from Erie County in September 2023 to support the restoration of the DL&W Lancaster Industrial Track.

DL&W Railroad Bridge Repair – ECIDA received a \$150,000 grant from Erie County in April 2024 to support safety and efficiency improvements of the DL&W Railroad.

The following is a summary of grants receivable at December 31:

	2024	2023
Bethlehem Shoreline Enhancement	\$ 51,804	\$ 92,119
Bethlehem Water and Sewer Design	192,797	356,936
Buffalo Southern Railroad - 2017		
PFRAP Rail Improvement	140	140
Bethlehem Railroad Relocation	600,000	600,000
Buffalo Southern Railroad	1,953,553	1,953,553
Buffalo Southern Railroad Capital Improvements	400,000	-
DL&W Lancaster Industrial Track Improvement	1,866,470	1,866,470
DL&W Railroad Bridge Repair	150,000	-
	<u>\$ 5,214,764</u>	<u>\$ 4,869,218</u>

The following is a summary of unearned revenue at December 31:

	2024	2023
Bethlehem Shoreline Enhancement	\$ 23,910	\$ 77,652
Bethlehem Water and Sewer Design	92,835	267,335
Bethlehem Railroad Relocation	234,380	600,000
Buffalo Southern Railroad	1,854,989	1,953,084
Buffalo Southern Railroad Capital Improvements	292,542	-
DL&W Lancaster Industrial Track Improvement	1,850,102	1,866,470
DL&W Railroad Bridge Repair	150,000	-
	<u>\$ 4,498,758</u>	<u>\$ 4,764,541</u>

3. Funds Held on Behalf of Others

ECIDA holds funds for various development activities. ECIDA disburses these funds when given the appropriate authorization. The funds include:

	2024	2023
Erie County Regional Redevelopment Fund	\$ 1,686,281	\$ 1,624,407
Buffalo Brownfields Redevelopment Fund	37,213	236,191
Jemal's Seneca Fund	1,365,072	794,606
Seneca Street Corridor Fund	3,524,959	3,086,042
Main Street Improvement Fund	4,673,771	3,774,972
	<u>\$ 11,287,296</u>	<u>\$ 9,516,218</u>

Restricted cash and investments also includes \$241,139 and \$260,883 as of December 31, 2024 and 2023, respectively, for the Railway Trust Fund for activities related to two Erie County shortline railroads.

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4. Capital Assets

	Balance January 1, 2024	Increases	Retirements/ Reclassifications	Balance December 31, 2024
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
Land improvements	1,109,345	165,855	-	1,275,200
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	481,788	18,387	(21,628)	478,547
Total depreciable assets	4,338,622	184,242	(21,628)	4,501,236
Less accumulated depreciation:				
Land improvements	(964,733)	(46,618)	-	(1,011,351)
Buildings	(2,098,550)	(36,043)	-	(2,134,593)
Furniture and equipment	(456,856)	(12,583)	21,628	(447,811)
Total accumulated depreciation	(3,520,139)	(95,244)	21,628	(3,593,755)
Total depreciable assets, net	818,483	88,998	-	907,481
Right-to-use lease assets:				
Building	532,728	-	-	532,728
Accumulated amortization	(12,107)	(145,290)	-	(157,397)
Total right-to-use assets, net	520,621	(145,290)	-	375,331
	\$ 1,506,504	\$ (56,292)	\$ -	\$ 1,450,212
	Balance January 1, 2023	Increases	Retirements/ Reclassifications	Balance December 31, 2023
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
Land improvements	1,109,345	-	-	1,109,345
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	470,145	11,643	-	481,788
Total depreciable assets	4,326,979	11,643	-	4,338,622
Less accumulated depreciation:				
Land improvements	(934,700)	(30,033)	-	(964,733)
Buildings	(2,062,507)	(36,043)	-	(2,098,550)
Furniture and equipment	(441,423)	(15,433)	-	(456,856)
Total accumulated depreciation	(3,438,630)	(81,509)	-	(3,520,139)
Total depreciable assets, net	888,349	(69,866)	-	818,483
Right-to-use lease assets:				
Building	737,415	532,728	(737,415)	532,728
Accumulated amortization	(626,803)	(122,719)	737,415	(12,107)
Total right-to-use assets, net	110,612	410,009	-	520,621
	\$ 1,166,361	\$ 340,143	\$ -	\$ 1,506,504

5. Related Party Transactions

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. Costs allocated to ILDC are subject to available funding sources; no such costs were charged in 2023. ECIDA earned \$320,692 and \$286,799 in affiliate management fees for the years ended December 31, 2024 and 2023. Management fees and receivables by affiliate are as follows:

	Management Fees		Receivables	
	2024	2023	2024	2023
RDC	\$ 300,991	\$ 286,799	\$ 322,042	\$ 300,328
ILDC	19,701	-	4,249,733	4,519,375
	<u>\$ 320,692</u>	<u>\$ 286,799</u>	<u>\$ 4,571,775</u>	<u>\$ 4,819,703</u>

In 2024 and 2023, ECIDA provided ILDC with \$2,113,970 and \$4,477,770 to temporarily finance various projects. These funds are periodically repaid when ILDC receives reimbursement from grant sources.

In 2024 and 2023, Erie County provided \$28,555 and \$129,000, respectively, to ECIDA as a subrecipient of Community Development Block Grant funds. These funds were then transferred to ILDC for its Erie County BDF loan program. These amounts are included in special project grant revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

6. Leases

ECIDA, as lessee, entered into a non-cancelable lease for office space through July 31, 2027 and recognized a right-to-use lease asset at the present value of the initial lease liability using a discount rate of 5%. The lease requires annual minimum payments of \$159,307 and utility charges that are determined on an annual basis. Principal and interest due in 2025 total \$143,295 and \$16,012, respectively.

ECIDA entered into a sublease agreement with Buffalo Urban Development Corporation for a portion of their office space through July 31, 2027. ECIDA recognized \$23,940 and \$24,291 in gross rental income, including interest at 5.0%, in 2024 and 2023. Annual receipts are expected to total \$21,046, plus utilities, through 2027.

ECIDA, as lessor, has entered into a non-cancelable lease for its former office through July 31, 2027. ECIDA recognized \$231,700 in gross rental income, including interest at 5.0%, in both 2024 and 2023. Annual receipts are expected to total \$230,856, plus utilities, through 2027.

7. Pension

ECIDA maintains a defined contribution simplified employee pension (SEP) plan covering all of its employees. Employees are eligible to participate six months after employment, with employer contributions vesting immediately. During 2024 and 2023, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contributing to the plan for the years ended December 31, 2024 and 2023 amounted to \$193,741 and \$177,368 respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

8. Risk Management

ECIDA purchases commercial insurance for various risks of loss due to torts, theft, damage, injuries to employees, and natural disasters in addition to insurance purchased to indemnify directors and officers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

9. Commitments and Contingencies

Grants

ECIDA receives financial assistance from federal, state, and local agencies in the form of grants and fiduciary agreements. Managing these funds generally requires compliance with the terms and conditions specified in the agreements and may be subject to audit by the grantor agencies. Disallowed claims resulting from such audits could become a liability of ECIDA. Based on prior experience, management expects any such amounts to be immaterial.

Litigation

ECIDA is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of ECIDA.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Combining Balance Sheets

December 31, 2024

	General Account	UDAG Account	Total
Assets			
Current assets:			
Cash	\$ 2,751,671	\$ 2,589,417	\$ 5,341,088
Investments	3,999,364	3,999,262	7,998,626
Receivables			
Affiliates	354,822	4,216,953	4,571,775
Grants	5,214,764	-	5,214,764
Leases	226,584	-	226,584
Other	158,418	26,813	185,231
Prepaid expenses	78,000	-	78,000
	<u>12,783,623</u>	<u>10,832,445</u>	<u>23,616,068</u>
Noncurrent assets:			
Leases receivable	382,699	-	382,699
Capital assets, net	1,450,212	-	1,450,212
Other assets	-	406,247	406,247
Restricted cash	4,988,292	-	4,988,292
Restricted investments	6,540,143	-	6,540,143
	<u>13,361,346</u>	<u>406,247</u>	<u>13,767,593</u>
	<u>\$ 26,144,969</u>	<u>\$ 11,238,692</u>	<u>\$ 37,383,661</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 407,694	\$ -	\$ 407,694
Lease payable	143,295	-	143,295
Accrued expenses	169,642	-	169,642
Unearned revenue	4,498,758	-	4,498,758
	<u>5,219,389</u>	<u>-</u>	<u>5,219,389</u>
Noncurrent liabilities:			
Lease payable	242,026	-	242,026
Funds held on behalf of others	11,287,296	-	11,287,296
	<u>11,529,322</u>	<u>-</u>	<u>11,529,322</u>
Deferred inflows of resources:			
Deferred inflows of resources related to leases	609,283	-	609,283
Net position:			
Net investment in capital assets	1,064,891	-	1,064,891
Restricted	-	11,238,692	11,238,692
Unrestricted	7,722,084	-	7,722,084
	<u>8,786,975</u>	<u>11,238,692</u>	<u>20,025,667</u>
	<u>\$ 26,144,969</u>	<u>\$ 11,238,692</u>	<u>\$ 37,383,661</u>

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information

Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2024

	General Account	UDAG Account	Total
Operating revenues:			
Administrative fees	\$ 1,862,096	\$ -	\$ 1,862,096
Affiliate management fees	320,692	-	320,692
Rental income	330,275	-	330,275
Other	162,814	-	162,814
Total operating revenues	2,675,877	-	2,675,877
Operating expenses:			
Salaries and benefits	2,229,704	-	2,229,704
General and administrative	571,005	40,525	611,530
Depreciation and amortization	240,534	-	240,534
Other	1,341	-	1,341
Total operating expenses	3,042,584	40,525	3,083,109
Operating loss before special project grants	(366,707)	(40,525)	(407,232)
Special project grants:			
Revenues	855,858	274,450	1,130,308
Expenses	(876,035)	(336,219)	(1,212,254)
	(20,177)	(61,769)	(81,946)
Operating loss	(386,884)	(102,294)	(489,178)
Nonoperating revenues:			
Interest income	274,066	224,803	498,869
Interest expense	(22,986)	-	(22,986)
Decrease in fair value of other assets	(100,639)	-	(100,639)
	150,441	224,803	375,244
Change in net position	(236,443)	122,509	(113,934)
Net position - beginning	9,023,418	11,116,183	20,139,601
Net position - ending	\$ 8,786,975	\$ 11,238,692	\$ 20,025,667

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Erie County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year December 31, 2024, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ECIDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ECIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of ECIDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ECIDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 20, 2025

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Erie County Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year ended December 31, 2024, and the related notes to the financial statements, and we have issued our report thereon dated March 20, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that ECIDA failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ECIDA's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 20, 2025

**Erie County Industrial Development Agency
Investment Report**

For the year ended December 31, 2024

Erie County Industrial Development Agency

2024 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, the ECIDA is required to prepare and approve an annual Investment Report. The Investment Report is to include: the investment guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2024 and were approved by the ECIDA membership on March 26, 2025.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, the ECIDA is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. In addition, the ECIDA is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law.

The Investment Guidelines were approved by the ECIDA membership on March 26, 2025 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 27, 2024.

Investment Audit:

The auditors for the ECIDA have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 20, 2025, Lumsden McCormick LLP indicated that the Agency complied, in all material respects, with these Investment Guidelines.

Erie County Industrial Development Agency (ECIDA)
Annual Investment Report
For the year ended December 31, 2024

Account Type	Financial Institution	2024					Restricted	Purpose
		G/L Balance	G/L Balance	Investment	Fees	Income		
		1/1/2024	12/31/2024	Rate ^a				
Dec 2024								
<u>Deposit Accounts</u>								
1 Checking	M&T Bank	\$ 662,215	\$ 618,966	\$ 1,658	\$ -	-		General ECIDA account
2 Savings	M&T Bank	6,814,652	2,132,705	148,326	-	-		General ECIDA account
3 Checking	M&T Bank	11,709	11,790	80	-	-	✓	ECIDA UDAG Fund account
4 Savings	M&T Bank	6,220,456	2,577,627	156,705	-	-	✓	ECIDA UDAG Fund account
5 Checking	M&T Bank	260,883	241,139	1,215	-	-	✓	Restricted account for Erie County shortline railroad related activities
6 Savings	M&T Bank	231,550	39,318	2,468	-	-	✓	Restricted account for Buffalo Brownfield Redevelopment Fund
7 Savings	M&T Bank	1,624,407	680,012	34,572	-	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	3,774,971	1,653,965	90,615	-	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
9 Savings	M&T Bank	3,086,042	1,008,787	68,894	-	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
10 Savings	M&T Bank	794,606	1,365,072	33,593	-	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District.
<u>Obligations of the United States</u>								
11 U.S. Treasury Bills	Wilmington Trust	-	3,999,364	86,520	-	-		ECIDA General Fund
12 U.S. Treasury Bills	Wilmington Trust	-	3,999,262	68,017	-	-	✓	ECIDA UDAG Fund
13 U.S. Treasury Bills	Wilmington Trust	-	-	-	-	-	✓	Restricted account for Buffalo Brownfield Redevelopment Fund
14 U.S. Treasury Bills	Wilmington Trust	-	999,567	27,302	-	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
15 U.S. Treasury Bills	Wilmington Trust	-	2,999,695	61,315	-	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
16 U.S. Treasury Bills	Wilmington Trust	-	2,499,415	47,653	-	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
17 U.S. Treasury Bills	Wilmington Trust	-	-	-	-	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District.
		\$23,481,492	\$24,826,683	\$ 828,933	\$ -	-		

Notes:
a Interest Rate for the month of December 2024 and prior to the deduction of any fees.

To: ECIDA, RDC & ILDC Board of Directors
From: Brenda McDuffie, Governance Committee Chair
Date: March 26, 2025
Re: Governance Committee Report

In accordance with its Committee Charter, the Governance Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

The ECIDA/RDC/ILDC Governance Committee met on March 19, 2025. Committee members present were Brenda McDuffie, Chair, Thomas Baines, Zachary Evans, Tyra Johnson, Brian Kulpa, and Ken Schoetz. The following items were reviewed:

1) 2024 PAAA Annual Report

The Governance Committee reviewed the ECIDA/RDC/ILDC 2024 PAAA Annual Report. No changes were recommended. The PAAA Annual Report will be reviewed by the full Boards during the March 26, 2025 Board meetings.

2) Results of 2024 Performance Measures

The Governance Committee met on January 29, 2025 to discuss the ECIDA/RDC/ILDC Mission Statement and 2024 Performance Measures. The Committee did not recommend any changes during the March 19 meeting. The results of the 2024 Performance Measures will be reviewed by the Boards during the March 26, 2025 Board meetings.

3) Mission Statement and 2025 Performance Measures

The Governance Committee met on January 29, 2025 to discuss the ECIDA/RDC/ILDC Mission Statement and 2025 Performance Measures. During this meeting the Committee provided input and made changes to certain metrics based on current economic conditions. No additional updates were recommended during the March 19 meeting. The 2025 Mission Statement & Performance Measures will be reviewed by the Boards during the March 26, 2025 Board meetings.

4) 2024 Board of Directors' Evaluation/Survey

The Governance Committee reviewed the summary sheets for the ECIDA, RDC, and ILDC Board surveys and discussed the importance of open dialogue and communication. The results will be reviewed with the Boards. The Governance Committee Chair will forward the summary sheets to the Authorities Budget Office (ABO) as required.

5) 2024 Governance Committee Self-Evaluation

The Governance Committee reviewed and approved the 2024 Governance Committee Self-Evaluation. The evaluation documents the activities of the Governance Committee during 2024.

6) ECIDA/RDC/ILDC Policies

The Governance Committee reviewed the following policies that either (a) are required to be re-adopted annually or (b) were updated and require re-adoption:

- Airborne Infectious Disease Policy
- Freedom of Information Law (FOIL) Policy
- Property Disposition Guidelines
- Record Retention and Disposition Policy
- Sexual Harassment Policy

ECIDA General Counsel Harris Beach Murtha reviewed the above-mentioned policies and recommended certain minor changes based on statutory updates or ABO guidance. The Boards will be asked to re-adopt these policies during the March 26, 2025 Board meetings.

7) PARIS Report Update

The Governance Committee received an update on the status of the ABO's reporting requirements through the Public Authorities Reporting Information System (PARIS). The Agency is on track to complete the ECIDA, RDC, and ILDC PARIS reports on or before the March 31, 2025 deadline.

8) Board Member PAAA Training Update

The Governance Committee members present received an update on the status of the required ABO board member training. The Agency's Compliance Portfolio Manager tracks and forwards training opportunities to board members who have not had the required training and to those who have not had training within the last three years.

Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC)

2024 Governance Committee Self-Evaluation

Responsibilities of the Governance Committee:

The core responsibilities of the Governance Committee, as mandated under Section 2824(7) of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) keeping the Board informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) updating the Agency's corporate governance principles; and (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members.

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
1. Are the members of the Governance Committee appointed in accordance with the Bylaws and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Governance Committee an "independent member" within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Governance Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Governance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Governance Committee met on 1/31/24, 3/20/24, and 10/18/24.
4. Were meeting notices and agendas prepared for each meeting and provided to Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Did the Governance Committee develop the Agency's governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#9 below.

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that membership in the Agency is determined pursuant to Section 891-a of the General Municipal Law)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Statement of the Competencies and Personal Attributes is posted on the ECIDA website. It was approved by the ECIDA Board of Directors on 2/16/10. Revisions to this document were not necessary in 2024.
7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No additional committees were recommended by the Governance Committee in 2024.
8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>New Board members attend an orientation session hosted by ECIDA staff and are provided with a New Member Orientation Manual.</p> <p>As of 12/31/24, 17 of the 19 ECIDA/RDC Board members have received the PAAA required training. Note, there was one vacancy on the ECIDA/RDC Board. 6 of 7 ILDC Board members have received the PAAA required training. All Board members who have not received the training received notifications throughout the year regarding PAAA training session dates.</p>
9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following: (i) the Agency's Code of Ethics. (ii) written policies regarding conflicts of interest. (iii) written policies regarding the protection of whistleblowers from retaliation. (iv) equal opportunity and affirmative action policies. (v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Items i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Code was re-adopted by the full Board during its meeting on 3/27/24.</p> <p>(iii) In 2012, the Governance Committee approved a formal Whistleblower Policy. The Policy was re-adopted by the full Board during its meeting on 3/27/24.</p> <p>iv) The ECIDA's EEO policy is included in the Employee Handbook and the Procurement Policy.</p> <p>v) The ECIDA Procurement Policy was re-adopted by the full Board during its 3/27/24 meeting.</p>

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>(vi) written policies regarding the disposition of real and personal property and the acquisition of property.</p> <p>(vii) committee charters, including this Charter.</p> <p>(viii) any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, including the Agency's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.</p>				<p>vi) The ECIDA Property Disposition Guidelines were re-adopted by the full Board during its meeting on 3/27/24.</p> <p>vii) The ECIDA Governance Committee Charter was re-adopted by the full Board during its meeting on 3/27/24.</p> <p>viii) The Governance Committee did not approve any additional policies in 2024.</p>
<p>10. Did the Governance Committee:</p> <p>(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.</p> <p>(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.</p> <p>(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reports its actions and recommendations to the Board following each meeting.</p> <p>i) & ii) As stated above, all policies/ guidelines referenced above were adopted or re-adopted by the Board on 3/27/24.</p> <p>iii) On 3/20/24, the Committee performed a Self-Evaluation for the calendar year 2023 and provided a status report to the Board on 3/27/24.</p>

Governance Committee Self-Evaluation

Other Self-Evaluation Notes

1. During its 1/31/24 and 3/20/24 meetings, the Governance Committee, ECIDA staff and counsel discussed the results of ECIDA's 2023 Performance Measures.
2. During its 1/31/24 and 3/20/24 meetings, the Governance Committee, ECIDA staff and counsel discussed the ECIDA Mission Statement and 2024 Performance Measures.
3. During its 3/20/24 meeting, the Governance Committee reviewed the 2023 Board evaluation for the ECIDA, RDC, and ILDC boards. The Committee discussed the results of these evaluations during the 3/27/24 Board meeting.
4. In addition to the above reference policies, the Governance Committee re-adopted the following ECIDA/RDC/ILDC Policies items during its meeting on 3/20/24: (a) Airborne Infectious Disease Policy, (b) Board Member Compensation, Reimbursement & Attendance Policy, (c) Code of Ethics & Conflict of Interest Policy, (d) Defense & Indemnification Policy, (e) ECIDA Employee Compensation Program, (f) Fee Structure

Policy (ECIDA & ILDC only), (g) Governance Committee charter, (h) Procurement Policy (i) Professional Services RFP Process and Policy, (j) Property Disposition Guidelines, (k) Real Property Acquisition Policy, (l) Sexual Harassment Policy, (m) Statement of Duties & Responsibilities of the Board of Directors, (n) Statement of the Competencies & Personal Attributes Required of Board Members, (o) Travel, Conferences, Meals & Entertainment Policy, (p) Whistleblower Policy. The policies were approved by the full Board during its 3/27/24 meeting.

5. During its 3/20/24 meeting, the ECIDA staff provided the Governance Committee with a status update on the ECIDA's Public Authority Reporting Information System (PARIS) report and board member PAAA training update.
6. During its 10/18/24 meeting, the Governance Committee reviewed the recommendations for professional legal services. The professional legal services recommendations were forwarded to the ECIDA Board for approval as follows:
 - a. General Counsel: Harris Beach Murtha (primary), Hurwitz Fine (conflict)
 - b. Tax Exempt Bond Counsel: Hodgson Russ (primary), Harris Beach Murtha (conflict)
 - c. Loan Counsel: Hurwitz Fine (primary), Harris Beach Murtha (conflict)

During its 10/23/24 meeting, the full Board approved to enter into contracts with the above-mentioned law firms. The contracts will be for a period of three years, with 2 one-year extensions available (can be exercised with Governance Committee approval).

2024 ECIDA Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree #	Somewhat Agree #	Somewhat Disagree #	Disagree #
Board members have a shared understanding of the mission and purpose of the Authority.	12	1		
The policies, practices and decisions of the Board are always consistent with this mission.	12			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	12	1		
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	13			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	13			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	11	1	1	
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	12	1		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	10	3		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	13			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	13			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	12		1	
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	12	1		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	11	2		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	12	1		
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	12	1		
Board members demonstrate leadership and vision and work respectfully with each other.	11	1		

Note: The two criteria above were left blank and lack a response

Name of Authority: **Erie County Industrial Development Agency**
Date Completed: **March 6, 2025**

2024 Summary Results of Confidential Evaluation of Board Performance

Criteria	Comments
Board members have a shared understanding of the mission and purpose of the Authority.	
The policies, practices and decisions of the Board are always consistent with this mission.	We are constantly using policies to determine our actions.
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	(1) Some board members are better at this than others
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	(2) The understanding of the board's role is reiterated in the discussions and actions. Each year these policies by-laws and practice are reviewed and modified by action of the board, as appropriate
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	Each board member is given an opportunity to review, ask questions, and receive all information so they can act/vote independently.
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	(1) Most board members are very communicative. There are a few who seem to coast. (2) There is open communication and it is welcomed between the board and executive staff. (3) I can only speak for myself and this is true. (4) Any questions or inquiries I have submitted outside of meetings have been responded to in a timely and informative manner by the CEO and/or staff.
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	(1) Similar to the above, some board members seem to glaze over on financials. (2) All information is provided and available before and after it is developed- at any time. (3) Opportunities more available to gain knowledge.
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	Staff and legal counsel keep us well educated in this area.

Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	Board members are invited and encourage to join committees and are welcome to any committee meeting regardless of whether they are a member.
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	<p>(1) This past year has shown strong improvement in the timeliness of board materials. Good work by the staff.</p> <p>(2) Access to all information is readily made available.</p> <p>(3) Fully agree.</p>
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	(4) We receive board packets in advance of meetings which are detailed and very helpful I feel there is no barrier to act independently.
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	<p>(1) Staff performance and feedback are provided regularly and annual performance goals are established and measured.</p> <p>(2) I am a relatively new board member and have not seen the expectation setting and review process yet.</p>
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	Staff does a tremendous job of oversight and management. Unsure how aware all board members are of these practices
Board members demonstrate leadership and vision and work respectfully with each other.	The board respects one and other and there is a shared vision for the organization.

Authority: Erie County Industrial Development Agency (ECIDA); Buffalo and Erie County Regional Development Corporation (RDC) and Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Date Completed: March 6, 2025

Tax Incentives Closed - 2024

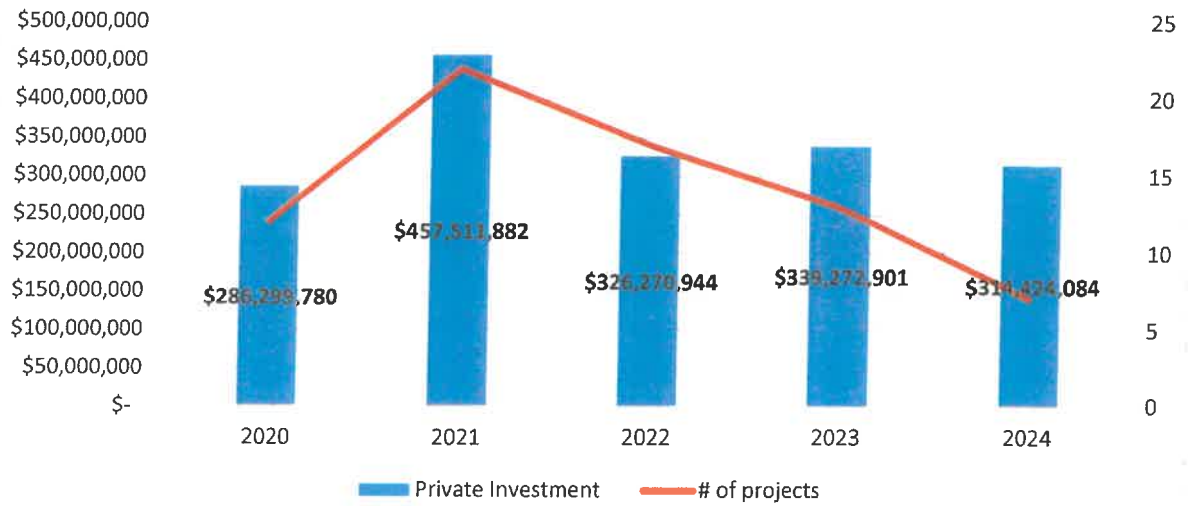
Closing Date	Project Name	Project City/Town	Project Amount at Closing	FT Jobs Retained	PT Jobs Retained	FT Jobs to be Created	PT Jobs to be Created	Inducement Date	Est. Project Completion Date
2/15/2024	Sumitomo Rubber USA, LLC	Tonawanda	\$ 127,671,671	1,399	0	0	0	10/27/2021	12/31/2023
5/30/2024	1175 Delaware/Delaware Place	Buffalo	\$ 16,750,000	0	0	0	2	6/28/2023	12/31/2025
1/26/2024	Stark Real Estate/Stark Renewables	Tonawanda	\$ 16,250,000	50	0	120	10	11/29/2023	8/31/2026
12/12/2024	Rosina (phase 1)-130 Empire	W. Seneca	\$ 5,158,271	274	2	12	0	6/28/2023	12/31/2026
12/18/2024	Moog (Plant 42-AIM)	Elma	\$ 65,238,180	180	0	0	0	3/22/2023	4/30/2025
12/18/2024	IMA Life	Tonawanda	\$ 32,611,553	120	0	30	0	9/27/2023	6/30/2025
12/24/2024	SL Evans	Evans	\$ 20,769,000	0	0	0	0	3/27/2024	12/31/2025

Totals:	Total # of Projects Closed	Project Amount at closing	

	7	\$284,448,675	2,023	2	162	12
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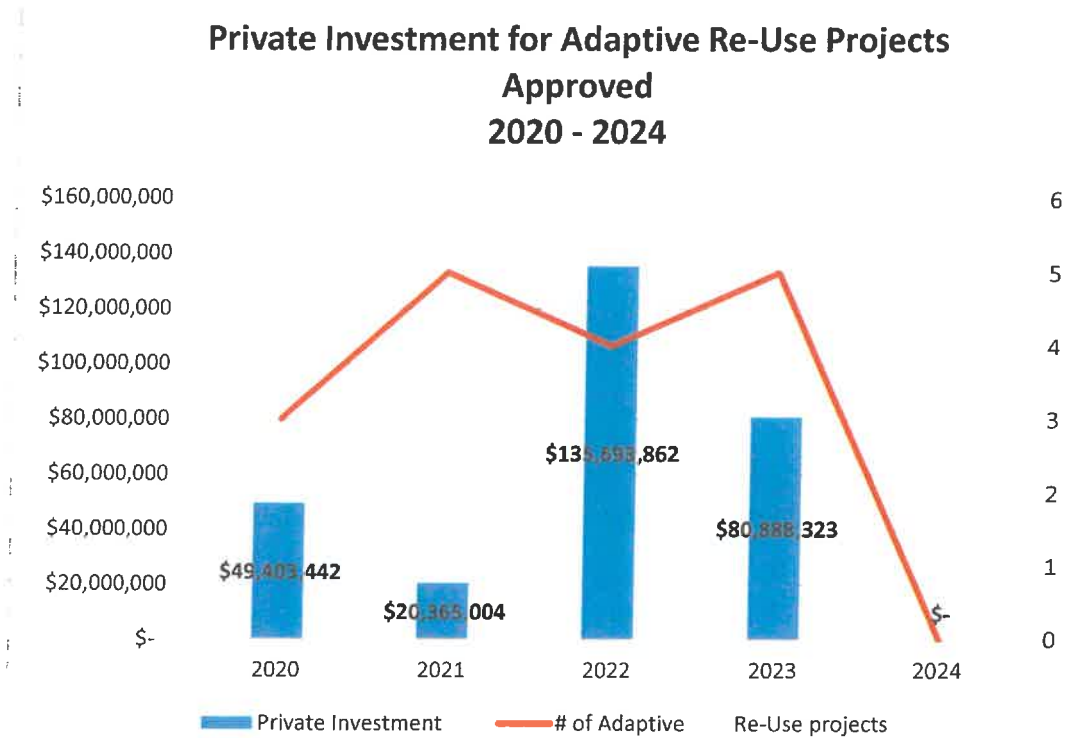
5-Year Approval History Reports: Tax Incentive Projects

Private Investment for Projects Approved 2020 - 2024



	2020	2021	2022	2023	2024
# of projects	12	22	17	13	7
Private Investment	\$ 286,299,780	\$ 457,511,882	\$ 326,270,944	\$ 339,272,901	\$ 314,424,084

5-Year Approval History Reports: Adaptive Re-Use Projects



# of Adaptive Re-Use projects	2020	2021	2022	2023	2024
	3	5	4	5	0
Private Investment	\$ 49,403,442	\$ 20,365,004	\$ 135,693,862	\$ 80,888,323	\$ -

To: ECIDA & RDC Boards of Directors
From: Mollie Profic, CFO
Jerry Manhard, Chief Lending Officer
Re: Board Certification of CARES Act Revolving Loan Fund Plan
Date: March 26, 2025

In 2020 the Erie County Industrial Development Agency (ECIDA) received an award of five million, four hundred fifteen thousand, six hundred ninety-four U.S. dollars (\$5,415,694) from the U.S. Department of Commerce, Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards. Five million U.S. dollars (\$5 million) was used to establish the CARES Act Revolving Loan Fund (RLF), with the remaining four hundred fifteen thousand, six hundred ninety-four U.S. dollars (\$415,694) earmarked for administrative costs. The purpose of establishing the RLF was to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by this award.

As part of the required reporting to the EDA in connection with the operations of the RLF administered by the Buffalo & Erie County Regional Development Corporation (RDC), the ECIDA must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan (LAP), also referred to as the RLF Plan. The LAP for the CARES Act RLF was approved on March 2, 2021, in connection with the grant award. Under the terms of the award conditions, the LAP will be updated and approved by EDA every five years.

The CARES Act RLF is currently in the revolving phase of the award, with 32 loans approved and 28 outstanding. As these loans are repaid, the principal and interest will be added back to the fund and start to be lent out again in accordance with the LAP. As of December 31, 2024, three loans have been fully repaid, and one loan was written off as uncollectible.

Key components of the LAP include borrower eligibility, loan size, interest rate, and loan terms. Many of the requirements of the LAP overlap with the Federal regulations under Title 2 of the U.S. *Code of Federal Regulations* Part 200 and are tested as part of the Single Audit performed annually. The testing performed as part of the Single Audit for the year ended December 31, 2024 yielded an unmodified (clean) opinion and did not yield any audit findings.

Action:

Requesting approval of the attached resolution certifying that the CARES Act Revolving Loan Fund is operating in accordance with the approved Loan Administration Plan.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CARES ACT REVOLVING LOAN FUND ANNUAL RESOLUTION

The meeting of the Erie County Industrial Development Agency was convened on March 26, 2025 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “RLF BOARD” OR “AGENCY”) IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE UNDER THE STANDARD TERMS AND CONDITIONS AND ADMINISTRATIVE MANUAL REQUIREMENTS OF THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION

WHEREAS, the Buffalo and Erie County Regional Development Corporation (the “RDC”) was incorporated as an affiliate of the Erie County Industrial Development Agency (the “Agency”) for the purpose of encouraging the retention and expansion of existing companies as well as the attraction of new companies to target areas of Erie County using the resources from various Revolving Loan Funds to make direct loans to individual companies; and

WHEREAS, the Agency received an award of \$5,415,694 from the U.S. Department of Commerce, Economic Development Administration (the “EDA”) Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards (the “CARES Act Award”) and related thereto, \$5,000,000 million was used to establish the CARES Act Revolving Loan Fund (the “RLF”), with the remaining \$415,694 earmarked for administrative costs; and

WHEREAS, the purpose of establishing the RLF was to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by the CARES Act Award; and

WHEREAS, as part of the required reporting to the EDA in connection with the operations of the RLF administered by the RDC, the Agency must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan (the “LAP”), also referred to as the RLF Plan; and

WHEREAS the LAP for the CARES Act RLF was approved on March 2, 2021, in connection with the CARES Act Award, and under the terms of the award conditions, the LAP will be updated and approved by EDA every five (5) years; and

WHEREAS, the CARES Act RLF is currently in the revolving phase of the CARES Act Award, with 32 loans approved and 28 loans outstanding, and as these loans are repaid, the principal and interest will be added back to the RLF and be lent out again in accordance with the LAP; and

WHEREAS, as of December 31, 2024, three loans have been fully repaid, and one loan was written off as uncollectible; and

WHEREAS, procedures were conducted on a sample of loans in the RLF portfolio by Lumsden & McCormick, LLP as part of the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* to ensure RDC's compliance with LAP as set forth by the EDA, and such procedures yielded an unmodified (clean) opinion and did not yield any audit findings; and

WHEREAS, the Standard Terms and Conditions and Administrative Manual Requirements of the EDA require the RLF Board to provide annual certification that the RDC and the Grant Recipient's governing body (the Agency) have reviewed the RLF and have determined that the RLF is being operated in accordance with the policies and procedures contained in the LAP, and that the loan portfolio meets the standards contained therein.

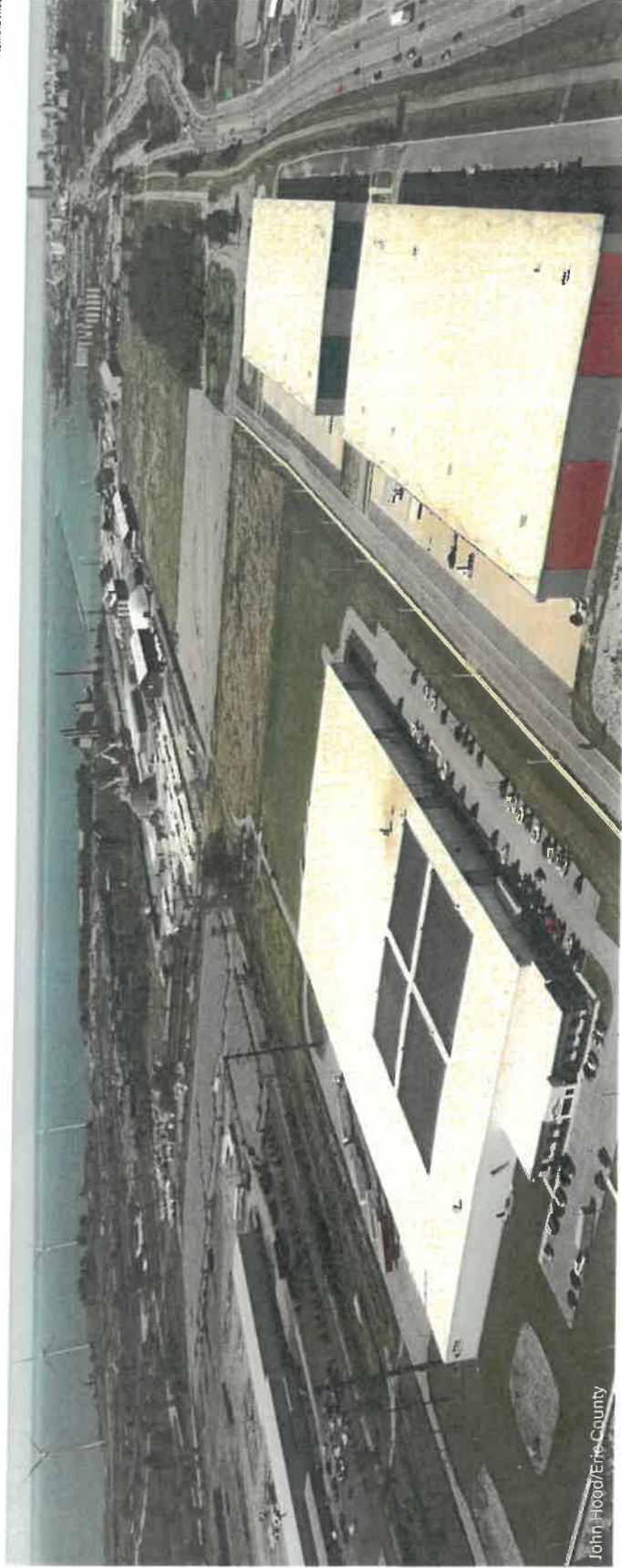
NOW, THEREFORE, BE IT RESOLVED BY THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. To the best knowledge and belief of the members of the Agency and with the disclosures provided above, the RLF is being operated in accordance with the policies and procedures contained in the LAP, and the loan portfolio meets the standards contained therein.

Section 2. The Chair or Vice Chair, President/Chief Executive Officer, the Treasurer/Chief Financial Officer, the Vice President, and/or Assistant Treasurer of the Agency are hereby authorized to execute all necessary documents to make the required annual certification to the EDA including the notations as listed above.

Section 3. This resolution shall take effect immediately.

Dated: March 26, 2025



2022-23 ECIDA COMPLIANCE ASSESSMENT REPORT

AGENDA



**COMPLIANCE
MATERIAL TERMS**



**COMPLIANCE
SUMMARY**



**RECAPTURE
SUMMARY**



**SALES TAX
COMPLIANCE**



**LOCAL LABOR
RESULTS**

INVESTMENT

- Requires a private investment equal to at least 85% of the project cost
- Clients submit an investment certification

JOB RETENTION + CREATION

- Clients are required to maintain 90 or 95% of their jobs at application (150 or less retain 90%; 150+ retain 95%)
- Clients are required to create 85% of their job projections
- Monitored by quarterly employment surveys and NYS-45 form (or other supporting documentation)

LOCAL LABOR POLICY

- Requires that 90% of all construction workers to reside within the 8 counties of WNY (Erie, Niagara, Cattaraugus, Chautauqua, Allegany, Wyoming, Genesee, Orleans)
- Monitored by quarterly local labor reports

PAY EQUITY POLICY

- Requires clients to pay male and female employees the same wages for similar work
- Monitored by random pay equity audits; audits are performed by the Erie County Division of Equal Employment Opportunity

UNPAID REAL PROPERTY TAX POLICY

- Requires individuals who hold at least a 25% ownership interest in the applicant (entity receiving benefits) to pay all taxes on all properties located within Erie County
- ECIDA staff monitors by requesting a list of all properties in which the applicant has a 25% or more ownership interest. The property list is forwarded to the Erie County Commissioner of Real Property Services for confirmation that all real property taxes, special district charges and/or PILOT payments are current.

COMPLIANCE MONITORING MATERIAL TERMS

INVESTMENT

- 100% compliance

PAY EQUITY POLICY

- 100% compliance
- In total, 5 audits were completed in 2022 and 2023.

JOB RETENTION/CREATION

- Portfolio Compliance Rate (91%)
 - 2023 Total Projects Subject to Compliance: 109
 - 9% of the portfolio, 10 projects, were short of their employment goals.

UNPAID REAL PROPERTY TAX POLICY

- 100% compliance

LOCAL LABOR POLICY

- 100% compliance

COMPLIANCE SUMMARY

2023 Recapture Summary

- **Employment Retention/Creation:** 109 projects were monitored each quarter and subject to compliance requirements.
 - 91% compliance with employment retention/creation requirements.
- **PILOT Recapture:**
 - **9 projects** had payments recaptured due to employment shortfalls.
 - Options provided:
 - Repay the pro-rata incentive amount, or
 - Appear before the Policy Committee and ECIDA Board for alternative resolutions.
 - **Total recaptured: \$29,967.17.**
 - Funds redistributed to appropriate taxing jurisdictions.
- **PILOT Terminations:**
 - **2 projects**, Group V Real Estate (Tenant: Athenex Pharma) and Column Development (Tenant: L&W Supply), voluntarily terminated their PILOT agreements in 2023.

County Recapture	Town Recapture	School Recapture	Village Recapture	Total Recapture
\$5,469.87	\$8,265.16	\$14,808.93	\$1,423.21	\$29,967.17

Sales Tax Compliance

- **Board Approval:** Sets the maximum sales tax savings for each company.
- **Repayment Obligation:** Companies must repay any amount over the approved limit.
- **Monitoring:** Sales tax savings are tracked via ST-340 forms submitted to the NYS Tax Dept.; the Agency requests a copy.
- **Verification:** Staff compares Board-approved savings with ST-340 forms; excess savings require repayment.
- **Repayment Process:** Client sends repayment to the Agency, which submits an ST-65 form and forwards the check to the NYS Tax Dept.
- **Recent Repayments:** In 2022, three companies repaid a total of **\$149,442.55**; in 2023, two companies repaid a total of **\$145,606.35**.

2022-2023 Local Labor Results

- 100% with the Agency's 90% local labor requirement
- Local Labor Waivers: The Board granted one (1) waiver in 2022 and another in 2023.

Key metrics

Year	Construction Workers Residing in the 8 counties of WNY	Construction Workers Residing outside the 8 counties of WNY	TOTAL Construction Workers	% in 8 counties of WNY	% outside 8 counties of WNY	Total Local Labor in Erie County	% in Erie County
2022	5,414	334	5,748	94.2%	5.8%	4,038	74.6%
2023	6,089	338	6,427	94.7%	5.3%	4,632	72.1%
TOTAL	11,503	672	12,175	94.5%	5.5%	8,670	71.2%

Thank you

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Libby March/ Buffalo News

**OAHS Tonawanda TC LLC / Tonawanda Towers
Briefing Memo
ECIDA Tax-Exempt Bonding**



Orbach Affordable Housing Solutions ("OAHS") was established in June 2016 to build and preserve affordable housing throughout the United States through the use of tax-exempt debt, low-income housing tax credits and other financial vehicles. OAHS is a wholly owned subsidiary of the Orbach Group which is owned and managed by Meyer Orbach.

Existing Project:

Tonawanda Towers (the "Project Facility") located at 5 Main Street, Tonawanda, NY, is a 100% affordable housing facility consisting of 100 units (plus one super's unit) targeting senior households earning 60% AMI or less.

On October 26, 2022, the ECIDA resolved to issue its tax-exempt bonds in an amount not to exceed \$13,000,000 to fund OAHS's acquisition and renovation of the Project Facility. The extensive rehabilitation included: renovating the interiors of all units and the common areas, upgrading all electrical equipment to energy efficient equipment, updating the building envelope, and improving various site features. The upgrades to the units was done as "rehab in place" with efforts made to minimize tenant impact during renovations. All units are one bedroom with rent ranges = \$ 1,205 - \$1,230.

The Project Facility is subject to a PILOT Agreement between the County, the Town, the School District, and the OAHS.

The bonds were directly placed with and purchased by Mizuho Capital Markets LLC, and are not an obligation of the ECIDA, Erie County, or New York State.

OAHS Request:

After bond financing (closing dated December 29, 2022), OAHS successfully refurbished the Project Facility and obtained a rent increase from the United States Department of Housing and Urban Development ("HUD") that will allow the Project Facility to incur/service additional long-term debt. The rent increase will be paid for by HUD and will not be borne by the tenants.

Pursuant to the relevant provisions of Section 2.12(b)(iii) of that certain Indenture of Trust dated as of December 1, 2022, made and entered into by and between ECIDA and The Huntington National Bank, OAHS is requesting the ECIDA's consent for waiver of the mandatory redemption of a portion of the bonds such that said portion of the bonds will become long-term debt and be used to pay down certain costs of the rehabilitation. The mandatory redemption amount is approximately \$690,000. However, the rent increase enables the project to carry more long-term debt. As a result, OAHS is asking that the mandatory redemption amount be waived and that said redemption amount become long-term debt thereby enabling the project to paydown other costs of completion relating to the rehabilitation of the Project Facility more quickly. There will be no other changes to the debt other than the interest rate on the Series A bonds will increase from 5.40% to 5.50%.

**APPROVING RESOLUTION
OAHS TONAWANDA TC LLC PROJECT**

A regular meeting of Erie County Industrial Development Agency (the “Issuer”) was convened in public session at the offices of the Issuer located at 95 Perry Street – 4th Floor Conference Room in the City of Buffalo, New York on March 26, 2025 at 12:00 o’clock p.m., local time.

The meeting was called to order by the (Vice) Chairperson of the board of the Issuer and, upon roll being called, the following members of the Issuer were:

PRESENT:

Brenda McDuffie	Chairperson
Richard Lipsitz	Vice Chairperson
Denise Abbott	Member
Lavonne Ansari	Member
Rev. Mark Blue	Member
Patrick Boyle	Member
Thomas Emmerling	Member
Hon. Joseph Emminger	Member
Dottie Gallagher	Member
Tyra Johnson	Member
Hon. Brian Kulpa	Member
Glenn Nellis	Member
Hon. Brian Nowak	Member
Hon. Mark Poloncarz	Member
Hon. Christopher P. Scanlon	Member
Kenneth Schoetz	Member
Taisha St. Jean Tard	Member

ABSENT:

ISSUER STAFF PRESENT INCLUDED THE FOLLOWING:

John Cappellino	President and Chief Executive Officer
Mollie Profic	Chief Financial Officer
Elizabeth O’Keefe	Vice President of Operations and Secretary
Carrie Hocieniec	Assistant Secretary
Robert G. Murray, Esq.	Issuer Counsel

The following resolution was offered by _____, seconded by _____, to wit:

Resolution No. __

RESOLUTION (A) APPROVING CERTAIN MODIFICATIONS RELATING TO THE MULTIFAMILY HOUSING REVENUE BONDS (OAHS TONAWANDA TC LLC PROJECT), SERES 2022A AND THE MULTIFAMILY HOUSING REVENUE BONDS (OAHS TONAWANDA TC LLC PROJECT), SERES 2022B PREVIOUSLY ISSUED BY ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE “ISSUER”), (B)

THE EXECUTION AND DELIVERY BY THE ISSUER OF CERTAIN RELATED DOCUMENTS AND (C) MAKING A FINDING IN COMPLIANCE WITH THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT WITH RESPECT THERETO.

WHEREAS, the Erie County Industrial Development Agency (the "Issuer") is authorized and empowered by Article 18-A of the General Municipal Law of the State of New York (the "State"), as amended (the "Enabling Act"), together with Section 891-a of the General Municipal Law, as amended (said Section and the Enabling Act, collectively referred to as, the "Act"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of the acquisition, construction, installation and equipping of one or more "projects" (as defined in the Act), to acquire, construct, equip and install said projects or to cause said projects to be acquired, constructed, equipped and installed and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, on December 29, 2022, the Issuer issued its Multifamily Housing Revenue Bonds (OAHS Tonawanda TC LLC Project), Series 2022A in the original principal amount of \$11,090,000 (the "Series 2022A Bonds") and its Multifamily Housing Revenue Bonds (OAHS Tonawanda TC LLC Project), Series 2022B in the original principal amount of \$650,000 (the "Series 2022B Bonds" and together with the Series 2022A Bonds, the "Bonds"); and

WHEREAS, the Bonds were issued for the purpose of financing a portion of the costs of a certain project (the "Project") undertaken for the benefit of Shoreline Apartments LLC, a New York limited liability company (the "Company") consisting of the following: (A) (1) the acquisition of an interest in a portion of approximately 0.39 acres of land located at 5 Main Street in the City of Tonawanda, Erie County, New York (the "Land"), (2) the acquisition, reconstruction and renovation of an existing 11-story tower consisting of 100 apartment units and containing approximately 81,224 square feet in the aggregate known as the Tonawanda Towers Apartments located on the Land (the "Facility") and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to hereinafter as the "Project Facility"), all of the foregoing to constitute a low-income housing facility to be operated by the Company and leased to residential tenants, and any other directly and indirectly related activities; (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Bonds; (C) the payment of a portion of the costs incidental to the issuance of the Bonds, including issuance costs of the Bonds and any reserve funds as may be necessary to secure the Bonds; (D) the granting of certain other "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively with the Bonds, the "Financial Assistance"); and (E) the lease (with an obligation to purchase) or sale of the Project Facility to OAHS Tonawanda Housing Development Fund Company, Inc, a not-for-profit corporation organized and existing under the laws of the State of New York having an office for the transaction of business located at 980 Sylvan Avenue, Englewood Cliffs, New Jersey (the "HDFC" and together with the Company, the "Owner") or such other person as may be designated by the Company and agreed upon by the Issuer; and

WHEREAS, the Bonds were issued pursuant to a bond resolution adopted by the members of the Issuer on October 26, 2022 and a trust indenture dated as of December 1, 2022 (the “Indenture”) by and between the Issuer and The Huntington National Bank, as trustee for the holders of the Bonds (the “Trustee”); and

WHEREAS, simultaneously with the issuance of the Bonds, the Owner and the Issuer executed and delivered an installment sale agreement dated as of December 1, 2011 (the “Installment Sale Agreement”), pursuant to which (1) the Owner agreed (a) to cause the Project to be undertaken and completed, (b) as agent of the Issuer, to undertake and complete the Project, (c) to purchase the Issuer’s leasehold interest in the Project Facility from the Issuer, and (d) to make certain installment purchase payments (or cause such payments to be made) to or upon the order of the Issuer as the purchase price for the Project Facility, which installment purchase payments shall include amounts equal to the debt service payments due on the Bonds, and (2) the Issuer agreed to (a) undertake the Project, (b) appoint the Owner as agent of the Issuer to undertake and complete the Project, and (c) sell the Issuer’s leasehold interest in the Land and the Facility to the Owner and the Issuer’s fee interest in the Equipment to the Company; and

WHEREAS, to secure the Bonds, the Issuer executed and delivered to the Trustee a pledge and assignment dated as of December 1, 2022 (the “Pledge and Assignment”), which Pledge and Assignment assigned to the Trustee certain of the Issuer’s rights under the Installment Sale Agreement; and

WHEREAS, as further security for the Bonds, all amounts required to be paid under the Installment Sale Agreement and the performance and observance by the Owner of its obligations thereunder and the other Financing Documents (as defined in the Indenture), the Owner, the Trustee and Red Stone Servicer, LLC (“Red Stone”) executed and delivered a continuing covenant agreement dated as of December 1, 2017 (the “Continuing Covenant Agreement”) by and among the Owner, the Trustee and Red Stone; and

WHEREAS, the Bonds were initially purchased by FMSbonds, Inc. (“FMS”) pursuant to a bond purchase agreement dated December 29, 2022 (the “Bond Purchase Agreement”) by and among the Issuer, the Company and FMS, and immediately thereafter FMS sold the Bonds to Mizuho Capital Markets LLC (the “Majority Owner”); and

WHEREAS, pursuant to the Bond Resolution and prior to authorizing the issuance of the Bonds thereunder, the members of the Agency determined that the Project constitutes a “Type II Action,” as such quoted term is defined under Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6NYCRR Part 617, as amended (the “Regulations” and collectively with the SEQR Act, “SEQRA”), and therefore that no further action with respect to the Project was required under SEQRA; and

WHEREAS, pursuant to a letter dated March 21, 2025 (the “Request Letter”) received by the Issuer from counsel to the Company, the Company (A) notified the Issuer that the Company and the Majority Owner wish to, among other things (i) change the interest rate payable on the Series 2022A Bonds and (ii) reduce the aggregate principal amount of the Series 2022A Bonds to be redeemed as a condition to Stabilization (as defined in the Indenture) pursuant to the mandatory redemption provisions set forth in Section 2.12(b)(iii) of the Indenture from \$690,000 to \$0 (collectively, the “Modifications”) and (B) requested the consent of the Issuer to the Modifications, with a copy of such Request Letter being attached hereto as Exhibit A; and

WHEREAS, in connection with the Request Letter, the Issuer now desires to authorize the following actions (collectively, the “Action”): (1) to consent to the Modifications, (2) to make any necessary

amendments to the Financing Documents and the Series 2022A Bonds in order to implement the Modifications (collectively, the “Modification Documents”) and (3) if (and only if) the Modifications result, in the opinion of Hodgson Russ LLP, bond counsel to the Issuer, in a deemed reissuance of the Series 2022A Bonds (referred to hereinafter as the “Reissued Bonds”) pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), the execution by the Issuer of (a) an arbitrage certificate dated the date of delivery of the Reissued Bonds (the “Reissued Arbitrage Certificate”) relating to certain requirements set forth in Section 148 of the Code relating to the Reissued Bonds and (b) a completed Internal Revenue Service Form 8038 (Information Return for Tax-Exempt Private Activity Bonds) relating to the Reissued Bonds (the “Reissued Information Return”) pursuant to Section 149(e) of the Code, which Reissued Information Return shall be filed with the Internal Revenue Service (the Series 2022A Bonds, the Reissued Bonds, the Modification Documents, the Reissued Arbitrage Certificate and the Reissued Information Return are hereinafter referred to as the “Bond Documents”); and

WHEREAS, pursuant to SEQRA, the Issuer must determine the potential environmental significance of the Action; and

WHEREAS, the Issuer now wishes to authorize the Action;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Pursuant to SEQRA, the Issuer hereby finds and determines that:

(A) Pursuant to Section 617.5(c)(29) of the Regulations, the Action (including but not limited to the execution and delivery of the Bond Documents) is a “Type II action” (as said quoted term is defined in the Regulations).

(B) Accordingly, the Issuer hereby determines that no environmental impact statement or any other determination or procedure is required under SEQRA with respect to the Action.

Section 2. The Issuer hereby finds and determines that:

(A) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act.

(B) It is desirable and in the public interest for the Issuer to enter into the Bond Documents.

Section 3. In consequence of the foregoing, the Issuer hereby determines to: (A) authorize the Action; (B) subject to approval of the form and substance of the Bond Documents by Bond Counsel and counsel to the Issuer, approve the form and substance of the Bond Documents; and (C) subject to (i) compliance with the terms and conditions contained in the existing documents relating to the Series 2022A Bonds and (ii) compliance with state and federal law applicable to the Action, authorize the execution and delivery of the Bond Documents.

Section 4. Subject to the satisfaction of the conditions described in Section 3 hereof, the Chairperson, Vice Chairperson, President and Chief Executive Officer, Chief Financial Officer, Vice President of Operations and Assistant Treasurer of the Issuer (each, an “Authorized Officer”) is hereby authorized, on behalf of the Issuer, to execute and deliver the Bond Documents and the other documents related thereto and, where appropriate, the Assistant Secretary of the Issuer is hereby authorized to affix the

seal of the Issuer thereto and to attest the same, all in substantially the forms thereof approved by Bond Counsel and counsel to the Issuer, with such changes, variations, omissions and insertions as the Authorized Officer of the Issuer shall approve, the execution thereof by the Authorized Officer of the Issuer to constitute conclusive evidence of such approval.

Section 5. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Bond Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of this resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Bond Documents binding upon the Issuer.

Section 6. This resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Brenda McDuffie	VOTING	_____
Richard Lipsitz	VOTING	_____
Denise Abbott	VOTING	_____
Lavonne Ansari	VOTING	_____
Rev. Mark Blue	VOTING	_____
Patrick Boyle	VOTING	_____
Thomas Emmerling	VOTING	_____
Hon. Joseph Emminger	VOTING	_____
Dottie Gallagher	VOTING	_____
Tyra Johnson	VOTING	_____
Hon. Brian Kulpa	VOTING	_____
Glenn Nellis	VOTING	_____
Hon. Brian Nowak	VOTING	_____
Hon. Mark Poloncarz	VOTING	_____
Hon. Christopher Scanlon	VOTING	_____
Kenneth Schoetz	VOTING	_____
Taisha St. Jean Tard	VOTING	_____

The foregoing resolution was thereupon declared duly adopted.

[Remainder of page left blank intentionally]

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

I, the undersigned (Assistant) Secretary of Erie County Industrial Development Agency (the “Issuer”), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Issuer, including the resolution contained therein, held on March 26, 2025 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Issuer had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the “Open Meetings Law”), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Issuer present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 26th day of March, 2025.

(Assistant) Secretary

(SEAL)

EXHIBIT A
REQUEST LETTER
-SEE ATTACHED-



March 21, 2025

Grant Lesswing
Erie County Industrial Development Agency
95 Perry Street, Suite 403
Buffalo, New York 14203

Robert G. Murray, Esq.
Harris Beach Murtha
726 Exchange Street, Suite 100
Buffalo, New York 14210

Christopher C. Canada, Esq.
Hodgson Russ LLP
677 Broadway, Suite 401
Albany, New York 12207

Re: Orbach Affordable Housing Solutions – Tonawanda Towers

Gentlemen:

We are counsel to OAHS Tonawanda TC LLC (the “Company”), a New York limited liability company, with respect to the Multifamily Housing Revenue Bonds (OAHS Tonawanda TC LLC Project), Series 2022A in the original principal amount of \$11,090,000 (the “Series 2022A Bonds”) and the Multifamily Housing Revenue Bonds (OAHS Tonawanda TC LLC Project), Series 2022B issued in the original principal amount of \$650,000 (the “Series 2022B Bonds” and together with the Series 2022A Bonds, the “Bonds”) issued by Erie County Industrial Development Agency (the “Issuer”) on December 29, 2022. The Bonds were issued pursuant to a bond resolution adopted by the Issuer on October 26, 2022 and a trust indenture dated as of December 1, 2022 (the “Indenture”) by and between the Issuer and The Huntington National Bank, as trustee to the holders of the Bonds (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture.

Subsequent to the issuance of the Bonds, the Company obtained a rent increase from the United States Department of Housing and Urban Development (“HUD”) that will allow the Project to incur and service additional long-term debt. The rent increase will be paid for by HUD and will not be borne by the tenants of the Project Facility. In connection with the rent increase, the Company and the holder of the Series 2022A Bonds wish to (i) change the interest rate payable on the Series 2022A Bonds and (ii) reduce the aggregate principal amount of the Series 2022A Bonds to be redeemed as a condition to Stabilization pursuant to the mandatory redemption provisions set forth in Section 2.12(b)(iii) of the Indenture from \$690,000 to \$0 (collectively, the “Proposed Action”).

726 Exchange Street Suite 500 Buffalo, New York 14210 phone: (716) 856-1700 fax: (716) 856-2311 www.chwattys.com
Offices also in Albany, New York

Erie County Industrial Development Agency
Harris Beach Murtha
Hodgson Russ LLP
March 21, 2025
Page 2

As required under the Indenture, the Company respectfully requests that the Issuer approve the Proposed Action.

Please confirm same and let us know if an in-person or "zoom" appearance is required.

Very truly yours,



Stephen L. Yonaty

SLY:bks
cc: Jay Reinhard